

This document constitutes two prospectuses: (i) the prospectus of Deutsche Telekom AG in respect of non-equity securities within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 ("**Non-Equity Securities**") and (ii) the prospectus of Deutsche Telekom International Finance B.V. in respect of Non-Equity Securities (together, the "**Prospectus**").



## Deutsche Telekom AG

Bonn, Federal Republic of Germany

as Issuer and as Guarantor for Notes issued by

## Deutsche Telekom International Finance B.V.

a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands and having its corporate seat in Amsterdam, The Netherlands

as Issuer

## EUR 25,000,000,000 Debt Issuance Programme

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**") for its approval of this Prospectus.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme (the "**Programme**") to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. Notes issued under the Programme may also be listed on an alternative stock exchange or may not be listed at all.

Each Issuer has requested the CSSF to provide the competent authorities in the Federal Republic of Germany ("**Germany**"), The Netherlands, the United Kingdom of Great Britain and Northern Ireland, the Republic of Ireland and the Republic of Austria, with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the *Loi relative aux prospectus pour valeurs mobilières* which implements Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 into Luxembourg law ("**Notification**"). Each Issuer may request the Commission to provide competent authorities in additional host Member States within the European Economic Area with a Notification.

See "*Risk Factors*" for a discussion of certain factors which should be considered by prospective investors in connection with an investment in any of the Notes. This Debt Issuance Programme Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

*Arranger*

**Deutsche Bank**

*Dealers*

<b>Barclays Capital</b>	<b>BBVA</b>	<b>BNP PARIBAS</b>
<b>Citi</b>	<b>Deutsche Bank</b>	<b>DZ BANK AG</b>
<b>Goldman Sachs International</b>	<b>J.P. Morgan</b>	<b>Morgan Stanley</b>
<b>Société Générale Corporate &amp; Investment Banking</b>	<b>The Royal Bank of Scotland</b>	<b>UniCredit Bank</b>
	<b>WestLB AG</b>	

This Prospectus has been filed with the CSSF and will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the website of each Issuer. This Prospectus replaces the Prospectus dated 24 April 2009 last updated by a Supplement dated 2 March 2010 pertaining to the Programme.

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## Responsibility Statement

Deutsche Telekom AG ("**Deutsche Telekom**", the "**Guarantor**" or the "**Company**" and together with its consolidated subsidiaries, the "**Group**" or "**Deutsche Telekom Group**") with its registered office in Bonn and Deutsche Telekom International Finance B.V. ("**Finance**") with its registered office in Amsterdam (each an "**Issuer**" and together the "**Issuers**") are solely responsible for the information given in this Prospectus,

provided that:

Finance is not responsible for the description of Deutsche Telekom.

Each Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

## Notice

This Prospectus should be read and construed in conjunction with any supplement thereto and with any document incorporated herein by reference (the "**Reference Documents**"). Full information on each Issuer and any tranche of Notes (as hereinafter defined) is only available on the basis of the Prospectus as supplemented, together with the Reference Documents and the relevant final terms (the "**Final Terms**").

Each Issuer has confirmed to the dealers set forth on the cover page and any additional dealer appointed from time to time under the Programme (each a "**Dealer**" and together the "**Dealers**") that this Prospectus contains all information with regard to the Issuers and the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder; that the information contained herein with respect to the Issuers and the Notes is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which would make any statement, whether fact or opinion, in this Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No person has been authorised to give any information which is not contained in or not consistent with this Prospectus or any other document entered into in relation to the Programme or any information supplied by any Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuers, the Guarantor, the Dealers or any of them.

Neither the Arranger nor any Dealer nor any other person mentioned in this Prospectus, excluding the Issuers, is responsible for the information contained in this Prospectus or any supplement thereof, or any Final Terms or any other Reference Document, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

This Prospectus is valid for 12 months from the date of publication and this Prospectus and any supplement hereto as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of this Prospectus as supplemented or any Final Terms and the offering, sale or delivery of any Notes may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial condition of each of the Issuers since such date or that any other information supplied in connection with the Programme is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each of the Issuers has undertaken with the Dealers to supplement this Prospectus or publish a new Prospectus at any time after submission of the Prospectus for approval to the Commission if and when the information herein should become materially inaccurate or incomplete or in the event of any significant new factor, that is capable of affecting the assessment of the Notes by potential Investors.

The Notes will not be registered under the United States Securities Act of 1933, as amended, and will include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons, see "*Selling Restrictions*".

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Issuers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Notes, see "*Selling Restrictions*".

This Prospectus is drawn up in the English language. The English version shall prevail over any part of this Prospectus translated into the German language except for the Terms and Conditions in respect of the issue of any Tranche (as hereinafter defined) of Notes under the Programme where the prevailing language will be specified in the applicable Final Terms. The Issuers accept responsibility for the information contained in this Prospectus and confirm that the non-binding translation of the

Terms and Conditions, either in the German or English language, correctly and adequately reflects the respective binding language version.

The Notes issued under the Programme may be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange - the Luxembourg Stock Exchange's "**Regulated Market**" is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.

**This Prospectus may only be used for the purpose for which it has been published.**

**This Prospectus and any Final Terms must not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

**In connection with the issue of any Tranche of Notes under the Programme, the Dealer(s) who is(are) specified in the relevant Final Terms as the stabilising manager(s) (or persons acting on its(their) behalf) may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that such stabilising manager (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilising action or over-allotment must be conducted by the relevant stabilising manager(s) (or persons acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules.**

*All terms not otherwise defined in this Prospectus shall have the meaning as set out in the "Terms and Conditions" of the Notes.*

## Summary

*The following constitutes the summary (the "Summary") of the essential characteristics and risks associated with the Issuer and the Notes to be issued under the Programme. This Summary does not purport to be complete and should be read as an introduction to this Prospectus. Any decision by an investor to invest in the Notes should be based on consideration of this Prospectus as a whole, as supplemented from time to time, including the Reference Documents, any supplements thereto and the relevant Final Terms. Where a claim relating to the information contained in this Prospectus, the Reference Documents, any supplement thereto and the relevant Final Terms is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the Prospectus, the Reference Documents, any supplement thereto and the relevant Final Terms before the legal proceedings are initiated. Civil liability attaches to the Issuer who has tabled this Summary including any translation thereof, and applied for its notification, but only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.*

### Summary in respect of the Notes

<b>Issuers:</b>	Deutsche Telekom AG Deutsche Telekom International Finance B.V.
<b>Guarantor:</b>	Deutsche Telekom AG, in respect of Notes issued by Deutsche Telekom International Finance B.V.
<b>Arranger:</b>	Deutsche Bank Aktiengesellschaft
<b>Dealers:</b>	Banco Bilbao Vizcaya Argentaria, S.A. Barclays Bank PLC BNP PARIBAS Citigroup Global Markets Limited Deutsche Bank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Goldman Sachs International J.P. Morgan Securities Ltd. Morgan Stanley & Co. International plc Société Générale The Royal Bank of Scotland plc UniCredit Bank AG WestLB AG
<b>Fiscal and Principal Paying Agent:</b>	Deutsche Bank Aktiengesellschaft
<b>Paying Agents:</b>	Deutsche Bank Luxembourg S.A. and other institutions, all as indicated in the applicable Final Terms.
<b>Currencies:</b>	Notes may be denominated in euro as well as any other currency or unit of account as an Issuer and any Dealer may agree subject always to all applicable laws and regulations and requirements of the relevant central bank (or equivalent body).
<b>Denomination of Notes:</b>	Notes will be issued in such denominations as indicated in the applicable Final Terms save that the minimum denomination of the Notes will be, if in euro, EUR 1,000, if in any currency other than euro, an amount in such other currency nearly equivalent to EUR 1,000 at the time of the issue of the Notes.

<b>Maturities:</b>	<p>Such maturities as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.</p> <p>Notes of the relevant Issuer in respect of which the issue proceeds are to be accepted in the United Kingdom will have a minimum redemption amount of GBP 100,000 (or its equivalent in other currencies) and can only be issued to a limited class of professional investors, unless such Notes may not be redeemed until on or after the first anniversary of their date of issue.</p>
<b>Form of Notes:</b>	The Notes may be issued in bearer form only.
<b>Fixed Rate Notes:</b>	Fixed Rate Notes bear a fixed interest income throughout the entire term of the Notes. Notes for which the interest rate is fixed will be payable on such basis (as specified in the applicable Final Terms).
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes bear a variable interest income. Notes for which the interest rate is variable will be payable on such basis as specified in the relevant Final Terms plus or minus a margin.</p> <p>The "<b>Agent</b>" (which expression shall in this context mean the Fiscal Agent or the Calculation Agent, as specified in the applicable Final Terms) will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (herein called the "<b>Interest Amount</b>") payable on the Floating Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction detailed in the applicable Final Terms to each Specified Denomination, and rounding the resultant figure to the nearest smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.</p> <p>Interest Periods for Floating Rate Notes will be one, two, three, six or twelve months or such other period(s) as the relevant Issuer and the relevant Dealer(s) may agree, as specified in the applicable Final Terms.</p>
<b>Index-linked Notes:</b>	<p>Index-linked Notes may be issued as Index-linked Interest Notes only.</p> <p><i>Index-linked Interest Notes</i></p> <p>Payments of interest in respect of Index-linked Interest Notes will be made by reference to a single index or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).</p>
<b>Other provisions in relation to Floating Rate Notes and Index-linked Interest Notes:</b>	<p>Floating Rate Notes and Index-linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index-linked Interest Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated as specified in the applicable Final Terms.</p>

<b>Dual Currency Notes:</b>	Dual Currency Notes are Notes where payment of principal and/or payment of interest can be made in different currencies. Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms).
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their principal amount and will not bear interest other than in the case of late payment.
<b>Other Notes:</b>	Notes may be of any other type of security, such as Instalment Notes, Credit Linked Notes or may have any other structure all upon terms provided in the applicable Final Terms.
<b>Redemption:</b>	<p>The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (except for taxation reasons or upon the occurrence of an event of default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Holders upon giving notice within the notice period (if any) indicated in the applicable Final Terms to the Holders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity.</p> <p>Notes of the relevant Issuer in respect of which the issue proceeds are to be accepted in the United Kingdom will have a minimum redemption amount of GBP 100,000 (or its equivalent in other currencies) and can only be issued to a limited class of professional investors, unless such Notes may not be redeemed until on or after the first anniversary of their date of issue.</p>
<b>Taxation:</b>	All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of the country where the relevant Issuer is resident or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction, subject to certain exceptions as described in the Terms and Conditions.
<b>Early Redemption for Taxation Reasons:</b>	Early redemption of the Notes for reasons of taxation will be permitted if as a result of any amendment to, or change in, the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of Germany or in case of Notes issued by Finance, The Netherlands, or any political subdivision or taxing authority thereto, the Issuer or in case of Notes issued by Finance, the Guarantor, will become obligated to pay additional amounts on the Notes, all as more fully set out in the Terms and Conditions.
<b>Negative Pledge:</b>	The terms of the Notes will contain a negative pledge provision as further described in the Terms and Conditions of the Notes.
<b>Acceleration Events and Cross Default:</b>	The Notes will provide for Acceleration Events entitling Holders to demand immediate redemption of the Notes, all as more fully set out in the Terms and Conditions.

The terms of the Notes will contain a cross default provision of the relevant Issuer and the Guarantor as further described in the Terms and Conditions of the Notes.

- Status of the Notes:** The Notes will constitute unsecured and unsubordinated obligations of the relevant Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer.
- Guarantee:** Notes issued by Finance will be unconditionally and irrevocably guaranteed by the Guarantor. The terms of the Guarantee contain a negative pledge of the Guarantor. The Guarantee will be governed by German law.
- Governing Law:** The Notes will be governed by German law.
- Jurisdiction:** Non-exclusive place of jurisdiction for any legal proceedings arising under the Notes is Frankfurt am Main.
- Clearing and Settlement:** Notes will be accepted for clearing through one or more Clearing Systems as specified in the applicable Final Terms. These systems will include those operated by Clearstream Banking AG, Frankfurt am Main ("**CBF**"), Clearstream Banking, société anonyme, Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear**").

## Summary in respect of Risk Factors

### Risk Factors in respect of Deutsche Telekom

The risk related to Deutsche Telekom's ability to fulfill its obligations as Issuer of debt securities is described by reference to the ratings assigned to Deutsche Telekom. Deutsche Telekom is rated by Fitch (as defined herein), Moody's (as defined herein) and S&P (as defined herein).

As of the publication date of the Prospectus, the ratings assigned to Deutsche Telekom by the Rating Agencies were as follows:

by Fitch:	long-term rating:	BBB+
	short-term rating:	F2
by Moody's:	long-term rating:	Baa1
	short-term rating:	P-2
by S&P:	long-term rating:	BBB+
	short-term rating:	A-2

Notes issued under the Programme may have a different rating or no rating at all.

Deutsche Telekom's financial condition, results of operations, the trading prices of its securities or other financial data could be adversely affected by any of the following risks:

- An economic downturn, a substantial slowdown in economic growth or deterioration in consumer spending could adversely affect Deutsche Telekom's customers' purchases of products and services in each of the operating segments, which could have a negative impact on the operating results and financial condition of Deutsche Telekom.
- Because Deutsche Telekom operates in heavily regulated business environments, decisions that regulatory authorities impose on Deutsche Telekom restrict flexibility in managing its business and may force it to offer services to competitors, or reduce the prices it charges for products and services, either of which could have a material negative impact on Deutsche Telekom's revenues, profits and market shares.
- Deutsche Telekom faces intense competition in all areas of its business, which could lead to reduced prices for its products and services and a decrease in market share in certain service areas, thereby adversely affecting Deutsche Telekom's revenues and net profit.
- Deutsche Telekom may realise neither the expected level of demand for its products and services, nor the expected level or timing of revenues generated by those products and services, as a result of lack of market acceptance, technological change or delays from suppliers, which could adversely affect Deutsche Telekom's cash flows.
- Some of Deutsche Telekom's investments (such as in new spectrum licenses) to develop future products and services may involve substantial cash outlays with no certainty of market acceptance or regulatory non-interference with license requirements.
- Failure to achieve the planned reduction and restructuring of personnel or the human resources-related cost-savings goals could negatively affect the reputation and achievement of Deutsche Telekom's financial objectives and profitability.
- As a result of dispositions of certain non-core businesses in Germany, there is an increased risk of return of civil servants transferred out of Deutsche Telekom Group, which could have a negative impact on the staff and cost reduction objectives.
- Alleged health risks of wireless communications devices have led to litigation affecting markets with Deutsche Telekom's mobile telecommunications operations subsidiaries, and could lead to decreased wireless communications usage or increased difficulty in obtaining sites for base stations and, as a result, adversely affect the financial condition and results of operations of Deutsche Telekom's wireless services business.

- Deutsche Telekom continuously engages in large-scale programs to reshape the information technology (IT) infrastructure to adapt to changing customer needs and organisational requirements. Failure to effectively plan and monitor these activities could lead to misallocations of resources and impaired processes with negative consequences for Deutsche Telekom's operations.
- System failures due to natural or man-made disruptions and loss of data could result in reduced user traffic and reduced revenues and could harm Deutsche Telekom's reputation and results.
- Shortcomings in Deutsche Telekom's supply and procurement process could negatively affect its product portfolio, revenues and profits.
- Deutsche Telekom is continuously involved in disputes and litigation with regulators, competition authorities, competitors and other parties. The ultimate outcome of such legal proceedings is generally uncertain. When finally concluded, they may have a material adverse effect on Deutsche Telekom's results of operations and financial condition.
- Deutsche Telekom faces allegations of data misuse and flaws in its security systems. Despite diverse measures taken to protect customer data, damage to Deutsche Telekom's reputation remains a significant risk, which may also affect its business.
- Future sales of Deutsche Telekom shares by the Federal Republic or KfW Bankengruppe ("**KfW**") may adversely affect the trading prices of Deutsche Telekom's shares and American Depositary Shares ("**ADSs**").
- Exchange-rate, interest-rate and rating risks have had, and may continue to have, an adverse effect on Deutsche Telekom's revenue and cost development.
- Deutsche Telekom aims to solely place the financial investments at financial institutions that have high credit ratings. As a result of international M&A transactions, the investment portfolio of newly acquired entities may not always meet this requirement. In individual cases, Deutsche Telekom thus may face a risk of unplanned write offs.
- As a result of a major restructuring program, Deutsche Telekom will bring together its domestic fixed-network business and its domestic mobile business within a new Germany company. Failure to achieve a smooth transition to "*One Company*" could negatively affect Deutsche Telekom's business processes, operational systems and customer service.
- Developments in the telecommunications sector have resulted, and may in the future result, in substantial write-downs of the carrying value of certain of Deutsche Telekom's assets.
- Potential breaches of compliance requirements or the identification of material weaknesses in Deutsche Telekom's internal control over financial reporting may have an adverse impact on Deutsche Telekom's corporate reputation, financial condition and the trading price of its securities.

### **Risk Factors in respect of Finance**

Payment of principal and interest on notes issued by Finance are guaranteed by Deutsche Telekom AG. Therefore the risks in respect of Finance substantially correspond with the ones of Deutsche Telekom AG.

## **Risk Factors in respect of the Notes**

### **Notes may not be a suitable investment**

A potential investor should not invest in Notes which are complex financial Notes unless the investor has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### **Currency Risk / Dual Currency Notes**

A holder of a Note denominated in a foreign currency and a holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes.

### **Liquidity Risk**

There can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices.

### **Risk of Early Redemption**

If the Issuer has the right to redeem the Notes prior to maturity, a holder of such Notes is exposed to the risk that due to early redemption his investment will have a lower than expected yield. Also, the holder may only be able to reinvest on less favourable conditions as compared to the original investment.

### **Fixed Rate Notes**

A holder of a Fixed Rate Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate.

### **Floating Rate Notes**

A holder of a Floating Rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes.

### **Zero Coupon Notes**

A holder of a Zero Coupon Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

### **Index-linked Notes**

A holder of Index-linked Notes is exposed to the risk of fluctuating interest rate levels which makes it impossible to determine the yield of Index-linked Notes in advance. The more volatile the relevant index is, the greater is the uncertainty in respect of interest income.

### **Structured Notes**

An investment in Note(s) the premium and/or the interest on which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time.

## **Risk of potential Conflicts of Interest**

In case of Notes linked to an underlying, the Issuer, each Dealer or any of their respective affiliates may from time to time engage in transactions relating to such underlying which could create conflicts of interest and may have a negative impact on the underlying value.

## **Summary in respect of Deutsche Telekom**

### **Information about the Company**

Pursuant to the Second Postal Reform Law (*Gesetz zur Neuordnung des Postwesens und der Telekommunikation*), Deutsche Bundespost TELEKOM, a public law entity and the predecessor of Deutsche Telekom AG, was transformed into a German private law stock corporation, with effect from 1 January 1995. Deutsche Telekom AG is registered in the Commercial Register of Bonn under No. HRB 6794 and its legal and commercial name is Deutsche Telekom AG. The Second Postal Reform Law also provided the framework for the privatisation of the Company. In November 1996, Deutsche Telekom's capital was increased and the new shares were offered internationally to the general public. Due to a series of transfers of shares to Kreditanstalt für Wiederaufbau commencing in January 1998, a second capital increase in June 1999, a third public offering of shares in June 2000 and a fourth capital increase in May 2001, now approximately 68% of the current share capital is held by institutional and private investors.

Deutsche Telekom AG is the parent company of Deutsche Telekom Group which is a full-service telecommunications group whose major lines of business include providing public fixed-network voice telephony, mobile communications services, leased lines, text and data services, on-line services, corporate network design and supply, and network management services within the German market and in certain international markets.

Its registered office is at Friedrich-Ebert-Allee 140, 53113 Bonn, Germany.

### **Integrated Company**

Deutsche Telekom provides network access, communications services and value-added services with ever increasing bandwidth via the fixed and mobile networks. The Group supports personal and social networking using innovative products and services. Under the "T" umbrella of the Group's company brand, the T-Home brand signifies "*everything for the home*", and T-Mobile indicates "*everything for people on the move*". The T-Systems brand includes the Group's worldwide offerings for large companies.

#### **T-Home**

The focus at T-Home is on the high-growth broadband market with top customer care and customer retention in voice and data communications. The fixed network paves the way for ever increasing bandwidths and interactive services - such as Entertain, the Group's IPTV package.

#### **T-Mobile**

T-Mobile is Deutsche Telekom's mobile communications brand with more than 150 million customers in Europe and the United States. Further developments focus on expanding the mobile Internet and related services.

#### **T-Systems**

T-Systems is focused on business involving network-centric ICT solutions - with offers combining IT and telecommunications services. In collaboration with its Indo-American partner company Cognizant, T-Systems offers multinational companies the solutions they need from a single source. In addition to these 400 or so multinational companies, T-Systems is also a reliable partner to customers from the public and health sectors.

## **Internationalisation and Sustainability**

As an international group, Deutsche Telekom Group is represented in about some 50 countries worldwide. More than half of its net revenue is generated outside of Germany. Deutsche Telekom Group employs some 260,000 (in December 2009) people overall.

The Group is committed to the principles of sustainability and bases its actions on economic as well as social and ecological criteria. The Group regularly ranks highly in international sustainability ratings, based on its environmental and social performance. For example, renewable energies have met the Group's entire power requirements in Germany since January 2008.

## **Financial Information**

The consolidated financial statements of Deutsche Telekom as of and for the years ended 31 December 2008 and 31 December 2009 have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the European Union (EU), as well as with the additional regulations under commercial law as set forth in § 315a(1) HGB (*Handelsgesetzbuch* - German Commercial Code) and with the IFRS as issued by the International Accounting Standards Board ("**IASB**"). In each case an unqualified auditors' report has been issued.

## **Share Capital**

As of 31 December 2009, the share capital of Deutsche Telekom amounted to EUR 11,164,979,182.08 divided into 4,361,319,993 registered ordinary shares without par value (*Stückaktien*). All shares have been issued and are fully paid. Deutsche Telekom held approximately 0.04% of its total ordinary shares.

## **Summary in respect of Finance**

Finance was incorporated on 30 October 1995 under the laws of The Netherlands as a private company with limited liability for an unlimited duration. Finance is a 100% subsidiary of Deutsche Telekom AG. Finance has its corporate seat in Amsterdam and is registered with the Trade Register in Amsterdam under number 33274743. Its address is Herengracht 124-128, 1015 BT Amsterdam, The Netherlands.

Finance is the finance organisation of Deutsche Telekom Group. Finance issues various notes at the capital market.

### **Financial Information**

The unconsolidated financial statements of Finance as of and for the years ended 31 December 2008 and 31 December 2009 have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the European Union (EU) and with the IFRS as issued by the International Accounting Standards Board ("**IASB**") as well as with Part 9 of Book 2 of The Netherlands Civil Code, have been audited by Ernst & Young Accountants LLP.

### **Share Capital**

As of 31 December 2009, the authorised share capital of Finance consists of 5,000 shares of common stock at a par value of EUR 453.78 each. The issued share capital amounts to EUR 453,780 and consists of 1,000 shares of common stock at a par value of EUR 453.78. The remaining 4,000 shares are unissued.

## German Translation of the Summary

Die nachfolgenden Ausführungen stellen eine Zusammenfassung ("**Zusammenfassung**") der wesentlichen Merkmale und Risiken, die auf die Emittentin und die unter dem Programm zu begebenden Schuldverschreibungen zutreffen, dar. Diese Zusammenfassung erhebt keinen Anspruch auf Vollständigkeit und soll als Einleitung zu diesem Prospekt verstanden und gelesen werden. Jede Entscheidung eines Anlegers zu einer Investition in die Schuldverschreibungen sollte sich auf die Prüfung des gesamten Prospektes wie von Zeit zu Zeit geändert oder ergänzt, einschließlich der durch Verweis einbezogenen Dokumente, etwaiger Nachträge und der jeweiligen Endgültigen Bedingungen stützen. Für den Fall, dass ein als Kläger auftretender Anleger vor einem Gericht Ansprüche aufgrund der in diesem Prospekt, einschließlich der durch Verweis einbezogenen Dokumente, etwaigen Nachträgen und der in den jeweiligen Endgültigen Bedingungen enthaltenen Angaben geltend macht, kann dieser Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften die Kosten für die Übersetzung dieses Prospektes, der durch Verweis einbezogenen Dokumente, etwaiger Nachträge und der jeweiligen Endgültigen Bedingungen vor Prozessbeginn zu tragen haben. Die Emittentin, die die Zusammenfassung einschließlich einer Übersetzung davon vorlegt und deren Notifizierung beantragt hat, kann haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospektes gelesen wird.

### Zusammenfassung in Bezug auf die Schuldverschreibungen

<b>Emittentinnen:</b>	Deutsche Telekom AG Deutsche Telekom International Finance B.V.
<b>Garantin:</b>	Deutsche Telekom AG, in Bezug auf Schuldverschreibungen begeben von Deutsche Telekom International Finance B.V.
<b>Arrangeur:</b>	Deutsche Bank Aktiengesellschaft
<b>Platzeure:</b>	Banco Bilbao Vizcaya Argentaria, S.A. Barclays Bank PLC BNP PARIBAS Citigroup Global Markets Limited Deutsche Bank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Goldman Sachs International J.P. Morgan Securities Ltd. Morgan Stanley & Co. International plc Société Générale The Royal Bank of Scotland plc UniCredit Bank AG WestLB AG
<b>Fiscal Agent und Hauptzahlstelle:</b>	Deutsche Bank Aktiengesellschaft
<b>Zahlstellen:</b>	Deutsche Bank Luxembourg S.A. und andere Institutionen wie in den anwendbaren Endgültigen Bedingungen angegeben.
<b>Währungen:</b>	Vorbehaltlich der Einhaltung aller anwendbaren gesetzlichen oder behördlichen Beschränkungen sowie der Vorschriften der betreffenden Zentralbank (oder einer entsprechenden Behörde) können die Schuldverschreibungen in Euro oder anderen zwischen einer Emittentin und dem(n) Platzeur(en) jeweils vereinbarten Währungen oder Recheneinheiten begeben werden.

**Stückelung der  
Schuldverschreibungen:**

Die Schuldverschreibungen werden in den Stückelungen begeben, wie in den maßgeblichen Endgültigen Bedingungen angegeben, mit der Maßgabe, dass die Mindeststückelung der auf Euro lautenden Schuldverschreibungen EUR 1.000 betragen wird, bzw., falls die Schuldverschreibungen auf eine andere Währung lauten, einen Betrag in dieser anderen Währung, der zur Zeit der Begebung der Schuldverschreibungen annähernd dem Gegenwert von EUR 1.000 entspricht.

**Laufzeiten:**

Die Laufzeiten, die in den maßgeblichen Endgültigen Bedingungen angegeben werden, allerdings vorbehaltlich der Mindest- oder Höchstlaufzeiten, die jeweils seitens der betreffenden Zentralbank, Währungs- oder sonstiger Aufsichtsbehörden oder gemäß den für die Relevante Währung geltenden Gesetzen und Vorschriften zulässig oder erforderlich sind.

Schuldverschreibungen, deren Emissionserlös von der betreffenden Emittentin im Vereinigten Königreich empfangen werden soll, und die innerhalb von einem Jahr nach ihrem Begebungstag zurückgezahlt werden sollen, werden (a) einen Rückzahlungsbetrag von nicht weniger als GBP 100.000 (oder dessen Gegenwert in einer anderen Währung als Pfund Sterling) vorsehen und (b) vorsehen, dass solche Schuldverschreibungen nur an einen bestimmten Kreis professioneller Investoren übertragen werden dürfen, es sei denn, der Rückzahlungsbetrag dieses Teils beträgt nicht weniger als GBP 100.000 (oder dessen Gegenwert)

**Form der  
Schuldverschreibungen:**

Die Schuldverschreibungen können ausschliesslich als Inhaberpapiere begeben werden.

**Festverzinsliche  
Schuldverschreibungen:**

Festverzinsliche Schuldverschreibungen verbriefen einen festen Zinsertrag über die gesamte Laufzeit der Schuldverschreibungen. Ein Festzins wird auf dieser Basis gezahlt und in den Endgültigen Bedingungen angegeben.

**Variabel verzinsliche  
Schuldverschreibungen:**

Variabel verzinsliche Schuldverschreibungen verbriefen einen variablen Zinsertrag, der die Basis für die Verzinsung dieser Schuldverschreibungen darstellt und in den anwendbaren Endgültigen Bedingungen angegeben ist.

Der "**Beauftragte**" (in diesem Zusammenhang bezeichnet dieser Begriff die Emissionsstelle oder die Berechnungsstelle, wie in den maßgeblichen Endgültigen Bedingungen angegeben) wird zu jedem Zeitpunkt (bzw. baldmöglichst danach), zu dem der Zinssatz festzulegen ist, den Zinssatz bestimmen und den Zinsbetrag errechnen (nachstehend der "**Zinsbetrag**"), der auf die variabel verzinslichen Schuldverschreibungen für jede festgelegte Stückelung für die betreffende Zinsperiode fällig ist. Jeder Zinsbetrag wird auf Basis des Zinssatzes und des Zinstagequotienten berechnet, die in den maßgeblichen Endgültigen Bedingungen für jede festgelegte Stückelung angegeben sind; das Ergebnis wird auf die nächste kleinste Einheit der festgelegten Währung gerundet, wobei 0,5 einer solchen Einheit aufgerundet wird.

Die Zinsperioden für variabel verzinsliche Schuldverschreibungen umfassen einen, zwei, drei, sechs oder zwölf Monate bzw. einen oder mehrere andere zwischen der betreffenden Emittentin und dem(n) betreffenden Platzeur(en) vereinbarte Zeiträume (wie in den Endgültigen Bedingungen festgelegt).

**Indexierte  
Schuldverschreibungen:**

Indexierte Schuldverschreibungen können nur als Schuldverschreibungen mit indexabhängiger Verzinsung begeben werden.

*Schuldverschreibungen mit indexabhängiger Verzinsung*

Zinszahlungen auf Schuldverschreibungen mit indexabhängiger Verzinsung erfolgen auf Basis eines einzelnen Indizes oder anderer Faktoren (einschließlich Kurs- bzw. Preisänderungen von Wertpapieren und Waren oder Wechselkursbewegungen) und/oder auf Basis einer von der betreffenden Emittentin und dem(n) betreffenden Platzeur(en) festgelegten Formel (wie in den maßgeblichen Endgültigen Bedingungen angegeben).

**Andere für variabel verzinsliche  
Schuldverschreibungen und  
Schuldverschreibungen mit  
indexabhängiger Verzinsung  
geltende Bestimmungen:**

Für variabel verzinsliche Schuldverschreibungen und Schuldverschreibungen mit indexabhängiger Verzinsung kann ein Höchstzinssatz, ein Mindestzinssatz oder beides festgelegt sein. Zinsen auf Variabel verzinsliche Schuldverschreibungen und Schuldverschreibungen mit indexabhängiger Verzinsung sind in Bezug auf jede vor Ausgabe der Schuldverschreibungen jeweils zwischen der betreffenden Emittentin und dem(n) betreffenden Platzeur(en) bestimmten Zinsperiode an den Zinszahlungstagen fällig, die in den maßgeblichen Endgültigen Bedingungen angegeben oder gemäß diesen Bedingungen bestimmt werden, und gemäß den maßgeblichen Endgültigen Bedingungen zu berechnen.

**Doppelwährungs-  
Schuldverschreibungen:**

Doppelwährungs-Schuldverschreibungen sind Schuldverschreibungen, bei denen die Kapitalzahlung und/oder die Zinszahlung in unterschiedlichen Währungen erfolgen können. Zahlungen (von Zinsen oder Kapital, sei es zum Rückzahlungstag oder zu einem anderen Zeitpunkt) auf Doppelwährungs-Schuldverschreibungen erfolgen in den Währungen und auf der Grundlage der Wechselkurse, die zwischen der betreffenden Emittentin und dem(n) betreffenden Platzeur(en) vereinbart werden (wie in den anwendbaren Endgültigen Bedingungen angegeben).

**Nullkupon-  
Schuldverschreibungen:**

Nullkupon-Schuldverschreibungen werden mit einem Abschlag auf ihren Kapitalbetrag angeboten und verkauft und nicht verzinst (außer im Falle von Zahlungsverzug).

**Andere Arten von  
Schuldverschreibungen:**

Schuldverschreibungen können in anderer Form begeben werden, wie Raten-Schuldverschreibungen, Kredit-gebundene Schuldverschreibungen oder mit anderen Strukturen, jeweils wie in den maßgeblichen Endgültigen Bedingungen angegeben.

**Rückzahlung:**

In den maßgeblichen Endgültigen Bedingungen ist entweder festgelegt, dass die Schuldverschreibungen vor Ablauf ihrer festgelegten Laufzeit nicht rückzahlbar sind (es sein denn aus steuerlichen Gründen, bzw. bei Eintritt eines Kündigungsereignisses), oder dass die Schuldverschreibungen nach Wahl der betreffenden Emittentin und/oder der Gläubiger unter Einhaltung einer in den Endgültigen Bedingungen gegebenenfalls festgelegten Frist gegenüber den Gläubigern bzw. der betreffenden Emittentin kündbar (rückzahlbar) sind, und zwar zu (einem) festgelegten Zeitpunkt(en) vor der angegebenen Fälligkeit.

Schuldverschreibungen, deren Emissionserlös von der betreffenden Emittentin im Vereinigten Königreich empfangen werden soll, und die innerhalb von einem Jahr nach ihrem Begebungstag zurückgezahlt werden sollen, werden (a) einen Rückzahlungsbetrag von nicht weniger als GBP 100.000 (oder dessen Gegenwert in einer anderen Währung als Pfund Sterling) vorsehen und (b) vorsehen, dass solche Schuldverschreibungen nur an einen bestimmten Kreis professioneller Investoren übertragen werden dürfen, es sei denn, der Rückzahlungsbetrag dieses Teils beträgt nicht weniger als GBP 100.000 (oder dessen Gegenwert).

**Besteuerung:**

Sämtliche auf die Schuldverschreibungen zahlbaren Beträge an Kapital und Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in dem Land, in dem die betreffende Emittentin ihren Sitz hat, oder für dessen Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde in Form der Quellenbesteuerung auferlegt oder erhoben werden (Quellensteuern), es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die betreffende Emittentin oder die Garantin diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Gläubigern der Schuldverschreibungen zufließenden Nettobeträge nach Einbehalt oder Abzug dieser Quellensteuern denjenigen Beträgen an Kapital und Zinsen entsprechen, die die Gläubiger der Schuldverschreibungen ohne einen solchen Abzug oder Einbehalt erhalten würden; dies gilt vorbehaltlich bestimmter in den Anleihebedingungen der Schuldverschreibungen genannter Ausnahmen.

**Vorzeitige Rückzahlung aus Steuergründen:**

Die vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen ist zulässig, falls als Folge einer Änderung oder Ergänzung der Gesetze oder Vorschriften in der Bundesrepublik Deutschland ("**Deutschland**"), bzw. im Falle der von Finance begebenen Schuldverschreibungen in den Niederlanden (einschließlich einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze oder Vorschriften) die Emittentin, bzw. im Falle der von Finance begebenen Schuldverschreibungen die Garantin, zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen verpflichtet ist, wie im Einzelnen in den Anleihebedingungen der Schuldverschreibungen beschrieben.

**Negativverpflichtung:**

Die Bedingungen der Schuldverschreibungen enthalten eine Negativverpflichtung wie in den Anleihebedingungen beschrieben.

**Kündigungsgründe und Cross Default:**

Die Schuldverschreibungen sehen Kündigungsgründe vor, die die Gläubiger berechtigen, die sofortige Rückzahlung der Schuldverschreibungen, wie in den Anleihebedingungen der Schuldverschreibungen beschrieben, zu verlangen. Die Anleihebedingungen der Schuldverschreibungen sehen eine Cross Default-Klausel der betreffenden Emittentin und der Garantin wie in den Anleihebedingungen beschrieben vor.

**Status der  
Schuldverschreibungen:**

Die Schuldverschreibungen bilden ungesicherte nicht nachrangige Verbindlichkeiten der betreffenden Emittentin, die untereinander und mit allen anderen gegenwärtigen und künftigen, ungesicherten und nicht nachrangigen Verbindlichkeiten der betreffenden Emittentin gleichrangig sind.

**Garantie:**

Die von Finance begebenen Schuldverschreibungen sind unbedingt und unwiderruflich von der Garantin garantiert. Die Bedingungen der Garantie enthalten eine Negativverpflichtung der Garantin. Die Garantie unterliegt deutschem Recht.

**Gerichtsstand:**

Nicht ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit den Schuldverschreibungen ist Frankfurt am Main.

**Geltendes Recht:**

Die Schuldverschreibungen unterliegen deutschem Recht.

**Clearing und Abwicklung:**

Die Schuldverschreibungen sind für das Clearing durch eines oder mehrere Clearing Systeme akzeptiert wie in den anwendbaren Endgültigen Bedingungen angegeben. Diese Systeme schliessen Clearstream Banking AG, Frankfurt am Main, ("**CBF**"), Clearstream Banking, société anonyme, Luxembourg, ("**CBL**") und Euroclear Bank SA/NV ("**Euroclear**") ein.

## Zusammenfassung der Risikofaktoren

### Zusammenfassung der Risikofaktoren in Bezug auf Deutsche Telekom

Die Risiken in Bezug auf Deutsche Telekom's Fähigkeit, ihre Verpflichtungen als Emittentin von Schuldverschreibungen zu erfüllen, sind unter Bezugnahme auf die der Deutschen Telekom erteilten Ratings beschrieben. Deutsche Telekom wurde von Fitch (wie hier definiert), Moody's (wie hier definiert) und S&P (wie hier definiert) gerated.

Zum Veröffentlichungstag dieses Prospektes waren folgende Ratings von den Ratingagenturen erteilt:

von Fitch:	Langfrist-Rating:	BBB+
	Kurzfrist-Rating:	F2
von Moody's:	Langfrist-Rating:	Baa1
	Kurzfrist-Rating:	P-2
von S&P:	Langfrist-Rating:	BBB+
	Kurzfrist-Rating:	A-2

Unter dem Programm begebene Schuldverschreibungen können ein anderes oder gar kein Rating haben.

Deutsche Telekom's Finanzlage, Ertragslage, Kurse ihrer Wertpapiere oder andere Finanzkennzahlen können aufgrund der folgenden Risiken negativ beeinflusst werden:

- Ein konjunktureller Abschwung, eine erhebliche Verlangsamung des Wirtschaftswachstums oder nachlassende Verbraucherausgaben könnten dazu führen, dass der Umfang der Produkte und Dienstleistungen, die die Kunden der Deutschen Telekom von ihr erwerben, in allen ihren operativen Segmenten zurückgeht, was ihre operativen Ergebnisse und ihre Finanzlage negativ beeinflussen könnte.
- Da die Deutsche Telekom in stark regulierten Wirtschaftssektoren tätig ist, schränken Entscheidungen, die ihr von Aufsichtsbehörden auferlegt werden, ihre Flexibilität im Geschäftsmanagement ein und könnten sie dazu zwingen, ihren Mitbewerbern Dienstleistungen anzubieten oder die Preise für ihre Produkte und Dienstleistungen zu senken. Beides könnte die Umsätze, Gewinne und Marktanteile der Deutschen Telekom sehr nachteilig beeinflussen.
- Die Deutsche Telekom ist in allen ihren Geschäftsfeldern mit intensivem Wettbewerb konfrontiert, was zu Preissenkungen für ihre Produkte und Dienstleistungen und einem rückläufigen Marktanteil in bestimmten Dienstbereichen führen und damit ihre Umsatz- und Gewinnsituation nachteilig beeinflussen könnte.
- Es ist möglich, dass die Deutsche Telekom aufgrund eines Mangels an Marktakzeptanz, technologischer Veränderungen oder lieferantenbedingter Verzögerungen weder das erwartete Nachfrageniveau für ihre Produkte und Dienstleistungen, noch die erwartete Höhe bzw. Zeitabfolge der mit diesen Produkten und Dienstleistungen generierten Umsätze erreichen wird, was sich nachteilig auf ihre Cash-Flows auswirken könnte.
- Einige Investitionen der Deutschen Telekom (wie z.B. in neue Lizenzen für die Nutzung von Frequenzspektrum) zur Entwicklung zukünftiger Produkte und Dienstleistungen könnten mit erheblichem Cash-Aufwand verbunden sein, ohne dass die Gewissheit der Marktakzeptanz oder der regulatorischen Nichtbeeinflussung von Lizenzanforderungen gegeben wäre.
- Sollte es der Deutschen Telekom nicht gelingen, ihre geplanten Maßnahmen für den Personalabbau und –umbau bzw. ihre personalbezogenen Kostensparziele umzusetzen, könnte sich dies negativ auf das Ansehen und auf die Erreichung ihrer Finanzzielsetzungen und Profitabilität auswirken.
- Aufgrund von Veräußerungen bestimmter, nicht zum Kerngeschäft gehörender Unternehmen in Deutschland besteht ein erhöhtes Risiko der Rückkehr von aus dem Konzern ausgegliederten

Beamten, was einen negativen Einfluss auf die Personal- und Kostensenkungsziele der Deutschen Telekom haben könnte.

- Vermeintliche Gesundheitsrisiken drahtloser Kommunikationsgeräte haben zu Gerichtsverfahren geführt und die Märkte im Mobilfunkgeschäft tätigen Tochtergesellschaften der Deutschen Telekom beeinträchtigt. Dies könnte einen Rückgang der Mobilfunknutzung nach sich ziehen oder die Beschaffung von Standorten für Basisstation erschweren, was wiederum negative Auswirkungen auf die Finanzlage und operativen Ergebnisse des Mobilfunkgeschäfts der Deutschen Telekom haben könnte.
- Im Rahmen groß angelegter Programme zur Neugestaltung ihrer IT-Infrastruktur ist die Deutsche Telekom stets darum bemüht, immer neuen Kundenbedürfnissen und organisatorischen Anforderungen Rechnung zu tragen. Werden diese Aktivitäten nicht effektiv geplant und überwacht, kann dies eine falsche Ressourcenzuweisung sowie eine Behinderung von Prozessen mit negativen Konsequenzen für ihren Geschäftsbetrieb nach sich ziehen.
- Systemausfälle aufgrund naturbedingter oder menschlich verursachter Störungen und Datenverluste könnten zu Verkehrseinbußen und rückläufigen Umsätzen führen und das Ansehen der Deutschen Telekom und ihre Ergebnisse schädigen.
- Defizite im Versorgungs- und Beschaffungsprozess der Deutschen Telekom könnten sich negativ auf ihr Produktportfolio, ihre Umsätze und Gewinne auswirken.
- Die Deutsche Telekom befindet sich laufend mit Aufsichts- und Wettbewerbsbehörden, Mitbewerbern und anderen Parteien im Rechtsstreit. Das Endergebnis solcher Gerichtsverfahren ist generell ungewiss. Nach deren endgültigem Abschluss können sie erhebliche nachteilige Auswirkungen auf die operativen Ergebnisse der Deutschen Telekom und ihre Finanzlage haben.
- Gegen die Deutsche Telekom sind Vorwürfe wegen Datenmissbrauchs und Mängeln in ihren Sicherheitssystemen erhoben worden. Trotz vielfältiger Maßnahmen, die zum Schutz von Kundendaten ergriffen wurden, bleibt die Schädigung ihres Ansehens ein erhebliches Risiko, das sich auch auf ihr Geschäft auswirken könnte.
- Zukünftige Veräußerungen von Aktien der Deutschen Telekom durch die Bundesrepublik oder die KfW Bankengruppe ("**KfW**") könnten die Börsenkurse der Aktien und American Depository Shares ("**ADS**") der Deutschen Telekom negativ beeinflussen.
- Wechselkurs-, Zins- und Rating-Risiken haben nachteilige Auswirkungen auf die Umsatz- und Kostenentwicklung der Deutschen Telekom gehabt und werden dies möglicherweise auch in Zukunft haben.
- Die Deutsche Telekom zielt darauf ab, ihre Finanzinvestitionen ausschließlich bei Finanzinstituten mit hoher Bonität zu tätigen. Aufgrund internationaler M&A-Transaktionen besteht die Möglichkeit, dass das Investitionsportfolio neu erworbener Organisationen dieser Anforderung nicht immer gerecht wird. In Einzelfällen könnte die Deutsche Telekom daher einem Risiko ungeplanter Abschreibungen ausgesetzt sein.
- Im Rahmen eines großangelegten Restrukturierungsprogramms wird die Deutsche Telekom ihr inländisches Festnetzgeschäft und ihr inländisches Mobilfunkgeschäft zu einem neuen deutschen Unternehmen zusammenführen. Sollte der Übergang zu "*One Company*" nicht reibungslos verlaufen, könnte dies negative Auswirkungen auf ihre Geschäftsprozesse, operativen Systeme und ihren Kundendienst haben.
- Entwicklungen im Telekommunikationssektor haben zur erheblichen Minderung des Buchwerts einiger Vermögenswerte der Deutschen Telekom geführt und könnten dies möglicherweise auch weiterhin tun.
- Die potenzielle Nichterfüllung von Compliance-Anforderungen oder die Ermittlung wesentlicher Schwächen der internen Kontrolle der Finanzberichterstattung der Deutschen Telekom könnten einen negativen Einfluss auf den Ruf des Unternehmens, auf seine Finanzlage und die Kurse seiner Wertpapiere haben.

## **Zusammenfassung der Risikofaktoren in Bezug auf Finance**

Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen, die von Finance begeben wurden, sind von der Deutschen Telekom AG garantiert. Deshalb korrespondieren die Risiken der Finance substantiell mit denen der Deutschen Telekom AG.

### **Zusammenfassung der Risikofaktoren in Bezug auf die Schuldverschreibungen**

#### **Schuldverschreibungen als nicht geeignetes Investment**

Schuldverschreibungen sind komplexe Finanzinstrumente, in die potentielle Anleger nur investieren sollten, wenn sie (selbst oder durch ihre Finanzberater) über die nötige Expertise verfügen, um die Performance der Schuldverschreibungen unter den wechselnden Bedingungen, die resultierenden Wertveränderungen der Schuldverschreibungen sowie die Auswirkungen einer solchen Anlage auf ihr Gesamtportfolio einzuschätzen.

#### **Währungsrisiko/Doppelwährungs-Schuldverschreibungen**

Der Gläubiger von Schuldverschreibungen, die auf eine fremde Währung lauten und der Gläubiger von Doppelwährungs-Schuldverschreibungen sind dem Risiko von Wechselkursschwankungen ausgesetzt, welche die Rendite solcher Schuldverschreibungen beeinflussen können.

#### **Liquiditätsrisiko**

Es besteht keine Gewissheit, dass ein liquider Sekundärmarkt für Schuldverschreibungen entstehen wird, oder sofern er entsteht, dass er fortbestehen wird. In einem illiquiden Markt könnte es sein, dass ein Anleger seine Schuldverschreibungen nicht jederzeit zu angemessenen Marktpreisen veräußern kann.

#### **Risiko der Vorzeitigen Rückzahlung**

Sofern der Emittent das Recht eingeräumt wird, die Schuldverschreibungen vor Fälligkeit zurückzuzahlen, ist der Gläubiger solcher Schuldverschreibungen dem Risiko ausgesetzt, dass infolge der vorzeitigen Rückzahlung seine Kapitalanlage eine geringere Rendite als erwartet aufweisen wird. Außerdem besteht die Möglichkeit, dass der Gläubiger der Schuldverschreibungen eine Wiederanlage nur zu schlechteren als den Bedingungen des ursprünglichen Investments tätigen kann.

#### **Festverzinsliche Schuldverschreibungen**

Der Gläubiger von festverzinslichen Schuldverschreibungen ist dem Risiko ausgesetzt, dass der Kurs einer solchen Schuldverschreibung infolge von Veränderungen des aktuellen Marktzinssatzes fällt.

#### **Variabel verzinsliche Schuldverschreibungen**

Der Gläubiger von variabel verzinslichen Schuldverschreibungen ist dem Risiko eines schwankenden Zinsniveaus und ungewisser Zinserträge ausgesetzt. Ein schwankendes Zinsniveau macht es unmöglich, die Rendite von variabel verzinslichen Schuldverschreibungen im Voraus zu bestimmen.

#### **Nullkupon-Schuldverschreibungen**

Der Gläubiger von Nullkupon-Schuldverschreibungen ist dem Risiko ausgesetzt, dass der Kurs einer solchen Schuldverschreibung infolge von Veränderungen des Marktzinssatzes fällt. Kurse von Nullkupon-Schuldverschreibungen sind volatil als Kurse von festverzinslichen Schuldverschreibungen und reagieren in höherem Maße auf Veränderungen des Marktzinssatzes als verzinsliche Schuldverschreibungen mit einer ähnlichen Laufzeit.

#### **Indexierte Schuldverschreibungen**

Der Gläubiger von indexierten Schuldverschreibungen ist dem Risiko eines schwankenden Zinsniveaus ausgesetzt, so dass es unmöglich ist, die Rendite indexierter Schuldverschreibungen im Voraus zu bestimmen. Je volatil der betreffende Index ist, desto größer ist die Ungewissheit in bezug auf den Zinsertrag.

## **Strukturierte Schuldverschreibungen**

Eine Kapitalanlage in Schuldverschreibungen, bei denen der Aufschlag und/oder der Zins unter Bezugnahme einer oder mehrerer Währungen, Rohstoffe, Zinssätze oder anderer Indizes oder Formeln, entweder unmittelbar oder umgekehrt, bestimmt wird, kann bedeutsame Risiken mit sich bringen, die nicht mit ähnlichen Kapitalanlagen in einen herkömmlichen Schuldtitel verbunden sind, einschließlich des Risikos, dass der resultierende Zinssatz geringer sein wird als der zur gleichen Zeit auf einen herkömmlichen Schuldtitel zahlbare Zinssatz.

## **Interessenkonflikte**

Bei Schuldverschreibungen, die an einen Basiswert gebunden sind, können die Emittentin und die Platzeure oder mit diesen verbundene Unternehmen Geschäfte mit Bezug auf den diesen Schuldverschreibungen zu Grunde liegenden Basiswert abschließen, die Interessenkonflikte auslösen und einen negativen Einfluss auf den diesen Wertpapieren zu Grunde liegenden Basiswert haben können.

## **Zusammenfassung in Bezug auf Deutsche Telekom**

### **Informationen über die Gesellschaft**

Gemäß des Zweiten Gesetzes zur Neuordnung des Postwesens und der Telekommunikation wurde die Deutsche Bundespost TELEKOM, eine Anstalt öffentlichen Rechts und der Vorgänger der Deutsche Telekom AG, zum 1. Januar 1995 in eine privatrechtliche deutsche Aktiengesellschaft umgewandelt. Die Deutsche Telekom AG ist im Handelsregister in Bonn unter der Nummer HRB 6794 eingetragen und ihr rechtlicher Name und der Firmenname ist Deutsche Telekom AG. Das Zweite Gesetz zur Neuordnung des Postwesens und der Telekommunikation stellte auch den Rahmen für die Privatisierung der Gesellschaft dar. Im November 1996 wurde das Kapital der Deutschen Telekom erhöht und neue Aktien international öffentlich angeboten. Aufgrund einer Reihe von Übertragungen von Aktien an die Kreditanstalt für Wiederaufbau beginnend im Jahr 1998, einer zweiten Kapitalerhöhung im Juni 1999, eines dritten öffentlichen Angebots von Aktien im Juni 2000 und einer vierten Kapitalerhöhung im Mai 2001, wird jetzt ca. 68% des derzeitigen Aktienkapitals von institutionellen und privaten Investoren gehalten.

Die Deutsche Telekom AG ist die Muttergesellschaft des Deutsche Telekom Konzerns, die eine *full-service* Telekommunikationsgruppe ist, deren Hauptgeschäftsfelder die Bereitstellung öffentlicher Festnetz-Sprach-Telefonie, mobile Kommunikations-Dienstleistungen, Mietleitungen, Text- und Datendienste, Onlinedienste, Unternehmensnetzwerk-Gestaltung und Bereitstellung und Netzwerkmanagementdienste innerhalb des deutschen und in bestimmten internationalen Märkten einschließen.

Ihre eingetragene Geschäftsstelle ist Friedrich-Ebert-Allee 140, 53113 Bonn, Deutschland.

### **Integrierter Telekommunikationsanbieter**

Netzzugänge, Kommunikations- und Mehrwertdienste stellt die Deutsche Telekom über Festnetz und Mobilfunk mit zunehmend hoher Bandbreite zur Verfügung. Mit innovativen Produkten und Dienstleistungen fördert der Konzern die persönliche und soziale Vernetzung der Menschen. Unter dem Dach des "T", der konzernweiten Unternehmensmarke, stehen die Marken T-Home für "*Alles für zu Hause*" und T-Mobile für "*Alles für unterwegs*". Unter der Marke T-Systems bietet der Konzern weltweit Angebote für Großunternehmen.

### **T-Home**

Bei T-Home liegt der Schwerpunkt in der Ausrichtung auf den wachstumsstarken Breitbandmarkt mit einer optimalen Kundenbetreuung und -bindung in der Sprach- und Datenkommunikation. Das Festnetz ist der Wegbereiter für immer höhere Bandbreiten und interaktive Angebote – wie etwa Entertain, das IPTV-Angebot des Konzerns.

## **T-Mobile**

T-Mobile ist die Mobilfunkmarke des Konzerns mit mehr als 150 Millionen Kunden in Europa und den USA. Im Fokus der weiteren Entwicklung steht der Ausbau des mobilen Internets und entsprechender Services.

## **T-Systems**

T-Systems konzentriert sich auf das Geschäft mit netzzentrierten ICT-Lösungen – also mit kombinierten Angeboten aus IT- und TK-Diensten. Zusammen mit dem amerikanisch-indischen Partnerunternehmen Cognizant bietet T-Systems global aufgestellten Unternehmen entsprechende Lösungen aus einer Hand. Neben diesen etwa 400 multinationalen Unternehmen ist T-Systems Partner auch für Kunden aus dem öffentlichen und dem Gesundheitssektor.

## **Internationalisierung und Nachhaltigkeit**

Als international ausgerichteter Konzern ist der Deutsche Telekom Konzern in rund 50 Ländern weltweit vertreten. Mehr als die Hälfte der Konzernumsatzerlöse wird außerhalb Deutschlands erwirtschaftet. Insgesamt beschäftigt der Deutsche Telekom Konzern rund 260.000 Mitarbeiter (Stand: Dezember 2009).

Der Konzern bekennt sich zum Leitbild der Nachhaltigkeit und legt seinem geschäftlichen Handeln sowohl wirtschaftliche als auch soziale und ökologische Kriterien zugrunde. Mit ihrer Umwelt- und Sozialperformance belegt die Deutsche Telekom regelmäßig Spitzenpositionen in internationalen Nachhaltigkeitsratings. So deckt der Konzern seit Januar 2008 seinen gesamten Strombedarf in Deutschland aus erneuerbaren Energiequellen ab.

## **Finanzinformationen**

Die Konzernabschlüsse der Deutschen Telekom für die am 31. Dezember 2008 und am 31. Dezember 2009 beendeten Geschäftsjahre wurden nach den International Financial Reporting Standards ("IFRS") aufgestellt in der Form wie sie in der Europäischen Union (EU) anzuwenden sind und wie vom International Accounting Standards Board ("IASB") herausgegeben, sowie ergänzend nach den gemäß § 315a Abs. 1 HGB zu beachtenden handelsrechtlichen Vorschriften. Es wurde jeweils ein uneingeschränkter Bestätigungsvermerk erteilt.

## **Gezeichnetes Kapital**

Zum 31. Dezember 2009 betrug das Grundkapital der Deutschen Telekom EUR 11.164.979.182,08, eingeteilt in 4.361.319.993 Namens-Stammaktien ohne Nennbetrag. Alle Aktien sind ausgegeben und eingezahlt. Die Deutsche Telekom hält ca. 0,04% eigene Aktien.

## **Zusammenfassung in Bezug auf Finance**

Die Finance wurde am 30. Oktober 1995 nach niederländischem Recht als private Gesellschaft mit beschränkter Haftung für eine unbegrenzte Zeit gegründet. Die Finance ist eine 100%ige Tochter der Deutschen Telekom AG. Sie hat ihren Geschäftssitz in Amsterdam und ist im Handelsregister von Amsterdam unter der Nummer 33274743 registriert. Die Geschäftsadresse ist Herengracht 124-128, 1015 BT Amsterdam, Niederlande.

Die Finance ist die Finanzierungsgesellschaft des Deutsche Telekom Konzerns. Sie begibt unterschiedliche Schuldverschreibungen am Kapitalmarkt.

## **Finanzinformationen**

Die nicht-konsolidierten Jahresabschlüsse der Finance für die am 31. Dezember 2008 und 31. Dezember 2009 beendeten Geschäftsjahre, aufgestellt nach den International Financial Reporting Standards ("IFRS") in der Form wie sie in der Europäischen Union (EU) anzuwenden sind und wie sie von dem International Accounting Standards Board ("IASB") herausgegeben wurden sowie nach Teil 9 Buch 2 des niederländischen Bürgerlichen Gesetzbuches, wurden von Ernst & Young Accountants LLP geprüft.

### **Aktienkapital**

Zum 31. Dezember 2009 bestand das genehmigte Kapital der Finance aus 5.000 Stammaktien mit einem Nennbetrag von jeweils EUR 453,78. Das ausgegebene Aktienkapital beträgt EUR 453.780 und besteht aus 1.000 Stammaktien mit einem Nennbetrag von jeweils EUR 453,78. Die verbleibenden 4.000 Aktien sind nicht ausgegeben.

## Risk Factors

*Prospective investors should consider all information provided in this Prospectus and the Reference Documents and consult with their own professional advisers if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus accumulate.*

*Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.*

### Risk Factors regarding the Issuers

*The following is a disclosure of risk factors that are material to each Issuer and that may affect each Issuer's ability to fulfill its obligations under the Notes or the Guarantee, as the case may be. Prospective investors should consider these risk factors before deciding to purchase Notes issued under the Programme.*

### Risk Factors in respect of Deutsche Telekom

The risk related to Deutsche Telekom's ability to fulfill its obligations as Issuer of debt securities is described by reference to the ratings assigned to Deutsche Telekom. Deutsche Telekom is rated by Fitch Ratings Limited ("**Fitch**"), Moody's Investors Service, Inc. ("**Moody's**") and by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**", together with Fitch and Moody's, the "**Rating Agencies**").

As of the publication date of the Prospectus, the ratings assigned to Deutsche Telekom by the Rating Agencies were as follows:

by Fitch:	long-term rating:	BBB+
	short-term rating:	F2

Fitch defines<sup>1</sup>:

BBB: "BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

F2: Indicates satisfactory capacity for timely payment of financial commitments.

by Moody's:	long-term rating:	Baa1
	short-term rating:	P-2

Moody's defines<sup>2</sup>:

Baa1: Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

P-2: Issuers have a strong ability to repay short-term obligations.

by S&P:	long-term rating:	BBB+
	short-term rating:	A-2

S&P defines<sup>3</sup>:

**BBB+:** An obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

**A-2:** A short-term obligation rated "A-2" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

<sup>1</sup> Note: "+" or "-" may be appended to a rating to denote the relative status within major rating categories. Such suffixes are not added to the "AAA" category or to categories below "CCC".

<sup>2</sup> Note: Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa to Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>3</sup> Note: Plus (+) or minus (-): The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

**An economic downturn, a substantial slowdown in economic growth or deterioration in consumer spending could adversely affect Deutsche Telekom's customers' purchases of products and services in each of the operating segments, which could have a negative impact on the operating results and financial condition of Deutsche Telekom.**

Deutsche Telekom's business is influenced by general economic conditions in Germany, Europe and the United States of America (the "**United States**"). The economic outlook for 2010 signals a slight recovery, including in Deutsche Telekom's largest markets in Europe and the United States, but the global economic situation remains fragile.

A continuous deterioration in the economic environment could have an adverse effect on the level of demand by Deutsche Telekom's individual customers for the Company's products and services and the willingness of Deutsche Telekom's business customers to invest in information and communications technology (ICT). This could, in turn, jeopardise the attainment of Deutsche Telekom's growth targets, such as those relating to multimedia services in mobile telecommunications, or those relating to broadband products and services based on digital subscriber line (DSL) technology.

**Because Deutsche Telekom operate in heavily regulated business environments, decisions that regulatory authorities impose on Deutsche Telekom restrict flexibility in managing its business and may force it to offer services to competitors, or reduce the prices it charge for products and services, either of which could have a material negative impact on Deutsche Telekom's revenues, profits and market shares.**

Deutsche Telekom is subject to strict regulation in all of the fixed-line and mobile markets in Europe and the United States. Government agencies regularly intervene in the offerings and in the pricing of Deutsche Telekom's fixed-line and mobile products and services. Regulation can impede Deutsche Telekom's ability to grow and to react to the initiatives of competitors and technological change.

Amendments to the EU Telecommunications Framework entered into force on 17 December 2009. Whether the revised regulatory framework will increase or decrease the regulatory burden on Deutsche Telekom will depend on the manner in which revised directives are subsequently implemented in the EU Member States, and how the revised regulatory framework will be applied by the respective National Regulatory Authorities.

In June 2009, the European Commission also proposed a draft recommendation on regulated access to Next Generation Access Networks, or NGA, such as access to new and existing ducts, civil engineering structures and other elements which are not active and necessary for the roll-out of fiber-based telecommunications infrastructure. The objective of the recommendation is to regulate fiber-based telecommunications infrastructure and access. If this recommendation is implemented as currently drafted may cause a decrease in Deutsche Telekom's revenues and may impact the extent and timing of its NGA build-out.

The German telecommunications regulatory framework implemented by the Federal Network Agency

(*Bundesnetzagentur*) has an especially significant impact on Deutsche Telekom's domestic business. So far, Deutsche Telekom's has been exempted from regulation on the basis of a loss of significant market power in markets of relatively minor importance only, such as the market for fixed-line international calls.

Additionally, since Deutsche Telekom's is offering mobile and fixed-line triple-play services ("*triple-play*") includes high-speed Internet access, communications services and entertainment offerings), media regulation may become increasingly important to Deutsche Telekom's business. This regulation might restrict the Company's ability to provide media services, including the delivery of content, and could also result in additional costs for technical implementation measures needed to comply with increased regulation.

### **Mobile Telecommunications Operations**

Regulatory authorities supervise Deutsche Telekom's mobile telecommunications operations in the countries in which the Company operates. Deutsche Telekom expects a tightening of regulatory control in the area of mobile telecommunications, with a probable negative effect on pricing and revenues, for example as a result of further reductions in international roaming charges for the wholesale and retail voice market, international data and SMS roaming charges, call termination charges and possible access regulation in some markets. In Europe, national regulatory authorities and various EU bodies have the power to regulate based on market investigations or reviews.

With respect to international roaming charges for the wholesale and retail voice market, a European Union-wide regulation, valid until June 2010, is presently in place. On 1 July 2009, a new EU roaming regulation came into force and expanded the existing regulation to non-voice roaming services until 30 June 2012. Besides additional reduction of wholesale and retail voice roaming tariffs, SMS roaming charges were reduced and furthermore, price caps for wholesale data roaming tariffs and additional transparency measures have been introduced. This expansion of existing regulation has an additional negative effect on Deutsche Telekom's roaming revenues.

Mobile call termination charges are also subject to regulatory measures in countries with mobile telecommunications operations that can have a negative effect on revenues. Various reviews of call termination rates and court proceedings relating to regulatory measures are pending in several of those markets. The European Commission intends to further reduce the termination rates significantly and has therefore issued a recommendation that defines details for the calculation of termination rates by the National Regulatory Authorities. The recommendation neglects significant parts of the costs of mobile operators in the termination rate calculation. Despite these serious negative consequences for the mobile industry the recommendation was adopted in May 2009. If the European Commission were to further reduce termination rates, it may have an adverse effect on the profitability of Deutsche Telekom's mobile-telecommunications operations in Europe.

Deutsche Telekom's operations in the United States are regulated primarily by the Federal Communications Commission ("**FCC**") and by various other federal, state and local governmental agencies. These governmental agencies may also exercise jurisdiction over mobile telecommunications operators. The FCC is continually considering whether to establish new rules and policies, many of which, if implemented could impose significant costs and burdens on Deutsche Telekom's business. The most significant areas of concern include whether the FCC makes available additional spectrum for next generation wireless offerings in a reasonable timeframe and ensures that existing spectrum holdings remain free and clear of any radio interference concerns. The FCC is also considering imposing new "*net neutrality*" regulations on wireless carriers that could, depending on how they are defined, restrict a carrier's ability to manage its network. In addition, many state and local governments regulate various aspects of wireless operations, affecting Deutsche Telekom's business practices and the carrier-customer relationship. In particular, consumer regulation at the federal or state level can impact a variety of carrier practices in this area including for example early termination fees, trial periods, billing practices and marketing. Any state or federal regulation could have a potentially adverse effect on Deutsche Telekom's mobile telecommunications business in the United States, as would any failure to comply with applicable regulations. Some U.S. states have taken actions to regulate various aspects of wireless operations including customer billing, termination of service arrangements and advertising. Any of those agencies could adopt regulations or take other actions that could adversely affect Deutsche Telekom's business. If the Company fails to comply with applicable regulations, Deutsche Telekom may be subject to sanctions, which may have an adverse effect on Deutsche Telekom's mobile telecommunications business in the United States.

### **Fixed-Network Operations**

Deutsche Telekom believes that, for the foreseeable future, the Federal Network Agency is likely to consider the Company as a provider with significant market power in various German markets for public voice telephony services in the fixed-line network and in other markets, including most of those in which Deutsche Telekom holds monopoly rights in the past. Access and price regulation apply primarily to telecommunications services that are considered to involve an operator with "*significant market power*". As a result, Deutsche Telekom expects that the strict regulatory provisions of the German Telecommunications Act relating to providers with significant market power will continue to be applied to Deutsche Telekom's activities in those markets. Considering that in many markets Deutsche Telekom's competitors are unlikely to gain significant market power in the near future, Deutsche Telekom expects that the Company will have to compete in important markets with providers not subject to these regulatory obligations. Therefore, these competitors may be expected to have more flexibility than Deutsche Telekom has in terms of the types of services offered and customers served, pricing and the granting of network access.

Deutsche Telekom is required to offer an Internet Protocol ("**IP**") Bitstream Access product in the wholesale-market and is therefore required to offer unbundled broadband access to competitors since April 2008. According to the key elements of the draft market analysis and regulatory order on bitstream access published on 21 October 2009, the Federal Network Agency intends to rely on ex-post regulation but will expand the scope of regulation to include all wholesale bitstream access products, including also new VDSL wholesale services and including the transfer of traffic to a minimum of one point of presence (PoP) whereas until today, a carrier must connect to 73 PoP in order to provide BSA-based retail services on a nationwide basis. The final adoption of this market analysis and regulatory order is expected in the second quarter of 2010.

According to a regulatory order, Deutsche Telekom's must grant access to competitors to ducts and street cabinets. The replication of VDSL products, in particular by Deutsche Telekom's competitors using their own infrastructures, is therefore being made easier at Deutsche Telekom's expense. This will have a negative impact on Deutsche Telekom's revenue and results of operations, even if Deutsche Telekom offers Deutsche Telekom's competitors a VDSL product on a voluntary basis. The Federal Network Agency specified the obligations concerning access to cable ducts, dark fiber and co-location within street cabinets on 4 December 2009. In March 2010, the Federal Network Agency decided on prices for access to cable ducts and for co-location within street cabinets. The obligation to provide access to dark fibre was cancelled by a Federal Court decision.

Deutsche Telekom is involved in a number of pending legal proceedings regarding decisions of the Federal Network Agency that concern access charges relating to the local loop. Unbundled local loop charges for monthly rental, as determined by the Federal Network Agency for the period from February 1999 to March 2001, were revoked. The Court criticised the Federal Network Agency's calculation method for unbundled local loop costs. The Court ruling concerning unbundled local loop charges for the period from 1999 to 2001 became effective in October 2009. As a result, the Federal Network Agency must now decide again on Deutsche Telekom's rate approval applications of 1999. Unbundled local loop charges for monthly rental as well as for one-off services, as determined by the Federal Network Agency for the period April 2001 to March 2003, were also revoked by the Cologne Administrative Court. These rulings are not yet effective due to pending claims of the Federal Network Agency and Deutsche Telekom at the German Federal Administrative Court. It is not possible at present to estimate whether these decisions will require Deutsche Telekom to make payments or price adjustments and if so, in what amount.

Deutsche Telekom's fixed-line subsidiaries in Southern and Eastern Europe are subject to regulatory provisions and risks that are similar to those affecting Deutsche Telekom's fixed-line operations in Germany. For example, Deutsche Telekom is designated an operator with significant market power in most fixed-line markets in which Deutsche Telekom operates, including in Hungary, Slovakia, Croatia and Greece. The provision of telecommunications services in Greece is subject to regulation based on European Union legislation, competition law and ex-ante sector-specific regulation transposed in 2006 in the Greek Telecommunications Law. A second round of analysis of the markets for wholesale broadband access and wholesale (physical) network infrastructure access (including shared or fully unbundled access) at a fixed location was concluded by in the Greek National Regulatory Authority ("**NRA**") in July 2009. The Greek NRA defined the Hellenic Telecommunications Organisation S.A., ("**OTE**") as having significant market power and imposed additional obligations. The business impact of increased regulation on Deutsche Telekom's subsidiaries in Southern and Eastern Europe will

depend on the way in which national regulatory authorities use their powers, and the extent to which Deutsche Telekom's competitors take advantage of regulatory decisions designed to foster increased competition.

**Deutsche Telekom faces intense competition in all areas of its business, which could lead to reduced prices for its products and services and a decrease in market share in certain service areas, thereby adversely affecting Deutsche Telekom's revenues and net profit.**

## Germany

In Germany, fixed-line network voice telephony service revenues and prices have continued to decline, primarily due to intense competition and adverse decisions imposed by the national regulation authorities, and also due to customers' ongoing substitution of mobile telecommunications and VoIP services for fixed-line usage.

Due to competitive pressures from cable operators, mobile operators and fixed-line carriers, Deutsche Telekom continued to lose market share in 2009. Deutsche Telekom expects a further increase in competition from cable operators, in particular, offerings of product bundles for telephone and broadband access lines, which are increasingly offered in more regions throughout Germany. Furthermore, the switch of mobile operators' focus from pure mobile services towards fixed-line offerings, regulatory actions by the Federal Network Agency and the increasing quality and acceptance of VoIP services will increase pressure on Deutsche Telekom's market shares, revenues and margins.

Additional local and regional network operators are expanding their presence to include other major cities and regions. In the future, Deutsche Telekom could face even fiercer competition and lose further market share if Deutsche Telekom's competitors were to combine their businesses.

Existing mobile substitution effects are intensified by the proliferation of MVNOs. Reduced prices for mobile telecommunications services (e.g., on the basis of lower flat rates without call-based charges and regulatory decisions regarding mobile telephony termination rates) could further increase pricing pressure on Deutsche Telekom's fixed-line services. Furthermore, mobile operators are increasingly engaging in reselling DSL product bundles provided by other fixed-line operators, and this continues to have an adverse effect on Deutsche Telekom's fixed-line network revenues.

The German markets for Internet access and portal services, especially within the broadband market, have been, and will continue to be, highly competitive and are increasingly saturated. Prices for broadband flat rates have been steadily declining. Deutsche Telekom's future competitive position in the broadband/fixed-network business in Germany will be affected by pricing, network speed and reliability, services offered, customer support and its ability to be technologically adept and innovative. The regulatory environment can also exert a significant influence on the level of competition. Deutsche Telekom expects that its competitors will continue to pursue new broadband customers aggressively. In the market for portal services and content, competition is also intense due to low barriers to entry. In addition, a weaker economy may increase pressure on Deutsche Telekom's revenues and margins in these markets. Furthermore, recent regulatory decisions have required the Company to offer to Deutsche Telekom's competitors an IP Bitstream Access product, which enables Deutsche Telekom's competitors to expand their operations throughout Germany without building their own infrastructure.

Part of the challenge in the fixed-network business in Germany continues to be the improvement of its reputation for customer service while implementing cost-saving measures. If Deutsche Telekom does not continue to improve its customer service sustainably, there is a risk that Deutsche Telekom might not stop its overall continuing loss of fixed-network customers in the German market.

Competition in the German mobile telecommunications segment with established players such as Vodafone, E-Plus and O2 is intensive and can be expected to increase further in the future. Growing competition is also fostered by resellers and "no-frills" operators, offering discount rates without significant minimum-contract term obligations. With Deutsche Telekom's "Congstar" brand, Deutsche Telekom also participates in this market, primarily as a measure to prevent churn from its established "T-Mobile" premium brand.

In terms of the mobile share of "total telecommunications minutes", Germany consistently lags behind the European average. Although the number of "mobile minutes" is still growing in Germany, the respective growth rates are constantly declining since early 2008. This makes it all the more difficult to compensate price declines by higher usage.

As the German market for mobile telecommunications has become increasingly saturated (Deutsche Telekom believes the overall penetration rate to be well above 100%), the focus of competition has been shifting from customer acquisition to customer retention, and increasing the quality and value of existing customers. Accordingly, if Deutsche Telekom is unable to offer increased quality and better value to its customers, its market share and revenues may not grow as Deutsche Telekom has anticipated in its plans.

### **United States**

In the United States, each of T-Mobile USA's three main national competitors – AT&T, Verizon Wireless and Sprint/Nextel – is significantly larger than T-Mobile USA. Their scale could afford them significant structural and competitive advantages in this market. This situation presents T-Mobile USA with a long-term challenge to compete effectively in terms of pricing, products, coverage and the introduction of new technologies and services. Intense competition from various regional and other small national operators also exists in T-Mobile USA's markets. Partly, these competitors operate on alternative business models within the traditional wireless space that pose potential to negatively affect T-Mobile USA's ability to attract and retain customers, such as low-cost unlimited prepaid offerings (offered by, e.g., regional carriers Leap and MetroPCS, as well as Boost).

In addition to traditional competitors, the entrance and influence of non-wireless carriers, such as manufacturers, service providers and cable providers, could cause further pressure on the wireless industry and T-Mobile USA.

The incumbent wireless industry is experiencing disruptive innovation on many fronts. For example, Apple transformed the device market with the launch of the iPhone, and Clearwire hopes to transform the market with fixed mobile convergence. As wireless networks open in response to consumer demand (and threatened legislative/regulatory actions) and diverse industries converge on the wireless communications industry, the era of limited choices (walled gardens controlled by incumbent wireless carriers) will increasingly shift to a new era of an abundance of options in devices, providers, and services. This dynamic environment poses opportunity for companies who identify and recognise opportunities within the threats, although a significantly higher level of inherent risk comes with dynamism than with a stable industry landscape.

Despite the continued difficult economic context, the wireless industry is faring better than most industries (wireless spending is becoming less discretionary in the U.S.), but the industry is not immune from the cost-reduction efforts of consumers and changes in consumer credit-worthiness. As the overall drop in customer growth intensifies, and price competition also in the Contract area becomes more perceptible, a comprehensive 3G coverage and attractive "smartphone" offerings will be key to T-Mobile USA's sustained commercial success.

Since T-Mobile USA is a significant contributor to Deutsche Telekom's overall revenues and customer growth, a further slowdown or decline in the business of T-Mobile USA could have a material adverse effect on the attainment of the growth targets and profitability of the Group as a whole.

### **Europe**

Competition in the European mobile telecommunications markets run by Deutsche Telekom's Europe operating segment is intense and can be expected to increase in the future. Growing competition results, in part, from the market entry of low cost carriers, such as mobile virtual network operators, or MVNOs, which use the networks of other operators at volume discounts, and from market consolidation. If prices for mobile telecommunications services continue to decline through competition and/or regulation more than anticipated and this decline is not compensated for by higher usage, planned objectives may not be achieved. In addition, mobile network operators' expansion of product offerings into the fixed-line sector may result in a competitive disadvantage for Deutsche Telekom's mobile telecommunications operations in countries in which Deutsche Telekom offers only mobile communications services. Moreover, technologies such as W-LAN, WiMax and Voice over Internet Protocol (VoIP), which can be used with existing hardware and platforms, could drive voice and data traffic from mobile networks, which could lead to significant price and revenue reductions.

As European markets have become increasingly saturated, the focus of competition has been shifting from customer acquisition to customer retention, and increasing the quality and value of existing customers. Accordingly, if Deutsche Telekom is unable to offer increased quality and better value to its customers, its market share and revenues may not grow as Deutsche Telekom has anticipated in its

plans.

### **Southern and Eastern Europe**

Through Deutsche Telekom's investments in OTE, its subsidiary in Greece, and Magyar Telekom, its subsidiary in Hungary, and its subsidiaries Hrvatski Telekom and Slovak Telekom, Deutsche Telekom has market presence in various countries of the Southern and Eastern European region, offering integrated or either mobile or fixed-network telecommunications services.

All of Deutsche Telekom's Southern and Eastern European companies face intense competition and difficult economic conditions. As in other operating segments, growing competition results, to a different extent in each regional market, from the market entry of alternative carriers (such as Cable TV operators) or low cost carriers (such as MVNOs), technology shifts (such as IP-based telecommunications networks) and from market consolidation.

In Greece, risk exists in the area of infrastructure roll-out, including VDSL and FTTH. The Greek government announcement an initiative to support a passive optical network across Greece that would provide open access to all fixed-network providers and, as a result, increase competition. The impact of this development on OTE and the related financial risk to Deutsche Telekom cannot be quantified at this point.

### **Systems Solutions**

Deutsche Telekom's Systems Solutions business is subject to risks associated with the general and regional economies of its customers and the willingness and ability of its customers to invest in information and communications technology services and products. The ICT market is shaped by long sales cycles, severe competition and declining prices. The result is downward pressure on revenues and margins, which has been exacerbated by the global economic crisis.

Depending on the economic development and their impact on Deutsche Telekom's customers in 2010, T-Systems will continue to be affected. For example, cost-cutting programs and postponement or cancellation of investments of Deutsche Telekom's customers can have a negative impact on T-System's revenues and margins. In this business environment, further cost reductions will force T-Systems to rely on the development of lower cost near- and off shore capacities in both IT Outsourcing and the System Integration business.

In addition, the international growth potential of T-Systems may be constrained by its limited brand recognition in some national markets, at least compared to that of competitors who may be more established there, particularly as this relates to maintaining and increasing business with multinational companies outside of Germany. Additionally the relatively small size of some international T-Systems units may require expensive additional management resources from Germany.

If T-Systems' focus on multinational customers and its service offerings, such as dynamic SAP services or Cloud Computing are not successful, T-Systems may lose market share to its competitors, suffer reduced revenues and incur losses.

**Deutsche Telekom may realise neither the expected level of demand for its products and services, nor the expected level or timing of revenues generated by those products and services, as a result of lack of market acceptance, technological change or delays from suppliers, which could adversely affect Deutsche Telekom's cash flows.**

There is a risk that Deutsche Telekom will not succeed in making customers sufficiently aware of existing and future value-added services or in creating customer acceptance of these services at the prices Deutsche Telekom would want to charge. There is also a risk that Deutsche Telekom will not identify trends correctly, or that Deutsche Telekom will not be able to bring new services to market as quickly or price-competitively as its competitors. These risks exist, in particular, with respect to Deutsche Telekom's anticipated future growth drivers in the mobile telecommunications area, such as mobile data services or other advanced technologies (which are supported by advanced "smartphone" products such as the iPhone and the T-Mobile G1 phone), and in the fixed-line telecommunications area, such as triple-play services, which include telephone, Internet and television services.

Under the "Entertain" product name, Deutsche Telekom provides its customers in Germany with comprehensive triple-play offerings. The market acceptance for these new products and services could be negatively affected by an unwillingness to pay for additional features. Since the content and technology of the product are very complex, it may find it difficult to convey an understanding of the

product's benefits to Deutsche Telekom's customers via its traditional sales channels. In addition, some of Deutsche Telekom's competitors offer similar or pared-down products. These factors could lead to a potential reduction of the perceived value of "Entertain" to Deutsche Telekom's customers with adverse effects on Deutsche Telekom's pricing models, revenues and profit margins.

Further, as a result of rapid technological progress, and the trend towards technological convergence, there is a danger that new and established information and telecommunications technologies or products may not only fail to complement one another, but in some cases may even substitute for one another. An example of this is VoIP, a technology that is already established in the business customer market. VoIP has now reached the consumer market as well and, as a technology that competes directly with traditional fixed-line telephony services, VoIP has the potential to reduce further Deutsche Telekom's market share and revenues in Deutsche Telekom's fixed-line business. The introduction of mobile handsets with VoIP functionality may also adversely affect Deutsche Telekom's pricing structures and market share in Deutsche Telekom's mobile voice telephony business. If Deutsche Telekom does not appropriately anticipate the demand for new technologies, and adapt its strategies and cost structures accordingly, Deutsche Telekom may be unable to compete effectively, with the result that Deutsche Telekom's business activities, financial condition and results may suffer.

**Some of Deutsche Telekom's investments (such as in new spectrum licenses) to develop future products and services may involve substantial cash outlays with no certainty of market acceptance or regulatory non-interference with license requirements.**

In 2010, the German Federal Network Agency is set to auction off certain recently released radio frequencies. The terms and conditions for the award of new spectrum in the 800 MHz, 1.8 GHz, 2 GHz, and 2.6 GHz bands were published in October 2009. In the United Kingdom, current proposals call for a combined auction of 800 MHz and 2.6 GHz spectrum in late 2010 with certain bidding restrictions, such as spectrum caps for incumbents and joint ventures, release of spectrum already held by mobile telecommunications companies and wholesale and coverage obligations. In The Netherlands, parliament began the discussion of new rules for the auction of 2.6 GHz spectrum in spring 2009. The auctions started on 20 April 2010. In Austria, an auction for 2.6 GHz spectrum is now expected to take place in the second quarter of 2010. Depending on the outcome of these auctions, a greater cash outlay than anticipated may be necessary to gain new spectrum in these countries, which would negatively affect Deutsche Telekom cash-flow generation goals.

There is a risk that the return on Deutsche Telekom's investments, in particular in new spectrum licenses and network infrastructure, may negatively deviate from its plans. In addition to the negative impact on its cash flows, this could result in significant write-downs of the value of spectrum or other licenses or other network-related investments.

Should Deutsche Telekom faces a continuously deteriorating economic climate, Deutsche Telekom may decide, or be required, to scale back capital expenditures. Deutsche Telekom believes that they have flexibility in terms of the amount and timing of its capital expenditure program, but a lasting reduction in capital expenditure levels below certain thresholds could affect its future growth, in particular in its mobile operations.

**Failure to achieve the planned reduction and restructuring of personnel or the human resources-related cost-savings goals could negatively affect the reputation and achievement of Deutsche Telekom's financial objectives and profitability.**

Staff restructuring within the Deutsche Telekom Group in Germany continued on a socially conscious basis in 2009. It was implemented essentially by means of voluntary redundancies, partial and early retirement, and employment opportunities for civil servants and employees offered by Vivento, especially in the public sector. Deutsche Telekom will also continue to restructure its workforce as required. If it is not possible to implement the corresponding measures to the extent planned or not at all, this may have negative effects on its financial targets and profitability.

Deutsche Telekom and employee representatives agreed to 3,000 job cuts at T-Systems by 2010. The agreement incorporates a series of measures, including help in searching for new jobs, a voluntary redundancy program and early retirement options. By 30 June 2010, T-Systems will examine the level of take-up for the voluntary offers. If the affected employees have not found alternative employment opportunities or accepted voluntary offers by then, they will be offered fixed-term employment in a transitional company. Should the desired workforce reduction targets not be met, compulsory redundancies, which could have a negative impact on Deutsche Telekom's corporate reputation in

Germany, cannot be ruled out.

The successful realisation of Deutsche Telekom's ongoing staff reduction program depends on a range of factors that are beyond Deutsche Telekom's control, such as the continued successful sale of non-core businesses, general developments in the labor market, the demand for Deutsche Telekom's retrained labor force, and the level of acceptance of the various severance offers and other voluntary reduction measures. If the planned staff reduction targets are not achieved, this would have a negative effect on Deutsche Telekom's operating expenses and profitability.

**As a result of dispositions of certain non-core businesses in Germany, there is an increased risk of return of civil servants transferred out of Deutsche Telekom Group, which could have a negative impact on the staff and cost reduction objectives.**

Deutsche Telekom's employees who have civil servant status can, based on German civil service law, only be completely transferred to the buyer of a business from Deutsche Telekom in exceptional cases. Therefore, as a general matter, such transferred civil servants are placed on leave of absence while employed with the transferred business unit. Accordingly, in the event of termination of employment with the transferred business unit, there is a risk that such civil servants will return to Deutsche Telekom Group. This risk of return can be reduced by an agreement on compensation payments, but it cannot be completely eliminated. As of 31 December 2009, the total number of civil servants that can avail themselves of this right of return to the Deutsche Telekom Group was 3,467, which represented a considerable decrease over the 2008 year-end figure, chiefly as a result of some 400 civil servants actually returning to the Deutsche Telekom Group from Strabag, Nokia Siemens Networks and the cable network operators.

If further Group units employing civil servants are disposed of, the risk of additional civil servants returning after the end of their temporary leave may again increase.

**Alleged health risks of wireless communications devices have led to litigation affecting markets with Deutsche Telekom's mobile telecommunications operations subsidiaries, and could lead to decreased wireless communications usage or increased difficulty in obtaining sites for base stations and, as a result, adversely affect the financial condition and results of operations of Deutsche Telekom's wireless services business.**

Media reports have suggested that radio frequency emissions from wireless mobile devices and cell sites may raise various health concerns, including cancer, and may interfere with various electronic medical devices, including hearing aids and pacemakers. Research and studies are ongoing. The World Health Organisation has indicated that it will publish its recommendations for public policy in its Radio Frequency Environmental Health Criteria in 2011. However, on the basis of current scientific knowledge, there are no known adverse effects on health from emissions at levels below internationally recognised health and safety standards. Deutsche Telekom cannot provide assurance that research in the future will not establish links between radio frequency emissions and health risks.

Whether or not such research or studies conclude there is a link between radio frequency emissions and health, popular concerns about radio frequency emissions may discourage the use of wireless devices and may result in significant restrictions on the location and operation of cell sites by Deutsche Telekom's mobile telecommunications subsidiaries and the usage of T-Mobile's wireless devices, telephones or products using wireless technology. Such restrictions on use could have material adverse effects on Deutsche Telekom's results of operations.

T-Mobile USA is subject to current and potential litigation relating to these health concerns. Several class action and individual lawsuits have been filed in the United States against T-Mobile USA and several other wireless service operators and wireless telephone manufacturers, asserting product liability, breach of warranty and other claims relating to radio frequency transmissions to and from wireless mobile devices. The complaints seek substantial monetary damages as well as injunctive relief. To date, the cases filed against T-Mobile USA have been dismissed by the trial courts, although one class action case is pending on appeal. The defense of lawsuits alleging adverse health effects from wireless telephone use may divert management's attention, and T-Mobile USA may be required to pay significant awards or settlements and incur significant expenses in defending these lawsuits.

Deutsche Telekom does not know whether legislators, regulators or private litigants will refrain from taking other actions adverse to Deutsche Telekom, based on the purported health-related risks associated with radio frequency emissions. Any such litigation, legislation or adverse actions may

result in additional costs and loss of revenues in Deutsche Telekom's mobile communications businesses.

**Deutsche Telekom continuously engage in large-scale programs to reshape the information technology ("IT") infrastructure to adapt to changing customer needs and organisational requirements. Failure to effectively plan and monitor these activities could lead to misallocations of resources and impaired processes with negative consequences for Deutsche Telekom's operations.**

The Next Generation IT ("**NG IT**") programm was launched in 2008 as a Group-wide framework for all IT-related components of Deutsche Telekom's transformation programs and the development of Deutsche Telekom's future overall IT architecture. Its focus is on a common platform to support IT projects and services in the future. The close cooperation between IT and business areas plays a central role in this program. Flexibility, cost reduction, short response time to market changes and secure management of business information are the major challenges for Deutsche Telekom's future IT landscape. In order to tackle these challenges, an architectural approach was developed to identify the necessary IT changes, taking into account developments in business processes, in the production environment and in customer and product management.

Due to the enormous complexity of the implementation of this IT initiative, malfunctions, connectivity issues, implementation delays, and other unforeseen problems, could result in costly process impairments and remediation, and possible extended down-times of IT processes, and therefore frustrate the attainment of Deutsche Telekom's goals in terms of cost savings and quality improvements.

One of Deutsche Telekom's most important IT programs deals with the long-term development and implementation of a comprehensive IP platform that will support both fixed-line and mobile telephony services. This means that the traditional platform will be completely replaced by an IP-based system. Upon implementing this joint IP platform, Deutsche Telekom will be subject to risks inherent in all IT systems connected to the Internet, such as hacker attacks, "*spam calls*" and other disruptions. These risks could lead to a temporary interruption of Deutsche Telekom's IT resources and, as a result, impair the performance of Deutsche Telekom's technical infrastructure.

**System failures due to natural or man-made disruptions and loss of data could result in reduced user traffic and reduced revenues and could harm Deutsche Telekom's reputation and results.**

Deutsche Telekom's technical infrastructure (including Deutsche Telekom's network infrastructure for fixed-line network services and mobile telecommunications services) and data may be damaged or disrupted by fire, lightning, flooding and other calamities, technology failures, human error, terrorist attacks, hacker attacks and malicious actions (e.g., theft or misuse of customer data), and other similar events. Deutsche Telekom attempts to mitigate these risks by employing a large number of measures, including a comprehensive monitoring of its telecommunications networks, backup systems and protective systems such as firewalls, virus scanners, and building security. In addition, Deutsche Telekom has implemented a global business continuity management system at its corporate headquarters. Deutsche Telekom cannot, however, be certain that these measures will be effective under all circumstances, and that disruptions (such as the network outage at T-Mobile Deutschland in April 2009 or the outage of a critical "*Sidekick*" user database in the U.S. in October 2009) or damages will not occur. Disruption or damage to Deutsche Telekom's infrastructure may result in reduced user traffic and revenues, increased costs, and damage to Deutsche Telekom's reputation.

**Shortcomings in Deutsche Telekom's supply and procurement process could negatively affect its product portfolio, revenues and profits.**

As a fully integrated ICT service provider, Deutsche Telekom cooperates with a wide range of different suppliers for technical components and assemblies, as well as for software and other goods and information important to the conduct of Deutsche Telekom's business. Although Deutsche Telekom does not believe that Deutsche Telekom is materially dependent on any single supplier, Deutsche Telekom's contractors may want to extend delivery times, raise prices and limit supply due to their own shortages or changing business and product strategies. Furthermore, Deutsche Telekom's vendors may be subject to litigation with respect to technology that is important for the conduct of Deutsche Telekom's business. Especially in times of economic turmoil, supply chains, credit access and financial stability of Deutsche Telekom's vendors may be negatively affected, which could disturb

Deutsche Telekom's commercial relationship with them.

If Deutsche Telekom's commercial partners fail to deliver quality products and services in a timely manner, the ensuing disruptions in Deutsche Telekom's chain of supply could negatively affect Deutsche Telekom's product portfolio, cost structure, revenues and profits. Deutsche Telekom takes a variety of measures to shelter itself from these risks, but the Company cannot be sure that these measures will be effective under all circumstances.

**Deutsche Telekom is continuously involved in disputes and litigation with regulators, competition authorities, competitors and other parties. The ultimate outcome of such legal proceedings is generally uncertain. When finally concluded, they may have a material adverse effect on Deutsche Telekom's results of operations and financial condition.**

Deutsche Telekom is subject to numerous risks relating to legal and regulatory proceedings, in which Deutsche Telekom is currently a party or which could develop in the future. Litigation and regulatory proceedings, including patent infringement lawsuits, are inherently unpredictable. Legal or regulatory proceedings in which Deutsche Telekom is or comes to be involved (or settlements thereof) may have a material adverse effect on Deutsche Telekom's results of operations or financial condition.

**Deutsche Telekom faces allegations of data misuse and flaws in its security systems. Despite diverse measures taken to protect customer data, damage to Deutsche Telekom's reputation remains a significant risk, which may also affect its business.**

The Bonn public prosecutor's office is still investigating the circumstances surrounding the illegal monitoring of phone calls and the theft of data relating to several million mobile customers. As a result of these events, Deutsche Telekom implemented several measures to further improve data security and transparency, including the creation of a new Management Board position relating to data privacy, compliance and legal affairs, which has the right to veto Management Board business decisions related to data privacy. A first voluntary annual progress report, prepared by Deutsche Telekom Group Privacy Officer, was published in April 2009 and submitted to the Federal Commissioner for Data Protection and Deutsche Telekom's Supervisory Board and the public. A newly established Data Privacy Advisory Board advises Deutsche Telekom's Management Board on all issues related to data privacy. The Advisory Board closely consults with leading data privacy experts from outside Deutsche Telekom Group with regard to the handling of customer and employee data, data privacy audits, IT security and the consequences of the introduction of new legal provisions. Data privacy contacts were nominated at each level of the organisation to ensure an intense cooperation with Deutsche Telekom's operating segments. Additionally, Deutsche Telekom established a dedicated website to keep the public informed of ongoing developments in this area. However, despite extensive testing by internal and external audits, there can be no assurance that the current investigations will not result in the imposition of additional remedial measures or that further breaches relating to Deutsche Telekom's customer data will not materialise in the future.

**Future sales of Deutsche Telekom shares by the Federal Republic or KfW Bankengruppe ("KfW") may adversely affect the trading prices of Deutsche Telekom's shares and ADSs.**

The Federal Republic (which, together with KfW, owns approximately 31.7% of Deutsche Telekom's outstanding shares) has previously indicated an intent to continue with its privatisation policy. In this regard, Deutsche Telekom cannot predict if and when the Federal Republic will further reduce its holdings of its equity interest in Deutsche Telekom AG. The reduction in the Federal Republic's direct or indirect holdings may involve KfW. For shareholders, there is a danger that the market offering of a significant volume of Deutsche Telekom's shares by either the Federal Republic or KfW, or speculation to this effect on the markets, could have a negative impact on the price of Deutsche Telekom's shares and ADSs.

Certain of KfW's debt instruments are exchangeable into shares of Deutsche Telekom AG, which, upon exchange, could also have a negative impact on the price of Deutsche Telekom's shares. KfW issued a class of exchangeable bonds on 16 May 2008 that matures in June 2013. Exchangeable bonds are debt securities that the holder may exchange for shares in another company during a predefined period and at a predefined price. When the exchange price is exceeded and when the holder exercises the exchange right, KfW will be obligated to exchange the bonds offered for Deutsche Telekom AG shares. When the exchangeable bonds mature in June 2013, KfW has the right to settle them in Deutsche Telekom AG shares. These exchangeable bonds in the aggregate amount of EUR 3.3 billion have a share exchange price of EUR 14.9341 per ordinary share. Accordingly,

approximately 221 million shares may be delivered by KfW in exchange for the outstanding bonds maturing in June 2013. The delivery to debt holders by KfW of a significant amount of Deutsche Telekom's shares could have a negative impact on the market price of Deutsche Telekom's shares.

**Exchange-rate, interest-rate and rating risks have had, and may continue to have, an adverse effect on Deutsche Telekom's revenue and cost development.**

Deutsche Telekom is exposed to currency risks related to Deutsche Telekom's international business activities. Generally, Deutsche Telekom's Central Treasury hedges currency risks that may have an impact on its cash flows (so-called, known as a transaction risk), although there can be no guarantee that Deutsche Telekom's hedging strategies will succeed. Currency risks may have a negative impact on Deutsche Telekom's results of operations when amounts in local currencies are translated into euros, particularly in connection with U.S. dollar- and pound sterling-denominated results.

Deutsche Telekom is also exposed to interest-rate risks, primarily in the euro and U.S. dollar currencies. Interest-rate risks arise as a result of fluctuations in interest rates affecting the level of interest payments due on indebtedness at variable rates in each of these currencies. Once per year, Deutsche Telekom's Management Board specifies ratios of fixed and variable debt in these two currencies. Deutsche Telekom's Central Treasury then takes measures, using derivative instruments and other measures, to implement the interest-risk management decisions of the Management Board.

In 2009, Fitch changed Deutsche Telekom's long-term rating from A- to BBB+ with a stable outlook. Moody's Investor Service and Standard and Poor's maintained Deutsche Telekom's long-term rating at Baa1 and BBB+ respectively with a stable outlook. A further decrease in Deutsche Telekom's credit ratings below certain thresholds by various rating agencies would result in an increase in the interest rates on certain of its bonds and medium-term notes due to step-up provisions and could raise the cost of Deutsche Telekom's debt refinancing activities generally.

**Deutsche Telekom aims to solely place its financial investments at financial institutions that have high credit ratings. As a result of international M&A transactions, the investment portfolio of newly acquired entities may not always meet this requirement. In individual cases, Deutsche Telekom thus may face a risk of unplanned write offs.**

Risky financial exposures to financial institutions by subsidiaries in Southern and Eastern Europe in particular exist on account of transfer restrictions or shareholder resolutions. With Deutsche Telekom's investment in OTE, exposures to credit risks associated with deposits with various, mostly regional banks in Southern and Eastern Europe became part of its exposure. The goal is to spread these exposures in order to achieve a higher degree of diversification.

**As a result of a major restructuring program, Deutsche Telekom will bring together its domestic fixed-network business and its domestic mobile business within a new Germany company. Failure to achieve a smooth transition to "One Company" could negatively affect Deutsche Telekom's business processes, operational systems and customer service.**

On 19 November 2009, an extraordinary shareholders meeting approved the spin-off of the fixed-network business in Germany into "*T-Mobile Deutschland GmbH*". The "*new*" company will be responsible for 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 will work in this company. With this move, Deutsche Telekom plans to be in a better position to offer integrated solutions and services for fixed network and mobile communications from a single source. In addition, Deutsche Telekom projects to reinforce customer service, safeguard jobs, and tap the potential for additional revenue and cost synergies.

A successful completion of creating "*One Company*" in the course of the second quarter of 2010 will require major organisational efforts, and the realignment of numerous people, processes and IT-systems. If the planned targets are not achieved, there is a risk that the transition period will last longer than expected, and that Deutsche Telekom's operational performance in Germany will be periodically disturbed.

**Developments in the telecommunications sector have resulted, and may in the future result, in substantial write-downs of the carrying value of certain of Deutsche Telekom's assets.**

Deutsche Telekom reviews on a regular basis the value of each of its subsidiaries and their assets. In addition to Deutsche Telekom's regular annual impairment reviews, whenever indications exist that

goodwill, intangible assets or fixed assets may be impaired due to changes in the economic, regulatory, business or political environment, Deutsche Telekom considers the necessity of performing certain valuation tests, which may result in impairment charges. The recognition of impairments of intangible assets, property, plant and equipment and financial assets could cause Deutsche Telekom to take large, non-cash charges against net profit, which could lead to a reduction in the trading price of Deutsche Telekom's shares and ADSs.

**Potential breaches of compliance requirements or the identification of material weaknesses in Deutsche Telekom's internal control over financial reporting may have an adverse impact on Deutsche Telekom's corporate reputation, financial condition and the trading price of its securities.**

In general, compliance requirements for publicly traded companies and, in particular, the investigation of potential breaches and corporate misconduct are increasing and leading to major financial implications for the companies concerned. At the same time, the legal framework governing the monitoring of companies is becoming more comprehensive, which increases the liability risks for executive bodies and associated costs.

While Deutsche Telekom believes that it has established an appropriate compliance organisation to detect, assess, reduce and manage these risks, the global and diverse nature of Deutsche Telekom's operations means that these risks and their related consequences will continue to exist. Although Deutsche Telekom intends to take prompt measures to remediate any identified shortcomings in its internal controls over financial reporting, activities of this kind may involve significant effort and expense, and disclosure of any failures, material weakness or other conditions, may result in a deterioration of Deutsche Telekom's corporate image and negative market reactions.

#### **Risk Factors regarding Deutsche Telekom International Finance B.V.**

Payment of principal of and interest on notes issued by Finance are guaranteed by Deutsche Telekom AG. Therefore the risks in respect of Finance substantially correspond with the ones of Deutsche Telekom AG.

## **Risk Factors regarding the Notes**

***The following is a disclosure of risk factors that are material to the Notes issued under the Programme in order to assess the market risk associated with these Notes. Prospective investors should consider these risk factors before deciding to purchase Notes issued under the Programme.***

***In respect of Notes which require in view of their specific structure a specific description of risk factors, those specific additional risk factors will be described in the Final Terms relating to such Notes.***

### **Notes may not be a suitable investment for all investors**

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### **Liquidity Risk**

Application has been made to list Notes to be issued under the Programme on the official list of and to admit such Notes to trading on the Regulated Market of the Luxembourg Stock Exchange. In addition, the Programme provides that Notes may be listed on an alternative stock exchange or may not be listed at all. Regardless of whether the Notes are listed or not, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity than if they were not listed. If the Notes are not listed on any exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

### **Market Price Risk**

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policy of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The holder of a Note is therefore

exposed to the risk of an unfavourable development of market prices of its Note which materialises if the holder sells the Notes prior to the final maturity of such Notes.

### **Currency Risk/Dual Currency Notes**

A holder of a Note denominated in a foreign currency and a holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks.

A change in the value of any currency other than euro against the euro, for example, will result in a corresponding change in the euro value of a Note denominated in a currency other than euro and the euro value of interest and principal payments made in accordance with the terms of such Note. If the underlying exchange rate falls and the value of the euro correspondingly rises, the price of the Note and the value of interest payments made thereunder expressed in euro falls.

### **Risk of Early Redemption**

The applicable Final Terms will indicate whether an Issuer may have the right to call the Notes prior to maturity (optional call right) on one or several dates determined beforehand or whether the Notes will be subject to early redemption upon the occurrence of an event specified in the applicable Final Terms (early redemption event). In addition, each Issuer will always have the right to redeem the Notes if the relevant Issuer is required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation as set out in the Terms and Conditions. If the relevant Issuer redeems the Notes prior to maturity or the Notes are subject to early redemption due to an early redemption event, a holder of such Notes is exposed to the risk that due to such early redemption his investment will have a lower than expected yield. The Issuer can be expected to exercise his optional call right if the yield on comparable Notes in the capital market has fallen which means that the investor may only be able to reinvest the redemption proceeds in comparable Notes with a lower yield. On the other hand, the Issuer can be expected not to exercise his optional call right if the yield on comparable Notes in the capital market has increased. In this event an investor will not be able to reinvest the redemption proceeds in comparable Notes with a higher yield. It should be noted, however, that the relevant Issuer may exercise any optional call right irrespective of market interest rates on a call date.

### **Fixed Rate Notes**

A holder of a Fixed Rate Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate. While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final Terms is fixed during the life of such Note, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of a Fixed Rate Note also changes, but in the opposite direction. If the market interest rate increases, the price of a Fixed Rate Note typically falls, until the yield of such Note is approximately equal to the market interest rate. If the market interest rate falls, the price of a Fixed Rate Note typically increases, until the yield of such Note is approximately equal to the market interest rate. If the holder of a Fixed Rate Note holds such Note until maturity, changes in the market interest rate for comparable issuers are without relevance to such holder as the Note will be redeemed at the principal amount of such Note.

### **Floating Rate Notes**

A holder of a Floating Rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of Floating Rate Notes in advance.

A Floating Rate Note may include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features. In such case, their market value may be more volatile than those for Floating Rate Notes that do not include these features. If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on interest payable will be increased. The effect of a cap is that the amount of interest will never rise above and beyond the predetermined cap, so that the holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similar

Floating Rate Notes without a cap.

Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Notes.

### **Inverse/Reverse Floating Rate Notes**

Inverse Floating Rate Notes (also called Reverse Floating Rate Notes) have an interest rate which is determined as the difference between a fixed interest rate and a floating rate reference rate such as the EURIBOR or the LIBOR which means that interest income on such Notes falls if the reference interest rate increases. Typically, the market value of Inverse Floating Rate Notes is more volatile than the market value of other conventional floating rate notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest payable on the Notes, but may also reflect an increase in prevailing interest rates, which may further adversely affect the market value of such Notes.

### **Fixed to Floating Rate Notes**

Fixed to Floating Rate Notes may bear interest at a rate which converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes relating to the same reference rate. In addition, the new floating rate at any time may be lower than the interest rates payable on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing interest rates payable on its Notes.

### **Zero Coupon Notes**

Zero Coupon Notes do not pay current interest but are issued at a discount from their nominal value. Instead of periodical interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A holder of a Zero Coupon Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate for comparable issuers. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

### **Index-linked Notes**

Index-linked Notes may be issued as Index-linked Interest Notes where payments of interest will be made by reference to a single index or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).

If payment of interest is linked to a particular index, a holder of an Index-linked Interest Note is particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income or may even receive no interest at all which may have the effect that the yield of an Index-linked Interest Note is negative. None of the Issuers has control over a number of matters, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their results.

Investors should be aware that the market price of Index-linked Notes may be very volatile (depending on the volatility of the relevant index). Neither the current nor the historical value of the relevant index should be taken as an indication of the future performance of such index during the term of any Note.

### **Credit Linked Notes**

An investment in Credit Linked Notes involves a high degree of risk. A holder of a Credit Linked Note is exposed to the credit risk of the Issuer and that of one or more reference entities or assets (as specified in the Final Terms). There is no guarantee that the holders of such Notes will receive the full principal amount of the Notes and interest thereon and ultimately the obligations of the Issuer to pay

principal under such Notes may even be reduced to zero.

In the event of the occurrence of any credit event such as bankruptcy, failure to pay obligations, accelerations and repudiation/moratorium in respect of one or more reference entities or assets, the Issuer may redeem the Notes either by delivering to the holders of the Notes such deliverable obligations (as specified in the Final Terms) of any such reference entity in respect of which the credit event has occurred or, if cash settlement is specified in the relevant Final Terms, by the payment of an amount of cash as determined in accordance with the provisions of the relevant Final Terms. In additions, interest bearing Credit Linked Notes may cease to bear interest on or prior to the date of the occurrence of such circumstances.

In case of physical settlement (as specified in the Final Terms) the deliverable obligations will be debt obligations of the reference entity, selected by the Issuer, of the type and having the characteristics described in the Final Terms. Thus, the Issuer may deliver any deliverable obligations of a defaulted reference entity meeting the criteria described in the Final Terms, regardless of their market value at the time of delivery, which may be less than the principal amount of the Notes or, in certain circumstances, be equal to zero.

### **General Risks in respect of Structured Notes**

An investment in Notes the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the holder of such Notes will receive no interest at all, that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor could lose all or a substantial portion of the principal of its Notes. In addition, investors should be aware that the market price of such Notes may be very volatile (depending on the volatility of the relevant currency, commodity, interest rate, index or formula). Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Note.

### **Risk of potential Conflicts of Interest**

In case of Notes linked to an underlying (e.g., but not limited to, an index, a currency, a commodity, single shares or a basket), each of the Issuer, the Dealer(s) or any of their respective affiliates may from time to time engage in transactions relating to such underlying for their own accounts or for the accounts of third parties and may issue other financial products in respect of such underlying. Such activities could create conflicts of interest and may have a negative impact on the underlying value.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business.

## **Incorporation by Reference / Documents on Display**

The following documents are incorporated by reference into this Prospectus and are available in the English language.

The audited consolidated financial statements for Deutsche Telekom AG and the audited unconsolidated financial statements for Deutsche Telekom International Finance B.V. for the financial years ending 31 December 2009 and 31 December 2008, respectively, are incorporated by reference into this Prospectus:

### **Deutsche Telekom AG**

The audited consolidated financial statements of Deutsche Telekom for the financial year ended on 31 December 2009 consisting of

- Consolidated statement of financial position (pages 124,125 in the Annual Report of 2009),
- Consolidated income statement (page 126 in the Annual Report of 2009),
- Consolidated statement of comprehensive income (page 127 in the Annual Report of 2009),
- Consolidated Statement of changes in equity (pages 128, 129 in the Annual Report of 2009),
- Consolidated statement of cash flows (page 130 in the Annual Report of 2009)
- Notes to the consolidated financial statements (pages 131 to 215 in the Annual Report of 2009),
- Auditors' Report (page 217 in the Annual Report of 2009).

The audited consolidated financial statements of Deutsche Telekom for the financial year ended on 31 December 2008 consisting of

- Consolidated income statement (page 110 in the Annual Report of 2008),
- Consolidated balance sheet (page 111 in the Annual Report of 2008),
- Consolidated cash flow statement (page 112 in the Annual Report of 2008),
- Statement of recognised income and expense (page 113 in the Annual Report of 2008),
- Notes of the consolidated financial statements (pages 114 to 200 in the Annual Report of 2008),
- Auditors' Report (page 202 in the Annual Report of 2008).

### **Deutsche Telekom International Finance B.V.**

The audited unconsolidated financial statements of Finance for the financial year ended on 31 December 2009 consisting of

- Statement of comprehensive income (page 7 in the Annual Report of 2009)
- Statement of financial position (page 8 in the Annual Report of 2009)
- Statement of cash flows (page 9 in the Annual Report of 2009)
- Notes to the financial statements (pages 10 to 38 in the Annual Report of 2009)

Auditors' report (pages 40 and 41 in the Annual Report of 2009).

The audited unconsolidated financial statements of Finance for the financial year ended on 31 December 2008 consisting of

Income statement (page 8 in the Annual Report of 2008),

Balance sheet (page 9 in the Annual Report of 2008),

Cash flow statement (page 10 in the Annual Report of 2008),

Notes (pages 11 to 41 in the Annual Report of 2008),

Auditors' Report (pages 44 and 45 in the Annual Report of 2008).

All information not listed above, but included in the documents incorporated by reference is given for information purposes only.

The Prospectus and all Reference Documents are available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). During the whole life of the Programme, the Prospectus as well as all supplements thereto, all Reference Documents, the Guarantee and Negative Pledge of Deutsche Telekom AG and the Articles of Association of Deutsche Telekom AG, all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuers' request any part of which is included or referred to in the Prospectus, the historical consolidated financial information of Deutsche Telekom Group for each of the two financial years preceding the publication of the Prospectus are either available on the website of Deutsche Telekom ([www.telekom.de](http://www.telekom.de)), or may, as well as the Articles of Association of Deutsche Telekom International Finance B.V. and the historical financial information of Finance for each of the two financial years preceding the publication of the Prospectus, be inspected and are available free of charge at the office of the Luxembourg Paying Agent, Deutsche Bank Luxembourg S.A., and are available in the English language each free of charge at the head office of Deutsche Telekom AG (addresses are specified on the back cover of this Prospectus).

## General Description of the Programme

### I. General

Under this EUR 25,000,000,000 Debt Issuance Programme, Deutsche Telekom and Finance may from time to time issue notes, (the "**Notes**"). The maximum aggregate principal amount of the Notes from time to time outstanding under the Programme will not exceed EUR 25,000,000,000 (or its equivalent in any other currency). The Issuers may increase the amount of the Programme in accordance with the terms of the Dealer Agreement (as defined herein) from time to time.

The Guarantor has given its unconditional and irrevocable guarantee (the "**Guarantee**") for the due payment of the amounts corresponding to the principal of and interest on the Notes issued by Deutsche Telekom International Finance B.V. The Guarantee will be governed by German law.

The Notes may be issued on a continuing basis to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time by the Issuer(s), which appointment may be for a specific issue or on an ongoing basis. Notes may be distributed by way of public or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms.

Notes will be issued in tranches (each a "**Tranche**"), each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects, except for issue dates, interest commencement dates and/or issue prices may form a series ("**Series**") of Notes. Further Notes may be issued as part of existing Series. The specific terms governing each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions) will be set forth in the applicable Final Terms.

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination of the Notes will be, if in euro, EUR 1,000 and if in any currency other than euro, in an amount in such other currency nearly equivalent to EUR 1,000 at the time of the issue of the Notes. The minimum denomination of the Notes may be smaller than EUR 1,000 if the Notes are not listed or are listed on an unregulated market and may not be part of any public offer.

Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Unless otherwise permitted by then current laws and regulations, Notes in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom will have a minimum redemption amount of GBP 100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until on or after the first anniversary of their date of issue.

Application has been made to list Notes issued under the Programme on the official list of and to admit such Notes to trading on Regulated Market of the Luxembourg Stock Exchange. Notes issued under the Programme may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each Series. Under the Programme notes may also be issued which will not be listed on any Stock Exchange.

### II. Issue Procedures

#### General

The Issuer and the relevant Dealer(s) will agree on the terms and conditions applicable to each Tranche (the "**Conditions**"), which will be constituted by the Terms and Conditions as completed, modified, supplemented or replaced by the provisions of the applicable Final Terms as provided below. The Final Terms relating to each Tranche will specify:

- whether the Conditions are to be Long-Form Conditions or Integrated Conditions (each as described below); and
- whether the Conditions will be in the English language or the German language or both (and, if both, whether the English language version or the German language version is controlling).

As to the controlling language of the respective Conditions, the Issuer anticipates that, in general, subject to any stock exchange or legal requirements applicable from time to time, and unless

otherwise agreed between the Issuer and the relevant Dealer(s):

- In the case of Notes publicly offered, in whole or in part, in Germany or initially distributed, in whole or in part, to non-qualified investors in Germany, German will be the controlling language. If, in the event of such public offer or distribution to nonprofessional investors, however, English is chosen as controlling language, a German language translation of the Conditions will be available from the respective offices of the Paying Agent in Germany and the Issuer, specified under "*Names and Addresses*" below.

As to whether the conditions are documented as Long-Form Conditions or Integrated Conditions the following applies:

- Integrated Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be initially distributed, in whole or in part, to non-qualified investors.
- In all other cases, the Issuer may elect to use Long-Form Conditions or Integrated Conditions.

### **Long-Form Conditions**

If the Final Terms specify that Long-Form Conditions are to apply to the Notes, the provisions of the applicable Final Terms and the Terms and Conditions, taken together, shall constitute the Conditions. Such Conditions will be constituted as follows:

- the blanks in the provisions of the Terms and Conditions which are applicable to the Notes will be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions;
- the Terms and Conditions will be modified, supplemented or replaced by the text of any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of the Terms and Conditions;
- alternative or optional provisions of the Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted will be deemed to be deleted from the Conditions; and
- all instructions and explanatory notes set out in square brackets in the Terms and Conditions and any footnotes and explanatory text in the Final Terms will be deemed to be deleted from the Conditions.

Where Long-Form Conditions apply, each Global Note representing the Notes of the relevant Series will have the Final Terms and the Terms and Conditions attached. If Definitive Notes are delivered in respect of the Notes of such Series, they will have endorsed thereon either (i) the Final Terms and the Terms and Conditions in full, (ii) the Final Terms and the Terms and Conditions in a form simplified by the deletion of non-applicable provisions, or (iii) Integrated Conditions, as the Issuer may determine.

### **Integrated Conditions**

If the Final Terms specify that Integrated Conditions are to apply to the Notes, the Conditions in respect of such Notes will be constituted as follows:

- all of the blanks in all applicable provisions of the Terms and Conditions will be completed according to the information contained in the Final Terms and all non-applicable provisions of the Terms and Conditions (including the instructions and explanatory notes set out in square brackets) will be deleted; and/or
- the Terms and Conditions will be otherwise modified, supplemented or replaced, in whole or in part, according to the information set forth in the Final Terms.

Where Integrated Conditions apply, the Integrated Conditions alone will constitute the Conditions. The Integrated Conditions will be attached to each Global Note representing Notes of the relevant Series and will be endorsed on any Definitive Notes exchanged for any such Global Note(s).

## Deutsche Telekom AG as Issuer and Guarantor

### STATUTORY AUDITORS

The statutory auditors of Deutsche Telekom are PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("**PwC**"), Olof-Palme-Straße 35, 60439 Frankfurt am Main, Germany and Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (for financial year ended on 31 December 2008 Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft ("**E&Y**"), Mittlerer Pfad 15, 70499 Stuttgart, Federal Republic of Germany. PwC and E&Y are members of the chamber of public accountants (*Wirtschaftsprüferkammer*).

### GENERAL INFORMATION ABOUT DEUTSCHE TELEKOM

#### Introduction

The legal and commercial name of the Company is Deutsche Telekom AG. Deutsche Telekom is a private stock corporation organised under German law registered with the local court (*Amtsgericht*) of Bonn under the number HRB 6794. The registered office is located at Friedrich-Ebert-Allee 140, 53113 Bonn, Federal Republic of Germany, and its telephone number is +49 (228) 181-0.

#### Historical Background

Deutsche Telekom is an integrated telecommunications provider offering its customers around the world a comprehensive portfolio of state-of-the-art services in the areas of telecommunications and IT.

The provision of public telecommunications services in Germany was long a state monopoly, as formerly provided in the constitution of Germany. In 1989, Germany began to transform the postal, telephone and telegraph services administered by the former monopoly provider of such services into market-oriented businesses, and divided the former monopoly into three distinct entities along their lines of business, one of which was Deutsche Telekom's predecessor, Deutsche Bundespost Telekom. At the same time, Germany also began the liberalisation of the German telecommunications market. Deutsche Telekom was transformed into a private stock corporation effective 1 January 1995.

The operation of networks (including cable networks) for all telecommunications services, other than public fixed-line voice telephony, was opened to competition in Germany on 1 August 1996, when the new legal framework for the regulation of the telecommunications sector in Germany, the Telecommunications Act, became effective. As required by the Telecommunications Act, and mandated by the directives of the E.U. Commission, the telecommunications sector in Germany was further liberalised on 1 January 1998, through the opening of the public fixed-line voice telephony services to competition.

Since then, Deutsche Telekom has faced intense competition and has been required, among other things, to offer competitors access to its fixed-line network at regulated interconnection rates.

Important events in the development of Deutsche Telekom's business since 1 January 2009 have included:

- the announcement of a joint venture between T-Mobile UK and Orange UK in the United Kingdom;
- the creation of a more regional and integrated structure for third-party domestic carriers and service providers as well as Deutsche Telekom's company, including the integration of its sales and customer service functions at its fixed-line and mobile operations in Germany;
- the acquisition in 2009 of an additional 5% in the Greek telecommunications company OTE for EUR 0.7 billion; and
- the first-time full consolidation of OTE.

#### Corporate Purpose

According to Article 2 of the Articles of Association (*Satzung*) of Deutsche Telekom its object are activity in all areas of telecommunications, information technology, multimedia, information and entertainment, as well as security services and any services connected to these areas, and also in related areas in Germany and abroad. Deutsche Telekom is entitled to enter into all other transactions

and take all other measures deemed appropriate to serve this object. It may also set up, acquire and participate in other undertakings of the same or similar kind in Germany and abroad, as well as run such undertakings or confine itself to the administration of its participation. It may spin off its operations wholly or partly to affiliated undertakings, provided that applicable legal requirements, such as requisite shareholder resolutions, are satisfied.

## ORGANISATIONAL STRUCTURE

Deutsche Telekom is the ultimate parent company of Deutsche Telekom Group. Since 1 July 2009, Deutsche Telekom's organisational structure has reflected the realigned management structure approved by its Supervisory Board on 29 April 2009. The new structure reflects a more regional focus, with a greater emphasis on integrating Deutsche Telekom's fixed-network and mobile communications business. In addition, Deutsche Telekom centralised the responsibility for product development, IT and technology for its European operations.

This realignment resulted in a change to the structure of Deutsche Telekom's operating segments from 1 July 2009. The business activities in four of these five operating segments are assigned by regions. In the fifth segment, the business activities are assigned by customers and products as described below. Since 1 July 2009, Deutsche Telekom has reported on the following five operating segments:

- Germany, which combines all fixed-network and mobile activities in Germany and also includes wholesale telecommunications services for third-party domestic carriers and service providers as well as Deutsche Telekom's other operating segments;
- United States, which comprises all mobile activities in the U.S. market;
- Europe, which covers all activities of the mobile communications companies in the United Kingdom, Poland, The Netherlands, the Czech Republic and Austria, as well as the International Carrier Sales and Solutions unit, which mainly provides wholesale telecommunications services for Deutsche Telekom's other operating segments;
- Southern and Eastern Europe, which comprises all of Deutsche Telekom's fixed-network and mobile communications operations in Hungary, Croatia, Slovakia, Greece, Romania, Bulgaria, Albania, the F.Y.R.O Macedonia, and Montenegro; and
- Systems Solutions, which bundles business with ICT products and solutions for large multinational corporations and public institutions under the T-Systems brand.

Deutsche Telekom also reports on Group Headquarters and Shared Services, which includes its service headquarters and its subsidiaries that are not allocated to the operating segments.

## DESCRIPTION OF BUSINESS

### Segment Revenue Breakdown

The following table presents total revenues (the sum of external (net) revenues and intersegment revenues), net revenues and intersegment revenues of Deutsche Telekom's segments for the years indicated.

millions of EUR	Year	Net revenue	Inter-segment revenue	Total revenue
<b>Germany</b>	<b>2009</b>	<b>23,813</b>	<b>1,610</b>	<b>25,423</b>
	2008	24,754	1,646	26,400
	2007	26,134	1,982	28,116
<b>United States</b>	<b>2009</b>	<b>15,457</b>	<b>14</b>	<b>15,471</b>
	2008	14,942	15	14,957
	2007	14,050	25	14,075
<b>Europe</b>	<b>2009</b>	<b>9,486</b>	<b>548</b>	<b>10,034</b>

millions of EUR	Year	Net revenue	Inter-segment revenue	Total revenue
	2008	10,798	556	11,354
	2007	10,675	559	11,234
<b>Southern and Eastern Europe</b>	<b>2009</b>	<b>9,510</b>	<b>175</b>	<b>9,685</b>
	2008	4,497	148	4,645
	2007	4,458	142	4,600
<b>Systems Solutions</b>	<b>2009</b>	<b>6,083</b>	<b>2,715</b>	<b>8,798</b>
	2008	6,368	2,975	9,343
	2007	6,911	3,660	10,571
<b>Group Head-quarters and Shared Services</b>	<b>2009</b>	<b>253</b>	<b>2,157</b>	<b>2,410</b>
	2008	307	2,474	2,781
	2007	288	2,855	3,143
<b>Total</b>	<b>2009</b>	<b>64,602</b>	<b>7,219</b>	<b>71,821</b>
	2008	61,666	7,814	69,480
	2007	62,516	9,223	71,739
Reconciliation	<b>2009</b>	-	<b>(7,219)</b>	<b>(7,219)</b>
	2008	-	(7,814)	(7,814)
	2007	-	(9,223)	(9,223)
Group	<b>2009</b>	<b>64,602</b>	-	<b>64,602</b>
	2008	61,666	-	61,666
	2007	62,516	-	62,516

### Germany

The following table reflects the number of fixed-network and broadband lines in operation and mobile customers in Germany.

			% Change		
	As of 31 Dec. 2009 millions	As of 31 Dec. 2008 millions	31 Dec. 2009/ 31 Dec. 2008	As of 31 Dec. 2007 millions	31 Dec. 2008/ 31 Dec. 2007
<b>Fixed Network Germany</b>					
Fixed-network lines <sup>(1)</sup>	26.2	28.3	(7.4)	30.8	(8.1)
Retail broadband lines <sup>(1)</sup>	11.5	10.6	8.5	9.0	17.8
Wholesale bundled access lines <sup>(2)</sup>	1.6	2.5	(36.0)	3.5	(28.6)
ULLs <sup>(3)</sup>	9.1	8.3	9.6	6.4	29.7
Wholesale unbundled access lines <sup>(4)</sup>	0.6	0.2	n.a.	0.0	n.a.

## Mobile communications Germany

Mobile customers <sup>(5)</sup>	39.1	39.1	0.0	36.0	8.6
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n.a.—not applicable

Totals were calculated on the basis of precise figures and rounded to millions. Percentages are calculated on the basis of figures shown.

(1) Lines in operation, including IP-based lines and congstar, but excluding internal use and public telecommunications systems. Congstar is Deutsche Telekom's broadband and mobile brand aimed at younger, more price sensitive customers.

(2) Wholesale bundled access lines: Sale of broadband lines based on DSL technology to alternative providers outside Deutsche Telekom, including bundled IP Bitstream Access, or IP-BSA. In the case of IP-BSA, Deutsche Telekom leases DSL lines to its competitors and transport the datastream carried over the lines.

(3) Unbundled local loop lines (ULL): Wholesale service that can be leased by alternative telecommunications operators without upstream technical equipment in order to offer their own customers a telephone or DSL line.

(4) Wholesale unbundled access lines: Wholesale service not bundled with an analog telephone line. Allows competitors to offer an all-IP product range, for example IP- BSA Stand Alone.

(5) Total number of contract and prepay customers at year-end for the periods presented based on the number of activated SIM cards. One SIM card corresponds to one customer. Due to various rulings on the expiry of prepaid credit and the limited validity of prepaid cards, T-Mobile Deutschland changed its terms of contract and therefore its deactivation policy in the first quarter of 2007 in favor of its prepay customers. These customers can now use their prepaid credit longer than before. As a result of the change in the terms of contract, prepaid contracts no longer end automatically, but run for an unlimited duration and can be terminated by the customer at any time and by T-Mobile with one month's notice. T-Mobile Deutschland reserves the right to make use of this right of termination and to deactivate cards in the system.

The Germany operating segment comprises Deutsche Telekom's fixed network and mobile operations in Germany. Since 1 January 2009, fixed network has been responsible for the small- and medium-sized business customers that were previously included in Deutsche Telekom's System Solutions operating segment. Deutsche Telekom's Germany operating segment also includes certain of its telecommunications facilities operations, including the operation, management and servicing of its radio transmission sites in Germany.

Deutsche Telekom intends to use convergence products that bring together mobile communications, Internet and the fixed network in the context of connected life and work to enhance its product portfolio and increase the number of high-value customer relationships over the long term.

### Fixed Network

#### Network Communications

Through Deutsche Telekom's fixed network business, it offers network access, including analog, universal/ISDN and IP Access, as well as calling services to individual, business and wholesale customers.

Analog access lines, which Deutsche Telekom's market under the name "*Standard*", permit the customer to use a single telecommunications channel for voice, data or facsimile transmission. The number of analog access lines decreased year on year, from 22.2 million in 2007 to 20.0 million in 2008 and 18.3 million in 2009. ISDN/Universal access lines, which Deutsche Telekom's market under the name "*Universal*", permit a customer to use simultaneously two telecommunication channels to provide multiple products and services, including voice, data and facsimile transmission. The number of ISDN/Universal access lines decreased year-on-year, from 8.6 million in 2007 to 8.3 million in 2008 and 7.9 million in 2009. IP-Based access lines provide services such as telecommunication, IPTV and data transfer, as well as other services to retail customers at home and elsewhere.

The number of fixed-network access line losses in Germany decreased, as expected, in 2009. The number of line losses includes fixed-network lines previously operated by Deutsche Telekom but now operated as IP-based lines by other service providers using the unbundled local loop line (ULL). In addition, the decrease in the number of fixed-network access lines is mainly attributable to customers switching to alternative cable, local network and mobile operators. In 2009, line losses also resulted from the technology driven migration of Wholesale bundled customers to the all-IP network. Deutsche Telekom expects the number of fixed-network access lines in operation to continue to decrease in the future due to increased competition, fixed-to-mobile substitution, as well as increased migration to IP-based products.

Through the network access product offerings described above, Deutsche Telekom provides comprehensive national and international calling services and dial-up Internet access, and also offers

services such as three-way calling, call-waiting and caller ID. In addition, Deutsche Telekom's portfolio of integrated products, called "*Complete Packages*" (*Komplettpakete*), includes an access line and a variety of flat-rates and services for telephony and Internet access. Deutsche Telekom's Complete Packages with a national voice flat-rate component have led to an increase in unbilled calling minutes by customers using those plans. The trend towards flat-rate components in Complete Packages continued to increase in 2009 and Deutsche Telekom believes that this trend will continue in the future. Consequently, Deutsche Telekom expects calling revenues in the future to decrease due to the decreasing proportion of billed minutes as a result of customer acceptance of Complete Packages, continued loss of fixed-network access lines and fixed-to-mobile substitution.

### **IP/Internet**

Broadband services allow customers to access the Internet and Internet-related services at significantly higher speeds than traditional dial-up services. Broadband access is used to refer to ADSL (asymmetric digital subscriber line), ADSL2 and ADSL2+ (advanced ADSL) and VDSL (very high-speed digital subscriber line) technologies, for which the downstream data rate is greater than 128 Kbit/s. Deutsche Telekom believes that broadband growth in Germany, particularly in the retail market, is largely dependent on the acceptance of double-play and triple-play products and services and improved customer services.

Deutsche Telekom offers broadband and IP services based on ADSL, ADSL2+ and VDSL technologies, which combine a high-speed data download transmission speed with a lower upload transmission speed, primarily to retail customers. Deutsche Telekom also offers its Complete Packages with a flat-rate component including offerings for voice communication and high-speed data access. The total number of retail broadband lines operated by Deutsche Telekom increased in 2009, due to the offer of Complete Packages with additional features and options. For example, Deutsche Telekom offers its Complete Packages with television services under the brand "*Entertain*". Deutsche Telekom's Entertain products are offered in a basic version, which includes voice, data and television services, and an enhanced version, which includes a variety of additional services, including HDTV, timeshift, Program Manager and TV-archive. In addition, Deutsche Telekom introduced a new Entertain product in 2009 known as "*Entertain pure*", which comprises a telephone and TV connection without Internet access. The number of Entertain lines in operation, which are included within the number of retail broadband lines in the table above, increased to 806,000 by the end of 2009 from 352,000 in 2008. In 2009, Deutsche Telekom also launched a new LIGA total! product range. With Entertain, customers can now watch all first- and second-division Bundesliga soccer matches on television for an additional charge. Deutsche Telekom expects that its Entertain product portfolio will continue to expand with the inclusion of new features and new rates in response to customer demand. A topic for 2010 will be the further development of Entertain products available to the retail market through a combination of broadband lines and attractive content and features, including flat-rate packages.

Deutsche Telekom's broadband product portfolio also includes a variety of Internet website services provided by the Scout-Group as well as the "*Load*" product portfolio, which includes video, game, software and music offerings available for download.

### **Wholesale Services**

Through Deutsche Telekom's wholesale services business, it provides products and services, including access, interconnection, IP and network services, to third-party domestic carriers and service providers as well as other group companies in accordance with regulatory guidelines stipulated by the Federal Network Agency. Network operators and service providers implement their own business models based on Deutsche Telekom's wholesale services, such as unbundled local loop ("**ULL**") lines, bitstream access or resale, including the Wholesale Internet Access ("**WIA**") and WIA Gate product options. Deutsche Telekom expects that the results of regulatory decisions will continue to have an effect on demand for its wholesale products.

ULL can be leased by third-parties to provide their customers with telephone and Internet services or DSL-based products. In 2009, the number of ULLs rose compared to the end of 2008, mainly as a result of the migration of competitors to all-IP lines. Deutsche Telekom expects that the number of ULLs in operation will increase in the future. However, the rate of growth is expected to decrease. In 2008, Deutsche Telekom was required by the Federal Network Agency to offer wholesale unbundled access line products. Wholesale unbundled access lines in operation increased to 0.6 million in 2009 compared to 0.2 million lines in 2008.

Through Deutsche Telekom's wholesale bundled product, it leases DSL lines combined with one of its standard access lines to third-party providers and then transport the data from its network to the third-party's network. In 2008, Deutsche Telekom introduced regulatorily mandated wholesale bundled and unbundled products, including transport services and symmetric DSL access, or SDSL. Deutsche Telekom also sells broadband access to competitors through its wholesale bundled products, which enable third-party operators to offer an integrated service combining access and IP services to its retail customers under its own brands. The growth in ULLs in 2009 mentioned above primarily came at the expense of Deutsche Telekom's wholesale bundled products. The number of wholesale bundled access lines in operation decreased from 3.5 million in 2007 to 2.5 million in 2008 and 1.6 million in 2009.

Deutsche Telekom's interconnection wholesale services primarily consist of call origination and the transit and termination of switched voice traffic. The terms under which Deutsche Telekom interconnects its telephone network with the networks of other domestic carriers and service providers are either bilaterally negotiated or imposed by the Federal Network Agency. At 31 December 2009, Deutsche Telekom had 117 national bilateral interconnection agreements and 45 national interconnection orders issued by the Federal Network Agency. The Federal Network Agency mandated interconnection prices from 1 December 2008 until 30 June 2011.

Deutsche Telekom provides additional wholesale services, including:

- IP-Services: Internet transport services for broadband and fixed network service providers, such as virtual ISP services, as well as transport services for carrier interconnection;
- Network Services: leased lines, which can be used both for the transmission of data and for voice traffic and are tailored to fit the specific needs of carriers and mobile network operators; and
- Carrier Services Networks, which combine leased lines with network management services.

#### **Other Services**

Other services primarily includes:

- value-added telephone services, which include toll-free numbers and shared-cost numbers, such as 0180, T-VoteCall for customer-relationship management, directory-assistance numbers, the provision and administration of directory databases and public payphones as well as premium-rate services (which use the 0190 and 0900 exchanges);
- Deutsche Telekom's terminal equipment business, through which it distributes, for purchase or lease, an extensive range of telecommunications equipment that is either manufactured by third-parties for Deutsche Telekom or sold under third-party brand names;
- data communications solutions, such as Telekom' Design Networks, platform management, Internet solutions and IP-related services as well as dedicated customer line products connecting two customer networks (located up to 50 kilometers apart) with transmission speeds of up to one Gbit/s;
- support services and publishing services, which include the sale of marketing and advertising services to small- and medium-sized companies via Deutsche Telekom's telephone directories, such as DasTelefonbuch, GelbeSeiten, and Das Örtliche; and
- the sale of products and services through Deutsche Telekom's Telekom Shop outlets and services for energy-based products used to reliably operate telecommunications systems.

#### **Mobile Communications**

Through T-Mobile Deutschland, Deutsche Telekom offers mobile telecommunications services to individual and business customers in Germany. The following table summarises certain information regarding Deutsche Telekom's customers and the German mobile communications market.

Customers (millions) <sup>(1)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
<b>Total</b>	39.1	39.1	36.0
M2M	1.0	0.9	0.7
<b>Contract</b>	17.2	17.0	16.1
<b>Prepay</b>	21.9	22.1	19.9
<b>Monthly churn rate</b>			
	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
<b>Total</b>	1.5%	1.0%	1.1%
<b>Contract</b> <sup>(2)</sup>	1.2%	1.1%	1.2%
<b>Prepay</b> <sup>(3)</sup>	1.7%	0.9%	1.0%

(1) Total number of contract and prepay customers at year-end for the periods presented based on the number of activated SIM cards. One SIM card corresponds to one customer.

(2) In general, a contract customer of T-Mobile Deutschland is churned either after voluntary termination upon the lapse of the customer's contract or after forced contract termination due to the customer's failure to fulfill contractual obligations.

(3) Due to various rulings on the expiry of prepaid credit and the limited validity of prepaid cards, T-Mobile Deutschland changed its terms of contract and therefore its deactivation policy in the first quarter of 2007 in favor of its prepay customers. These customers can now use their prepaid credit longer than before. As a result of the change in the terms of contract, prepaid contracts no longer end automatically, but run for an unlimited duration and can be terminated by the customer at any time and by T-Mobile Deutschland with one month's notice. T-Mobile Deutschland reserves the right to make use of this right of termination and to deactivate cards in the system.

T-Mobile Deutschland offers mobile telecommunications services, including voice, SMS, MMS, Mobile Internet and other data services to consumer and business customers in Germany.

At 31 December 2009, T-Mobile Deutschland had approximately 39.1 million customers, including approximately 1.0 million M2M cards in use. With an overall penetration rate of well over 100%, the focus in Deutsche Telekom's German mobile operations has been on the higher-value contract customer business. In 2009, the share of contract customers in Deutsche Telekom's overall customer base was 44% of the total customer base.

T-Mobile Deutschland's total average churn rate for 2009 was 1.5% per month, compared to an average churn rate of 1.0% per month in 2008, mainly due to an increase in prepay churn rates. The average contract customer churn rate was 1.2% per month in 2009, which is a slight increase compared to 1.1% per month in 2008. The average prepay churn rate during 2009 was 1.7% per month, compared to the average prepay churn rate of 0.9% per month during 2008. T-Mobile Deutschland's total average churn rate for 2008 was 1.0% per month, compared to an average churn rate of 1.1% per month in 2007, due to a decrease in both contract and prepay churn rates. The average contract customer churn rate was 1.1% per month in 2008, which is a slight decrease compared to 1.2% per month in 2007. The average prepay churn rate during 2008 was 0.9% per month, compared to the average prepay churn rate of 1.0% per month during 2007, which was primarily caused by a change in the churn policy in 2007.

## Competition

Deutsche Telekom's fixed-network operations in Germany face intense competition based primarily on price in the market for fixed-line network voice telephony and broadband services. Competitors include cable operators, such as Kabel Deutschland GmbH & Co. KG, other fixed-line carriers, such as Vodafone, Versatel AG or NetCologne Gesellschaft für Telekommunikation mbH, and mobile operators. Average consumer prices for telecommunications services in the fixed-network and in mobile communications in Germany were once again lower than in the prior year. The price index for fixed-network and Internet telephony was down 2.3%, while rates for mobile telephony were 2.5% lower. Aside from pure call charges, prices for mobile data services also decreased.

However, continued competition in these markets resulted in higher service levels being provided for these product packages, for example, increased broadband access widths and higher number of flat-rate minutes. The increased use of complete packages with a flat-rate component and a decrease in

the overall prices for these packages by Deutsche Telekom's competitors have intensified the downward pricing pressure on its own products, services and pricing packages. In particular, competition through bundled offers from other fixed-line carriers has intensified. Competition from local network operators, on the basis of ULLs or the competitor's own infrastructure is increasing, particularly from entities owned by large European telecommunications companies, such as HanseNet (a subsidiary of Telefonica). Deutsche Telekom expects that competition from cable operators will also continue to increase. Depending on the degree to which alternative technologies, such as VoIP, cable broadband and the Internet, gain market acceptance, the usage of Deutsche Telekom's network may be adversely affected.

The growing appeal of cable TV lines is due to the very large bandwidths that are already available – in some cases up to 100 Mbit/s – at attractive prices.

Competitors have invested in their own infrastructure. Given the significant competitive advantage that high-speed networks offer in the broadband access market, Deutsche Telekom expects that its competitors will continue to invest in its own network infrastructure to offer its own IP-based products to compete with its products and services.

The impact of mobile substitution on Deutsche Telekom's fixed-network operations in Germany is also increasing, in part because of the increased market entry of Mobile Virtual Network Operators (MVNOs). In addition, as prices for mobile telephony decline, local and other calling services, as well as access services, face increasing competition from mobile telephone operators, due to mobile substitution. These factors, combined with the continued implementation of regulatory policies intended to foster greater competition, are expected to yield similar trends in the future.

T-Mobile Deutschland faces intense competition from mobile network operators Vodafone, E-Plus and O2. Deutsche Telekom believes that T-Mobile Deutschland maintained its market leadership position, in terms of number of customers, at 31 December 2009. The German mobile communications market is saturated in terms of customers with a penetration rate of well over 100%. T-Mobile Deutschland will focus mainly on value-driven growth, sustainable customer growth and customer retention in the higher-value contract customer business.

### United States

The United States operating segment offers mobile voice and data telecommunications services to individual and business customers in the United States through T-Mobile USA.

Customers (millions) <sup>(1)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007 <sup>(2)</sup>
Total	33.8	32.8	28.7
Contract	26.8	26.8	23.9
Prepay	7.0	6.0	4.8

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007 <sup>(2)</sup>
Total	3.2%	2.9%	2.8%
Contract	2.3%	2.1%	1.9%
Prepay	7.0%	6.9%	7.2%

(1) Total number of contract and prepay customers at year-end for the periods presented based on the number of activated SIM cards. One SIM card corresponds to one customer.

(2) 2007 numbers are excluding SunCom customers.

At 31 December 2009, T-Mobile USA had approximately 33.8 million customers, an increase of 1.0 million customers during the year. Of the total customers at 31 December 2009, approximately 79%, were contract customers (including machine-to-machine customers), compared to approximately 82% at 31 December 2008. The number of contract customers decreased as a proportion of the customer base due to a decline in the number of T-Mobile USA branded customers (wireless customers

excluding MVNO and machine-to-machine customers), offset by growth in wholesale customers.

At 31 December 2008, T-Mobile USA had approximately 32.8 million customers, compared to approximately 28.7 million at 31 December 2007. Included in the increase of 4.1 million customers in 2008 were 1.1 million customers related to Deutsche Telekom's acquisition of SunCom Wireless in February 2008. Of the total customers at 31 December 2008, approximately 26.8 million, or 82%, were contract customers, compared to approximately 23.9 million, or 83%, at 31 December 2007, and approximately 6.0 million were prepay customers at 31 December 2008, compared to approximately 4.8 million at 31 December 2007.

T-Mobile USA's average churn rate for 2009 was 3.2% per month, up from 2.9% in 2008. The contract customer churn rate increased to 2.3% in 2009, from 2.1% in 2008. This was due in part to competitive intensity, including competition based on handset innovation. T-Mobile USA's average churn rate for 2008 was 2.9% per month, up from 2.8% in 2007. The contract customer churn rate increased to 2.1% in 2008, from 1.9% in 2007. This was largely due to the second anniversary of the introduction of two-year customer contracts in the second quarter of 2006, and competitive intensity particularly in the second half of the year.

Competitive differences, differences in features and services due to the use of multiple wireless technologies, and general differences in consumer behavior between the United States and Europe factor into the higher industry churn rates in the United States compared to Europe. However, the churn rate of T-Mobile USA's operations is higher than the U.S. industry average due in part to the higher proportion of prepay customers in T-Mobile USA's customer base relative to most of its U.S. competitors, competitive intensity particularly relating to handset innovation and due to the greater focus on individual consumers than other U.S. carriers (who have a larger focus on lower-churn enterprise and government customers). Prepay customers in the United States typically churn at substantially higher rates than contract customers.

Generally, a contract customer of T-Mobile USA is churned either after voluntary termination or after forced contract termination due to the customer's failure to fulfill contractual obligations. A prepay customer in the United States is churned after a period of 90 days of inactivity (i.e., the customer has neither originated nor received a voice communication, and has not originated a data communication in that period).

Through the acquisition of SunCom Wireless Holdings, Inc. on 22 February 2008, T-Mobile USA expanded its network in the southeastern United States, Puerto Rico and the U.S. Virgin Islands.

During 2009, T-Mobile USA invested in network infrastructure in certain markets to utilise the Advanced Wireless Services spectrum in the 1700 MHz and 2100 MHz frequency bands it acquired in 2006. By the end of 2009, T-Mobile USA's 3G network covered over 205 million people compared to 107 million people at the end of 2008.

### **Marketing and Sales**

The United States operating segment comprises all of Deutsche Telekom's wireless activities in the U.S. market and offers mobile voice and data services to consumers and business customers through T-Mobile USA. Mobile devices and accessories are usually sold in connection with the services offered. In late 2009, T-Mobile USA introduced its Even More rate plans, which feature unlimited nationwide voice, text, and data services. In addition, T-Mobile USA offers its customers a number of service options, including rate plans with and without contracts, the ability to pay in advance or in arrears, and rate plans with and without subsidised handsets.

T-Mobile USA uses a mix of direct and indirect distribution channels to market its mobile voice and mobile data products and services to its customers. T-Mobile USA sells its products and services to retail customers through a network of direct retail stores. Additionally, T-Mobile USA has a direct sales force dedicated to business customers and sales through customer service and the T-Mobile USA website. In addition, third-party distributors, who may market the products and services of one or multiple mobile network operators, play a significant role in distribution. T-Mobile USA uses a variety of incentives to encourage third-party vendors to sell T-Mobile products and services, such as payment of associated marketing expenses and commissions.

Wholesale entities such as MVNOs and machine-to-machine operators are a growing distribution channel for T-Mobile USA unbranded products and services. In general, wholesale entities purchase minutes and data at wholesale rates, resell packaged services and mobile devices under their own

brands through their own distribution channels, charge their customers at retail rates that they set independently, and provide customer service and technical support.

T-Mobile USA provides its customers with access to T-Mobile USA specific and third-party content services as well as to the open Internet. Content provided to customers is either at no additional charge, in which case the customer only has to pay the normal connection charges to view the content, or it is premium content, where a customer pays a specific charge, e.g., a charge is added to the customer's mobile telephone bill to access the content.

### **Competition**

The United States operating segment faces intense competition in the United States mobile telecommunications market from the three other large national mobile providers, Verizon, AT&T and Sprint, and from MVNOs and two growing regional operators offering low-priced unlimited services. In addition to competitive factors, the three largest national mobile providers have been involved in more significant acquisition activity in the last five years than T-Mobile USA.

Verizon, AT&T and Sprint have potential advantages through size, scale and bundling with other non-wireless communication services. These advantages could allow them to deliver services in a more cost-efficient manner and disproportionately increase their customer base, thereby negatively affecting T-Mobile USA's competitive position.

Furthermore, AT&T has had a competitive advantage in the past two years with the exclusive distribution of the Apple iPhone. Verizon and AT&T, in particular, achieved proportionately higher net customer additions in 2009, which combined with pressure from the regional unlimited discount operators, resulted in T-Mobile USA's slight decline in market share in 2009.

The United States mobile telecommunications market is quite different in a number of respects from the European mobile telecommunications markets. For example, there is no single communications standard. In addition, licenses used to provide wireless services do not cover the entire country and different frequency ranges may be required within a nationwide footprint. It can therefore be difficult for network operators to obtain the spectrum needed in some localities to expand customer base, upgrade the quality of service and add new services, particularly in densely-populated urban areas. Low population density in other areas can cause problems with network efficiency and result in geographic areas with no or limited coverage. For these and other reasons, penetration levels for mobile telecommunications services in the United States are generally lower than penetration levels in western European countries, although the difference continues to decrease over time. Mobile telecommunications operators in the United States generally continue to invest heavily in their networks in order to generate customer and revenue growth. Slowing wireless industry customer growth expectations indicate that the market is maturing, with focus moving towards data services growth.

Usage and pricing practices in the United States mobile market also differ significantly from typical usage and pricing in European markets. Average voice usage per customer per month is generally much higher in the United States than in Europe primarily due to lower priced plans for usage and the increasing popularity of unlimited plans, resulting in a higher number of postpay plans in the United States. Contract pricing in the United States is typically in the form of a fixed monthly charge at various price points for specified bundles of features and services, which permit usage up to prescribed limits with no incremental charges. Usage in excess of the limits results in incremental charges. The majority of prepay service is priced solely on a usage basis, similar to Europe, but the percentage of prepay customers is significantly smaller in the United States than Europe. Typically, both inbound and outbound usage counts against the contract usage limits, and both are subject to incremental charges for excess contract usage and prepaid usage. Monthly average revenue per user (ARPU) is typically higher in the United States than in Europe. However, average revenue per minute of use is substantially lower in the United States than in Europe. Furthermore, in the United States unlimited voice and data services offerings have expanded, eliminating incremental usage charges at certain price points. In late 2009, T-Mobile USA introduced its Even More rate plans, which feature unlimited nationwide voice, text, and data services. These plans also allow customers the option of being on a service contract and receiving a subsidised handset, or a no-contract option at lower rates but without a discounted handset. The no-contract plan also includes the option of no-interest handset financing over a period of up to 20 months.

The differences between the United States and European mobile telecommunications markets result

in different competitive pressures. Like the European market, handset lineup and the perceived value of bundles of voice, messaging, and data services are key competitive factors in the United States. In addition, 3G network coverage and quality in the United States has recently become a more important factor than in the past. To the extent that the competitive environment requires T-Mobile USA to decrease prices, or increase service and product offerings, there could be significant adverse impacts to revenues, costs and customer retention.

## Europe

### United Kingdom

T-Mobile UK offers mobile telecommunications services to individual and business customers in the United Kingdom.

Customers (millions)	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	17.2	16.8	17.3
Contract	4.1	4.1	3.9
Prepay	13.1	12.7	13.4
Thereof : Virgin Mobile	4.3	4.8	5.2

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	2.6%	3.4%	3.2%
Contract	2.1%	2.1%	2.0%
Prepay	2.8%	4.0%	3.8%

In 2009, T-Mobile UK's total customer base increased compared to 2008. The number of prepay customers (not including Virgin Mobile customers) increased by 0.8 million, which was mainly caused by focusing on SIM card only sales. At 31 December 2008, T-Mobile UK had approximately 16.8 million customers, compared to approximately 17.3 million at 31 December 2007.

The number of Virgin Mobile Telecoms Limited, or Virgin Mobile, customers decreased by 0.5 million year on year. Customers of Virgin Mobile, an MVNO, are included in T-Mobile UK's reported customer base as prepay customers because it is currently impossible for T-Mobile UK to differentiate between Virgin Mobile customers as contract customers or prepay customers. As an MVNO, Virgin Mobile purchases airtime minutes and basic mobile services from T-Mobile UK and resells these minutes and services under the "Virgin Mobile" brand name.

Of the total number of T-Mobile UK customers at 31 December 2008 and 2007, approximately 4.8 million and 5.2 million, respectively, were customers of Virgin Mobile. M2M cards are also included in the T-Mobile UK customer base. M2M cards account for one percent of the overall customer base.

Further to announcements of 8 September 2009, and to the obtaining of all necessary approvals, Deutsche Telekom and France Télécom announced on 1 April 2010 the successful completion of the UK merger transaction and the formation of the new joint venture. Through this merger, Deutsche Telekom and France Télécom are creating a company in the UK mobile market that will serve a combined customer base of approximately 32.7 million customers (as of the end of third quarter 2009 and including Virgin Mobile customers). The transaction also has synergy potential through costs savings that Deutsche Telekom expects to realise through integration and scale and includes the Orange broadband activities.

Under the terms of the joint venture agreement, if a third party were to take a controlling stake in Deutsche Telekom, France Télécom would be relieved of all restrictions imposed on the shareholders relating to the transfer of their shares for a period of one year. However, even in this situation, transferring shares to competitors would remain prohibited.

In December 2007, "3" (a brand name of Hutchison 3G UK Limited) and T-Mobile UK entered into a

network sharing agreement to consolidate their 3G Radio Access Networks to provide customers with enhanced network coverage and faster access to high-speed mobile services at a lower cost. In early 2008, the joint venture they established, Mobile Broadband Network Limited, or MBNL, introduced its first integrated cell site using the new network consolidation technology. With the continued strong cooperation with Deutsche Telekom's joint venture partner, Hutchison 3G, MBNL has significantly advanced the progress of its network roll out. Deutsche Telekom expects considerable further progress in the expansion of the 3G network in 2010 to provide the UK's largest 3G network to Deutsche Telekom's customers in terms of number of sites.

During 2009, T-Mobile UK's average monthly churn rate (not including Virgin Mobile customers) was 2.6%, compared to 3.4% in 2008. This decrease in churn rate was predominantly caused by the decrease in T-Mobile UK's prepay churn rate of 2.8% per month in 2009, compared to 4.0% per month in 2008. This positive development was caused mainly by improved prepay retention programs. The contract churn rate remained unchanged.

During 2008, T-Mobile UK's average monthly churn rate (not including Virgin Mobile customers) was 3.4%, compared to 3.2% in 2007. The increase in churn was predominantly caused by an increase in T-Mobile UK's prepay churn rate of 4.0% per month in 2008, compared to 3.8% per month in 2007, which was mainly caused by an intense focus on the contract customer base. The contract churn rate was 2.1% per month in 2008, which slightly increased compared to 2007.

Generally, a contract customer of T-Mobile UK is churned either after the voluntary termination upon the lapse of a contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. A prepay customer in the United Kingdom is churned after a period of 180 days of inactivity, i.e., the customer has neither originated nor received a voice or data communication in that period. Virgin Mobile reports to T-Mobile UK the number of customers using a churn policy whereby a customer is churned after a period of 180 days of inactivity.

In the UK, T-Mobile UK faces intense competition from mobile network operators Vodafone, O2, Orange and "3". In addition, in the retail market, T-Mobile UK competes against resellers and MVNOs.

## Poland

Through PTC, Deutsche Telekom offers mobile telecommunications services to individual and business customers in Poland. Deutsche Telekom holds a 97% interest in PTC.

Customers (millions)	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	13.5	13.3	13.0
Contract	6.7	6.3	5.4
Prepay	6.8	6.9	7.6

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	2.7%	3.1%	3.1%
Contract	0.8%	0.6%	0.7%
Prepay	4.6%	5.2%	4.6%

In 2009, the customer base of PTC increased compared with 2008 due to a positive development in the number of contract customers, as a result of successful retention campaigns.

The monthly churn decreased in 2009 compared with 2008. This reduction was due to a high prepay churn in 2008 as a result of disconnections of SIM cards that were being used improperly at that time.

PTC's average churn rate during 2008 and 2007 was 3.1% per month. The average contract churn rate during 2008 was 0.6% per month, which represents a decrease from 0.7% per month in 2007, primarily due to intensive retention campaigns. The average prepay churn rate increased from 4.6% per month in 2007 to 5.2% per month in 2008, primarily due to disconnections of improperly used SIM cards.

In general, a contract customer of PTC is churned either after the voluntary termination upon the lapse of a contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. PTC's prepay churn policy generally states that a customer can originate calls or data traffic and receive data or voice communications during the relevant validity period. The length of the validity period can be up to 12 months depending on the recharge amount (account validity). The validity period can be extended by additional top-up credits. If a customer exceeds the account validity date, the customer will receive a grace period depending on the applicable tariff. During the grace period, the customer can only receive voice and data communications. The grace period is either 3 months or 12 months depending on the tariff plan. If the prepay account has not been topped-up during this grace period, the customer is churned.

PTC includes in its customer base machine-to-machine cards. M2M cards account for 1.4% of the overall customer base in 2009.

In Poland, PTC faces competition from network operators Polkomtel, Centertel and P4 and in addition from MVNOs.

### The Netherlands

Through T-Mobile Netherlands, Deutsche Telekom offers mobile telecommunications and broadband fixed-line services to individual and business customers in The Netherlands.

Customers (millions)	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	4.6	5.3	4.9
Contract	2.4	2.3	2.1
Prepay	2.2	3.0	2.8

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	3.8%	2.5%	2.8%
Contract	1.5%	1.6%	1.4%
Prepay	5.6%	3.1%	4.1%

At T-Mobile Netherlands, the overall customer base decreased in 2009 compared with 2008. This decline was attributable to a reduction in the prepay customer base as a result of an increase in prepay churn. The contract customer base increased in 2009, despite a highly competitive market situation in The Netherlands.

In 2009, the overall churn rate increased sharply as a result of an increase in the prepay churn rate. The increase of prepay churn was caused by an initiative resulting from the Orange customer migration. Prepay customers of Orange Nederland N.V. who had been migrated to the T-Mobile Netherlands customer base in the middle of 2009, but who did not show any activity within 180 days after the migration, were churned by the end of 2009. This led to a significant decrease of customer base in the prepay segment. The churn rate in the contact customer segment decreased in 2009 compared with 2008 as a result of enhanced initiatives for customer retention.

T-Mobile Netherlands' average churn rate for 2008 (including Orange Nederland for a full year) was 2.5% per month, compared to an average churn rate of 2.8% per month in 2007. This decrease in 2008 was due to a decrease in prepay churn rate.

In general, a contract customer of T-Mobile Netherlands is churned either after the voluntary termination upon the lapse of a contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. If a prepay customer of T-Mobile Netherlands has neither originated nor received voice or data activity (or received only SMS/MMS messages) for a period of 180 days, the customer is churned and removed from the customer base.

In the Dutch retail market, in addition to competition from the mobile network operators KPN Mobile and Vodafone, T-Mobile Netherlands competes with an increasing number of MVNOs.

## Czech Republic

Through T-Mobile Czech Republic, Deutsche Telekom offers mobile telecommunications services to individual and business customers in the Czech Republic and since December 2009 fixed line services. Deutsche Telekom holds an interest of approximately 61% in T-Mobile Czech Republic.

Customers (millions)	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	5.5	5.4	5.3
Contract	2.7	2.5	2.2
Prepay	2.8	2.9	3.0

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	1.4%	1.4%	1.4%
Contract	0.5%	0.5%	0.6%
Prepay	2.2%	2.1%	1.9%

In 2009, the overall customer base of T-Mobile Czech Republic slightly increased compared with 2008. As a result of Deutsche Telekom's strategy to focus on high value contract customers, the contract customer base increased year-over-year, while the prepay customer base slightly decreased.

The slight increase in the prepay churn rate in 2009 was the result of a stable level of prepay disconnections relative to a smaller average customer base due to lower prepay customer gross additions.

T-Mobile Czech Republic's average churn rate during 2008 was 1.4% per month, which is approximately the same as in 2007. The average contract churn rate during 2008 was 0.5% per month, compared to the average contract churn rate of 0.6% per month during 2007. The average prepay churn rate during 2008 was 2.1% per month, compared to the average prepay churn rate of 1.9% per month during 2007. The year-over-year changes of contract and prepay churn are caused by an ongoing trend of migration to prepay segment instead of deactivation the customer in contract segment, which allows T-Mobile Czech Republic to save part of contract customers in prepay segment. Nevertheless it is also increasing the prepay churn.

At T-Mobile Czech Republic, generally, a contract customer is churned either after the voluntary termination upon the lapse of a contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. In the absence of re-charging, a prepay customer is churned 30 days after completing a period of 12 months without charged voice or data communications activity.

In the Czech Republic, T-Mobile Czech Republic faces competition from Telefynica O2 Czech Republic (formerly Eurotel Praha), Vodafone Czech Republic (formerly Oskar Mobil) and since mid-2008 MobilKom under its brand "U:Fon".

## Austria

Through T-Mobile Austria, Deutsche Telekom offers mobile telecommunications services to individual and business customers in Austria.

Customers (millions)	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	3.4	3.4	3.3
Contract	2.3	2.3	2.1
Prepay	1.1	1.1	1.1

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	1.8%	1.8%	2.0%
Contract	1.1%	1.0%	1.2%
Prepay	3.5%	3.3%	3.4%

In 2009, the customer base of T-Mobile Austria remained unchanged compared with 2008, both in the contract and the prepay customer segment. This result was achieved despite intense competition in the Austrian mobile communication market. M2M cards account for one percent of T-Mobile Austria's overall prepay customer base at the end of 2009.

The overall churn rate at T-Mobile Austria remained stable in 2009 compared with 2008, despite a slight churn rate increase in prepay and contract. This effect was attributable to a slightly higher average contract customer share in the overall average customer base in 2009 compared with 2008. The prepay churn rate increased as a result of intense competition in the Austrian mobile communication market.

T-Mobile Austria's average churn rate during 2008 slightly decreased to 1.8% per month (tele.ring's average churn rate was 2.1% per month during 2008), as compared to the average churn rate of 2.0% per month during 2007. The average churn rate for contract customers during 2008 decreased to 1.0% per month compared to 1.2% per month in 2007 (tele.ring's average contract churn rate was 1.2% per month during 2008) due to increased retention measures. The average prepay churn rate during 2008 was 3.3% per month, compared to the average prepay churn rate of 3.4% per month during 2007.

In general, a contract customer is churned either after the voluntary termination upon the lapse of a contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. Since the beginning of September 2007, T-Mobile Austria has generally churned prepay customers if they had 13 months and two weeks without any charged data or voice communication.

tele.ring, which Deutsche Telekom manages as a separate brand within T-Mobile Austria, generally churned prepay customers after three months without any charged data or voice communication. Starting in January 2010, the churn policy of T-Mobile Austria for prepay customers is also used for tele.ring prepay customers. The alignment of the churn policies results in a higher reported subscriber base and thus, a lower amount of average revenue per customer.

In Austria, T-Mobile Austria primarily faces competition from mobilkom austria, Orange (formerly ONE) and "3".

### Southern and Eastern Europe

Deutsche Telekom's Southern and Eastern Europe (SEE) operating segment includes the fixed-network and mobile communications subsidiaries of T-Hrvatski Telekom, Slovak Telekom, Magyar Telekom, Makedonski Telekom, Crnogorski Telekom and the OTE group: OTE, COSMOTE, Romtelecom, COSMOTE Romania, Globul (Bulgaria) and AMC (Albania).

	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Fixed-network lines <sup>(1)</sup>	11.9	12.8	13.6
Retail broadband lines	3.5	3.0	2.1
Wholesale bundled lines <sup>(2)</sup>	0.2	0.3	0.4
ULLs <sup>(3)</sup>	1.1	0.7	0.3
Mobile customers <sup>(4)</sup>	34.6	31.6	26.2

OTE has been consolidated since February 2009. Prior-year figures in all tables have been adjusted accordingly on a pro forma basis.

(1) Lines in operation excluding internal use and public telecommunications, including IP-based lines.

(2) Wholesale bundled lines: sale of broadband lines based on DSL technology to alternative providers outside Deutsche Telekom, including bundled IP-Bitstream Access (IP-BSA). In the case of IP-BSA, Deutsche Telekom leases DSL lines to the competitor and transport the datastream carried over these lines.

(3) Unbundled local loop line: Deutsche Telekom wholesale service that can be leased by alternative telecommunications operators without upstream technical equipment in order to offer their own customers a telephone or DSL line.

(4) One mobile communications card corresponds to one customer.

## Hungary

Deutsche Telekom holds a 59.2% interest in Magyar Telekom, the leading full-service telecommunications provider in terms of customers and revenues in Hungary. The following table summarises Deutsche Telekom's key customer information for Hungary.

## Fixed network

Lines (millions) <sup>(1)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Broadband access lines	0.8	0.8	0.7
Fixed network access lines	1.8	2.0	2.2

## Mobile communications

Customers (millions) <sup>(2)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	5.1	5.4	4.9
Contract	2.3	2.1	1.8
Prepay	2.8	3.3	3.1

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	2.1%	1.3%	1.3%
Contract <sup>(3)</sup>	1.1%	0.9%	0.8%
Prepay <sup>(4)</sup>	2.8%	1.6%	1.8%

(1) Lines in operation, including IP-based lines, but excluding internal use and public telecommunications systems. Broadband include bundled and unbundled resale and retail services.

(2) Total number of contract and prepay customers at year-end for the periods presented based on the number of activated SIM cards. One SIM card corresponds to one customer.

(3) A contract customer of T-Mobile Hungary is churned either after the voluntary termination upon the lapse of his contracted loyalty period or after forced contract termination due to the customer's failure to fulfill payment obligations.

(4) In the absence of re-charging, a prepay customer is suspended after a period of 12 to 16 months depending on the amount charged on the prepay card.

Magyar Telekom offers telecommunications services, such as fixed-line and mobile telephone services, data communications services, wholesale services, IP/Internet services, multimedia broadcast services and other services for customers throughout Hungary. Magyar Telekom's systems integration and IT operations are reported under Deutsche Telekom's operating segment Systems Solutions.

In 2009, the number of Magyar Telekom's fixed-network access lines in operation decreased compared to 2008 and 2007 mainly due to ongoing fixed-mobile substitution. The positive development of the broadband market and high demand for broadband solutions influenced Magyar Telekom's number of broadband access lines in operation. Broadband access lines in operation increased in 2009 to 789,000, compared to 761,000 at 31 December 2008 and 715,000 at 31 December 2007.

In September 2008, Magyar Telekom decided to roll-out a fiber-optic network that would enable it to offer innovative products, including television services. Magyar Telekom's multimedia services business primarily consists of its cable television business. The number of Magyar Telekom's cable television customers decreased to 407,000 at 31 December 2009 from 423,000 at 31 December 2008 and 419,000 at 31 December 2007, mainly driven by the entry of new competing technologies. As part of Magyar Telekom's strategy to provide international network and carrier services in southeastern Europe, Magyar Telekom currently offers wholesale services in Romania, Bulgaria and the Ukraine.

T-Mobile Hungary, the mobile brand of Magyar Telekom, offers mobile telecommunications services to individual and business customers in Hungary. At 31 December 2009, the number of T-Mobile Hungary's customers declined compared with 2008 due mainly to the impact of the economic crisis and the churn of inactive SIM cards. Growth in the number of contract customers, as a result of

attractive tariff packages, sales commission schemes and loyalty programs, partially offset the decline in prepay customers.

T-Mobile Hungary's average churn rate during 2009 was 2.1% per month, which represents an increase from 2008. The average contract churn rate in 2009 was approximately 1.1% per month, compared to approximately 0.9% per month in 2008 due to continued competitive pressure in the Hungarian market. The corresponding prepay customer churn rate was approximately 2.8% in 2009 compared to approximately 1.6% in 2008 due to increased churn of inactive customers and cancellations related to the economic crisis.

## Croatia

Deutsche Telekom owns 51% of T-Hrvatski Telekom, the leading full-service telecommunications provider in the Croatia in terms of revenues. The following table summarises Deutsche Telekom's key customer information for Croatia.

### Fixed network

Lines (millions) <sup>(1)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Broadband access lines	0.6	0.5	0.3
Fixed network access lines	1.5	1.6	1.6

### Mobile communications

Customers (millions) <sup>(2)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	2.9	2.7	2.4
Contract	0.9	0.8	0.7
Prepay	1.9	1.9	1.7

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	1.9%	1.4%	1.3%
Contract <sup>(3)</sup>	0.8%	0.7%	0.7%
Prepay <sup>(4)</sup>	2.3%	1.7%	1.5%

(1) Lines in operation, including IP-based lines, but excluding internal use and public telecommunications systems. Broadband access lines include bundled and unbundled resale and retail services.

(2) Total number of contract and prepay customers at year-end for the periods presented based on the number of activated SIM cards. One SIM card corresponds to one customer.

(3) A contract customer is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations.

(4) A prepay customer is churned after a period of 270 days without recharging.

T-Hrvatski Telekom offers access and local, long-distance and international fixed-line telephone services, data communications services, IP/Internet services, including IPTV, and wholesale services and mobile telecommunications services through T-Mobile Hrvatska d.o.o., or T-Mobile Croatia, to individual and business customers in Croatia. As of 1 January 2010, T-Hrvatski Telekom merged its fixed network and mobile communication businesses to improve customer service and operational efficiencies.

T-Hrvatski Telekom operates a digitalised fixed-line telecommunications network and started the commercial roll-out of a fiber network in 2008. In 2009, the number of T-Hrvatski Telekom's fixed network access lines in operation decreased slightly compared to 2008 and 2007. The number of broadband access lines provided by T-Hrvatski Telekom continued to increase in 2009. The number of broadband access lines in operation at 31 December 2009 was 555,000 compared to 473,000 at

31 December 2008 and 345,000 at 31 December 2007. The fixed-line business continues to be characterised by increasing competition, particularly the broadband business, as a result of the unbundled local loop. However, mobile substitution is the main competitive challenge in Croatia.

Through its wholly-owned subsidiary, T-Mobile Croatia, T-Hrvatski Telekom offers mobile telecommunications services to individual and business customers in Croatia. At 31 December 2009, T-Mobile Croatia had approximately 2.8 million customers, an increase compared to 2008. Of the total customers at 31 December 2009, approximately 0.9 million were contract customers, a slight increase over 2008 primarily as a result of attractive tariffs. The number of prepay customers slightly increased in 2009 compared with 2008.

T-Mobile Croatia's average monthly churn rate during 2009 increased to 1.9% from 1.4% per month in 2008, primarily as a result of increased contract and prepay churn. The average contract churn rate was 0.8% per month in 2009, a slight increase compared with 2008 primarily as a result of increasing competition. The average prepay churn rate during 2009 was 2.3% per month compared with 1.7% per month in 2008, mainly as a result of increased competition in the lower-margin prepay segment.

### Slovakia

Deutsche Telekom holds a 51% interest in Slovak Telekom, a leading full-service telecommunications provider in the Slovak Republic. The following table summarises Deutsche Telekom's key customer information for Slovakia.

#### Fixed network

Lines (millions) <sup>(1)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Broadband access lines	0.4	0.3	0.3
Fixed network access lines	1.1	1.1	1.1

#### Mobile communications

Customers (millions) <sup>(2)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	2.4	2.3	2.4
Contract	1.4	1.4	1.2
Prepay	1.0	1.0	1.2

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	1.4%	1.8%	1.5%
Contract <sup>(3)</sup>	1.0%	0.8%	0.8%
Prepay <sup>(4)</sup>	2.0%	3.0%	2.1%

(1) Lines in operation, including IP-based lines, but excluding internal use and public telecommunications systems. Broadband access lines include bundled and unbundled resale and retail services.

(2) Total number of contract and prepay customers at year-end for the periods presented based on the number of activated SIM cards. One SIM card corresponds to one customer.

(3) A contract customer is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations.

(4) A prepay customer is churned after a period of 12 months without re-charging since the most recent use.

Slovak Telekom offers access and local, long-distance and international fixed-line telephone services, data communications services, wholesale services, and IP/Internet services. In January 2010, Slovak Telekom officially launched satellite TV services. Through its wholly-owned subsidiary, T-Mobile Slovensko, Slovak Telekom offers mobile telecommunications services to individual and business customers in Slovakia. In December 2009, the Boards of Directors of Slovak Telekom and T-Mobile Slovensko approved a plan to combine the fixed-line and mobile businesses into one integrated

company in 2010 with the objective of improving customer service and internal efficiency.

Slovak Telekom's total number of fixed-network access lines decreased slightly in 2009 by 2.2% compared to 2008. The decrease in traditional fixed network lines was partially offset by an increase in the number of All-IP access lines compared to previous year. Slovak Telekom's total number of fixed-network access lines decreased in 2008 by 1.3% compared to 2007, despite a substantial increase in demand for All-IP access lines. In 2009, Slovak Telekom continued to increase its triple-play services offering and believes that triple-play is one of the main drivers for the success of its broadband business. The number of broadband access lines in operation in Slovak Telekom's network continued to increase in 2009. The number of broadband access lines in operation at 31 December 2009 was 391,000 compared with 339,000 at 31 December 2008 and 261,000 at 31 December 2007. Mobile substitution remains one of the main competitive challenges for Slovak Telekom's fixed-network business.

At 31 December 2009, T-Mobile Slovensko had approximately 2.4 million customers, compared with 2.3 million at 31 December 2008 and 2.4 million at 31 December 2007. The slight increase in the number of customers in 2009 compared to 2008 was primarily a result of overall market growth. T-Mobile Slovensko's average churn rate during 2009 was 1.4% per month, which represents a decrease from 1.8% in 2008, primarily as a result of the decline in prepay churn, which was partially offset by an increase in contract churn. The average prepay churn decreased from 3.0% per month in 2009 to 2.0% per month in 2008, primarily as a result of less competition. The average contract churn rate increased from 0.8% per month to 1.0% per month in 2009, primarily as a result of increasing competition.

### Greece

Deutsche Telekom currently owns 30% plus one share in OTE and control additional shares through a shareholders' agreement with the Hellenic Republic or HR, pursuant to which Deutsche Telekom has assumed management control of OTE. Deutsche Telekom has consolidated OTE since February 2009. The Hellenic Republic also has a put option with respect to its current holdings in OTE. In addition to its presence in Greece, OTE also has subsidiaries in Romania, Bulgaria and Albania.

The following table summarises Deutsche Telekom's key customer information for Greece.

#### Fixed network

Lines (millions) <sup>(1)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Broadband access lines	1.1	1.0	0.8
Fixed network access lines	4.2	4.6	5.0

#### Mobile communications

Customers (millions) <sup>(2)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	9.2	7.9	6.3
Contract	2.3	2.2	2.0
Prepay	6.9	5.7	4.2

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	3.2%	n.a.	n.a.
Contract <sup>(3)</sup>	2.0%	n.a.	n.a.
Prepay <sup>(4)</sup>	3.6%	n.a.	n.a.

n.a.—not applicable

- (1) Lines in operation, including IP-based lines, but excluding internal use and public telecommunications systems. Broadband access lines include bundled and unbundled resale and retail services.
- (2) Total number of contract and prepay customers at year-end for the periods presented based on the number of activated SIM cards. One SIM card corresponds to one customer.
- (3) A contract customer is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations.
- (4) A prepay customer gets suspended in the sixth or twelfth month after the last recharge depending on the tariff. The suspension period is one month. During this period, the subscriber is barred from making calls but can accept incoming calls. Seven or thirteen months after the last recharge the customer gets deactivated and is considered as churned.

OTE is the leading full-service telecommunications provider, based on revenues, of fixed-line voice telephony and IP/Internet access services to residential and business customers in Greece. It also provides data communication services, wholesale services and satellite telecommunications services.

The number of fixed-network access lines decreased as a result of increasing competition and fixed-mobile substitution. Increased access to the unbundled local loop has increased competition in Greece. In 2009, the number of broadband lines increased compared with 2008 due to the efforts of OTE to promote its broadband business through investment in infrastructure covering the needs of both retail and wholesale customers, as well as through extensive sales promotions. These actions, combined with the initial low penetration levels of broadband access lines in Greece, led to strong growth, which continued despite the economic environment.

The number of mobile customers increased in 2009 compared to 2008 mainly as a result of a larger number of prepay customers. In addition, customer growth resulted from numerous innovative and competitive products offered during 2009, improved and successful marketing and communication strategy, sales activities of GERMANOS retail stores and the integration of GERMANOS operations. During 2009, COSMOTE expanded its leadership in the Greek market based on the number of customers, reaching 9.2 million customers. COSMOTE has been gaining market share over the past few years by focusing on the enhancement of the services offered, the upgrade of the network, the improvement of customer service, its distribution network, the strengthening of its corporate image and through competitive products and services. In 2009, average churn increased, due to a significant increase in prepay churn, which was mainly a result of newly introduced prepay customer registration and several aggressive market offers by Deutsche Telekom's competitors.

## Romania

OTE holds a 54.01% interest in the share capital of RomTelecom S.A., the incumbent telecommunications services provider in Romania. RomTelecom offers fixed-line, data communication, IP/Internet, wholesale and satellite TV services. OTE's subsidiary, Cosmote S.A., holds an interest of 70% in the share capital of the mobile operator Cosmote Romania, with RomTelecom holding the remaining 30%. Cosmote Romania is currently one of the three GSM (2G) mobile telecommunications providers in Romania. As further described below, in 2009 Cosmote acquired Telemobil S.A. (Zapp), the oldest mobile communications provider in Romania.

The following table summarises Deutsche Telekom's key customer information for Romania.

### Fixed network

Lines (millions) <sup>(1)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Broadband access lines	0.8	0.7	0.4
Fixed network access lines	2.8	3.0	3.1

### Mobile communications

Customers (millions) <sup>(2)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	7.3	5.9	3.6
Contract	1.5	1.1	0.6
Prepay	5.7	4.8	3.0

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	3.8%	n.a.	n.a.
Contract <sup>(3)</sup>	2.1%	n.a.	n.a.
Prepay <sup>(4)</sup>	4.3%	n.a.	n.a.

n.a.—not applicable

(1) Lines in operation, including IP-based lines, but excluding internal use and public telecommunications systems. Broadband access lines, including bundled and unbundled resale and retail services.

(2) Total number of contract and prepay customers at year-end for the periods presented based on the number of activated SIM cards. One SIM card corresponds to one customer. Figures of Zapp have been included in the 2009 customer data, but were not included in 2008 or 2007 customer data.

(3) A contract customer is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations.

(4) A prepay customer gets suspended in the twelfth month after the last recharge for one month. During this one-month suspension period, the subscriber is barred from making calls but can accept incoming calls. Thirteen months after the last recharge, the customer is deactivated and is considered as churned.

The number of fixed-network access lines in Romania decreased in 2009 due to general trends such as fixed-mobile substitution and the high level of competition, which resulted in a strong pressure on prices. The growing broadband market in Romania is expected to generate demand for a number of newly-introduced applications, such as IPTV. RomTelecom is considering a number of options for responding to the increase in demand for broadband based products, including investing in VDSL or fiber networks.

The number of mobile customers increased in 2009 as a result of growth in both contract and prepay customers despite intense competition and the effects of the global economic crisis. The increase in contract customers was partially a result of the acquisition of Zapp. On 29 October 2009, the Romanian authorities approved the acquisition of 100% less one share of Zapp, the oldest mobile communications provider in Romania, by Cosmote. OTE has consolidated Zapp since November 2009. At the end of 2009, Zapp had approximately 360,000 customers and its 3G network covered 23 cities in Romania. The acquisition of Zapp was made to enhance the business' outlook, as Cosmote Romania will be able to offer new mobile broadband services through its 3G and CDMA licenses.

The total number of mobile subscribers in Romania reached 7.3 million in 2009, an increase of 23.7% compared to 2008.

## Bulgaria

Cosmote S.A. (Greece) owns 100% of Globul, a mobile telecommunications operator in Bulgaria. Globul also holds a license for the construction, maintenance and use of a public telecommunications network for data transmission and the provision of public telecommunications services in Bulgaria, and has been awarded the right to use microwave frequencies and the right to provide leased lines.

The following table summarises Deutsche Telekom's key customer information for Bulgaria.

### Mobile communications

Customers (millions)	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Total	3.9	4.1	3.9
Contract	2.1	2.1	1.7
Prepay	1.8	2.0	2.2

Monthly churn rate	For the year ended 31 Dec. 2009	For the year ended 31 Dec. 2008	For the year ended 31 Dec. 2007
Total	3.8%	n.a.	n.a.

Contract	2.5%	n.a.	n.a.
Prepay	5.3%	n.a.	n.a.
n.a.—not applicable			

Globul is the second largest operator in the Bulgarian mobile market in terms of the number of customers. By the end of 2009, Globul had 3.9 million customers, down by 4.8% compared to 2008, mainly due to the decline in prepaid customers. Contract subscribers exceeded 54% of the total customer base compared to 51% in 2008, while the company's total market share remained stable at approximately 38% despite the aggressive competition. In 2009, Globul continued upgrading its telecommunication infrastructure, maintaining its competitiveness both in terms of geographical coverage and quality of its 2G and 3G networks. The company has been introducing new innovative and competitive products to meet the needs of the consumers.

### Other

Other includes Deutsche Telekom's operations in Albania, the F.Y.R.O. Macedonia and Montenegro. Through the 97% owned COSMO-Holding Albania, and the acquisition of a 12.5% stake during 2009 directly by Cosmote, Cosmote indirectly holds a majority (effective 95%) of the share capital of AMC, a mobile telecommunications subsidiary in Albania. AMC's network operates on the GSM 900 and GSM 1800 frequencies in Albania. In the F.Y.R.O. Macedonia, Deutsche Telekom offers fixed network communications through Makedonski Telekom, which is majority owned by Magyar Telekom. Deutsche Telekom offers mobile telecommunications services through T-Mobile Macedonia, a wholly-owned subsidiary of Makedonski Telekom. In addition, Magyar Telekom has a stake of 76.5% in Crnogorski Telekom, which provides fixed-network and mobile telecommunications services in the Republic of Montenegro.

Other <sup>(1)</sup>	As of 31 Dec. 2009	As of 31 Dec. 2008	As of 31 Dec. 2007
Fixed-network lines <sup>(2)</sup>	0.5	0.6	0.6
Broadband lines <sup>(3)</sup>	0.2	0.1	0.1
Mobile customers <sup>(4)</sup>	3.8	3.3	2.7

(1) Other includes the companies AMC (Albania), Makedonski Telekom (the F.Y.R.O. Macedonia), T-Mobile Macedonia (the F.Y.R.O. Macedonia) and Crnogorski Telekom (Montenegro: mobile communications and fixed network).

(2) Lines in operation excluding internal use and public telecommunications, including IP-based lines.

(3) Total of retail and resale broadband lines.

(4) One mobile communications card corresponds to one customer.

### Competition

Competition in the fixed-line network business in Southern and Eastern Europe increased in 2009. Mobile substitution and regulation requiring access to the unbundled local loop led this development. Competition in the fixed-line network business is primarily based on price. In addition, the mobile telecommunications market is highly competitive, with the operators competing primarily based on price. T-Mobile Hungary faces competition from Pannon and Vodafone Hungary. T-Mobile Croatia faces competition from VIPnet and Tele2. T-Mobile Slovakia mainly competes against Orange and Telefynica O2. Cosmote Greece faces competition from Vodafone and Wind Hellas while in Romania, COSMOTE faces competition mainly from Orange and Vodafone. In Bulgaria, Globul faces competition from M-Tel and Vivatel. In Hungary, Croatia, and Greece Deutsche Telekom is the mobile telecommunications market-leader in terms of customers.

### Systems Solutions

Through T-Systems, Deutsche Telekom's Systems Solutions operating segment provides Information and Communications Technology, or ICT, services worldwide, primarily to multinational companies, government agencies and non-profit organisations. The mission of T-Systems is to shape the networked future of business and society and add value for Deutsche Telekom's customers and employees with innovative ICT solutions. Beginning in 2009, Deutsche Telekom transferred responsibility for its small, medium and large business customers from T-Systems to its Germany operating segment.

## Principal Markets

T-Systems uses its information technology and telecommunications expertise to provide ICT infrastructure and tailored solutions to its customers. Its service offering portfolio along the entire ICT value chain has been simplified from a few hundred to 55 offerings, which include standardised service offerings and individual solutions tailored to the specific needs of Deutsche Telekom's customers. T-Systems supports its customers through its global telecommunications and IT infrastructure networks. T-Systems' primary markets are located in Germany and the rest of Western Europe.

Although the majority of T-Systems' customers are headquartered in Germany, as of 31 December 2009, approximately 45% of T-Systems' 45,328 employees provided services from locations outside Germany. The German-based operations contributed approximately 70% of T-Systems' total revenues, which include intersegment revenues from other Deutsche Telekom companies and affiliates.

## Organisational Structure

In 2009, T-Systems continued to improve its organisation and sales and delivery processes. T-Systems is comprised of one sales unit and two delivery units. T-Systems' sales unit, known as Corporate Customers, is responsible for sales and providing ICT solutions to multinational companies, large enterprises and organisations. Two delivery units, ICT Operations and Systems Integration, complement the activities of Corporate Customers.

T-Systems' operations are supported by the activities of Detecon International GmbH and T-Systems Multimedia Solutions GmbH. Detecon offers its customers integrated management and technology consulting and operates worldwide with a focus on consulting for the telecommunications market. T-Systems Multimedia Solutions develops web based solutions for T-Systems' customers, with a focus on e-commerce and information and knowledge management.

## Corporate Customers

Corporate Customers is the sales unit of T-Systems International GmbH serving over 400 biggest customers of Deutsche Telekom including Deutsche Telekom's customers of the public and health sector. Furthermore, Corporate Customers is also responsible for selling ICT services to all business customers outside Germany. The Corporate Customers business unit currently serves its multinational and other major customers with a dedicated key account management team and large customers with a direct sales approach.

Corporate Customers formed its organisation along its customers and has been structured into 5 operational units and 5 support units.

The Key Account Management ("**KAM**") unit is responsible for the overall global development and management of business with major customers with headquarters in Germany. This unit has a customer base of approximately 40 customers in 9 industry segments. Each of these customers will be served by its own key account management.

Due to their business impact, four Global Accounts, Daimler, DP DHL, Shell and VW have been organised as separate operational units. Each of these customers will be served by its own key account management.

The Direct Sales Unit serves approximately 340 customers. Direct Sales is responsible for the overall global development and management of business with these customers. Direct Sales bundles account management and service management, as well as sales management capabilities, and is supported by pre-sales capabilities.

The Corporate Customers business unit also includes Deutsche Telekom's global account, which reduces IT and telecommunications related costs for the Group. Working on the basis of a "*One Company*" principle with shared goals across all business units of the Group, the DTAG Global Account team aims to contribute to positive developments in the IT landscapes, cost savings, innovation and simplicity within the Group.

Due to its specific requirements, the public and healthcare industries (including government agencies in the federal structure, state pension funds, the armed forces of Germany, research and teaching institutions, international organisations and the healthcare sector) are served by a separate dedicated

team. The unit has been organised in accordance with the federal structure.

Corporate Customers combines its support functions in five specific units: ICT PreSales, Big Deal Management, Sales Operations Management, Business Operations & Excellence and International Operations & Services.

**ICT PreSales** is responsible for bid management and has the technical expertise to provide solutions to fit the customers' needs. ICT PreSales supports the operative sales units through the entire sales process until closing the deal.

**Big Deal Management** is responsible for the development of large volume and strategically relevant deals in selected geographic areas, including the initial sales phase, closing the transaction, and transition to the appropriate service and delivery unit.

**Sales Operations Management** is responsible for maintaining the same methods and processes relating to the main functions within Corporate Customers and sales operations, as well as account and sales management support.

**Business Operations & Excellence** bundles different tasks and projects across the Corporate Customers Unit, such as Complaint Management, Six Sigma for enhanced quality management, support for the CSO, interaction among employees, management and Deutsche Telekom's KAM, etc.

**The International Operations and Services** unit has been established to support the international operations of T-Systems' customers and the international activities of T-Systems. This unit supports the account, sales and bid management activities and oversees the roll-out of management and strategic programs globally. The unit manages international activities together with the management of the countries.

## **ICT Operations**

The ICT Operations delivery unit is responsible for providing services relating to customer ICT infrastructure, including computing services, desktop services, application services and telecommunications services. ICT Operations integrates the solution and process design, with responsibility for standardisation of delivery of services. As of 31 December 2009, ICT Operations had a total of more than 20,000 employees, of whom approximately half were based in Germany. ICT Operations provides the personnel, servers and infrastructure necessary to operate the ICT functions of T-Systems' customers. ICT Operations is represented in a large number of locations throughout Germany and the world. ICT Operations has three main service lines, Desktop Services & Solutions, Computing Services & Solutions and Telecommunications Services & Solutions.

### **Desktop Services & Solutions**

The Desktop Services & Solutions service line is responsible for the development and implementation of complete office systems solutions with wide-ranging responsibility for IT infrastructure. Other core services include stand-alone office systems solutions, including desktop operations, call-center and help-desk services, as well as the operation of computing services infrastructure, consulting and IT design. These services may include sales or leasing contracts relating to desktop computer hardware supplied by third parties. Through Desktop Services & Solutions, T-Systems provides cost-effective desktop services primarily to large customers. Such services cover the entire lifecycle of the workstations provided to the customer, and also include the remote configuration, troubleshooting and debugging of software running on workstations serviced through Desktop Services & Solutions.

Through Desktop Services & Solutions, ICT Operations also ensures the proper operation of the workstations and services hardware and software products provided. As of 31 December 2009, more than 1,800,000 workstations were serviced through Desktop Services & Solutions. Help-desk services are primarily provided through the Services Office platform and the Call Center Platform Management (CCPM) services. The Services Office platform supports one of the largest and most sophisticated Microsoft Exchange applications worldwide, with more than 270,000 mailboxes as well as file, fax and SMS services. CCPM includes services that are required for the smooth operation of a call-center platform. In general, desktop services contracts have an average duration of two years. Customers pay for managed desktop services based on contractually agreed service levels. These agreements describe quantities of goods, such as the number of computers leased and maintained, as well as customer-specific availability and quality requirements for the services provided.

### **Computing Services & Solutions**

Computing Services & Solutions ("**CSS**") provides customers with the ability to outsource their entire IT operations. The services offered include the operation of data centers, application management, user support and network management. Other services offered include the installation, operation and administration of central and open computer systems, data center infrastructure services and business applications. Generally, contracts involving computing services have an average duration of four years or more. Customers pay for computing services based on contractually agreed service levels. These agreements describe the quantity, quality and extent of services to be provided.

CSS possesses the server equipment, software tools and expertise employed in the operation of the computer network infrastructure described above. As of 31 December 2009, CSS' global mainframe systems performance had a combined total computing power of more than 100,000 millions of instructions per second (MIPS).

T-Systems' mainframe computing equipment in Germany and Switzerland (more than 70% of T-Systems' total worldwide computing power) is based on a leasing contract with IBM. T-Systems only purchases the computing capacity actually required, according to a flexible, demand-driven business agreement. In addition to these mainframe systems, as of 31 December 2009, a total of approximately 50,000 servers (most of which are owned by T-Systems) were operated worldwide, in particular in Europe.

### **Telecommunications Services & Solutions**

Telecommunications Services & Solutions manages the development, construction and operation of T-Systems' German and international service platforms, based on transport capacity leased primarily from Deutsche Telekom's Germany operating segment and, to a lesser extent, from other providers. T-Systems' service platforms include:

- IP MPLS, which provides advanced IP services and features, including VPNs for business customers;
- ATM/Frame Relay, which supports Deutsche Telekom's portfolio of specific services for customer networks;
- Voice over IP, which supports VoIP products and acts as a gateway to analog or ISDN networks; and
- Ethernet Platform, which supports ethernet VPN services and LAN-to-LAN connections.

Telecommunications Services & Solutions also provides value-added services through IP-based platforms, including remote dial-in, client encryption and other security services, share internet access services and managed hosting services.

### **Systems Integration**

The Systems Integration delivery unit focuses on IT integration projects, application management and application development. Systems Integration provides advice and assistance for a company's entire "*plan-build-run*" lifecycle. Through its ICT solutions, Systems Integration increases the flexibility of its customers' business processes. Its primary focus is on solution design and architecture, IT projects and solution and application development, including testing and application lifecycle services. Systems Integration focuses on the introduction of uniform processes, general standards, methods and tools and enhancing the re-usability of modular solutions. In addition, Systems Integration supports T-Systems international activities through its delivery network, which provides sales and services to international customers by offering them tailored, efficient solutions and service components.

Systems Integration's offshore resources have been significantly increased through T-Systems' cooperation with Cognizant Technology Solutions Corporation that started in March 2008. Joint activities target mainly European enterprises in order to meet their demands for global services. T-Systems and Cognizant have bundled their respective consulting businesses to obtain projects primarily for customers with locations in Asia and Europe that require global IT solutions.

### **Competition**

T-Systems operates in markets that are subject to intense competitive pressures. The overall market for T-Systems' services has been characterised by consolidation and increased concentration during

the past year. T-Systems faces a significant number of competitors, ranging in size from large IT and telecommunications providers to an increasing number of relatively small, rapidly growing and highly specialised organisations. T-Systems believes that the specific ICT service and solutions offered, performance, quality, reliability and price are important factors in maintaining a strong competitive position.

T-Systems holds different market positions (based on total revenues) in different regions of the world. In Germany, T-Systems believes it was the market leader in 2009 in the IT and telecommunications areas. In Western Europe, on a revenues basis (counting its intersegment revenues), T-Systems was one of the largest IT services vendors in 2009, together with IBM Global Services, Accenture, CapGemini, and HP Services. In the telecommunications area, it was one of the four largest companies, together with BT Global Services, France Télécom and Telefynica. Globally, T-Systems ranked among the top 20 IT and telecommunications companies in 2009

Competition in the telecommunications markets in which T-Systems competes is very intense, both in Germany and globally. The market is characterised by substitution of legacy services (voice and data) by IP and mobile services and by strong pricing pressures. The competitive landscape over the past several years has been characterised by market participants attempting to reduce their indebtedness and increase their profitability through strategic refocusing and concentration on IP services, fixed-mobile convergence and network-centric ICT solutions. Additionally, consolidation in the ICT market (primarily in the U.S. market) has increased competition. T-Systems expects this strategic refocusing to continue in 2010 and therefore expects similarly fierce competition.

Competition is also intense in the information technology area. The current market is characterised by strong pricing pressures, reduced customer IT budgets, prolonged customer sales cycles and aggressive competition from offshore providers. As a result of these competitive pressures, many companies, including T-Systems, are attempting to maintain or expand market share through improved productivity, cost-cutting and efficiency measures. This situation has also led to a consolidation in the IT sector, which T-Systems expects to continue for the foreseeable future. However, T-Systems expects the global IT services markets to continue to grow only Competition will remain intense for the foreseeable future.

## **Group Headquarters and Shared Services**

### **General**

Group Headquarters and Shared Services performs strategic and cross-divisional management functions for Deutsche Telekom. Group Headquarters functions include those performed by many of Deutsche Telekom's central departments, such as treasury, legal, accounting and human resources. Operating functions not directly related to the core businesses of Deutsche Telekom's operating segments are considered Shared Services functions. These functions also include, among others, the management and servicing of Deutsche Telekom's real estate portfolio in Germany, fleet management and Vivento. Since 1 July 2009, Group Headquarters and Shared Services also includes certain group-wide functions in the areas of products and innovation, technology, IT and mobile communications that are assigned to Deutsche Telekom's Chief Operating Officer. The shared services and group headquarters functions of Magyar Telekom and the shared services functions of OTE formerly assigned to Group Headquarters and Shared Services are reported under the Southern and Eastern Europe operating segment since 1 July 2009. Although many of the Group Headquarters and Shared Services functions are legally part of Deutsche Telekom, Deutsche Telekom manages Group Headquarters and Shared Services as though it were a separate legal entity.

### **Principal Activities**

The real estate unit is, based on total revenues, the largest shared service within Group Headquarters and Shared Services. The real estate unit is responsible for managing Deutsche Telekom's real estate portfolio and renting commercial real estate in Germany. Deutsche Telekom's real estate operations are conducted through various subsidiaries and affiliates and include:

- the internal and external group leasing and rental business;
- the power supply and air conditioning solutions business related to Deutsche Telekom's telecommunications facilities (since 1 July 2009 assigned to the Germany operating segment); and
- the operation, management and servicing of Deutsche Telekom's radio transmission sites, such as

Deutsche Telekom's radio towers and transmitter masts in Germany (primarily used in mobile, radio and satellite communications, as well as for television broadcasting; since 1 July 2009 assigned to the Germany operating segment).

Vivento was established in 2002 with the goal of efficiently implementing Deutsche Telekom's staff restructuring measures in a socially responsible manner. Through Vivento, displaced workers are retrained and equipped with new employment qualifications for permanent redeployment within Deutsche Telekom's group or with external employers, or for project and temporary assignments. In addition to individual placements, Vivento staffs major projects and workforce-intensive operations and services. To create further employment opportunities for the employees of the Group, Vivento acquires additional external employment opportunities for civil servant and non-civil servant employees, particularly in the public sector. At the beginning of 2004, Vivento commenced providing call center services primarily to some of Deutsche Telekom's group companies and, to a lesser extent, to third parties. These call center operations consist of the former call center operations of Deutsche Telekom's fixed-network operations in Germany and Vivento Customer Services GmbH.

Vivento Customer Services provides customer-relationship services, including call center and back-office services, within the Group and, to a lesser extent, to third parties. As of 31 December 2009, Vivento Customer Services employed approximately 1,500 people. In addition, approximately 900 people from Vivento were employed by Vivento Customer Services on a temporary basis as of that date.

During 2009, Vivento took on approximately 3,700 of the Group's employees. Approximately 63% were transferred from Deutsche Telekom's Germany operating segment. In the reporting period, approximately 2,300 employees left Vivento to pursue new employment opportunities. About 50% of these employees were placed outside of the Group. At 31 December 2009, the workforce at Vivento totaled around 9,600 employees. This included around 4,200 employees who were deployed externally, mainly in the public sector, for example at the Federal Employment Agency. Approximately another 2,600 people were employed within the Group, especially in call centers, and around 2,800 employees were placed in Vivento's operational and strategic units or provided with support by Vivento.

The following table provides information regarding Vivento's employee structure and movements for the periods presented:

	2009 <sup>(1)</sup>	2008 <sup>(1)</sup>	2007 <sup>(1)</sup>
Number of employees transferred to Vivento	3,700	2,600	1,700
Number of employees that left Vivento	2,300	4,600	5,000
<b>Total number of employees in Vivento as of year-end</b>	<b>9,600</b>	<b>8,200</b>	<b>10,200</b>
of which: Employees in external employment arrangements	4,200	3,300	1,600
of which: Employees in internal employment arrangements	2,600	2,300	5,600

(1) Figures have been rounded to nearest 100.

Deutsche Telekom's fleet management company, DeTeFleetServices GmbH, provides fleet management and mobility services, with approximately 37,000 vehicles provided to Deutsche Telekom's group companies and affiliates within Germany. DeTeFleetServices also generates revenues from third parties through its sale of used fleet vehicles and, to a limited extent, through fleet management services to third parties. The majority of third-party customers are former affiliates of Deutsche Telekom that were sold.

Group Headquarters and Shared Services is also responsible for certain Group-wide functions in the areas of products and innovation and includes the operation and management of Deutsche Telekom's network to be used by Deutsche Telekom's group companies around the world and the provision of carrier services to Deutsche Telekom's international organisation.

The Central Treasury department is primarily responsible for cash management, leasing arrangements and the refinancing of indebtedness through a variety of financial arrangements, including, among other things, bank loans and other credit arrangements. Furthermore, this unit is responsible for the issuance of debt in the international capital markets, the handling of payments and clearing transactions, and foreign exchange and hedging activities.

T-Venture Holding GmbH is also included in Group Headquarters and Shared Services. T-Venture's mission is to scout new products, technologies and services and to acquire access to them on Deutsche Telekom's behalf. Accordingly, a central corporate fund has been established for the purpose of making investments in these areas, in addition to the individual investments that can be made by Deutsche Telekom's operating segments.

Group Headquarters and Shared Services is also responsible for providing professional training and qualification services for Deutsche Telekom's employees within Germany. Deutsche Telekom also provided training for approximately 9,500 apprentices during 2009.

Group Headquarters and Shared Services also includes the establishment and maintenance of international intellectual property rights for Deutsche Telekom, including all Telekom brands.

## **GROUP STRATEGY**

### ***Deutsche Telekom's strategy***

The telecommunications industry is marked by constant change in the fixed-network business, mobile communications, and the Internet, a momentum that even economic upheaval is unable to suppress. This affects key areas of the economy, technology, consumers, the markets, and Deutsche Telekom's competitors. At the same time, the boundaries with related industries – IT, the media, entertainment, and software – are becoming blurred, creating new competitive constellations and increasingly requiring strategic partnerships.

Deutsche Telekom's aim is to position itself successfully in this complex environment and become a market leader in connected life and work in the long term. In the 2009 financial year, Deutsche Telekom continued to systematically implement its "*Focus, fix and grow*" strategy through the following four strategic areas of action:

- Improve competitiveness in Germany and in Southern and Eastern Europe.
- Grow abroad.
- Mobilise the Internet.
- Roll out network-centric ICT.

### ***Improve competitiveness***

Markets in Germany and in Southern and Eastern Europe are becoming saturated, particularly in the fixed-network area, and competition is fierce. In this challenging environment, Deutsche Telekom is focusing on increasing capital expenditure on broadband infrastructure, first-rate products and excellent service and streamlining its cost base. Deutsche Telekom expects its integrated market strategy, which combines its fixed-network and mobile business into a single business unit where practicable, to make the Group more competitive.

**Focused network expansion.** As Deutsche Telekom aims to retain its broadband and innovation leadership, Deutsche Telekom is focusing its investments on network expansion. In its footprint markets, the Group is continuously expanding and upgrading its UMTS networks and enabling fast mobile Internet usage with HSPA+ and other technologies. In the German fixed network, Deutsche Telekom already supplies around 1,000 towns and cities with ADSL2+ and 50 towns and cities with VDSL. As it continues to expand the broadband network, the Group has not only launched cooperation projects with local authorities but is also entering into partnerships with competitors.

**Innovative entertainment products.** Deutsche Telekom aims to provide exciting and innovative entertainment products. For example, since 2009, Entertain customers in Germany have been able to link up several media receivers using the connected video recorder, share photos with friends and relatives, and subscribe to LIGA total! to watch Bundesliga soccer games on TV or while on the move. Three years after the launch of the Dolce satellite service, OTE's Romanian subsidiary RomTelecom expanded its entertainment range and introduced its new Dolce Interactive IPTV product in ten towns and cities around the country in 2009. In Slovakia, the expansion of satellite broadcasting will permit nationwide reception of Magio TV's digital television.

**Service and quality.** Entertain has received several awards from customers and neutral experts. The readers of connect magazine (May 2009 issue) named Entertain the best triple-play provider in 2009.

Deutsche Telekom also beat the competition in a ranking published in the September 2009 issue of Computer Bild. Furthermore, Deutsche Telekom has sold over one million Entertain products, which is its Internet-based television service, the Apple iPhone, and the terminal equipment service package, demonstrating that with excellent service and high-quality products Deutsche Telekom can make a lasting impression on customers even in saturated markets. In 2010, Deutsche Telekom will introduce the ACCI/ICCA (After Customer Contact Interview; International Customer Contact Analysis) study to measure customer perception of other national companies and customer contact channels and improve customer service further.

**Fixed-mobile convergence.** Deutsche Telekom is also improving competitiveness by integrating fixed-network and mobile operations. As part of the "One Company" project, Deutsche Telekom intends to boost its presence in relevant markets as an integrated provider offering convergent products from a single source. To this end, the Group is currently realigning its activities in Croatia, Slovakia, and Germany with a new organisation and strategy. This move will improve Deutsche Telekom's customer service, safeguard jobs, and unlock potential for more innovation, additional revenue, and cost synergies.

**Improved cost base.** In addition to tapping growth potential, Deutsche Telekom needs to work steadily on improving its cost base. To this effect, the Save for Service program was launched in 2006 with the goal of achieving savings of up to EUR 4.7 billion by 2010. By the end of 2009, this target had already been exceeded at EUR 5.9 billion on a cumulative basis. Savings of EUR 1.8 billion were made in the 2009 financial year alone, mainly in the Germany and Systems Solutions operating segments, of which EUR 0.4 billion was reinvested. Deutsche Telekom will usher in the next phase of Save for Service in early 2010 and bring its international activities within the program's scope.

**Operational strength.** To enhance quality and efficiency, in 2006 Deutsche Telekom began applying Six Sigma and Lean Management/Office Lean measurement methods. Several hundred improvement projects have since been carried out, with many business processes enhanced for long-term across business units, and additional revenue and cost cutting in the high triple-digit millions realised.

**Grow abroad.** The proportion of net revenue generated abroad has grown rapidly over the last few years. While Deutsche Telekom's home market, Federal Republic of Germany, generated 46.8% of net revenue in 2008, the figure had dropped to 43.4% one year later. The main contributing factor is the first-time consolidation of the Greek company Hellenic Telecommunications Organisation S.A., Athens, Greece (OTE) and its mobile subsidiary COSMOTE S.A. (COSMOTE). Deutsche Telekom intends to continue to leverage international economies of scale and synergies in the future and grow further. The increase in Deutsche Telekom's stake in OTE, other minor acquisitions in footprint markets, joint ventures, and the focused expansion of its broadband infrastructure form part of Deutsche Telekom's ongoing international growth strategy.

**Increased stake in OTE and leveraged synergies.** In 2009, Deutsche Telekom acquired an additional 5% in the Greek company OTE, bringing its shareholding up to around 30%. During the 2009 financial year, the two companies concentrated on leveraging synergies in various areas including in procurement, where contracts were renegotiated and lower prices agreed, and introducing innovative devices and services.

**Acquisition of Telemobil S.A. (Zapp) in Romania.** The COSMOTE group finalised its acquisition of Zapp in Romania. The acquisition will enable the company to offer new mobile broadband services with the 3G license it acquired in the process, enlarge its customer base, and maintain its footprint in the business customer market.

**Merger in the United Kingdom.** Deutsche Telekom and France Télécom S.A. have signed an agreement to merge their British companies, T-Mobile UK and Orange UK, in a 50:50 joint venture. Deutsche Telekom is hoping for approval of the transaction by the relevant authorities in the course of 2010. When formed, the joint venture will be the leading mobile operator in the UK market.

**Network expansion in the United States.** In 2009, Deutsche Telekom continued to invest in the expansion of Deutsche Telekom's mobile communications network in the United States and doubled its 3G network coverage. By the end of the year, the new data network covered 205 million people in the United States. The rapid upgrade of the mobile network is set to continue in 2010 and coverage with HSPA+ and other technologies will be further improved.

**Mobilise the Internet.** Deutsche Telekom is continuing to lead the way in connected life and work on

the move. Thanks to state-of-the-art terminal devices and innovative applications, mobile Internet access, e-mails, communication, and photo and video sharing is now easier than ever before. Deutsche Telekom is very well positioned in this field and will continue to benefit strongly from future growth in mobile Internet usage.

**Expansion of the handset portfolio.** Deutsche Telekom launched numerous innovative handsets in 2009, including the T-Mobile G1, the world's first Android-based smartphone, and Apple's latest iPhone 3GS. These were followed by other exclusive devices such as T-Mobile G2 Touch, the T-Mobile Pulse, and RIM's BlackBerry Bold™ 9700. T-Mobile also introduced the first Windows-based cell phones, the HTC Touch2 and the HTC HD2, which use the new operating system Microsoft Windows Mobile 6.5 Professional.

**Innovative applications.** In 2009, Deutsche Telekom also rolled out a large number of innovative applications for mobile Internet usage. MyCommunity is one such service, which allows mobile customers to see their contacts immediately on their device's home screen and contact them even faster via an intuitive user interface. Via the Media Center, Deutsche Telekom's customers can access their personal content anytime and anywhere – be it digital photos, videos, music, or constantly updated contacts and e-mails.

**International roll-out.** Besides offering new equipment the Group has also introduced a range of new and innovative services such as Music Zone, which was launched in Greece and will bring T-Mobile's music services also to COSMOTE customers. This music project is the first in a series of international packages of Deutsche Telekom's products and services that are set to be launched in the Greek market.

**Mobile TV.** Deutsche Telekom added further channels to its MobileTV service and improved image and sound quality. The service is now also available on most UMTS-enabled handsets, such as the Apple iPhone 3G and 3GS, the T-Mobile G1, and the T-Mobile G2 Touch. In 2009, Deutsche Telekom began to broadcast all first- and second-division Bundesliga soccer matches live to cell phones with LIGA total!

**Roll out network-centric ICT.** T-Systems identified the trend toward convergent IT and telecommunications services and applications at an early stage and realigned its strategy to focus on customised solutions for corporate customers. The entity manages networks and computing centers worldwide and develops solutions for global corporate networks, mobility, security, and sustainability. On this basis, T-Systems successfully continued its international growth strategy in 2009 and won a large number of tenders for cloud services, dynamic SAP services, and telecommunications and data services. Such large-scale contracts give T-Systems the critical mass it needs to continue offering multinational corporations in key markets attractive services locally.

**Growth through targeted acquisition.** In May 2009, T-Systems expanded its operations in Southwestern Europe with the acquisition of IT service provider Metrolico.

**Cloud computing.** In the future, corporate customers will obtain the software, storage capacity and bandwidth they need online. T-Systems already provides more than 300 corporate customers with IT services from the cloud and plans to continue growing in this area. T-Systems started providing global computing center and SAP services for Philips beginning in January 2010. In the future, international T-Systems locations will provide services using a secure proprietary network – a "*private cloud*" – on an as-needed basis.

**SAP services.** T-Systems is the world leader for customised SAP solutions, as confirmed in studies by analysts at Forrester Research and AMR Research. T-Systems scored points for customer satisfaction and SAP expertise, and also due to large-scale deals with the Nuance Group and Komatsu in South Africa and the acquisition of SAP AG's hosting business in Europe.

**Telecommunications and data services.** Many large corporations such as Linde and Deutsche Post DHL already benefit from T-Systems' experience and expertise in telecommunications solutions and data services. In December 2009, T-Systems was commissioned by BP to migrate the petroleum giant's data network to the next generation, in the course of which it will provide all telecommunications services in over 50 countries.

**Strategic partnerships.** T-Systems participates in selected partnerships to safeguard its long-term competitiveness and global delivery capacity. T-Systems and Microsoft signed an exclusive partnership to offer business software from the Internet for companies with over 5,000 users. T-

Systems is the only German sales partner for such cloud services with Microsoft products. The partnership with Cognizant concluded back in 2008 resulted in orders for systems integration services, for example, from the R&D unit of Continental's tire division.

Deutsche Telekom will continue to drive forward in the dynamic competitive environment in 2010 and concentrate on achieving its long-term vision of becoming a global leader in connected life and work.

Deutsche Telekom's strategies may, of course, be adapted and modified to respond to opportunities and changing conditions. As disclosed in past years, Deutsche Telekom may embark on capital expenditure programs and pursue acquisitions, joint ventures or full or partial dispositions or combinations of businesses where Deutsche Telekom perceive opportunity for profitable growth, cost savings or other benefits for Deutsche Telekom. Transactions may be conducted using newly issued shares of Deutsche Telekom or shares of affiliates, cash or a combination of cash and shares, and may individually or in the aggregate be material to its financial and business condition or results of operations. As a result, they may affect the trading prices of Deutsche Telekom's securities. As in the past, discussions with third parties in this regard may be commenced, on-going or discontinued at any time or from time to time.

## SIGNIFICANT SUBSIDIARIES

Deutsche Telekom is the ultimate parent company of Deutsche Telekom Group. The following table shows the significant subsidiaries that Deutsche Telekom owned, directly or indirectly, as of 31 December 2009.

Name and registered office	% Held
T-Mobile USA, Inc., Bellevue, Washington, United States	100.00
T-Systems International GmbH, Frankfurt/Main, Federal Republic of Germany	100.00
T-Mobile Deutschland GmbH, Bonn, Federal Republic of Germany	100.00
Hellenic Telecommunications Organisation S.A. (" <b>OTE</b> "), Athens, Greece	30.00
T-Mobile Holdings Ltd., Hatfield, United Kingdom	100.00
Magyar Telekom Nyrt., Budapest, Hungary	59.30
T-Mobile Netherlands Holding B.V., The Hague, Netherlands	100.00
PTC, Polska Telefonia Cyfrowa Sp.z o.o., Warsaw, Poland	97.00
T-Mobile Czech Republic a.s., Prague, Czech Republic	60.77
HT-Hrvatske telekomunikacije d.d., Zagreb, Croatia	51.00
T-Mobile Austria Holding GmbH, Vienna, Austria	100.00
Slovak Telekom a.s., Bratislava, Slovakia	51.00

## ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### Management

In accordance with German law, Deutsche Telekom has both a Supervisory Board (*Aufsichtsrat*) and a Board of Management (*Vorstand*). These Boards are separate; no individual may be a member of both. The Supervisory Board appoints the members of the Board of Management and supervises the activities of this Board. The Board of Management represents Deutsche Telekom and is responsible for its management.

On 4 March 2010, the **Board of Management** consists of

René Obermann	Chief Executive Officer (CEO)
Manfred Balz	Board member for Data Privacy, Legal Affairs and Compliance

Reinhard Clemens	Board member for T-Systems and Acting responsibilities for the COO Board area functions of Products & Innovation, Technology, IT and Procurement
Niek Jan van Damme	Board member for Germany
Timotheus Höttges	Board member for Finance (CFO)
Guido Kerkhoff	Board member for Southern and Eastern Europe and acting Board Member for the mobile operations in the UK, The Netherlands, Austria, Poland and the Czech Republic from the COO portfolio
Thomas Sattelberger	Board member for Human Resources

On 4 March 2010 the Members of the **Supervisory Board** consists of

Shareholder representatives:

**Prof. Dr. Lehner, Ulrich**, Member of the Shareholders' Committee Henkel AG & Co. KGaA, Düsseldorf; Chairman of the Supervisory Board Deutsche Telekom AG

**Asmussen, Jörg**, State Secretary, Federal Ministry of Finance, Berlin

**Dr. Bernotat, Wulf H.**, Chairman of the Board of Management E.ON AG, Düsseldorf

**Bury, Hans Martin**, Managing Partner Hering Schuppener Consulting Strategieberatung für Kommunikation GmbH, Frankfurt

**Dr. von Grünberg, Hubertus**, Serves on several supervisory boards, including as Chairman of the Board of Directors of ABB Ltd., Zürich

**Guffey, Lawrence H.**, Senior Managing Director The Blackstone Group International Ltd., London

**Hocker, Ulrich**, Manager in Chief Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW), Düsseldorf

**Prof. h.c. (CHN), Dr.-Ing. E.h.Dr. Middelman, Ulrich**, Former Vice Chairman of the Executive Board ThyssenKrupp AG, Düsseldorf

**Dr. Schröder, Ulrich**, Chairman of the Managing Board KfW Bankengruppe, Frankfurt

**Dr. h.c. Walter, Bernhard**, Former Chairman of the Board of Managing Directors, Dresdner Bank AG, Frankfurt

Employee representatives:

**Becker, Hermann-Josef**, Member of the management of Deutsche Telekom Direct Sales and Consulting as well as Chairman of the Group Executive Staff Representation Committee and Executive Staff Representation Committee, Deutsche Telekom AG, Bonn

**Brandl, Monika**, Chairwoman of the Central Works Council at Headquarters/GHS Deutsche Telekom AG, Bonn

**Falbisoner, Josef**, Chairman of the District of Bavaria ver.di trade union

**Holzwarth, Lothar**, Chairman of the Central Works Council Deutsche Telekom Geschäftskunden, Bonn

**Kallmeier, Hans-Jürgen**, Chairman of the Central Works Council T-System International GmbH, Frankfurt

**Kühnast, Sylvia**, Expert consultant to the Central Works Council, T-Mobile Germany, Hanover

**Litzenberger, Waltraud**, Chairwoman of the Group Works Council and the European Works Council Deutsche Telekom AG, Bonn

**Löffler, Michael**, Member of the Works Council Deutsche Telekom Netzproduktion GmbH, Bonn, Technical Infrastructure Branch Office, Central/Eastern District

**Schröder, Lothar**, Member of the ver.di National Executive Board, Berlin; Deputy Chairman of the Supervisory Board Deutsche Telekom AG

**Sommer, Michael**, Chairman of the German Confederation of Trade Unions (DGB), Berlin

The members of the Board of Management accept membership on the Supervisory Boards of other corporations within the limits prescribed by law.

The business address of each member of the Board of Management of Deutsche Telekom is Friedrich-Ebert-Allee 140, 53113 Bonn, Germany.

There are no potential conflicts of interest of the members of the Board of Management and the members of the Supervisory Board of Deutsche Telekom between their respective duties to Deutsche Telekom and their private interests or other duties.

The Supervisory Board maintains an Audit Committee which is responsible for oversight of accounting and risk management, auditor independence, questions regarding the issuing of the audit mandate to the auditors, the determination of auditing focal points and the fee agreement with the auditors following approval of the auditors by the shareholders, and matters that the audit committee of a NYSE-listed foreign private issuer is required to be responsible for pursuant to the SEC and NYSE regulations and under U.S. law, including the U.S. Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"). The current members of the Audit Committee are Dr. h.c. Bernhard Walter (Chairman), Hermann Josef Becker, Hans Martin Bury, Lawrence H. Guffey, Lothar Holzwarth and Waltraud Litzenberger. The Audit Committee met five times in 2009.

### **Corporate Governance**

Deutsche Telekom is obligated under German law to declare compliance and non-compliance, with the Deutscher Corporate Governance Kodex (the "**German Corporate Governance Code**") at least once per year. In August 2009 and January 2010, two declarations of conformity have been published. The relevant declarations and the text of the German Corporate Governance Code are published in the English language on Deutsche Telekom's World Wide Web site, accompanied by a short description of the German corporate governance concept.

On 28 August 2009, Deutsche Telekom's Supervisory Board and Management Board declared that, in the periods since submission of the most recent declaration of conformity pursuant to Section 161 of the Stock Corporation Act (*Aktiengesetz - AktG*) on 4 December 2008, the Company had complied without exception with the recommendations of the Government Commission for a German Corporate Governance Code announced by the Federal Ministry of Justice on 8 August 2008 in the official section of the electronic Federal Gazette. In this declaration of conformity, Deutsche Telekom's Supervisory Board and Management Board further declared that the Company complies without exception with the recommendations of the Government Commission for a German Corporate Governance Code published by the Federal Ministry of Justice on 5 August 2009 in the official section of the electronic Federal Gazette.

On 5 January 2010, Deutsche Telekom's Supervisory Board and Management Board declared that, in the periods since submission of the most recent declaration of conformity pursuant to Section 161 of the Stock Corporation Act (*Aktiengesetz - AktG*) on 28 August 2009, Deutsche Telekom had complied without exception with the recommendations of the Government Commission for a German Corporate Governance Code announced by the Federal Ministry of Justice on 5 August 2009 in the official section of the electronic Federal Gazette. In this declaration of conformity, Deutsche Telekom's Supervisory Board and Management Board further declared that Deutsche Telekom complies without exception with the recommendations of the Government Commission for a German Corporate Governance Code published by the Federal Ministry of Justice on 5 August 2009 in the official section of the electronic Federal Gazette.

Deutsche Telekom AG does not impose any limits on the right of its domestic or foreign shareholders to hold its shares.

### **MAJOR SHAREHOLDERS**

Prior to 1989, Deutsche Telekom was part of Deutsche Bundespost, a state-owned special asset (*Sondervermögen des Bundes*). In 1989, Deutsche Bundespost was divided into three distinct entities Deutsche Bundespost Telekom, Deutsche Bundespost Postbank and Deutsche Bundespost

Postdienst. Deutsche Bundespost Telekom was transformed, effective 1 January 1995, into Deutsche Telekom AG, a private stock corporation, which initially remained wholly owned by Germany. Deutsche Telekom's first offering of equity securities to the public was in November 1996, followed by a second offering of equity securities to the public in June 1999. Each of the 1996 and 1999 offerings included U.S. public tranches.

According to information supplied to Deutsche Telekom by the Federal Republic, at 31 December 2009, the Federal Republic's direct ownership interest in the Company was 14.83%. KfW, a development bank that is 80% owned by the Federal Republic and 20% owned by the German federal states, owned 16.87% of Deutsche Telekom's shares at 31 December 2009.

Germany administers its shareholdings and exercises its rights as a shareholder of Deutsche Telekom through the German Finance Ministry. In their capacities as shareholders, Germany and KfW may exercise only those rights that they have under the Stock Corporation Act and Deutsche Telekom's Articles of Incorporation, which are the same for all of Deutsche Telekom's shareholders.

At present, the Finance Ministry and KfW each have one representative on Deutsche Telekom's Supervisory Board. Additionally, the Finance Ministry has one representative on the supervisory boards of Deutsche Telekom's subsidiaries, T-Systems International GmbH and T-Mobile Deutschland GmbH.

The table below sets forth the number of Deutsche Telekom's ordinary shares held by holders of more than 5% of Deutsche Telekom's ordinary shares and their percentage of ownership, based on information supplied to Deutsche Telekom by such holders, as of the dates indicated.

	For the years ended 31 December <sup>(1)</sup>					
	2009		2008		2007	
	Shares owned	%	Shares owned	%	Shares owned	%
Federal Republic of Germany	646,575,126	14.83	646,575,126	14.83	646,575,126	14.83
KfW	735,661,686 <sup>(2)</sup>	16.87	735,661,686	16.87	735,667,390	16.87
		<b>31.70</b>		<b>31.70</b>		<b>31.70</b>

(1) Percentages calculated based on total outstanding shares as of the period end, which do not give effect to shares to be delivered in connection with the maturity of certain exchangeable bonds.

(2) Of which, approximately 200.9 million shares are subject to transfer to KfW security holders in accordance with the terms of outstanding KfW securities maturing in 2011.

The Blackstone Group holds 191,700,000 shares, which represents 4.4% of Deutsche Telekom's outstanding shares. In addition, BlackRock holds 145,762,000 shares, which represents 3.3% of Deutsche Telekom's outstanding shares.

Major Shareholders do not have different voting rights from any of Deutsche Telekom's other shareholders.

As noted above, KfW is 80% owned by the Federal Republic. The Federal Republic has publicly stated its intention to reduce its holdings of Deutsche Telekom shares. Deutsche Telekom does not expect that a reduction in the holdings of Deutsche Telekom's shares by the Federal Republic or KfW will have a material negative effect on Deutsche Telekom's governance or business.

Based on Deutsche Telekom's share register, as of 24 February 2010, the Company had approximately 1,760,762 registered holders of Deutsche Telekom's ordinary shares, including 1,624 registered holders of Deutsche Telekom's shares with addresses in the United States. As of 31 December 2009, there were 4,361,319,993 total outstanding shares.

As of 24 February 2010, there were 140,079,903 of Deutsche Telekom's ADSs outstanding, with 1,319 registered holders of record of Deutsche Telekom's ADSs with addresses in the United States and 45 holders of record of Deutsche Telekom's ADSs with addresses outside the United States.

## FINANCIAL INFORMATION CONCERNING DEUTSCHE TELEKOM'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

### Auditing of historical annual financial information

Deutsche Telekom's consolidated financial statements as of and for the years ended 31 December 2008 and 31 December 2009 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU), as well as with the regulations under commercial law as set forth in § 315a(1) HGB (*Handelsgesetzbuch* - German Commercial Code) and with the IFRS as issued by the International Accounting Standards Board. PwC and E&Y audited the mentioned consolidated financial statements. In each case an unqualified auditors' report has been issued.

### Selected Financial Information

#### Deutsche Telekom at a Glance

Selected financial data of the Deutsche Telekom Group.			
billions of EUR	Change compared to prior year (%) <sup>a</sup>	2009	2008
<b>Revenue and earnings</b>			
Net revenue	4.8	64.6	61.7
Of which: domestic (%)	(3.4)	43.4	46.8
Of which: international (%)	3.4	56.6	53.2
Profit from operations (EBIT)	(14.6)	6.0	7.0
Net profit	(76.2)	0.4	1.5
Net profit (adjusted for special factors)	(1.1)	3.4	3.4
EBITDA <sup>a, b, c</sup>	10.5	19.9	18.0
EBITDA (adjusted for special factors) <sup>a, b, c</sup>	6.2	20.7	19.5
EBITDA margin (adjusted for special factors) (%) <sup>a</sup>	0.4	32.0	31.6
<b>Balance sheet</b>			
Total assets	3.8	127.8	123.1
Shareholders' equity	(2.7)	41.9	43.1
Equity ratio (%) <sup>a, d</sup>	(2.1)	30.2	32.3
Net debt <sup>a, c</sup>	7.2	40.9	38.2
Cash capex <sup>k</sup>	(5.7)	(9.2)	(8.7)
<b>Cash flows</b>			
Net cash from operating activities <sup>e</sup>	2.8	15.8	15.4
Free cash flow (before dividend payments) <sup>a, c, f, g</sup>	(0.9)	7.0	7.0
Net cash used in investing activities <sup>e</sup>	24.0	(8.6)	(11.4)
Net cash used in financing activities	(65.4)	(5.1)	(3.1)
<b>Employees</b>			

Average number of employees (full-time equivalents, without trainees/student interns) (thousands)	9.7	258	235
Revenue per employee (thousands of EUR) <sup>a</sup>	(4.5)	250.8	262.5
T-Share - key figures			
Earnings per share/ADS (basic and diluted) in accordance with IFRS (EUR) <sup>h</sup>	(76.5)	0.08	0.34
Dividend per share/ADS (EUR)	0.0	0.78 <sup>i</sup>	0.78
Total dividend (billions of EUR)	0.0	3.4 <sup>i</sup>	3.4
Total number of ordinary shares at the reporting date (millions) <sup>j</sup>	0.0	4,361	4,361

<sup>a</sup> Calculated on the basis of millions for greater precision. Changes to percentages expressed as percentage points.

<sup>b</sup> Deutsche Telekom defines EBITDA as profit/loss from operations before depreciation, amortization and impairment losses.

<sup>c</sup> EBITDA, EBITDA adjusted for special factors, net debt, and free cash flow are non-GAAP figures not governed by the International Financial Reporting Standards (IFRS). They should not be viewed in isolation as an alternative to profit or loss from operations, net profit or loss, net cash from operating activities, the debt reported in the consolidated statement of financial position, or other Deutsche Telekom key performance indicators presented in accordance with IFRS. For detailed information and calculations, please refer to the section on "Development of business in the Group" of the Group management report in the Company's Annual Report 2009.

<sup>d</sup> Based on shareholders' equity excluding amounts earmarked for dividend payments, which are treated as current liabilities.

<sup>e</sup> Current finance lease receivables were previously reported in net cash from operating activities. Since 2007 they have been reported under net cash from/used in investing activities.

<sup>f</sup> Before cash outflows totaling EUR 0.1 billion in 2007 for investments in parts of Centrica PLC taken over by T-Systems UK as part of an asset deal. Figures for 2006 include payments for the acquisition of licenses totaling EUR 3.3 billion; and figures for 2005 include payments for the acquisition of network infrastructure and licenses in the United States totaling EUR 2.1 billion.

<sup>g</sup> Since the beginning of the 2007 financial year, Deutsche Telekom has defined free cash flow as cash generated from operations less interest paid and net cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment. Prior-year figures have been adjusted accordingly.

<sup>h</sup> Calculation of basic and diluted earnings per share in accordance with IFRS as specified in IAS 33, "Earnings per share." The share to ADS ratio is 1:1.

<sup>i</sup> Subject to approval by the shareholders' meeting. For more detailed explanations, please refer to Note 27 in the notes to the consolidated financial statements, "Dividend per share."

<sup>j</sup> Including treasury shares held by Deutsche Telekom AG.

<sup>k</sup> Investments in property, plant and equipment, and in tangible assets (excluding goodwill).

## LEGAL PROCEEDINGS

The companies of Deutsche Telekom Group are involved in a number of legal proceedings in the ordinary course of Deutsche Telekom's business. In addition, proceedings involving alleged abuse of a market-dominant position by Deutsche Telekom and other alleged antitrust violations, as well as other regulatory controversies, are pending before competition and regulatory authorities.

### Securities and Corporate Law-Related Proceedings

#### German Prospectus Liability Suits

Since 2001, purported purchasers of Deutsche Telekom's shares sold pursuant to prospectuses dated 25 June 1999, and 26 May 2000, have filed more than 2,600 lawsuits in Germany predominantly alleging that the book values of Deutsche Telekom's real property portfolio were improperly established and maintained under German GAAP and that Deutsche Telekom allegedly failed to adequately disclose detailed information relating to merger negotiations between Deutsche Telekom and VoiceStream Wireless Corporation (the predecessor of T-Mobile USA). These lawsuits are pending before the Regional Court (*Landgericht*) in Frankfurt am Main. The aggregate amount of all shareholders' claims filed in Germany in these lawsuits is approximately EUR 80 million.

On 11 July 2006 (with respect to the offering prospectus dated 26 May 2000) and on 22 November 2006 (with respect to the prospectus dated 28 May 1999), the court issued orders for model proceedings (*Vorlagebeschlüsse*) with respect to these lawsuits based on the Act on Model Case Proceedings in Disputes under Capital Markets Law (*Kapitalanleger-Musterverfahrensgesetz*) seeking a decision of the Frankfurt Court of Appeals (*Oberlandesgericht*) as to common questions of law and fact with respect to the above-mentioned allegations. The master decision by the Court of Appeals will

be binding for all parties in the main proceedings.

The Frankfurt Court of Appeals held oral hearings during 2008 and 2009 and heard witnesses in Germany and in the United States in connection with the Voice Stream-related allegations. An oral hearing on the merits scheduled for December 2009 was postponed on procedural grounds. It is currently uncertain when the proceedings before the Frankfurt Court of Appeals will recommence. Deutsche Telekom is contesting the aforementioned lawsuits vigorously, but Deutsche Telekom is not in a position to predict the outcome of the lawsuits at this time.

### **Prospectus Liability Conciliation Proceedings**

In addition, many purported shareholders have initiated conciliation proceedings with a state institution in Hamburg (*Oeffentliche Rechtsauskunfts- und Antragsstelle der Freien und Hansestadt Hamburg*, the "OeRA"), in Deutsche Telekom's view, mainly as an effort to stay the statute of limitations. The claims made in these conciliation proceedings are analogous to those made in the prospectus liability lawsuits described above. Deutsche Telekom's participation in these conciliation proceedings would be voluntary, and Deutsche Telekom has declined to participate. The OeRA has closed the majority of the proceedings because of the lack of participation of either or both parties. About 4,000 conciliation proceedings however, have not been finally closed. In 2005, Deutsche Telekom asked the competent court in the State of Hamburg to order the closing of these pending proceedings. A decision on Deutsche Telekom's motion may be granted in 2010. Upon the closing of the conciliation proceedings, the statute of limitations with respect to the time within which to bring a civil action is stayed for six months. A number of applicants have already filed civil proceedings, and Deutsche Telekom cannot rule out that a number of additional applicants will file lawsuits analogous to those made in the prospectus liability lawsuits described above.

### **Reimbursement Proceedings against the Federal Republic and KfW**

In December 2005, Deutsche Telekom filed lawsuits against the Federal Republic and KfW for the reimbursement of expenses in connection with a June 2000 offering of Deutsche Telekom's shares, in the amount of approximately EUR 112 million. The Company claims that the Federal Republic and KfW are obliged to reimburse Deutsche Telekom for legal expenses and settlement costs that Deutsche Telekom incurred in connection with the resolution of U.S. class action lawsuits relating to that offering. Deutsche Telekom's claim includes a demand for reimbursement of Deutsche Telekom's D&O insurers in the aggregate amount of EUR 46 million. In June 2007, the Regional Court in Bonn held that the claim is justified on the merits. However, all parties have filed appeals against various aspects of the decision. The Cologne Court of Appeals dismissed Deutsche Telekom's claims in May 2009. Deutsche Telekom filed an appeal with the Federal Court of Justice (*Bundesgerichtshof*) regarding substantive points of law (*Revision*) on 15 June 2009 and filed Deutsche Telekom's brief on 13 November 2009. The Court now has to decide whether to accept the case.

### **PTC Proceedings**

In December 2000, T-Mobile Deutschland GmbH ("**T-Mobile Deutschland**") commenced arbitration proceedings in Vienna, Austria, against Elektrim S.A. ("**Elektrim**") and Elektrim Telekomunikacja Sp. z o.o. ("**Telco**") claiming that Elektrim and Telco breached the deed of formation and the shareholders' agreement of Polska Telefonia Cyfrowa Sp. z o. o. ("**PTC**") by attempting to transfer all but one of Elektrim's shares in PTC to Telco, a limited company under Polish law jointly owned by Elektrim and Vivendi S.A. ("**Vivendi**").

In November 2004, the arbitration tribunal held that the attempted transfer of the PTC shares to Telco was ineffective, because it had not satisfied the requirements of the deed of formation and the shareholders' agreement. The tribunal thus found that the shares had remained with Elektrim at all material times. The tribunal further held that the attempted transfer of the shares to Telco would qualify as a material default if Elektrim did not recover those shares within two months. Under the PTC shareholders' agreement, such material default gives rise to a call option in favor of T-Mobile Deutschland over Elektrim's shares in PTC at a price equal to their book value.

Since Elektrim, in Deutsche Telekom's opinion, failed to recover these shares within the two-month period, T-Mobile Deutschland provided notice of exercise of its call option regarding such shares upon expiration of the two-month period. Elektrim disputed the validity of Deutsche Telekom's exercise of such call option, and claimed that it had recovered the shares within the two-month period set by the tribunal. Deutsche Telekom initiated further arbitration proceedings against Elektrim, seeking a

declaration that Deutsche Telekom had validly exercised the call option, and, as a result, had acquired the shares that Elektrim owned. In two decisions of a Vienna arbitration tribunal (dated 6 June and 2 October 2006, respectively), it was held that T-Mobile Deutschland validly exercised the call option and that it acquired the disputed shares with effect as of 15 February 2005, upon payment of the then book value and upon provision of an undertaking to pay any additional purchase price the tribunal might award to Elektrim. As consideration for the additional 48% of the shares in PTC, T-Mobile Deutschland has paid approximately EUR 0.7 billion to date. Any further payments to be made will depend on the course of future events, including in particular the outcome of bankruptcy proceedings relating to Elektrim.

Telco sought annulment of the November 2004 award before the Austrian courts. On 20 December 2005, the Vienna Commercial Court (first instance) partially annulled the November 2004 award. However, an appeal against this decision by Elektrim and T-Mobile Deutschland before the Vienna Court of Appeals was successful and subsequently confirmed by the Austrian Supreme Court on 18 December 2006. Accordingly, in Deutsche Telekom's view, the ruling of the arbitration tribunal can no longer successfully be challenged or annulled. In December 2007, Telco, and two small PTC shareholders (Carcom Warszawa Sp. z o. o. ("**Carcom**") and Elektrim Autoinvest S.A. ("**Autoinvest**")) controlled by Vivendi, filed a claim with the Austrian courts seeking a declaration that the November 2004 award is a non-award. The court of first instance rejected the claim on 16 February 2009. Telco, Carcom and Autoinvest have filed an appeal against the decision, which was rejected by the Vienna Court of Appeals on 12 November 2009. Telco, Carcom and Autoinvest have filed a further appeal against such decision with the Austrian Supreme Court.

Telco, Carcom and Autoinvest also brought annulment proceedings against the two awards (dated 6 June and 2 October 2006) regarding T-Mobile Deutschland's call option. The Vienna Commercial Court at first instance rejected these annulment claims. Telco, Carcom and Autoinvest filed an appeal against each of the two decisions. On 21 January 2009, the Court of Appeals rejected the appeal regarding the October award. Telco, Carcom and Autoinvest did not file an appeal with the Austrian Supreme Court, with the result that the decision of the Court of Appeals is final. To date, there has been no decision of the Vienna Commercial Court regarding the June award.

Elektrim, with the participation of T-Mobile Deutschland, further sought recognition of the November 2004 award before the Polish courts, which was granted by the Warsaw court of first instance in February 2005. On 29 March 2006, the Warsaw Court of Appeals confirmed the lower court decision recognising the Vienna arbitration award of November 2004 as binding and enforceable in Poland. This decision was then subject to a further appeal by Telco to the Polish Supreme Court, which sent the case back to the court of first instance to be reconsidered due to a procedural error made by the Warsaw court of first instance. On 18 June 2008, the court of first instance again recognised the award. Upon Telco's appeal, however, the Warsaw Court of Appeals reversed this decision on 24 September 2009. T-Mobile Deutschland and Elektrim have filed an appeal against the decision of the Warsaw Court of Appeals with the Polish Supreme Court. T-Mobile Deutschland and Elektrim have filed an appeal against the decision of the Warsaw Court of Appeals with the Polish Supreme Court.

On 7 December 2004, Telco filed a lawsuit against PTC before the District Court in Warsaw seeking a court decision declaring that Telco is a valid shareholder of 48% of PTC shares. On 24 June 2008, the Court of Appeals in Warsaw issued a decision stating that Polish courts have jurisdiction in this case. The case was remanded to the District Court in Warsaw, where it is still pending.

Other litigation among the parties, including Vivendi, Elektrim and Telco, continues. In particular, in April 2005, Vivendi filed a claim against T-Mobile International AG (formerly T-Mobile International AG & Co. KG) and Deutsche Telekom AG with the Tribunal de Commerce de Paris seeking (i) a declaration that T-Mobile International AG and Deutsche Telekom had wrongfully terminated contractual negotiations with Vivendi in September 2004, and (ii) damages of more than EUR 2.4 billion. On 18 March 2008, the Tribunal de Commerce de Paris held that Deutsche Telekom had not wrongfully terminated the negotiations, and thus dismissed Vivendi's claim for damages. Vivendi appealed the decision in August 2008, reducing the damages sought to approximately EUR 1.9 billion. In October 2009, Vivendi withdrew its main claim, thus further reducing the damages sought to EUR 53 million for costs, expenses and alleged reputational damage.

Additionally, Telco initiated tort actions in the Warsaw court of first instance against, among others, six employees of Deutsche Telekom and affiliated companies who were nominated to, or have acted as nominees of T-Mobile Deutschland and its affiliates in, the governing bodies of PTC, T-Mobile

Deutschland and T-Mobile Poland Holding No. 1 B.V. ("**T-Mobile Poland Holding**") claiming 3 million Polish zloty (approximately EUR 690,000) and an additional as yet undetermined amount, in damages.

On 4 September 2009, Vivendi and its subsidiary VTI filed a motion for settlement against Deutsche Telekom, T-Mobile Deutschland and certain parties affiliated with Elektrim concerning the alleged claim of Vivendi and VTI for damages (in the amount of approximately EUR 3 billion) in connection with an alleged participation in asset stripping of Elektrim and asserting tortious interference with the agreements between Elektrim and Vivendi. Deutsche Telekom rejected the claim in full and refused to conclude such settlement. It is possible that the motion for settlement will be followed by a suit for damages by Vivendi and VTI.

In February 2006, Deutsche Telekom was informed that Telco had filed a lawsuit before the District Court in Warsaw, seeking to exclude T-Mobile Deutschland GmbH, T-Mobile Poland Holding and Polpager Sp. z o.o. ("**Polpager**") from ownership in PTC and to obtain summary relief freezing T-Mobile Deutschland's shareholder rights. Such summary relief was not granted. The proceedings are currently suspended.

On 21 August 2007, Elektrim was declared bankrupt with the possibility of reorganisation. On 26 November 2007, T-Mobile Deutschland filed its claims, as well as claims of T-Mobile Poland Holding, Polpager and PTC that had been transferred to T-Mobile Deutschland on a fiduciary basis, against Elektrim in the aggregate amount of approximately 14.2 billion Polish zloty (EUR 3.3 billion). These damage claims relate to interference by Telco, which was supported by Elektrim at that time, in the business of PTC. The claims were rejected by the insolvency court (first instance) in Warsaw but T-Mobile Deutschland has appealed this decision.

Deutsche Telekom has also sought redress for the damage caused to it and PTC in civil proceedings against Telco that T-Mobile Deutschland initiated in the Polish courts and which are still pending, as well as in arbitration proceedings in Vienna under the Vienna Rules against Vivendi, Carcom and Autoinvest in 2007. T-Mobile Deutschland is seeking an award of damages in excess of EUR 1.2 billion, incurred as a result of Vivendi's and its affiliates' tortious conduct and Carcom's and Autoinvest's breaches of the PTC deed of formation and the shareholders' agreement. Deutsche Telekom also initiated two separate arbitration proceedings in Vienna under the Vienna Rules against Carcom and Autoinvest, seeking a declaration of material default against each of these entities. These proceedings are still pending.

On 13 April 2006, Vivendi filed arbitration proceedings against Deutsche Telekom, T-Mobile International, Telco and other defendants under the Rules of the International Chamber of Commerce (with the place of arbitration located in Geneva, Switzerland), asserting a breach of an alleged oral agreement that purportedly caused Vivendi to incur damage in an amount of more than EUR 3 billion. Vivendi alleges that it and the defendants had reached an oral agreement to end, among others, all legal disputes concerning the equity interests in PTC. The proceedings are still pending.

On 23 October 2006, T-Mobile USA, Inc., T-Mobile Deutschland, T-Mobile International AG and Deutsche Telekom AG (the "**DT Defendants**") were named as defendants in a lawsuit filed by Vivendi in the United States District Court for the Western District of Washington. Vivendi and a U.S. subsidiary, Vivendi Holding I Corp., alleged violations of the Racketeer Influenced and Corrupt Organisations provisions of the Organised Crime Control Act of 1970 ("**RICO**"), and common law fraud in connection with the DT Defendants' acquisition of a controlling stake in PTC. On 5 June 2008, the district court granted the DT Defendants' motion to dismiss the plaintiffs' action in its entirety on grounds of forum non conveniens. On 2 November 2009, the United States Court of Appeals for the Ninth Circuit affirmed the district court's dismissal of plaintiffs' claims.

In addition to the foregoing, there are other disputes and proceedings stemming from the conflict over the ownership of PTC and related matters.

Deutsche Telekom is contesting the PTC-related controversies vigorously. Deutsche Telekom can offer no assurances as to the duration or outcome of the proceedings described above, including with regard to whether they can be resolved by settlement or otherwise. Furthermore, if the proceedings described above were determined in a manner adverse to Deutsche Telekom's interests or itself, Deutsche Telekom's current and future investments in PTC could be put at risk.

## **Proceedings Relating to the Merger with T-Online International AG (T-Online)**

### **Release Proceedings Relating to the T-Online Merger**

Some former shareholders of T-Online filed lawsuits with the Regional Court in Darmstadt, Federal Republic of Germany, challenging the validity of the resolution approving the merger agreement of 8 March 2005, between T-Online and Deutsche Telekom AG, adopted at the T-Online Shareholders' Meeting on 29 April 2005. Even if the plaintiffs prevail, these lawsuits would not lead to an annulment of the merger, and the court could only find Deutsche Telekom liable for damages. On 23 August 2006, the Regional Court in Frankfurt am Main rejected the transfer of the lawsuits from the Regional Court in Darmstadt to the Regional Court in Frankfurt am Main. On 20 October 2006, the Regional Court in Darmstadt decided to have the Court of Appeals in Frankfurt am Main determine the competent court. On 28 December 2007, the Court of Appeals in Frankfurt am Main decided in an interlocutory proceeding that the Regional Court in Frankfurt am Main is the competent court. The lawsuits challenging the validity of the merger resolution (main proceedings) are still pending. Deutsche Telekom believes that they are without merit.

### **Proceedings Relating to the Merger Exchange Ratio**

Several former T-Online shareholders filed requests for judicial review of the appropriateness of the merger exchange ratio set forth in the merger agreement of 8 March 2005, between T-Online and Deutsche Telekom with the District Court in Frankfurt am Main. Under the German Transformation Act (*Umwandlungsgesetz*) former shareholders of T-Online, whose shares have been exchanged for Deutsche Telekom shares in the course of the merger, may request a judicial review of the appropriateness of the merger exchange ratio by the District Court in Frankfurt am Main in appraisal proceedings. If in these appraisal proceedings there is a final and binding determination that the exchange ratio was too low for the T-Online shares, the competent court would assess an additional cash payment, which Deutsche Telekom would pay to all former T-Online shareholders whose shares had been exchanged for Deutsche Telekom shares in the course of the merger. The exchange ratio set forth in the merger agreement was determined on the basis of company evaluations conducted by Deutsche Telekom and T-Online with the assistance of two audit firms. In addition, after the conclusion of the merger agreement, the independent merger auditor selected and appointed by order of the court had stated that, according to its findings, the exchange ratio is appropriate. The court scheduled a first oral hearing in the case for 12 February 2008 and took evidence by hearing of witnesses. In May 2008, the court decided in a procedural order to request the independent merger auditor to give an opinion upon the objections of the plaintiffs and the joint representative (appointed by the court for those former minority shareholders of T-Online not directly party to the proceedings) regarding the determination of the capitalised value based on the planning. In his written opinion, the independent merger auditor confirmed that the enterprise valuations of Deutsche Telekom and T-Online are not objectionable; in particular, it found that the plaintiffs' objections are without merit. A further oral hearing took place on 17 February 2009, where the plaintiffs had the opportunity to ask the independent merger auditor questions concerning his written opinion. On 13 March 2009, the court decided that the exchange ratio was too low and assessed an additional cash payment of EUR 1.15 per share (approximately EUR 140 million plus interest in aggregate) in favor of former T-Online shareholders. The decision is not yet final. Deutsche Telekom has filed an appeal with the Court of Appeals in Frankfurt am Main.

### **Information Proceedings Relating the Voluntary Public Offer for T-Online Shares**

In 2006, two shareholders of T-Online International AG who had tendered their T-Online shares in the voluntary public offer by Deutsche Telekom to acquire T-Online shares filed an application with the Regional Court in Frankfurt am Main requesting additional disclosure with regard to information in connection with the voluntary public offer. They allege that T-Online had provided incomplete information in the 2006 ordinary meeting of the shareholders of T-Online. The court rejected the application on 12 September 2006. The plaintiffs have filed appeals with the Court of Appeals in Frankfurt am Main which are still pending. Deutsche Telekom believes that these lawsuits are without merit.

### **Competition Law**

The German Act against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*) prohibits the abuse of a market-dominant position as well as the distortion of competition through agreements or collusive behaviour by market participants. Mergers, including the creation of joint

ventures, must be notified to the Federal Cartel Office before they can be executed if the concerned undertakings' turnover reaches a certain threshold, but remains below the threshold above which mergers must be notified to the EU Commission. The Federal Cartel Office is obligated to prohibit a merger if it creates or strengthens a market-dominant position.

The Federal Cartel Office is empowered to enforce these provisions and may impose sanctions if its orders are violated. However, before taking action against abuses of market-dominant position in the telecommunications sector, the Federal Cartel Office must consult with the Federal Network Agency. Market participants damaged by abusive practices of a market-dominant provider may claim damages under the Telecommunications Act as well as under the Act Against Restraints of Competition.

In December 2006, Communication Services Tele2 GmbH ("**Tele2**") filed a lawsuit with the Regional Court in Duesseldorf requesting an injunction ordering Deutsche Telekom to refrain from

- offering product bundles consisting of an option tariff and T-DSL broadband access and broadband online tariffs to the extent that the price advantage for the bundled offer compared to the sum of the charges for the individual elements exceeds EUR 48 during a subscription period of 12 months; or
- granting option tariff subscribers a voucher that is worth more than EUR 85 and which may be used in connection with a subscription for an additional T-DSL broadband access or broadband online tariff.

In September 2007, Tele2 amended its pleadings by requesting an injunction ordering Deutsche Telekom to refrain from

- offering product bundles to the extent the price advantage exceeds EUR 9.94 per month as well as to refrain from offering bundles containing a minimum contract term (or containing a minimum contract term of 12 months or more with an automatic extension for another 12 months); and
- granting subscribers of bundled offers a credit of more than EUR 40 and marketing this credit as a "*welcome gift*" or as "*start credit*".

In addition, Tele2 sought a declaratory judgment that it is entitled to obtain compensation for all material and immaterial damages resulting from the bundled offers described above. Tele2 bases its claims on the assumption that Deutsche Telekom holds a market dominant position in the relevant market and alleges that bundled offers with price discounts exceeding the described thresholds would be abusive and, therefore, prohibited. The court dismissed the claims on 5 December 2007. Tele2 appealed the judgment to the Court of Appeals in Düsseldorf (*Oberlandesgericht*). Tele2, however, limited its appeal by seeking a judgment ordering Deutsche Telekom to refrain from offering bundles containing a minimum contract term of 12 months or more (alternatively 24 months or more) with an automatic extension for another 12 months. In addition, Tele2 sought in its appeal a declaratory judgment awarding of compensation for all material and immaterial damages resulting from the bundled offers with the described minimum term. The Court of Appeals in Düsseldorf overturned the judgment of the Regional Court and ordered Deutsche Telekom in its judgment of 14 October 2009, to refrain from offering bundles containing a minimum contract term of 12 months or more and an automatic extension for another 12 months. In addition, the Court of Appeals delivered a declaratory judgment awarding of compensation for all material and immaterial damages resulting from the bundled offers with the described minimum term. The Court of Appeals allowed a further appeal on law to the Federal Supreme Court (*Bundesgerichtshof*), which was filed on 23 November 2009. In parallel, TELE2 applied for an amendment of the original judgment of the Court of Appeals seeking an amended judgment (i) ordering Deutsche Telekom to refrain from bundled offers containing a minimum contract term of 12 months or more and (ii) awarding of compensation for all material and immaterial damages resulting from bundled offers with a minimum contract term of 12 months or more. The proceedings before the Federal Court and the court of appeals concerning the amendment are still pending.

Tele2 has sued Deutsche Telekom for damages of approximately EUR 170 million alleging Deutsche Telekom had denied accepting voice-files as sufficient documentation for Tele2 pre-selection orders in 2002 through 2005. The Federal Court of Justice decided in 2006 that the claim is justified on the merits. The expert appointed by the court estimates the damages of approximately EUR 40 million. Each party instructed independent experts to review this opinion. It is likely that the court will decide the amount of damages in 2010.

## **Proceedings against Decisions of the Federal Network Agency, Wholesale Markets**

### **Local Loop**

In 1999, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop during the period from 1 April 1999 to 31 March 2001. Certain of Deutsche Telekom's competitors and Deutsche Telekom filed complaints with the Cologne Administrative Court against this decision.

The legal proceedings that followed led to a decision of the Federal Constitutional Court (*Bundesverfassungsgerichts*) in March 2006 concerning constitutional rights of Deutsche Telekom AG with regard to its business secrets in legal proceedings. The Federal Constitutional Court stated that the Federal Administrative Court had violated Deutsche Telekom's constitutional rights by ordering the disclosure of its business secrets. In February 2007, the Federal Administrative Court remanded the case to the Cologne Administrative Court, which decided in the spring of 2008 in favour of Deutsche Telekom AG with regard to the business secrets issue.

On 27 November 2008, the Cologne Administrative Court vacated the decision of the Federal Network Agency of 1999 concerning monthly rates for the local loop during the period from 1 April 1999 to 31 March 2001. The court argued, based on a decision of the European Court of Justice, that the Agency has incorrectly determined the cost of local loop investment, which is the basis of the adjusted charge. Both the Federal Network Agency and Deutsche Telekom appealed against this decision to the Federal Administrative Court, which rejected the appeals on 5 October 2009. The Federal Network Agency has to decide again on the monthly rates for the mentioned period. These proceedings are still pending.

In 2001, the Federal Network Agency issued a decision adjusting the monthly rate during the period from 1 April 2001 to 31 March 2003 and charges for activation and termination during the period from 1 April 2001 to 31 March 2002. In April 2001, certain of Deutsche Telekom's competitors and Deutsche Telekom filed complaints against this decision with the Cologne Administrative Court. Deutsche Telekom subsequently withdrew its complaint. However, in February 2006, the Cologne Administrative Court submitted ten questions related to the interpretation of the relevant EU local loop regulation (EC/2887/2000) to the European Court of Justice and suspended several legal proceedings concerning the local loop. In April 2008, the European Court of Justice answered these questions in a decision. With regard to the question of cost-orientation, the court specified that national regulatory authorities have to take account of actual costs, namely costs already paid by the operator and prospective costs, the latter being based, where relevant, on an estimation of costs of replacing the network or certain parts thereof. The proceedings of the Cologne Administrative Court are still pending.

On 27 August 2009, the Cologne Administrative Court vacated the decision of the Federal Network Agency of 2001 for the local loop. The court argued, based on the decision of the European Court of Justice, that the Federal Network Agency had incorrectly determined the cost of local loop investment, which is the basis of the adjusted monthly charge. Both the Federal Network Agency and Deutsche Telekom appealed against this decision to the Federal Administrative Court. These proceedings in the main action are still pending.

In 2002, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop (in this case, relating to Deutsche Telekom's activation and termination charges) during the period from 1 April 2002 to 30 June 2003. Certain of Deutsche Telekom's competitors filed complaints against this decision. On 19 November 2009, the Cologne Administrative Court vacated the decision of the Federal Network Agency of 2002. The court ruled that the Federal Network Agency has incorrectly determined the hourly rate, which is a major part of the calculation of the adjusted activation and terminations charges. Both the Federal Network Agency and Deutsche Telekom appealed against this decision to the Federal Administrative Court. These proceedings are still pending.

In 2003, the Federal Network Agency issued a decision adjusting the monthly rates Deutsche Telekom could charge for access to the local loop during the period from 1 May 2003 to 31 March 2005 and another decision for activation and termination rates during the period from 1 July 2003 to 30 June 2004. Certain of Deutsche Telekom's competitors and Deutsche Telekom filed complaints against these decisions with the Cologne Administrative Court. These proceedings are still pending.

In 2004, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop (in this case, relating to Deutsche Telekom's activation and termination charges). Certain of Deutsche Telekom's competitors filed complaints against this decision and asked the Cologne Administrative Court for an injunction, but the court rejected this request. The proceedings in the main action are still pending.

In 2005, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop provided during the period from 1 April 2005 to 31 March 2007. Deutsche Telekom filed a complaint against this decision with the Cologne Administrative Court, claiming higher rates, and asked the court for an injunction. The Cologne Administrative Court rejected the requested injunction. In the main action, the proceedings are still pending. Certain of Deutsche Telekom's competitors also filed complaints against the Federal Network Agency's decision seeking lower rates. These proceedings are still pending.

In 2005, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop (relating to Deutsche Telekom's activation and termination charges). Certain of Deutsche Telekom's competitors filed complaints with the Cologne Administrative Court against this decision. These proceedings are still pending.

In 2007, the Federal Network Agency issued a decision regarding access to the local loop, which permitted Deutsche Telekom's competitors for the first time access to a portion of Deutsche Telekom's cable ducts between the Main Distribution Frame (*Hauptverteiler*) and the Distribution Frame (*Kabelverzweiger*), or, if such access was not possible due to capacity reasons, access to dark fiber. This access to the ducts is of considerable importance since it would permit Deutsche Telekom's competitors to benefit indirectly from Deutsche Telekom's investments in the newly built VDSL-network. Deutsche Telekom filed an injunctive action with the Cologne Administrative Court against this decision, which was dismissed. In April 2008, the Cologne Administrative Court dismissed Deutsche Telekom's claim in the main action. Deutsche Telekom filed an appeal to the Federal Administrative Court.

In 2009, the Federal Network Agency issued a decision adjusting the rates relating to the activation and termination charges Deutsche Telekom Group could charge for access to the local loop. The Federal Network Agency decisions concerning the local loop continue to be the subject of new challenges by Deutsche Telekom Group and Deutsche Telekom's competitors. In a final decision the Federal Administrative Court granted the appeal as far as it concerns access to dark fibre. The Court confirmed that the initial invest of Deutsche Telekom in its new fibre network was not considered sufficiently.

### **Mobile Termination Rates**

In 2006, the Federal Network Agency issued a decision subjecting T-Mobile Deutschland's mobile termination rates to *ex-ante* regulation. As a consequence, T-Mobile Deutschland will be required to obtain approval for new mobile termination rates from the Federal Network Agency before such rates can be charged to competitors. T-Mobile Deutschland, like the other major mobile network operators, filed complaints with the Cologne Administrative Court and asked the Court for an injunction against this decision. The request for an injunction was rejected. Regarding the proceedings in the main action, the Cologne Administrative Court partly ruled in Deutsche Telekom's favour and thus dismissed the *ex-ante* regulation of mobile termination rates. However, the Cologne Administrative Court permitted the parties to appeal to the Federal Administrative Court. The Federal Administrative Court rejected the claim of T-Mobile Deutschland as well as those of the other major mobile network operators, and fully upheld the decision of the Federal Network Agency.

Accordingly, constitutional complaints before the Federal Constitutional Court have been submitted by T-Mobile Deutschland and the other major network operators. These proceedings are still pending.

In addition, on the basis of this decision, the Federal Network Agency issued decisions in 2006, 2007 and 2009 adjusting the rates Deutsche Telekom could charge for the termination of calls into the mobile network of T-Mobile Deutschland during the periods from 23 November 2006 to 30 November 2007, from 30 November 2007 to 31 March 2009 and from 1 April 2009 to 30 November 2010, respectively. Deutsche Telekom filed complaints or intends to file complaints against these decisions with the Cologne Administrative Court, claiming higher rates, and asking the court for an injunction, which were rejected. The proceedings relating to the main actions are still pending. Certain of Deutsche Telekom's competitors also filed complaints against the Federal Network Agency's

decisions seeking lower rates. These proceedings are also still pending.

### **Leased Lines**

In October 2008, the Federal Network Agency issued a decision approving the rates Deutsche Telekom could charge for its digital leased lines, which are based on a new tariff structure. One of Deutsche Telekom's competitors filed a complaint with the Cologne Administrative Court against the approval of these tariffs. Most of the plaintiffs have subsequently withdrawn their complaints which resolved the matter. One proceeding is still pending.

In August 2009, the Federal Network Agency issued another decision approving the rates Deutsche Telekom could charge for its digital leased lines complementing the approval of October 2008. Two of Deutsche Telekom's competitors filed complaints against this decision arguing that the Federal Network Agency was not allowed to issue a new decision while the decision of October 2010 was still valid. One of the competitors also asked the court for an injunction which was granted. The proceedings in the main action are still pending.

### **Other Proceedings**

#### **Radio Frequency Emissions**

Beginning in 2000, plaintiffs filed numerous state court class-action lawsuits against T-Mobile USA and several other wireless service operators and wireless telephone manufacturers, asserting product liability, breach of warranty and other claims relating to radio frequency transmissions to and from wireless mobile devices. The complaints seek substantial money damages (including punitive damages), as well as injunctive relief. In 2006, the plaintiffs voluntarily dismissed without prejudice three of the four lawsuits in which T-Mobile USA is involved. The remaining case was removed to federal court and, on 14 February 2008, the court denied the plaintiffs' motion to remand the case to state court. On 2 September 2008, the court granted defendants' motion to dismiss based on federal pre-emption of the state law claims. The plaintiff has filed a notice of appeal of the dismissal. T-Mobile USA will vigorously defend this case on appeal. The matter has been fully briefed, but a date for oral argument has not yet been set.

#### **Consumer Class Actions**

A number of substantially identical purported consumer class-action lawsuits have been pending in various state and federal courts in the United States against T-Mobile USA, as well as other major U.S. wireless carriers, alleging that each of the defendants had violated federal and/or state antitrust laws by improperly tying the sale of wireless mobile devices to the sale of wireless telephone services. The complaints seek injunctive relief, compensatory damages, treble damages, and attorneys' fees. In August 2005, the federal district court granted a motion for summary judgment in favour of all defendants, dismissing all claims in the federal cases except the conspiracy claims, which had not been the subject of the motion. In August 2006, in the federal cases, all claims were settled for a minimal payment by the defendants. The remaining state law claims were settled in 2009, with final court approval in November 2009.

#### **CIF**

In October 2007, CIF Licensing LLC filed various suits with the Regional Court in Düsseldorf against Deutsche Telekom AG for purported damages totalling EUR 120 million, alleging that Deutsche Telekom is infringing on four of the plaintiff's patents by using DSL technology. CIF is also pursuing a permanent injunction with regard to one patent. Deutsche Telekom is contesting these proceedings vigorously.

#### **IPCom**

In 2009, the German patent holder IPCom GmbH & Co. KG sued Deutsche Telekom and T-Mobile Deutschland GmbH in the Regional Courts of Hamburg, Mannheim and recently in Düsseldorf seeking compensation for an unspecified amount of damages as well as applying for permanent injunctions, threatening to shutdown certain T-Mobile Deutschland network services, such as Multimedia Messaging Service (MMS). IPCom alleges that Deutsche Telekom infringes on several patents supposedly essential for mobile standards such as UMTS and GSM. Deutsche Telekom is defending itself vigorously against those allegations. Several handset and network infrastructure suppliers are involved in the proceedings by third party notice. Furthermore Deutsche Telekom has filed nullity

actions before the Federal German Patent Court and - where possible - initiated or joined opposition proceedings before the European Patent Office. Meanwhile IPCOM has withdrawn all actions before the Regional Court of Hamburg. Initial rulings in the ongoing litigation are expected in 2010.

### **Reimbursement and Damages for Subscriber Data Costs**

From December 2004 to January 2009 a number of telephone directory service providers, including among others telegate, datagate, klicktel and Vodafone, who received from Deutsche Telekom data relating to subscribers for voice telephony services for the purpose of providing their own directory services, filed lawsuits with the Regional Courts in Cologne and Bonn in the aggregate amount of approximately EUR 118 million, plus interest, claiming reimbursement for payments made to Deutsche Telekom since 1998. The plaintiffs, referring to a decision by the European Court of Justice (C-109/03; *KPN vs. Onafhankelijke Post en Telecommunicatie Autoriteit*), accused Deutsche Telekom of having included inadmissible costs in Deutsche Telekom's charges for providing customer data.

In a number of cases, the Regional Court in Cologne essentially ordered Deutsche Telekom to reimburse the plaintiffs. The Court of Appeals in Düsseldorf basically confirmed these decisions on appeal. Deutsche Telekom has appealed all the decisions of the Court of Appeals to the Federal Court of Justice and, in one case, to the Federal Constitutional Court. In two cases (telegate, datagate) an oral hearing before the Federal Court of Justice took place on 13 October 2009. The Federal Court of Justice annulled the judgments and remanded the cases to the Court of Appeals. The decisions in the other cases are still pending before the Regional Courts or the Court of Appeals in Düsseldorf.

In a related matter, on 19 October 2005, two lawsuits were served on Deutsche Telekom; one by telegate for damages of approximately EUR 86 million, plus interest, and another by telegate's founding shareholder, Dr. Klaus Harisch, for damages of approximately EUR 329 million, plus interest. In the latter claim, the claimant subsequently increased the amount claimed to approximately EUR 612 million. Both plaintiffs claim that they incurred losses, due to the alleged adverse effect that Deutsche Telekom's alleged inclusion of inadmissible costs in Deutsche Telekom's provision of customer data had on telegate's position in the market, the resulting capital increases that this required, and the weaker development of telegate's share price and the loss of shares of certain shareholders. Oral hearings at the Regional Court in Cologne took place on 26 June 2006 and on 15 February 2008. On 28 March 2008, the Regional Court in Cologne issued directions for the taking of evidence. On 23 January 2009, the Regional Court appointed an expert (certified accountant).

On 25 January 2007, klicktel filed another lawsuit with the same court for damages of approximately EUR 13 million based on analogous claims plus interest and the determination to pay damages arising in the future until 2010. Subsequently the claimant adjusted the damage claim and is now claiming payment of approximately EUR 11 million plus interest and requesting a determination that Deutsche Telekom is obliged to compensate for all damages arising from 2007 to 2010. An oral hearing at the Regional Court in Cologne took place on 13 November 2007. The Regional Court in Cologne adjourned the case for an indefinite time. Deutsche Telekom intends to defend these lawsuits vigorously.

### **Damages for Lost Profits/Price Squeeze**

In December 2005, Arcor filed a lawsuit with the Regional Court in Cologne in the aggregate amount of approximately EUR 41.9 million, plus interest, claiming damages for lost profit with retail analog access products as a result of an alleged price squeeze between Deutsche Telekom's wholesale tariffs for access to the local loop and Deutsche Telekom's retail access tariffs between January 1998 and September 2003. Arcor bases its claim primarily on the EU Commission's decision of 21 May 2003 against Deutsche Telekom for allegedly abusing Deutsche Telekom's dominant position by charging Deutsche Telekom's competitors and end-users unfair monthly and one-off charges for access to Deutsche Telekom's local network. In July 2003, Deutsche Telekom filed a lawsuit with the Court of First Instance of the European Communities (the "**Court of First Instance**") to obtain reversal of that decision. In February 2006, the original damage claim was increased to an aggregate of EUR 223 million, purportedly based on customer relationships not realised between September 2003 and June 2005 and a new calculation methodology used by the plaintiff, which, in Deutsche Telekom's view, deviates from the EU Commission's approach. On 18 October 2006, the Regional Court in Cologne suspended the lawsuit until the European Courts have finally decided on the proceedings for annulment of the EU Commission's decision. In May 2007, a hearing took place before the Court of First Instance and on 10 April 2008, the Court of First Instance dismissed Deutsche Telekom's lawsuit. Deutsche Telekom appealed the judgment of the Court of First Instance to the European Court of

Justice, where an oral hearing took place on 25 November 2009. The proceedings before the European Court of Justice are still pending.

### **Damage claim by Eutelsat SA**

On 31 October 2006, Eutelsat SA filed against Deutsche Telekom AG, T-Systems Business Services GmbH and SES SA a suit before the Commercial Court of Paris claiming EUR 141.5 million in damages. Eutelsat, like SES, operates satellites and markets transponders (*i.e.*, satellite capacity) to customers worldwide. Based on a preferential tariff, T-Systems has leased several transponders on a Eutelsat satellite and has sub-leased six of these transponders to SES. Eutelsat argues that this sub-lease constitutes a breach of contract by T-Systems and SES based on the alleged undertaking by T-Systems to only use these transponders for certain purposes and SES' alleged breach of its undertaking to use certain frequencies utilised on these transponders only outside of Europe. The damages claimed by Eutelsat amount to the difference between the preferential and the alleged market tariffs for each transponder for the remaining life span of the Eutelsat satellite. Eutelsat waived its claim against SES before the Commercial Court of Paris on 16 October 2007, reserving its right to sue SES before an arbitration court. The Commercial Court in Paris on 24 June 2008 declared itself, as requested by Deutsche Telekom AG and T-Systems Business Services GmbH, an improper venue. Eutelsat unsuccessfully appealed against this decision. Eutelsat did not file any further appeals by the deadline of 10 April 2009.

### **Toll Collect**

As previously reported, the Federal Republic of Germany has initiated arbitration proceedings against Daimler Financial Services AG, Deutsche Telekom AG and the Toll Collect consortium for damages suffered as a result of the delay in the commencement of operations of the German highway toll collection system and alleged breaches of the related operating agreement.

The Federal Republic of Germany, in its statement of claims received on 2 August 2005, asserts claims for damages of approximately EUR 5.2 billion plus interest. This amount includes contractual penalties of EUR 1.7 billion relating to the allegation that the agreement of the Federal Republic of Germany was not sought prior to the execution of certain subcontractor agreements. As some of the contractual penalties are time-related and further claims for contractual penalties have been asserted by the Federal Republic of Germany, the amount claimed as contractual penalties may increase. Daimler Financial Services AG, Deutsche Telekom AG and the Toll Collect consortium filed their answer to the claim on 30 June 2006 and to the subsequent counterplea of the Federal Republic of Germany on 1 October 2007. The Federal Republic of Germany has served further briefs on 7 January 2008, and 16 February 2008, to which Daimler Financial Services AG, Deutsche Telekom AG and the Toll Collect consortium answered by a further brief on 16 May 2008. The Federal Republic of Germany has slightly modified its claims for damages, now amounting to EUR 4.99 billion plus interest.

Additionally, in December 2006, Toll Collect GmbH, the operating company of the Toll Collect consortium, initiated an arbitration proceeding seeking a determination that the Federal Republic of Germany's basis for denying the issuance of the final operating permit is unfounded and claiming that additional remuneration is due to Toll Collect in accordance with the operating agreement. The Statement of Claims of Toll Collect GmbH was served on the Federal Republic of Germany on 25 May 2007. The answer of the Federal Republic of Germany together with a counterclaim claiming overpayment of remuneration to Toll Collect GmbH was received on 31 January 2008. A further exchange of briefs in this matter was submitted during 2008 and 2009.

A first hearing regarding these proceedings was held in June 2008, during which the Arbitration Panel considered certain legal issues without taking any decision on the merits of the case. The Arbitration Panel ordered, that certain documents of each party had to be exchanged by the end of September 2008 and that further briefs were exchanged between the parties in November 2008 and April 2009. During 2009, the Arbitration Panel ordered, among other things, an exchange of additional data and documents and the submission of three additional expert opinions on the plausibility of the parties' expert opinions already introduced in the proceedings. On June 2009, the Arbitration Panel scheduled a further oral hearing for October 2009 and named several witnesses to give evidence. In August 2009, upon taking notice of circumstances that give rise to doubts with regard to the objectivity, diligence and impartiality of the arbitrator selected by the Federal Republic of Germany, the defendants requested the dismissal of that arbitrator. In September 2009, the Arbitration Panel decided to cancel the oral hearing and witness examination and deferred the date for finalising the

plausibility expert opinions. By subsequent decision, the Arbitration Panel repudiated the request for dismissal (*Ablehnungsgesuch*). The defendants have filed a respective request for revision of this decision and for dismissal of the respective arbitrator with the Berlin Administrative Court (*Verwaltungsgericht Berlin*). On 11 February 2010, the Berlin Administrative Court rejected this request. Upon the defendants' complaint and appeal for the right to be heard on 26 February 2010, the Administrative Court has decided, as expected, not to remedy its decision. The complaint shall be submitted henceforth by the Administrative Court to the Berlin-Brandenburg Higher Administrative Court (*Oberverwaltungsgericht Berlin-Brandenburg*) for decision.

Although the outcome of these arbitration proceedings is difficult to predict, Deutsche Telekom Group believes the Federal Republic of Germany's claims presented in the arbitration notice and statement of claims are unsustainable. Deutsche Telekom is contesting the Federal Republic of Germany's claims vigorously.

### **Magyar Telekom**

As previously reported, in the course of conducting their audit of Magyar Telekom's 2005 financial statements, Magyar Telekom's independent auditors identified two contracts entered into by Magyar Telekom's Montenegrin subsidiary the nature and business purposes of which were not readily apparent. In February 2006, Magyar Telekom's Audit Committee initiated an independent investigation into this matter. In the course of the investigation, two further contracts entered into by Magyar Telekom raised concerns. As previously disclosed, the independent investigators preliminarily concluded that "*there is insufficient evidence to establish that the approximately EUR 7 million in expenditures made pursuant to four consultancy contracts were made for legitimate business purposes*", and there is "*affirmative evidence that these expenditures served improper purposes*". The independent investigators further identified additional contracts and related issues that could warrant review. In February 2007, Magyar Telekom's Board of Directors determined that these matters should be reviewed and expanded the scope of the independent investigation to cover these additional contracts and related issues. In May 2008, the independent investigators reported that, among other things, they had found "*affirmative evidence of illegitimacy in the formation and/or performance*" of six additional contracts in Macedonia under which Magyar Telekom and/or its affiliates paid a total of over EUR 6.7 million.

As previously disclosed, the investigation, which was impeded by the destruction of certain documents, revealed certain weaknesses in Magyar Telekom's internal controls and procedures, including the lack of consistent approval procedures for procurement and third-party contracts, the lack of a comprehensive compliance training program and the lack of the appropriate level of control consciousness among certain senior managers at the top of the organisation.

On 2 December 2009, the Magyar Telekom Audit Committee provided the Magyar Telekom Board of Directors with a "*Report of Investigation to the Audit Committee of Magyar Telekom Plc.*" dated 30 November 2009 (the "**Final Report**"). The Magyar Telekom Audit Committee indicated that it considers that, with the preparation of the Final Report based on currently available facts, the independent investigators have completed their investigation. The Final Report affirmed the independent investigators' preliminary findings, discussed above, concerning the four contracts entered into by Magyar Telekom and its Montenegrin subsidiary as well as the May 2008 findings concerning the six contracts in Macedonia.

In addition, the Final Report found that certain former executives at Magyar Telekom and its Macedonian subsidiaries, including certain of Deutsche Telekom's employees who were previously assigned to these companies, authorised the expenditure of approximately EUR 24 million through over twenty suspect consultancy, lobbying, and other contracts (including the six identified in the May 2008 preliminary report). In entering into these contracts and approving expenditures under them, the Final Report found that these former executives knowingly caused, structured, or approved transactions that: (i) intentionally circumvented Magyar Telekom's and its subsidiaries' internal controls; (ii) were reflected in false and misleading documents and records at these companies; (iii) were entered into without adequate due diligence or monitoring of performance of contractors and agents in circumstances carrying a high risk of corruption; and (iv) resulted in expenditures by Magyar Telekom and its subsidiaries that were not for the purposes stated in the contracts under which they were made, but rather were intended to obtain benefits for the those companies that could only be conferred by government action. The Final Report further indicated that "*the available evidence does not establish that the contracts under which these expenditures were made were legitimate*". Although

Final Report stated that "*the Investigation did not uncover evidence showing receipt of payments by any Macedonian government officials or political party officials*", the Final Report found "*that, contrary to their terms, a number of these contracts were undertaken to obtain specific regulatory and other benefits from the government of Macedonia*". Nothing in the Final Report implicates any current or former Board member of the Company or any current Board member of Magyar Telekom in connection with any wrongdoing.

As described above, Magyar Telekom has already implemented remedial measures to address weaknesses in its internal controls and procedures previously identified in the independent investigation and Deutsche Telekom has also enhanced its compliance and training programs. Magyar Telekom and Deutsche Telekom are considering whether and to what extent additional remedial measures, compliance enhancements, or other actions are warranted in view of the Final Report's findings and conclusions.

Magyar Telekom has been in regular contact with the Hungarian Financial Supervisory Authority, the Hungarian National Bureau of Investigation, the U.S. Securities and Exchange Commission, the U.S. Department of Justice, and Macedonian law enforcement authorities concerning the independent investigation and is responding to inquiries in investigations being conducted by these authorities. The Hungarian National Bureau of Investigation has informed Magyar Telekom that it closed its investigation regarding Magyar Telekom's activities in Montenegro as of 20 May 2008 without identifying any criminal activity. In December 2008, the Macedonian authorities announced that criminal charges had been filed against four individuals, including one of Deutsche Telekom's employees, for "*abuse of office and authorisations*" to the harm of the shareholders of Magyar Telekom's Macedonian subsidiary, including Magyar Telekom and the Government of Macedonia. The charges relate to certain of the Macedonian contracts identified in the independent investigation. No charges were filed against Magyar Telekom or any of its subsidiaries.

On 28 March 2009, the Hungarian National Bureau of Investigation (the "**NBI**") informed Magyar Telekom that, based on a report received by the NBI, it had begun a criminal investigation into alleged misappropriation of funds relating to payments made in connection with Magyar Telekom's ongoing internal investigation into certain contracts entered into by members of the Magyar Telekom group and related matters. The NBI has requested materials and information relating to such payments from Magyar Telekom. On 21 September 2009, the NBI informed the Company that it had extended the scope of its investigation to examine possible misuse of personal data of employees in the context of the internal investigation. Magyar Telekom is cooperating with the ongoing NBI investigation.

Deutsche Telekom continues to provide documents and information to the U.S. Securities and Exchange Commission and the U.S. Department of Justice in connection with their review of Deutsche Telekom's role in certain matters relating to the Magyar Telekom investigation, including the involvement of Deutsche Telekom's employees or personnel previously assigned to Magyar Telekom and its subsidiaries, and the actions taken by Magyar Telekom and Deutsche Telekom in response to the findings of and issues raised by the Magyar Telekom investigation.

### **Civil Servants**

In November 2004, the Federal Republic adopted a law abolishing the requirement for Deutsche Telekom, and other private corporations, to make certain special payments to civil servants. This law was subsequently challenged in various courts and in December 2008 the Federal Administrative Court (*Bundesverwaltungsgericht*) decided to refer the case to the Federal Constitutional Court (*Bundesverfassungsgericht*) for a final decision on its legality. If the law is found unconstitutional, it is possible that all civil servants affected by this law would be entitled to retroactive payments, the cost of which could be up to EUR 211.6 million. However, Deutsche Telekom believes that the ultimate resolution of this matter will validate the law as adopted by the Federal Republic.

With the entry into force of the reform of civil service law (*Dienstrechtsneuordnungsgesetz*) on 11 February 2009, the legislature integrated the amounts that previously represented the year-end bonus paid annually in accordance with the Federal Act on Bonus Payments (*Bundessonloerzahlungsgesetz*) into the basic monthly salary for all federal civil servants. The entitlement of civil servants employed by the Deutsche Bundespost successor companies to the year-end bonus expired pursuant to the First Act to Amend the Act on the Legal Provisions for the Former Deutsche Bundespost Staff (*Erstes Gesetz zur Änderung des Postpersonalrechtsgesetzes*) dated 9 November 2004. Accordingly, the year-end bonus was not integrated into the basic monthly salary in this domain.

Numerous civil servants have filed objections to these pay tables reduced by the year-end bonus amount and approximately 300 litigation cases are already pending.

In order to avoid unnecessary administrative expense arising from objections and any legal action taken, Deutsche Telekom AG has concluded an agreement with the unions whereby Deutsche Telekom AG will pay the difference for remuneration of all federal civil servants (including those who have not objected) retroactively if the Federal Constitutional Court rules that the pay tables applicable to the Deutsche Bundespost successor companies are unconstitutional. Consequently, in order to avoid more objections and legal action, Deutsche Telekom AG has decided not to plead the statute of limitations.

In a ruling on 15 December 2009, the Stuttgart Administrative Court decided in two court proceedings to present the question of whether § 78 BbesG (Federal Civil Service Remuneration Act) is constitutional to the Federal Constitutional Court (*Bundesverfassungsgericht*) for decision. Should Deutsche Telekom lose this legal dispute, Deutsche Telekom estimates that Deutsche Telekom has to pay approximately EUR 15 million for the period July 2009 to the end of December 2009.

## **TREND INFORMATION**

Save as disclosed in the Prospectus, there has been no significant change in the financial or trading position of the Company and no material adverse change in the prospects of the Company since the publication of its last audited consolidated financial statements as of 31 December 2009.

## **ADDITIONAL INFORMATION**

### **Share Capital**

As of 31 December 2009 the share capital of Deutsche Telekom amounted to EUR 11,164,979,182.08 divided into 4,361,319,993 registered ordinary shares without par value (*Stückaktien*). All shares have been issued and are fully paid. In addition to the above mentioned major shareholders, Deutsche Telekom held approximately 0.04% of its total ordinary shares.

### **Material Contracts**

In the usual course of Deutsche Telekom's business, it enters into numerous contracts with various other entities. Deutsche Telekom has not entered into any material contracts outside the ordinary course of its business within the past two years.

### **Third Party Information and Statement by Experts and Declaration of any Interest**

Where information, contained in this document, has been sourced from a third party, Deutsche Telekom confirms that to the best of its knowledge this information has been accurately reproduced and that so far as Deutsche Telekom is aware and able to ascertain from information published by such third party no facts have been omitted which would render the reproduced information materially inaccurate or misleading.

## **Deutsche Telekom International Finance B.V. as Issuer**

### **STATUTORY AUDITORS**

The statutory auditors of Finance are Ernst & Young Accountants LLP, Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands. The auditors of Ernst & Young Accountants LLP are members of the Royal NIVRA (*Koninklijk Nederlands Instituut van Registeraccountants*). They have audited the financial statements of Finance as of and for the years ended 31 December 2008 and 31 December 2009 and issued unqualified auditors' reports. The financial statements for the year 2008 and 2009 have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**"), as adopted by the European Union (EU), as well as with Part 9 of Book 2 of The Netherlands Civil Code and with the IFRS as issued by the International Accounting Standards Board ("**IASB**").

### **GENERAL INFORMATION ABOUT DEUTSCHE TELEKOM INTERNATIONAL FINANCE B.V.**

#### **History and development of Finance**

Finance was incorporated on 30 October 1995 under the laws of The Netherlands as a private company with limited liability for an unlimited duration. Finance is a wholly-owned subsidiary of Deutsche Telekom. Finance has its corporate seat in Amsterdam and is registered with the Trade Register in Amsterdam under number 33274743. Its address is Herengracht 124-128, 1015 BT Amsterdam, The Netherlands (telephone number: +31 20 794 45 00).

#### **Investments**

Finance has not conducted any principal investments since the date of the last published financial statements nor does Finance intend making such principal investments in the near future on which the management has already made firm commitments.

### **BUSINESS OVERVIEW**

Finance is the finance organisation of Deutsche Telekom. Finance lends money to group companies by raising funds from the capital markets through the issuing of various types of debt instruments.

#### **I. Activities**

The activities of Finance are in line with the objects stated in § 2 of the Articles of Association of Finance, which are:

1. (a) The issue and acquisition of debt instruments issued by Finance or of debt instruments issued by a limited partnership or a general partnership of which Finance is the general partner with full liability;  
(b) to participate in, to establish and to administer and/or manage, to finance and to render services to companies, firms and enterprises;  
(c) to lend and/or borrow moneys, to provide guarantees, and to commit itself with respect to the commitments of third parties.
2. To do anything which is connected with the provisions of paragraph 1 of this article or which may be promotive thereof, all this in the broadest sense.

#### **II. Principal Markets**

Since the foundation of Finance in 1995, Finance has issued various notes in the capital markets of Europe and the United States of America.

### **ORGANISATIONAL STRUCTURE**

Finance is wholly-owned by Deutsche Telekom AG, Bonn, Germany, but acts as an independent company within The Netherlands. Finance is the finance organisation of Deutsche Telekom Group and it is not dependent upon other entities within Deutsche Telekom Group. In this position, Finance issues debt instruments at the capital market on its own on the basis of the capital needs within

Deutsche Telekom Group. At the capital market, Finance has to compete with other financial institutions and companies for getting best prices for the issue of debt instruments. The capital obtained after an issue is transferred to Deutsche Telekom Group by concluding loan agreements with the specific Deutsche Telekom Group members.

## SELECTED FINANCIAL INFORMATION OF DEUTSCHE TELEKOM INTERNATIONAL FINANCE B.V.

### Statement of financial position

(Before proposed appropriation of result)

thousands of €	Dec. 31, 2009	Dec. 31, 2008
<b>Assets</b>		
<b>Current assets</b>	<b>5.469.059</b>	<b>5.042.334</b>
Financial assets	5.467.465	5.041.090
Income tax receivable	1.594	1.244
<b>Non-current assets</b>	<b>28.652.638</b>	<b>28.947.294</b>
Property, plant and equipment	49	55
Financial assets	28.652.258	28.946.854
Other assets	331	385
<b>Total Assets</b>	<b>34.121.697</b>	<b>33.989.628</b>
<b>Liabilities and shareholder's equity</b>		
<b>Current liabilities</b>	<b>5.531.093</b>	<b>5.052.542</b>
Financial liabilities	5.531.024	5.052.476
Other liabilities	69	66
<b>Non-current liabilities</b>	<b>28.242.228</b>	<b>28.598.960</b>
Financial liabilities	28.125.891	28.486.562
Other provisions	15	15
Deferred tax liability	116.322	112.383
<b>Liabilities</b>	<b>33.773.321</b>	<b>33.651.502</b>
<b>Shareholder's equity</b>	<b>348.376</b>	<b>338.126</b>
Issued Capital	454	454
Other reserves	329.880	321.129
Net profit (loss)	18.042	16.543
<b>Total Liabilities and shareholder's equity</b>	<b>34.121.697</b>	<b>33.989.628</b>

## Statement of comprehensive income

thousands of €	2009	2008
Finance income (costs)		
Interest income	1.983.276	2.126.203
Interest expense	(2.054.858)	(2.140.216)
Other financial income (expense)	96.450	36.937
<b>Profit (loss) from financial activities</b>	<b>24.868</b>	<b>22.924</b>
General and administrative expenses	(703)	(732)
Other operating income	22	30
Other operating expenses	(0)	(25)
<b>Profit (loss) from operations</b>	<b>(681)</b>	<b>(727)</b>
<b>Profit (loss) before income taxes</b>	<b>24.187</b>	<b>22.197</b>
Income taxes	(6.145)	(5.654)
<b>Profit (loss) after income taxes</b>	<b>18.042</b>	<b>16.543</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
Profit attributable to shareholder:	18.042	16.543
Other comprehensive income attributable to shareholder:	-	-

## SIGNIFICANT CHANGE IN FINANCE'S FINANCIAL POSITION, TREND INFORMATION

Save as disclosed herein, there has been no significant change in the financial or trading position of Finance and no material adverse change in the prospects of Finance since the publication of its last audited financial statements as of 31 December 2009.

## ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Finance has both a Supervisory Board and a Board of Managing Directors. These Boards are separate; no individual may be a member of both. Deutsche Telekom, as the sole shareholder of Finance, appoints the members of both the Supervisory Board and the Board of Managing Directors. The Supervisory Board supervises the Board of Managing Directors. The Board of Managing Directors represents Finance and is responsible for its management.

The members of the **Supervisory Board** of Finance are at present as follows:

Gerhard Mischke  
 Senior Vice President Treasury, Deutsche Telekom AG  
 Dieter Cazzonelli  
 Senior Vice President Taxes, Deutsche Telekom AG  
 Dr. Axel Lützner  
 Vice President Legal Affairs, Deutsche Telekom AG

The members of the **Board of Managing Directors** are at present as follows:

Robin Sheridan  
 Stephan Wiemann

The members of the Board of Managing Directors accept membership on the Supervisory Boards of other corporations within the limits prescribed by law.

The business address of each member of the Board of Managing Directors of Finance is Herengracht 124-128, 1015 BT Amsterdam, The Netherlands.

There are no potential conflicts of interest of the members of the Board of Management and the members of the Supervisory Board of Finance between their respective duties to Finance and their private interests or other duties.

The audit committee described under "*Deutsche Telekom AG as Issuer and Guarantor - Administrative, Management and Supervisory Bodies*" is also responsible for Finance.

## **MAJOR SHAREHOLDERS**

Finance is a wholly-owned subsidiary of Deutsche Telekom AG.

## **LEGAL AND ARBITRATION PROCEEDINGS**

Finance is not aware of any governmental, legal or arbitration proceedings pending or threatened against it which may have or have had during the past 12 months, significant effects on Finance and/or Deutsche Telekom Group's financial position or profitability.

## **ADDITIONAL INFORMATION**

### **Share Capital**

As of 31 December 2009, the authorised share capital of Finance consists of 5,000 shares of common stock at a par value of EUR 453.78 each. The issued share capital amounts to EUR 453,780 and consists of 1,000 shares of common stock at a par value of EUR 453.78. The remaining 4,000 shares are unissued.

### **Material Contracts**

In the usual course of its business, Finance enters into numerous contracts with various other entities. Finance has not entered into any material contracts outside the ordinary course of its business within the past two years.

### **Third Party Information and Statement by Experts and Declaration of any Interest**

Where information, contained in this document, has been sourced from a third party, Finance confirms that to the best of its knowledge this information has been accurately reproduced and that so far as Finance is aware and able to ascertain from information published by such third party no material facts have been omitted which would render the reproduced information inaccurate or misleading.

## Terms and Conditions

This Series of Notes is issued pursuant to an Amended and Restated Agency Agreement, dated 23 April 2010 (the "**Agency Agreement**") between Deutsche Telekom AG ("**Deutsche Telekom**"), Deutsche Telekom International Finance B.V. ("**Finance**"), Deutsche Bank Aktiengesellschaft, as fiscal agent and paying agent (the "**Fiscal Agent**" which expression shall include any successor fiscal agent) and the other paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression shall include any successor or additional paying agents), **[in the case of Notes issued by Finance: The Notes have the benefit of an unconditional and irrevocable guarantee (the "Guarantee") by Deutsche Telekom (the "Guarantor").]**

### **in the case of Long-Form Conditions insert:**

[The provisions of these Terms and Conditions apply to the Notes as completed, modified, supplemented or replaced, in whole or in part, by the terms of the final terms which are attached hereto (the "**Final Terms**"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Terms and Conditions shall be deemed to so modify, supplement or replace the provisions of these Terms and Conditions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and texts set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the specified offices of the Paying Agents; provided that, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be made available to Holders of such Notes.]

## **TERMS AND CONDITIONS OF THE NOTES** **English Language Version**

### **§ 1**

#### **Currency, Denomination, Form and Title, Certain Definitions**

(1) *Currency and Denomination.* This Series of Notes of [ ] (the "**Issuer**" is issued in [ ] (the "**Specified Currency**") in the aggregate principal amount of **[in case the Global Note is an NGN insert: (subject to § 1 [(8))]** **[insert aggregate principal amount]** and is divided into [[ ] Notes in the principal amount of [ ],] [[ ] Notes in the principal amount of [ ]] **[and]** [ ] Notes in the principal amount of [ ] (the "**Specified Denominations**").

#### **in the case of a Temporary Global Note which is exchangeable for Definitive Notes:**

[(2) *Definitive Notes.* Individual Notes in definitive form ("**Definitive Notes**") [shall have [interest coupons ("**Coupons**")]] **[and talons ("**Talons**") for further Coupons]** **[and]** [payment receipts ("**Receipts**") in respect of the instalments of principal payable] attached on initial delivery and] shall be serially numbered.]

[(3) *Form and Title.* The Notes [and Coupons] are in bearer form and represented by one or more global notes (each a "**Global Note**"). Title to the Notes [and Coupons] [and the rights evidenced by Receipts] shall pass in accordance with the rules of applicable law. Neither the Issuer **[in the case of Notes issued by Finance: nor the Guarantor]** nor the Fiscal Agent nor any Paying Agent is obliged to examine the title of any person presenting Notes [or Coupons] [or Receipts].

#### **in the case of Notes which are initially represented by a Temporary Global Note:**

[[ (4) *Temporary Global Note - Exchange.*

- (a) The Notes are initially represented by a temporary global Note (the "**Temporary Global Note**") **[in the case of Notes other than Zero Coupon Notes insert: without coupons]**. The Temporary Global Note will be exchangeable, as provided below, for **[if Temporary Global**

**Note is to be exchanged for Definitive Notes insert:** Definitive Notes in the Specified Denomination(s) [with [Coupons] [and] [Talons] [,] [and Receipts]]] **[if Temporary Global Note is to be exchanged for Definitive Notes and Collective Global Notes insert:** in part, Definitive Notes in the Specified Denomination(s) [with [Coupons] [and] [Talons] [,] [and Receipts] and in the other part, one or more collective global Notes (each, a "Collective Global Note") [with global interest coupons (each, a "Global Interest Coupon")]; the right of Holders to require delivery of Definitive Notes in exchange for Notes which are represented by a Collective Global Note shall be governed by § 9a(3), first sentence of the German Securities Custody Act] **[if Temporary Global Note is to be exchanged for one or more Permanent Global Notes insert:** Notes in Specified Denominations represented by [a] [specify if more than one] permanent global Note[s] ([the] [each, a] "Permanent Global Note") **[in the case of Notes other than Zero Coupon Notes insert:** without coupons]].

- (b) The Temporary Global Note shall be exchanged for [Definitive Notes] [in part Definitive Notes and in the other part Collective Global Notes] [Notes represented by the Permanent Global Note[s]] on a date (the "Exchange Date") **[in the case of TEFRA D Notes:** not earlier than 40 days and] not later than 180 days after the date of issue of the Temporary Global Note **[in the case of TEFRA D Notes:**, upon delivery by the relevant account holder to the Clearing System, and by the Clearing System to the Fiscal Agent, of certificates in the form available from the Fiscal Agent for such purpose, to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person other than certain financial institutions or certain persons holding through such financial institutions. [Any Permanent Global Note] [Any Definitive Notes] delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in subparagraph (3) of § 5)].

**in the case of Notes which are initially represented by a Permanent Global Note insert:**

[[4)] *Permanent Global Note.* The Notes are represented by [a] [specify if more than one] permanent global Note[s] ([the] [each, a] "Permanent Global Note") **[in the case of Notes other than Zero Coupon Notes insert:** without Coupons]. The right to demand delivery of Definitive Notes shall be excluded.]

**in the case of Notes which will initially be represented by a Temporary Global Note:**

[[5)] *Fees Payable on Exchange of Global Notes.* Any exchange of a Global Note pursuant to this § 1 shall be made free of charge to the Holders of the Notes[, except that a person receiving Definitive Notes must bear the cost of insurance, postage, transportation and the like in the event that such person does not take delivery of such Definitive Notes in person at the offices of the Clearing System.]

[[6)] *Execution of Notes.* Global Notes shall be executed manually on behalf of the Issuer by two authorised representatives of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. **[In the case of Definitive Notes insert:** Definitive Notes[, ] [and] [Coupons] [and] [Talons] [and Receipts] shall be executed in facsimile on behalf of the Issuer by two authorised representatives of the Issuer and the Definitive Notes shall be authenticated by or on behalf of the Fiscal Agent. Each Note [, ] [and] [Coupon] [and] [Talon] [and Receipt] shall bear an embossed stamp.]]

[[7)] *Certain Definitions.* For purposes of the Terms and Conditions:

"Clearing System" means [each of] [Clearstream Banking AG, Frankfurt am Main ("CBF")] [, ] [and] [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [, ] [and] [Euroclear BankSA/NV ("Euroclear")], [(CBL and Euroclear each an "ICSD" and together the "ICSDs")] [and] [specify any other Clearing System] and any successor in such capacity.

**[if there will be a Calculation Agent insert:** "Calculation Agent" means [the Fiscal Agent] **[insert other Calculation Agent]** and any successor to [the Fiscal Agent] **[insert other Calculation Agent]** in its capacity as Calculation Agent.]

"Global Note" means [the/any] [Temporary Global Note] [or Collective Global Note] [or] [Permanent Global Note].

"Holder" means, in respect of Notes deposited with any Clearing System or other central securities depository, any holder of a proportionate co-ownership or other beneficial interest or right in the Notes so deposited, and otherwise the bearer of a Note [and/or a Coupon] [and/or a Receipt].

**"Paying Agent"** means the Fiscal Agent in its capacity as paying agent, acting through its office specified in § 7, the Paying Agent(s) specified in § 7, or any substitute or additional paying agent appointed under § 7.

References herein to the "Notes" are references to Notes of this Series and shall, as the context requires, include reference to any Global Note [or Definitive Note].

References herein to the "*Specified Currency*" shall include any successor currency provided for by the laws in force in the jurisdiction where the Specified Currency is issued or pursuant to intergovernmental agreement or treaty (a "**Successor Currency**") to the extent that payment in the predecessor currency is no longer a legal means of payment by the Issuer on the Notes [**in the case of Notes issued by Finance**: or, in the event of payments under the Guarantee, by the Guarantor under the Guarantee].

**In the case of Notes kept in custody on behalf of the ICSDs insert:**

**[In the case the Global Note is an NGN insert:** The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

**[In the case the Global Note is an CGN insert:** The Notes are issued in classical global note ("CGN") form and are kept in custody by a common depository on behalf of both ICSDs.]

**In the case the Global Note is an NGN insert:**

[(8) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by a ICSD stating the amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate aggregate principal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.]

**[In the case the Temporary Global Note is a NGN insert:** On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.]

## **§ 2 Status**

The Notes constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer.

## **§ 3**

### **Negative Pledge of the Issuer [, Guarantee and Negative Pledge of the Guarantor]**

[(1)] *Negative Pledge.* So long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, the Issuer undertakes not to grant or permit to subsist any encumbrance over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness issued or guaranteed by the Issuer or by any other person, without at the same time having the Holders share equally and rateably in such security. "**Capital Market Indebtedness**" means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, a certificate of indebtedness or in the form of, or represented or evidenced by, bonds, notes or other securities which are, or are capable of being, quoted, listed, dealt in or traded on a stock exchange or other recognised securities market. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Issuer, the

expression "assets" as used in this § 3 does not include assets of the Issuer that are sold on a non-recourse basis determined in accordance with the civil law applicable to such transaction.

**in the case of Notes issued by Finance:**

[(2) *Guarantee and Negative Pledge of the Guarantor.* The Guarantor has given its unconditional and irrevocable guarantee (the "**Guarantee**") for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Note [or Coupon] [or Receipt]. The Guarantor has further undertaken in a negative pledge (the "**Negative Pledge**"), so long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to grant or permit to subsist any encumbrance over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness (as defined above) issued or guaranteed by the Guarantor or by any other person, without at the same time having the Holders share equally and rateably in such security. The Guarantee and Negative Pledge constitute a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with § 328 of the German Civil Code, giving rise to the right of each Holder to require performance of the Guarantee and the Negative Pledge directly from the Guarantor and to enforce the Guarantee and the Negative Pledge directly against the Guarantor. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Guarantor, the expression "assets" as used in this § 3 does not include assets of the Guarantor that are sold on a non-recourse basis determined in accordance with the civil law applicable to such transactions. Copies of the Guarantee and Negative Pledge may be obtained free of charge at the specified offices of each of the Paying Agents.]

**§ 4**  
**Interest**

**in the case of Fixed Rate Notes insert:**

[(1) *Rate of Interest and Interest Payment Dates.* The Notes bear interest on their aggregate principal amount at the rate of [insert Rate of Interest] per cent. *per annum* from (and including) [insert Interest Commencement Date] to (but excluding) the Maturity Date (as defined in § 6(1)). Interest shall be payable in arrears on [insert Fixed Interest Date(s)] in each year (each such date, an "Interest Payment Date"). The first payment of interest shall be made on [insert First Interest Payment Date] [if First Interest Payment Date is not first anniversary of Interest Commencement Date insert: and will amount to [insert Initial Broken Amount(s)].] [if Maturity Date is not a Fixed Interest Date insert: Interest in respect of the period from (and including) [insert Fixed Interest Date preceding the Maturity Date] to (but excluding) the Maturity Date will amount to [insert Final Broken Amount(s)].]

**[In the case of Notes represented by Global Notes insert:**

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes until the expiry of the day preceding the day of actual redemption of the Notes at the default rate of interest established by law.<sup>1</sup>]

**[In the case of Definitive Notes insert:**

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes beyond the due date until the expiry of the day preceding the day of actual redemption of the Notes at the default rate of interest established by law<sup>1</sup> but not beyond the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

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<sup>1</sup> The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 paragraph 1, 247 BGB (German Civil Code).

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).]

**in the case of Floating Rate Notes insert:**

[(1) *Interest Payment Dates.*

- (a) The Notes bear interest on their aggregate principal amount from (and including) **[insert Interest Commencement Date]** (the "**Interest Commencement Date**"). Interest on the Notes shall be payable on each Interest Payment Date. "**Interest Payment Date**" means **[in the case of Specified Interest Payment Dates insert: each [insert Specified Interest Payment Dates]] [in the case of Specified Interest Periods insert: each date which (except as otherwise provided in these Terms and Conditions) falls [ ] [weeks] [months] [insert other specified period(s)]** after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]
- (b) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

**[if Modified Following Business Day Convention insert:** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be brought forward to the immediately preceding Business Day.]

**[if FRN Convention insert:** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent payment date shall be the last Business Day in the month which falls **[[insert number] months] [insert other specified period(s)]** after the preceding applicable payment date.]

**[if Following Business Day Convention insert:** postponed to the next day which is a Business Day.]

**[if Preceding Business Day Convention insert:** brought forward to the immediately preceding Business Day.]

**[If adjustment of interest applies insert:** If the due date for payment is [brought forward] [or] [postponed] as described above, the amount of interest shall be adjusted accordingly [and the Holder shall be entitled to further interest in respect of any such delay].]

**[If adjustment of interest does not apply insert:** The Holder shall not be entitled to further interest or other payment in respect of any such delay.]

In this § 4 "**Business Day**" means **[if the Specified Currency is not euro insert:** a day which is a day (other than a Saturday or a Sunday) on which commercial banks are generally open for business in, and foreign exchange markets settle payments in **[insert all relevant financial centres]] [if the Specified Currency is euro insert:** a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") are open to effect the relevant payment].

(2) *Rate of Interest.* **[if Screen Rate Determination insert:** The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below, be the offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of 11:00 a.m. ([London] [Brussels] time) on the Interest Determination Date (as defined below) **[if Margin insert: [plus] [minus] the Margin** (as defined below)], all as determined by the Calculation Agent.

"**Interest Period**" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

"**Interest Determination Date**" means the [second] **[insert other applicable number of days] [TARGET] [London] [insert other relevant location] Business Day** prior to the commencement of the relevant Interest Period, **[in case of a TARGET Business Day insert: "TARGET Business Day"** means a day which is a day on which the Trans-European Automated Real-time Gross Settlement Transfer system 2 ("**TARGET**") is open.] **[in case of a non-TARGET Business Day insert:**

"**[London] [insert other relevant location] Business Day**" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in **[London] [insert other relevant location].**

**[if Margin insert: "Margin"** means **[-]** per cent. *per annum.*]

**"Screen Page"** means, **[insert relevant Screen Page]** or any successor page.

**[If another basis for determining any reference rate is to apply, insert applicable provisions]**

If the Screen Page is not available or if, no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the **[London] [Euro-Zone]** interbank market at approximately 11.00 a.m. (**[London] [Brussels]** time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one **[if the Reference Rate is EURIBOR insert: thousandth of a percentage point, with 0.0005] [if the Reference Rate is not EURIBOR insert: hundred-thousandth of a percentage point, with 0.000005]** being rounded upwards) of such offered quotations **[if Margin insert: [plus] [minus] the Margin]**, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one **[if the Reference Rate is EURIBOR insert: thousandth of a percentage point, with 0.0005] [if the Reference Rate is not EURIBOR insert: hundred-thousandth of a percentage point, with 0.000005]**, being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. (**[London] [Brussels]** time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the **[London] [Euro-Zone]** interbank market **[if Margin insert: [plus] [minus] the Margin]** or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the **[London] [Euro-Zone]** interbank market (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) **[if Margin insert: [plus] [minus] the Margin]**. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered **[if Margin insert: [plus] [minus] the Margin** (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).]

As used herein, **"Reference Banks"** means **[if no other Reference Banks are specified in the Final Terms, insert: those offices of four of such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page [if other Reference Banks are specified in the Final Terms, insert names here].]**

**[In the case of Euro-Zone interbank market insert: "Euro-Zone"** means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992), the Amsterdam Treaty of 2 October 1997 and the Treaty of Lisbon of 13 December 2007, as further amended from time to time.)]

**[If Reference Rate is other than EURIBOR, EURO-LIBOR or LIBOR, insert relevant details in lieu of the provisions of this subparagraph (2)]**

**[If ISDA Determination applies insert the relevant provisions and attach the 2000 ISDA Definitions or the 2006 ISDA Definitions, as applicable, published by the International Swaps and Derivatives Association, Inc.]**

**[If other method of determination applies, insert relevant details in lieu of the provisions of this subparagraph (2)]**

**[If Minimum and/or Maximum Rate of Interest applies insert:**

(3) *[Minimum] [and] [Maximum] Rate of Interest.*

**[If Minimum Rate of Interest applies insert:** If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than **[insert Minimum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[insert Minimum Rate of Interest].]**

**[If Maximum Rate of Interest applies insert:** If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than **[insert Maximum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[insert Maximum Rate of Interest].]**

**[(4)] *Interest Amount.*** The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

**[(5)] *Notification of Rate of Interest and Interest Amount.*** The Calculation Agent will cause notification of the Rate of Interest and each Interest Amount for each Interest Period and of the applicable Interest Payment Date to the Issuer **[in the case of Notes issued by Finance: and to the Guarantor]** and to the Holders in accordance with § 13 as soon as possible after their determination, but in no event later than the fourth **[London] [TARGET] [insert other relevant location]** Business Day (as defined in § 4(2)) thereafter and, if required by the rules of such stock exchange, to any stock exchange on which the Notes are from time to time listed as soon as possible after their determination, but in no event later than the first day of the applicable Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are for the time being listed and to the Holders in accordance with § 13.

**[(6)] *Determinations Binding.*** All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, **[the Guarantor,]** the Fiscal Agent, the Paying Agents and the Holders.

**[In the case of Notes represented by Permanent Global Notes insert:**

**[(7)] *Accrual of Interest.*** The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes beyond the due date until the expiry of the day preceding the day of actual redemption of the Notes. The applicable Rate of Interest will be the default rate of interest established by law.<sup>1]</sup>

**[In the case of Definitive Notes insert:**

**[(7)] *Accrual of Interest.*** The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes beyond

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<sup>1</sup> The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 paragraph 1, 247 BGB (German Civil Code).

the due date until the expiry of the day preceding the day of actual redemption of the Notes, but not beyond the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent. The applicable Rate of Interest will be the default rate of interest established by law.<sup>1</sup>]

**in the case of Zero Coupon Notes insert:**

[(1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes.

**[In the cases of Zero Coupon Notes which are represented by a Permanent Global Note insert:**

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the outstanding principal aggregate amount of the Notes as from the due date to the expiry of the day preceding the day of actual redemption at the default rate of interest established by law.<sup>2</sup>]

**[In the case of Zero Coupon Definitive Notes insert:**

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the outstanding aggregate principal amount of the Notes as from the due date to the expiry of the day preceding the day of actual redemption at the default rate of interest established by law<sup>2</sup>, but not beyond the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

**[In the case of Index-linked Notes, Instalment Notes, Credit Linked Notes, Dual Currency Notes or other structured Notes insert all applicable provisions regarding interest.]**

[()] *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

**[if Actual/Actual (ICMA Rule 251) with annual interest payments insert:** the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.] **[in the case of first/last short or long Interest Periods insert appropriate Actual/Actual (ICMA Rule 251) method]**

**[if Actual/Actual (ICMA Rule 251) with two or more constant interest periods within an interest year insert:** the number of days in the Calculation Period divided by (x) in the case of Notes where interest is scheduled to be paid only by means of regular annual payments, the number of days in the Interest Period or (y) in the case of Notes where interest is scheduled to be paid other than only by means of regular annual payments, the product of the number of days in the Interest Period and the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year.] **[in the case of first/last short or long Interest Periods insert appropriate Actual/Actual (ICMA Rule 251) method]**

**[if Actual/Actual (ISDA) insert:** the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

**[if Actual/365 (Fixed):** the actual number of days in the Calculation Period divided by 365.]

**[if Actual/360:** the actual number of days in the Calculation Period divided by 360.]

**[if 30/360, 360/360 or Bond Basis:** the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

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<sup>2</sup> The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 paragraph 1, 247 German Civil Code.

**[if 30E/360 or Eurobond Basis:** the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period.)

## **§ 5 Payments**

(1) *Payment of Principal.* **[in the case of Notes represented by Definitive Notes:** Payment of principal in respect of Definitive Notes shall be made, subject to subparagraph (3) below, against presentation and (except in the case of partial payment) surrender of the relevant Note at the specified office of any Paying Agent outside the United States.]

**in the case of Notes represented by a Permanent Global Note insert:**

[Payment of principal in respect of Notes represented by a Global Note shall be made, subject to subparagraph (3) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and surrender of the Global Note at the specified office of any Paying Agent outside the United States.]

**in the case of Instalment Notes insert:**

[Payment of Instalment Amounts in respect of an Instalment Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt and, in the case of the final Instalment Amount, surrender of the Note at the specified office of any Paying Agent outside the United States. Receipts are not documents of title and, if separated from the Note to which they relate, shall not represent any obligation of the Issuer. Accordingly, the presentation of an Instalment Note without the relevant Receipt or the presentation of a Receipt without the Note to which it pertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.]

For purposes of **[in the case of TEFRA D Notes insert:** subparagraph [(4)] of § 1 and] this § 5, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

**in the case of Notes other than Zero Coupon Notes insert:**

[(2) *Payment of Interest.* **[in the case of Notes represented by Definitive Notes:** Payment of interest on Definitive Notes with Coupons shall be made, subject to paragraph (3), against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Notes, at the specified office of any Paying Agent outside the United States.]

**[in the case of Notes represented by a Permanent Global Note insert:** Payment of interest on Notes represented by a Permanent Global Note shall be made, subject to subparagraph (3), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System against presentation of the Permanent Global Note at the specified office of any Paying Agent outside the United States.]

**[in the case of interest payable on a Temporary Global Note insert:** Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (3), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, against presentation of the Temporary Global Note at the specified office of any Paying Agent outside the United States, upon due certification as provided in § 1[(4)](b).]

(3) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made

**In the case of Notes represented by Global Notes insert:**

[in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.]

**In the case of Notes represented by Definitive Notes insert:**

**[in the case of payments in a currency other than euro or U.S. dollars insert:** by [insert Specified Currency] check drawn on a bank in [insert Principal Financial Centre of Country of Specified Currency] or, at the option of the payee, by transfer to an account denominated in [insert

**Specified Currency]** maintained by the payee with a bank in **[insert Principal Financial Centre of Country of Specified Currency].]**

**[in the case of payments in U.S. dollars insert:** by U.S. dollar check drawn on a bank in New York City or, at the option of the payee, by transfer to a U.S. dollar account maintained by the payee at a bank outside the United States. If payment of principal or interest at the offices of all paying agents outside the United States becomes illegal or is effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, the Issuer will appoint an office or agent in the United States at which such payment may be made.]

**[in the case of payments in euro insert:** in cash or by check denominated in euro drawn on or, at the option of the payee, by transfer to a euro account maintained by the payee with, a bank in the principal financial centre of a country which has become a participating member state in European Economic and Monetary Union as contemplated by the Treaty on European Union which was signed at Maastricht on 7 February 1992 and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.]

(4) *Discharge.*

**[In the case of Notes represented by Global Notes insert:**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

**[In the case of Definitive Notes insert:**

In the case of any Notes held through any Clearing System, the Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note [or Coupon] [or Receipt] is not a Payment Business Day then the Holder **[in the case of Floating Rate Notes:**, subject to § 4(1),] shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is **[in the case of Notes not denominated in euro insert:** a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[insert all relevant financial centres]]** **[in the case of Notes denominated in euro insert:** a day (other than a Saturday or a Sunday) on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") are operational to forward the relevant payment] **[in the case of Definitive Notes insert:** and banks in the place where the Paying Agent is located and where the Notes [,] [Coupons] [,] [Talons] [or] [Receipts] are presented for payment are open for business].

**in the case of Definitive Notes initially delivered with Coupons, Talons or Receipts insert:**

(6) *Surrender of [Coupons][,][Talons] [and][Receipts].* Each Note initially delivered with Coupons [or Talons] [or Receipts] attached thereto must be presented and, except in the case of partial payment of the redemption amount, surrendered for final redemption together with all unmatured Coupons [and Talons] [and Receipts] relating thereto, failing which

**[in the case of Fixed Rate Notes insert:** the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due) shall be deducted from the amount otherwise payable on such final redemption [,] [and] [.]

**[in the case of Floating Rate Notes insert:** all unmatured Coupons relating to such Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them [,] [and] [.]

**[in the case of Definitive Notes initially delivered with Talons insert:** all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them [,] [and] [.]

**[in the case of Definitive Notes initially delivered with Receipts insert:** all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would

have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect to them.]

If the Notes should be issued with a maturity date and an interest rate or rates such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted in accordance with the foregoing would be greater than the redemption amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted in accordance with the foregoing would not be greater than the redemption amount otherwise due for payment. Where the application of the preceding sentence requires some but not all of the unmatured Coupons relating to a Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.]

**[in the case of Definitive Notes initially delivered with Talons insert:**

(7) *Exchange of Talons.* On or after the Interest Payment Date on which the final Coupon in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent, in exchange for a further Coupon sheet (including any appropriate further Talon). Each Talon shall, for the purpose of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon in the relative Coupon sheet matures.]]

[(8)] *References to Principal and Interest.* Reference in these Terms and Conditions to principal in respect of the Notes be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes, **[if redeemable at option of Issuer for other than taxation reasons insert: the Call Redemption Amount of the Notes,] [if redeemable at option of the Holder insert: the Put Redemption Amount of the Notes,] [in the case of Zero Coupon Notes insert: the Amortised Face Amount of the Notes,] [in the case of Instalment Notes insert: the Instalment Amount(s) of the Notes]** and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 8.

[(9)] *Deposit of Principal and Interest.* The Issuer may deposit with the *Amtsgericht* in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

**§ 6  
Redemption**

(1) *Redemption at Maturity.*

**in the case of Notes other than Instalment Notes insert:**

[Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[[in the case of a specified Maturity Date insert such Maturity Date] (the "Maturity Date") [in the case of a Redemption Month insert: the Interest Payment Date falling in [insert Redemption Month]]]**. The redemption amount of this series of Notes shall be 100 per cent. of the aggregate principal amount of the Notes. The Final Redemption Amount in respect of each Note shall be **[insert Final Redemption Amount per Specified Denomination].]**

**in the case of Instalment Notes insert:**

[Unless previously redeemed in whole or in part or purchased and cancelled, the notes shall be redeemed at the Instalment Date(s) and in the Instalment Amount(s) set forth below:

Instalment Date(s)	Instalment Amount(s)
<b>[insert Instalment Date(s)]</b>	<b>[insert Instalment Amount(s)]</b>
[ ]	[ ]
[ ]	[ ]

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of **[in the case of Notes issued by Finance: The Netherlands or]** Germany or any political subdivision or taxing authority thereof or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after **[insert Issue Date]**, the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** being unable for reasons outside its control to procure payment by the Issuer, ] will become obligated to pay Additional Amounts (as defined in § 8 herein **[in the case of Notes issued by Finance: and in the Guarantee, respectively]**) and this obligation cannot be avoided by the use of measures reasonably available to the Issuer **[in the case of Notes issued by Finance: or the Guarantor]**, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 13 to the Holders, at their Early Redemption Amount (as defined below), together with interest accrued to the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** would be obligated to pay such Additional Amounts, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect, **[in the case of Floating Rate Notes insert: The date fixed for redemption must be an Interest Payment Date.]**

Prior to the publication of any notice of redemption pursuant to this paragraph (3), the Issuer shall deliver to the Fiscal Agent a certificate signed by a director of **[in the case of Notes issued by Deutsche Telekom: the Issuer] [in the case of Notes issued by Finance: the Guarantor]** stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** has or will become obliged to pay such additional amounts as a result of such change or amendment.

Any such notice of redemption shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**if Notes are subject to Early Redemption at the option of the Issuer insert:**

**[(3) Early Redemption at the Option of the Issuer.**

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes on the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Call Redemption Date, **[if Minimum Redemption Amount or Higher Redemption Amount applies insert: Any such redemption must be of a principal amount equal to [at least [Minimum Redemption Amount]] [Higher Redemption Amount]**

Call Redemption Date(s)	Call Redemption Amount(s)
<b>[insert Call Redemption Date(s)]</b>	<b>[insert Call Redemption Amounts]</b>
[ ]	[ ]
[ ]	[ ]

**[if Notes are subject to Early Redemption at the Option of the Holder insert:** The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph **[(4)]** of this § 6.]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 13 and to the Fiscal Agent (the notice to the Fiscal Agent to be given not less than 15 days before the giving of notice to the Holders). Such notice shall specify:
  - (i) the Series of Notes subject to redemption;

- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and, if the Notes are represented by Definitive Notes, the serial numbers of the Notes which are to be redeemed;
  - (iii) the Call Redemption Date, which shall be not less than 15 nor more than 30 days after the date on which notice is given by the Issuer to the Holders; and
  - (iv) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, **[in the case of Definitive Notes insert:** the Notes to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair.] **[if Notes are represented by a Permanent Global Note insert:** the Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.] **[In the case of Notes in NGN form insert:** Such partial redemption shall be reflected in the records of CBL and Euroclear as either a pool factor or a reduction in aggregate principal amount, at the discretion of CBL and Euroclear.]

**if the Notes are subject to Early Redemption at the Option of a Holder insert:**

**[(4)]** *Early Redemption at the Option of a Holder.*

- (a) The Issuer shall, upon the exercise of the relevant option by the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)	Put Redemption Amount(s)
<b>[insert Put Redemption Date(s)]</b>	<b>[insert Put Redemption Amounts]</b>
[ ]	[ ]
[ ]	[ ]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under paragraph (2) **[if Notes are subject to Early Redemption at the Option of the Issuer insert:** or (3)] of this § 6.

- (b) In order to exercise such option, the Holder must, not less than 15 days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), deposit the relevant Note [together with all unmatured Coupons appertaining thereto] during normal business hours at the specified office of any Paying Agent together with a duly completed early redemption notice ("**Put Notice**") in the form available from the specified office of any of the Paying Agents. No Note so deposited and option so exercised may be withdrawn or revoked.]

**[(5)]** *Early Redemption Amount.*

**in the case of Notes other than Zero Coupon Notes insert: in the case of Zero Coupon Notes insert:**

[For purposes of subparagraph (2) of this § 6 and § 10, the Early Redemption Amount of a Note shall be [its Final Redemption Amount] **[other Redemption Amount - provide details].**]

**in the case of Zero Coupon Notes insert:**

- (a) For purposes of subparagraph (2) of this § 6 and § 10, the Early Redemption Amount of a Note shall be equal to the Amortised Face Amount of the Note.
- (b) The Amortised Face Amount of a Note shall be an amount equal to the sum of:
- (i) **[insert Reference Price]** (the "**Reference Price**"), and
  - (ii) the product of **[insert Amortisation Yield]** (compounded annually) and the Reference Price from (and including) **[insert Issue Date]** to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the "**Calculation Period**") shall be made on the basis of the Day Count Fraction (as defined in § 4).

- (c) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (ii) above to the date fixed for redemption or the date on which such Note becomes due and repayable shall refer to the earlier of (i) the date on which upon due presentation and surrender of the relevant Note (if required), payment is made, and (ii) the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

**[In the case of Index-linked Notes, Credit Linked Notes, Dual Currency Notes or other structured Notes insert all applicable provisions regarding redemption herein.]**

## § 7

### Fiscal Agent[,] [and] Paying Agents [and Calculation Agent]

(1) *Appointment; Specified Offices.* The initial Fiscal Agent[,] [and] Paying Agents [and the Calculation Agent] and their respective initial specified offices are:

Fiscal Agent and Principal Paying Agent: Deutsche Bank Aktiengesellschaft  
Trust & Securities Services (TSS)  
Große Gallusstraße 10-14  
60272 Frankfurt am Main  
Federal Republic of Germany

Paying Agent[s]: Deutsche Bank Luxembourg S.A.  
2 boulevard Konrad Adenauer  
1115 Luxembourg  
Luxembourg

**[insert other Paying Agents and specified offices]**

**[insert name and specified office]**

[Calculation Agent] **[insert name and specified office]**

The Fiscal Agent[,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent [or the Calculation Agent] and to appoint another Fiscal Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent[,] [and] (ii) a Paying Agent in addition to the Fiscal Agent with a specified office in a continental European city and outside Germany **[in the case of Notes listed on a stock exchange insert: [,] [and] (iii) so long as the Notes are listed on the [name of Stock Exchange], a Paying Agent (which may be the Fiscal Agent) with a specified office in [location of Stock Exchange] and/or in such other place as may be required by the rules of such stock exchange] [in the case of Notes denominated in U.S. dollars insert: [,] [and] [(iv)] in the circumstances described in § 5 (3), a Paying Agent with a specified office in New York City] [if any Calculation Agent is to be appointed, insert [,] [and] [(v)] a Calculation Agent [insert if Calculation Agent is required to maintain a specified office in a required location: with a specified office located in [insert required location]], [in the case of Definitive Notes insert: The Issuer shall at all times maintain a Paying Agent in a Member State of the European Union that will not be obliged to deduct or withhold tax pursuant to the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments which was approved by the Council of the European Union on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such directive, to the extent this is possible in a Member State of the European Union.] Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.**

(3) *Agent of the Issuer.* The Fiscal Agent[,] [and] [the Paying Agent[s]] [and the Calculation Agent] act[s] solely as the agent[s] of the Issuer and [does] [do] not assume any obligations towards or relationship of agency or trust for any Holder.

## § 8 Taxation

Principal and interest shall be payable by the Issuer without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of **[in the case of Notes being issued by Finance insert: The Netherlands or]** Germany or by or on behalf of any political subdivision or authority therein having power to tax (hereinafter together called "**Withholding Taxes**"), unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts of principal and interest as may be necessary in order that the net amounts received by the Holder after such deduction or withholding shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such additional amounts shall, however, be payable on account of any taxes, duties or governmental charges which

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with **[in the case of Notes being issued by Finance insert: The Netherlands or]** Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, **[in the case of Notes being issued by Finance insert: The Netherlands or]** Germany; or
- (c) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Germany **[in the case of Notes being issued by Finance insert: The Netherlands]** or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with such directive, regulation, treaty or understanding; or
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for, and notice thereof is published in accordance with the Conditions whichever occurs later [.] [;or]

### **In the case of Definitive Notes insert:**

- [(e) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or
- (f) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution.]

## [§ 9 Presentation Period

### **In the case of Notes represented by Global Notes insert:**

The presentation period provided in § 801 paragraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Notes.]

## [§ 9 Presentation Period, Replacement of Notes

### **[If the Notes are issued with Coupons insert: and Coupons]**

### **In the case of Definitive Notes insert:**

The presentation period provided in § 801 paragraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Notes. **[If the Notes are issued with Coupons insert: The presentation period for the Coupons shall, in accordance with § 801 paragraph 2 BGB (German Civil Code), be four years, beginning with the end of the calendar year in which the relevant Coupon falls due. The right**

pursuant to § 804 paragraph 1, sentence 1 BGB in respect of lost or destroyed coupons is excluded (§ 804 paragraph 2 BGB).] Should any Note **[if the Notes are issued with Coupons insert: or Coupon]** be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, subject to relevant stock exchange requirements and all applicable laws, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes **[if the Notes are issued with Coupons insert: or Coupons]** must be surrendered before replacements will be issued.]

## § 10 Acceleration

(1) *Right of Acceleration.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 6[(5)]), together with accrued interest (if any) to the date of repayment, in the event that any of the following events (each, an "**Acceleration Event**") occurs:

- (a) the Issuer fails to pay principal or interest within 30 days from the relevant due date, or
- (b) the Issuer fails duly to perform any other obligation arising from the Notes **[in the case of Notes issued by Finance: or the Guarantor fails to perform any obligation arising from the Guarantee referred to in § 3]** which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 60 days after the Fiscal Agent has received notice thereof from a Holder, or
- (c) any Capital Market Indebtedness (as defined in § 3(1)) of the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** becomes prematurely repayable as a result of a default in respect of the terms thereof, or the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** fails to fulfil any payment obligation in excess of EUR 25,000,000 or the equivalent thereof under any Capital Market Indebtedness or under any guarantee or suretyship given for any Capital Market Indebtedness of others within 30 days from its due date or, in the case of a guarantee or suretyship, within 30 days after the guarantee or suretyship has been invoked, unless the Issuer, **[in the case of Notes issued by Finance: or the Guarantor]** shall contest in good faith that such payment obligation exists or is due or that such guarantee or suretyship has been validly invoked, or if a security granted therefor is enforced on behalf of or by the creditor(s) entitled thereto, or
- (d) the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** announces its inability to meet its financial obligations or ceases its payments, or
- (e) a court opens insolvency proceedings against the Issuer **[in the case of Notes issued by Finance: or the Guarantor]**, or the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or **[in the case of Notes issued by Finance: the Issuer applies for a "surseance van betaling" (within the meaning of the Statute of Bankruptcy of The Netherlands), or]**
- (f) the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** goes into liquidation unless this is done in connection with a merger, or other form of combination with another company and such company assumes all obligations contracted by the Issuer **[in the case of Notes issued by Finance: or the Guarantor]**, as the case may be, in connection with this issue, or
- (g) any governmental order, decree or enactment shall be made in or by **[in the case of Notes issued by Finance: The Netherlands or]** Germany whereby the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** is prevented from observing and performing in full its obligations as set forth in these Conditions **[in the case of Notes issued by Finance: and in the Guarantee, respectively,]** and this situation is not cured within 90 days **[.] [ , or]**

**in the case of Notes issued by Finance:**

- [(h) the Guarantee ceases to be valid and legally binding for any reason whatsoever.]**

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(2) *Quorum*. In the events specified in § 10 subparagraph (1)(b) or subparagraph (1)(c), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 10 subparagraph (1)(a), (1)(d), (1)(e), (1)(f) [or] (1)(g) [or] (1)(h)] entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such notices from the Holders of at least one-tenth in aggregate principal amount of Notes then outstanding.

(3) *Form of Notice*. Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration delivered by hand or registered mail to the specified office of the Fiscal Agent.

## § 11 Substitution

(1) *Substitution*. The Issuer may, without the consent of the Holders, if no payment of principal or interest on any of the Notes is in default, at any time substitute for the Issuer **[in the case of Notes issued by Finance: either the Guarantor or] any Subsidiary (as defined below) [in the case of Notes issued by Deutsche Telekom: of it] [in the case of Notes issued by Finance: of the Guarantor]** as principal debtor in respect of all obligations arising from or in connection with this issue (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes [and the Coupons] [and the Receipts];
- (b) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Fiscal Agent in the Specified Currency and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes [and Coupons] [and Receipts];
- (c) **[in the case of Notes issued by Deutsche Telekom: the Issuer] [in the case of Notes issued by Finance: the Guarantor if it is not itself the Substitute Debtor]** irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes **[in the case of Notes issued by Finance: , such guarantee being substantially in the form of the Guarantee] [in the case of Notes issued by Deutsche Telekom: and such guarantee contains a covenant by the guarantor corresponding to the provisions in § 3]**.
- (d) there shall have been delivered to the Fiscal Agent an opinion or opinions of lawyers of recognised standing to the effect that subparagraphs (a), (b) and (c) above have been satisfied.

For purposes of these Conditions "**Subsidiary**" shall mean any corporation or partnership in which Deutsche Telekom directly or indirectly in the aggregate holds not less than 90% of the capital of any class or of the voting rights.

(2) *Notice*. Any notice of such substitution shall be published in accordance with § 13.

(3) *References*. In the event of such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.

## § 12 Further Issues, Purchases and Cancellation

(1) *Further Issues*. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases*. The Issuer may at any time purchase Notes [,] [and] [Coupons] [and] [Receipts] in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the

Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

**[If the Notes are to be issued with Coupons insert:**

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith together with all unmatured Coupons surrendered therewith or attached thereto and may not be reissued or resold.]

**[If the Notes are to be issued without Coupons insert:**

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

**§ 13  
Notices**

**[In the case of Notes which are listed on the official list of the Luxembourg Stock Exchange insert:**

(1) *Publication.* All notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.

(2) *Notification to Clearing System.* In addition, the Issuer shall deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been validly given on the seventh day after the day on which the said notice was given to the Clearing System. So long as any Notes are listed on the official list of the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the Rate of Interest of Floating Rate Notes or, if the Rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been validly given on the seventh day after the day on which the said notice was given to the Clearing System.]

**[In the case of Notes which are unlisted insert:**

(1) *Notification to Clearing System.* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been validly given on the seventh day after the day on which the said notice was given to the Clearing System.]

**[In case of Notes which are listed on a Stock Exchange other than the Luxembourg Stock Exchange insert relevant provisions]**

[(3)] *Form of Notice.* Notices to be given by any Holder shall be made by means of a written declaration to be lodged together with the relevant Note or Notes with the Agent. So long as any of the Notes are represented by a global Note, such notice may be given by any Holder of a Note to the Agent through the Clearing System in such manner as the Agent and the Clearing System may approve for such purpose.]

**§ 14**

**Applicable Law, Place of Performance, Place of Jurisdiction and Enforcement**

(1) *Applicable Law.* The Notes[,] [and] [the Coupons] [,] [and] [the Talons] [and the Receipts], as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

(2) *Place of Performance.* Place of performance shall be Frankfurt am Main.

(3) *Submission to Jurisdiction.* The non exclusive place of jurisdiction for all legal proceedings arising out of or in connection with the Notes [or the Coupons] [or the Talons] [or the Receipts] shall be Frankfurt am Main. **[in the case of Notes issued by Finance:** Each Holder, however, may pursue his claims also before any other court of competent jurisdiction] The German courts shall have non-

exclusive jurisdiction over the annulment of lost or destroyed Notes. The Issuer hereby submits to the jurisdiction of the courts referred to in this subparagraph.

**[in the case of Notes issued by Finance:**

(4) *Appointment of Authorised Agent.* For any legal disputes or other proceedings before German courts, the Issuer appoints Deutsche Telekom, as its authorised agent for service of process in Germany].

[(5)] *Enforcement.* Any Holder of Notes [and Coupons] [and Receipts] through a Clearing System may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes [and Coupons] [and Receipts] on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global or definitive form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global Note or Definitive Note. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings. For purposes of the foregoing, "Custodian" means any banker other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

**§ 15  
Language**

[The Conditions are written in the [German] [English] language only.]

[The Conditions are written in the [German] [English] language and provided with [an English] [a German] language translation. The [German] [English] text shall be controlling and binding. The [English] [German] language translation is provided for convenience only.]

**[in the case of Notes that are publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-qualified investors in Germany with English language Conditions:**

*Eine deutsche Übersetzung der Anleihebedingungen wird bei der Deutsche Telekom Aktiengesellschaft, Friedrich-Ebert-Allee 140, 63105 Bonn, Deutschland, und [der] [den] Zahlstelle[n] zur kostenlosen Ausgabe bereitgehalten.]*

## Anleihebedingungen

Diese Serie von Schuldverschreibungen wird gemäß einem geänderten und neugefaßten Agency Agreement vom 23. April 2010 (das "**Agency Agreement**") zwischen Deutsche Telekom AG ("**Deutsche Telekom**"), Deutsche Telekom International Finance B.V. ("**Finance**"), Deutsche Bank Aktiengesellschaft, als Fiscal Agent und Zahlstelle (der "**Fiscal Agent**", wobei dieser Begriff auch Nachfolger des Fiscal Agent einschließt) sowie den weiteren darin genannten Zahlstellen (gemeinsam mit dem Fiscal Agent die "**Zahlstellen**" genannt, wobei dieser Begriff auch Nachfolger dieser Zahlstellen oder weitere Zahlstellen einschließt) begeben. **[Bei von Finance begebenen Schuldverschreibungen:** Die Schuldverschreibungen sind mit einer unbedingten und unwiderruflichen Garantie (die "**Garantie**") der Deutsche Telekom (die "**Garantin**") ausgestattet.]

### bei nicht-konsolidierten Bedingungen:

[Die Bestimmungen dieser Anleihebedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben der beigefügten endgültigen Bedingungen (die "**Endgültigen Bedingungen**") vervollständigt, geändert, ergänzt oder ganz oder teilweise ersetzt werden. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen dieser Anleihebedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen tatsächlich in den betreffenden Bestimmungen durch diese Angaben ausgefüllt worden wären. Sofern die Endgültigen Bedingungen die Änderung, Ergänzung oder (vollständige oder teilweise) Ersetzung von Bestimmungen dieser Anleihebedingungen vorsehen, gelten die betreffenden Bestimmungen dieser Anleihebedingungen als entsprechend geändert, ergänzt oder ersetzt. Alternative oder wählbare Bestimmungen dieser Anleihebedingungen, deren Entsprechungen in den Endgültigen Bedingungen nicht ausdrücklich ausgefüllt oder die gestrichen sind, gelten als aus diesen Anleihebedingungen gestrichen. Sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Anleihebedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als insoweit aus diesen Anleihebedingungen gestrichen, wie dies erforderlich ist, um den Bestimmungen der Endgültigen Bedingungen Geltung zu verschaffen. Kopien der Endgültigen Bedingungen werden bei den bezeichneten Geschäftsstellen der Zahlstellen zur kostenlosen Ausgabe bereitgehalten. Soweit die Schuldverschreibungen nicht an einer Börse notiert sind, sind Kopien der Endgültigen Bedingungen allerdings ausschließlich für die Gläubiger solcher Schuldverschreibungen erhältlich.]

## ANLEIHEBEDINGUNGEN (German Language Version)

### § 1

#### Währung, Nennbetrag, Form und Eigentumsrecht Bestimmte Definitionen

(1) *Währung und Nennbetrag.* Diese Serie der Schuldverschreibungen der [ ] (die "**Emittentin**") wird in **[festgelegte Währung einfügen]** (die "**festgelegte Währung**") im Gesamtnennbetrag von **[falls die Globalurkunde eine NGN ist, einfügen:** (vorbehaltlich § 1[Absatz 8]) **[Gesamtnennbetrag einfügen]** begeben und ist eingeteilt in [[ ] Schuldverschreibungen im Nennbetrag von [ ],] [[ ] Schuldverschreibungen im Nennbetrag von [ ]] [und] [ ] Schuldverschreibungen im Nennbetrag von [ ] (die "**festgelegten Nennbeträge**").

#### bei vorläufiger Globalurkunde, die gegen Einzelkunden ausgetauscht wird:

[(2) *Einzelkunden.* Schuldverschreibungen in Form von Einzelkunden ("**Einzelkunden**") [sind bei ihrer anfänglichen Lieferung [Zinsscheine ("**Zinsscheine**")] [und Talons ("**Talons**") für weitere Zinsscheine] [und] [Rückzahlungsscheine ("**Rückzahlungsscheine**") für die Zahlung der Tilgungsraten] beigefügt] [und sie] sind fortlaufend nummeriert.]

[(3)] *Form und Eigentumsrecht.* Die Schuldverschreibungen [und die Zinsscheine] lauten auf den Inhaber und sind durch eine oder mehrere Globalurkunden verbrieft (jede eine "**Globalurkunde**"). Die Übertragung des Eigentumsrechts an den Schuldverschreibungen [und Zinsscheinen] [und den durch die Rückzahlungsscheine verbrieften Rechten] erfolgt nach den Vorschriften des jeweils anwendbaren Rechts. Weder die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** noch die

Garantin] noch der Fiscal Agent oder die Zahlstellen sind verpflichtet, das Eigentumsrecht desjenigen, der Schuldverschreibungen [oder Zinsscheine] [oder Rückzahlungsscheine] vorlegt, zu überprüfen.

**bei Schuldverschreibungen, die anfänglich in einer vorläufigen Globalurkunde verbrieft sind:**

[[4)] *Vorläufige Globalurkunde - Austausch.*

- (a) Die Schuldverschreibungen sind anfänglich in einer vorläufigen Globalurkunde (die "**vorläufige Globalurkunde**") **[bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind: ohne Zinsscheine]** verbrieft. Die vorläufige Globalurkunde wird, wie nachstehend bestimmt, **[bei Austausch der vorläufigen Globalurkunde gegen Einzelurkunden: gegen Einzelurkunden in den festgelegten Nennbeträgen [mit beigefügten [Zinsscheinen] [und] [Talons] [,] [und Rückzahlungsscheinen]]]** **[bei Austausch der vorläufigen Globalurkunde gegen Einzelurkunden und Sammelglobalurkunden: zum Teil gegen Einzelurkunden in den festgelegten Nennbeträgen [mit [Zinsscheinen] [und] [Talons] [,] [und Rückzahlungsscheinen] und zum anderen Teil gegen eine oder mehrere Sammelglobalurkunden (jeweils eine "**Sammelglobalurkunde**") [mit Globalzinsscheinen (jeweils ein "**Globalzinsschein**")]** ausgetauscht; das Recht der Gläubiger, die Auslieferung von Einzelurkunden im Austausch gegen Schuldverschreibungen, die durch eine Sammelglobalurkunde verbrieft sind, zu fordern, richtet sich nach § 9a Absatz 3, Satz 1 Depotgesetz] **[bei Austausch der vorläufigen Globalurkunde gegen eine oder mehrere Dauerglobalurkunden: gegen Schuldverschreibungen in den festgelegten Nennbeträgen, die durch [eine] [falls mehrere Dauerglobalurkunden, Zahl angeben] Dauerglobalurkunde[n] ([die] [jeweils eine] "**Dauerglobalurkunde**") [bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind: ohne Zinsscheine]** verbrieft sind ausgetauscht].
- (b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen [Einzelurkunden] [zum Teil Einzelurkunden und zum anderen Teil Sammelglobalurkunden] [durch [eine] Dauerglobalurkunde[n] verbrieft]e Schuldverschreibungen] ausgetauscht, der **[bei TEFRA D Schuldverschreibungen: mindestens 40 Tage und]** nicht mehr als 180 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt **[bei TEFRA D Schuldverschreibungen:]**, und zwar nach Vorlage von Bescheinigungen durch den jeweiligen Kontoinhaber bei dem Clearing-System sowie durch das Clearing-System bei der Emissionsstelle, in der Form von für diese Zwecke bei dem Fiscal Agent erhältlichen Formularen. Darin wird bescheinigt, dass der bzw. die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind, ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten]. [Dauerglobalurkunden] [Einzelurkunden], die im Austausch für die vorläufige Globalurkunde geliefert werden, werden ausschließlich außerhalb der Vereinigten Staaten (wie in § 5 Absatz 3 definiert) ausgeliefert.]

**bei Schuldverschreibungen, die von Anfang an durch eine Dauerglobalurkunde verbrieft sind:**

[[4)] *Dauerglobalurkunde.* Die Schuldverschreibungen sind in [einer] **[falls mehrere Dauerglobalurkunden, Zahl angeben] Dauerglobalurkunde[n] ([die] [jeweils eine] "**Dauerglobalurkunde**") [bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind: ohne Zinsscheine]** verbrieft.] Die Lieferung von Einzelurkunden kann nicht verlangt werden.

**bei Schuldverschreibungen, die anfänglich in einer vorläufigen Globalurkunde verbrieft sind:**

[[5)] *Bei Austausch von Globalurkunden zahlbare Gebühren.* Der Austausch einer Globalurkunde gemäß diesem § 1 erfolgt für die Inhaber der Schuldverschreibungen kostenfrei. **[Bei Einzelurkunden einfügen: Lediglich in dem Fall, in dem die Einzelurkunden nicht persönlich bei der Geschäftsstelle des Clearing-Systems in Empfang genommen werden, sind die für Versicherung, Versand, Transport und ähnliches anfallenden Kosten vom Empfänger der Einzelurkunden zu tragen.]]**

[[6)] *Unterzeichnung der Schuldverschreibungen.* Die Globalurkunden sind namens der Emittentin durch zwei vertretungsberechtigte Personen der Emittentin zu unterschreiben. Sie tragen die Kontrollunterschrift des Fiscal Agent oder seines Beauftragten. **[Bei Einzelurkunden einfügen: Einzelurkunden [,] [und] [Zinsscheine] [und] [Talons] [und Rückzahlungsscheine] sind namens der Emittentin durch faksimilierte Unterschriften von zwei vertretungsberechtigten Personen der Emittentin zu unterzeichnen. Die Einzelurkunden tragen außerdem die Kontrollunterschrift des Fiscal Agent oder**

seines Beauftragten. Jede Schuldverschreibung [,] [und] [jeder Zinsschein] [und] [jeder Talon] [und Rückzahlungsschein] ist mit einem Prägestempel versehen.]

[(7)] *Bestimmte Definitionen.* In diesen Anleihebedingungen bedeutet:

"**Clearing-System**" [sowohl] [Clearstream Banking AG, Frankfurt am Main, ("**CBF**")][,][als auch] [Clearstream Banking, société anonyme, Luxembourg ("**CBL**")] [,] [und] [Euroclear Bank SA/NV ("**Euroclear**") [CBL and Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**"] [und] [ggf. weitere Clearing-Systeme einfügen] sowie jeder Funktionsnachfolger.

**[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:**

**[Falls die Globalurkunde eine NGN ist, einfügen:** Die Schuldverschreibungen werden in Form einer new global note ("**NGN**") ausgegeben und von einem common safekeeper im Namen beider ICSDs verwahrt.]

**[Falls die Globalurkunde eine CGN ist, einfügen:** Die Schuldverschreibungen werden in Form einer classical global note ("**CGN**") ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]

**[im Falle einer Berechnungsstelle: "Berechnungsstelle"** [der Fiscal Agent] [andere Berechnungsstelle einfügen] und jeder Nachfolger des [Fiscal Agent] [andere Berechnungsstelle einfügen] in seiner Eigenschaft als Berechnungsstelle.]

"**Globalurkunde**" die/jede [vorläufige Globalurkunde] [oder Sammelglobalurkunde] [oder] [Dauerglobalurkunde].

"**Gläubiger**" in Bezug auf die bei einem Clearing-System oder einem sonstigen zentralen Wertpapierverwahrer hinterlegten Schuldverschreibungen der Inhaber eines Miteigentumsanteils oder anderen Rechts an den hinterlegten Schuldverschreibungen, und andernfalls der Inhaber einer Schuldverschreibung [und/oder eines Zinsscheins] [und/oder eines Rückzahlungsscheins].

"**Zahlstelle**" den Fiscal Agent in seiner Eigenschaft als Zahlstelle handelnd durch ihre nachstehend in § 7 bezeichnete Geschäftsstelle, die in § 7 genannte(n) Zahlstelle(n) oder eine gemäß § 7 ernannte Ersatz- oder weitere Zahlstelle.

Bezugnahmen in diesen Anleihebedingungen auf die "**Schuldverschreibungen**" beziehen sich auf die Schuldverschreibungen dieser Serie und schließen, wenn der Zusammenhang dies erfordert, Globalurkunden [und Einzelurkunden] ein.

Bezugnahmen auf die "festgelegte Währung" schließen jede Nachfolge-Währung ein, die entweder durch Gesetz in dem Hoheitsgebiet, in dem die festgelegte Währung ausgegeben wird, oder durch eine zwischen-staatliche Vereinbarung eingeführt wird (die "**Nachfolgewährung**"), sofern Zahlungen in der ursprünglichen Währung nicht mehr als zu-lässiges Zahlungsmittel für Zahlungen der Emittentin hinsichtlich der Schuldverschreibungen [**bei von Finance begebenen Schuldverschreibungen:** bzw. für Zahlungen der Garantin hinsichtlich der Garantie] gelten.

**Falls die Globalurkunde eine NGN ist, einfügen:**

[(8)] *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind maßgeblicher Nachweis über den Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und ein zu diesen Zwecken von einem ICSD jeweils ausgestellte Bescheinigung mit dem Betrag der so verbrieften Schuldverschreibungen ist ein maßgeblicher Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei Rückzahlung oder Zahlung einer Rate oder einer Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung und Zahlung bzw. Kauf und Löschung bezüglich der Globalurkunde *pro rata* in die Unterlagen der ICSDs eingetragen werden, und dass, nach dieser Eintragung, vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.]

**[Falls die vorläufige Globalurkunde eine NGN ist, einfügen:** Bei Austausch eines Anteils von ausschließlich durch eine vorläufige Globalurkunde verbriefter Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Aufzeichnungen der ICSDs aufgenommen werden.]

## **§ 2 Status**

Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind.

## **§ 3 Negativverpflichtung der Emittentin [, Garantie und Negativverpflichtung der Garantin]**

[(1) *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt worden sind, weder ihr gegenwärtiges noch ihr zukünftiges Vermögen ganz oder teilweise in irgendeiner Weise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit, die von der Emittentin oder einer anderen Person eingegangen oder gewährleistet ist, zu belasten oder eine solche Belastung zu diesem Zweck bestehen zu lassen, ohne gleichzeitig die Gläubiger an derselben Sicherheit im gleichen Rang und gleichen Verhältnis teilnehmen zu lassen. "**Kapitalmarktverbindlichkeit**" ist jede Verbindlichkeit zur Zahlung aufgenommener Gelder, die durch Schuldscheine verbrieft, verkörpert oder dokumentiert ist oder durch Schuldverschreibungen oder sonstige Wertpapiere, die an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert oder gehandelt werden oder werden können. Um etwaige Zweifel bezüglich von asset-backed financings der Emittentin zu vermeiden, schließt das in diesem § 3 benutzte Wort "Vermögen" nicht solche Vermögensgegenstände der Emittentin ein, die nach dem jeweils auf die Transaktion anwendbaren Zivilrecht ohne Rückgriffsmöglichkeiten veräußert sind.

### **bei von Finance begebenen Schuldverschreibungen:**

[(2) *Garantie und Negativverpflichtung der Garantin.* Die Garantin hat die unbedingte und unwiderrufliche Garantie (die "**Garantie**") für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen und sonstiger auf die Schuldverschreibungen [oder Zinsscheine] [oder Rückzahlungsscheine] zahlbarer Beträge übernommen. Die Garantin hat sich außerdem in einer Negativverpflichtung (die "**Negativverpflichtung**") verpflichtet, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt worden sind, weder ihr gegenwärtiges noch ihr zukünftiges Vermögen ganz oder teilweise in irgendeiner Weise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit (wie vorstehend definiert), die von der Garantin oder einer anderen Person eingegangen oder gewährleistet ist, zu belasten oder eine solche Belastung zu diesem Zweck bestehen zu lassen, ohne gleichzeitig die Gläubiger an derselben Sicherheit im gleichen Rang und gleichem Verhältnis teilnehmen zu lassen. Die Garantie und die Negativverpflichtung stellen einen Vertrag zugunsten jedes Gläubigers als begünstigtem Dritten gemäß § 328 BGB dar, welcher das Recht jedes Gläubigers begründet, Erfüllung aus der Garantie und der Negativverpflichtung unmittelbar von der Garantin zu verlangen und die Garantie und die Negativverpflichtung unmittelbar gegen die Garantin durchzusetzen. Um etwaige Zweifel bezüglich von asset-backed financings der Garantin zu vermeiden, schließt das in diesem § 3 benutzte Wort "Vermögen" nicht solche Vermögensgegenstände der Garantin ein, die nach dem jeweils auf die Transaktion anwendbaren Zivilrecht ohne Rückgriffsmöglichkeiten veräußert sind. Kopien der Garantie und Negativverpflichtung werden bei den bezeichneten Geschäftsstellen der Zahlstellen zur kostenlosen Ausgabe bereitgehalten.]

## **§ 4 Zinsen**

### **bei festverzinslichen Schuldverschreibungen:**

[(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden in Höhe ihres Gesamtnennbetrages verzinst, und zwar vom [**Verzinsungsbeginn einfügen**] (einschließlich) bis zum Fälligkeitstag (wie in § 6 Absatz 1 definiert) (ausschließlich) mit jährlich [**Zinssatz einfügen**] %.

Die Zinsen sind nachträglich am **[Festzinstermine) einfügen]** eines jeden Jahres zahlbar (jeweils ein **"Zinszahlungstag"**). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag einfügen]** **[sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist: und beläuft sich auf [den anfänglichen Bruchteilszinsbetrag/die anfänglichen Bruchteilszinsbeträge einfügen].]** **[Sofern der Fälligkeitstag kein Festzinstermine ist: Die Zinsen für den Zeitraum vom [den letzten dem Fälligkeitstag vorausgehenden Festzinstermine einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[den abschließenden Bruchteilszinsbetrag/die abschließenden Bruchteilszinsbeträge einfügen].]**

**[Im Fall von Schuldverschreibungen, die durch Globalurkunden verbrieft sind, einfügen:**

(2) *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zu dem Tag, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht, in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen.<sup>1]</sup>

**[Im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft sind, einfügen:**

(2) *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, endet die Verzinsung des ausstehenden Gesamtnennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht, spätestens jedoch mit Ablauf des vierzehnten Tages nach der Bekanntmachung durch den Fiscal Agent gemäß § 13, dass ihm die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind. Der jeweils geltende Zinssatz ist der gesetzlich festgelegte Satz für Verzugszinsen.<sup>1]</sup>

(3) *Berechnung der Zinsen für gebrochene Zeiträume.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).]

**bei variabel verzinslichen Schuldverschreibungen:**

**[(1) Zinszahlungstage.**

(a) Die Schuldverschreibungen werden in Höhe ihres Gesamtnennbetrages ab dem **[Verzinsungsbeginn einfügen]** (der **"Verzinsungsbeginn"**) (einschließlich) verzinst. Die Zinsen sind an jedem Zinszahlungstag zahlbar. **"Zinszahlungstag"** in diesem Sinne ist **[bei festgelegten Zinszahlungstagen: jeweils [festgelegte Zinszahlungstage einfügen]** **[bei festgelegten Zinsperioden: (sofern diese Anleihebedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der [ ] [Wochen] [Monate] [ggf. einen anderen festgelegten Zeitraum/andere festgelegte Zeiträume einfügen]** nach dem vorausgehenden Zinszahlungstag liegt oder, im Falle des ersten Zinszahlungstages, nach dem Verzinsungsbeginn liegt.]

(b) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag:

**[bei Anwendung der Modified Following Business Day Convention:** auf den nächstfolgenden Geschäftstag verschoben, es sei denn, dieser würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zahlungstag auf den unmittelbar vorausgehenden Geschäftstag verlegt.]

**[bei Anwendung der FRN Convention:** auf den nächstfolgenden Geschäftstag verschoben, es sei denn, dieser würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zahlungstag auf den unmittelbar vorangehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zahlungstag der jeweils letzte Geschäftstag des Monats, der **[ ] Monate]**

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<sup>1</sup> Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 BGB.

**[ggf. einen anderen Zeitraum/andere Zeiträume einfügen]** nach dem vorangegangenen gültigen Zahlungstag liegt.]

**[bei Anwendung der Following Business Day Convention:** auf den nächstfolgenden Geschäftstag verschoben.]

**[bei Anwendung der Preceding Business Day Convention:** auf den unmittelbar vorangegangenen Geschäftstag verlegt.]

**[Falls die Zinsen angepasst werden sollten, einfügen:** Falls der Fälligkeitstag einer Zahlung, wie oben beschrieben, [vorgezogen wird] [oder] [verspätet ist], wird der Zinsbetrag entsprechend angepasst [und der Gläubiger ist berechtigt, etwaige weitere Zinsen aufgrund dieser Verspätung zu verlangen].]

**[Falls die Zinsen nicht angepasst werden sollten, einfügen:** Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund einer solchen Verspätung zu verlangen.]

In diesem § 4 bezeichnet "**Geschäftstag**" **[falls die festgelegte Währung nicht Euro ist, einfügen:** einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken allgemein für Geschäfte in **[sämtliche relevanten Finanzzentren einfügen]** geöffnet sind und Devisenmärkte Zahlungen in **[sämtliche relevanten Finanzzentren einfügen]** abwickeln **[falls die festgelegte Währung Euro ist, einfügen:** einen Tag an dem alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") geöffnet sind, um die betreffende Zahlung abzuwickeln].

(2) **Zinssatz.** **[Bei Bildschirmfeststellung:** Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts abweichendes bestimmt wird, der Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) um 11.00 Uhr ([Londoner] [Brüsseler] Ortszeit) angezeigt wird **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

"**Zinsperiode**" bezeichnet jeweils den Zeitraum von dem Verzinsungsbeginn bis zum ersten Zinszahlungstag bzw. von jedem Zinszahlungstag bis zum jeweils darauf folgenden Zinszahlungstag.

"**Zinsfestlegungstag**" bezeichnet den [zweiten] **[zutreffende andere Zahl von Tagen einfügen]** [TARGET] [Londoner] **[zutreffende andere Bezugnahmen einfügen]** Geschäftstag vor Beginn der jeweiligen Zinsperiode. **[Im Falle eines TARGET-Geschäftstages einfügen:** "**TARGET-Geschäftstag**" bezeichnet einen Tag, an dem das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") geöffnet ist.] **[Im Falle eines nicht-TARGET-Geschäftstages einfügen:** "[Londoner] **[zutreffenden anderen Ort einfügen]** **Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [London] **[zutreffenden anderen Ort einfügen]** für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

**[Im Fall einer Marge einfügen:** Die "**Marge**" beträgt [I ]% *per annum*.]

"**Bildschirmseite**" bedeutet **[Bildschirmseite einfügen]** oder jede Nachfolgesseite.

**[Sofern eine andere Basis zur Bestimmung eines Referenzzinssatzes gelten soll, sind die entsprechenden Bestimmungen hier einzufügen.]**

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird kein Angebotssatz angezeigt (zur genannten Zeit), wird die Berechnungsstelle von jeder der Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode bei führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] um ca. 11.00 ([Londoner] [Brüsseler] Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[falls der Referenzsatz EURIBOR ist, einfügen:** Tausendstel Prozent auf- oder abgerundet, wobei 0,0005] **[falls der Referenzsatz nicht EURIBOR ist, einfügen:** Hunderttausendstel Prozent auf- oder abgerundet, wobei 0,000005] aufgerundet wird) dieser Angebotssätze **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[falls der Referenzsatz EURIBOR ist, einfügen:** Tausendstel Prozent auf- oder abgerundet, wobei 0,0005] **[falls der Referenzsatz nicht EURIBOR ist, einfügen:** Hunderttausendstel Prozent auf- oder abgerundet, wobei 0,000005] aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. 11.00 Uhr ([Londoner] [Brüsseler] Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der festgelegten Währung für die betreffende Zinsperiode von führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] angeboten werden **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge]; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann soll der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken am [Londoner] Interbanken-Markt [in der Euro-Zone] (bzw. den diese Banken gegenüber der Berechnungsstelle) nennen **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge]. Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge (wobei jedoch, falls für die betreffende Zinsperiode eine andere Marge als für die unmittelbar vorangegangene Zinsperiode gilt, die Marge der betreffenden Zinsperiode an die Stelle der Marge für die vorangegangene Zinsperiode tritt).]

"Referenzbanken" bezeichnen **[falls in den Endgültigen Bedingungen keine anderen Referenzbanken bestimmt werden:** diejenigen Niederlassungen von vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotsatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde. **[Falls in den Endgültigen Bedingungen andere Referenzbanken bestimmt werden, sind sie hier einzufügen].]**

**[Im Fall des Interbankenmarktes in der Euro-Zone einfügen:** "Euro-Zone" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992), den Amsterdamer Vertrag vom 2. Oktober 1997 und den Vertrag von Lissabon vom 13. Dezember 2007, in der jeweils geltenden Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.)]

**[Sofern ein anderer Referenzzinssatz als LIBOR oder EURIBOR anwendbar ist, sind die Einzelheiten hier einzufügen, und zwar in Ersetzung der Bestimmungen dieses Absatzes 2]**

**[Sofern ISDA-Feststellung gelten soll, sind die entsprechenden Einzelheiten hier einzufügen und der betreffenden von der International Swaps and Derivatives Association, Inc. veröffentlichten 2000 ISDA-Definitionen oder, falls anwendbar, die 2006 ISDA Definitionen beizufügen]**

**[Sofern eine andere Methode der Bestimmung anwendbar ist, sind die entsprechenden Einzelheiten in Ersetzung der Bestimmungen dieses Absatzes 2 hier einzufügen.]**

**[Falls ein Mindest- oder Höchstzins gilt:**

(3) *[Mindest-][und] [Höchst-] Zinssatz.*

**[Falls ein Mindestzinssatz gilt:** Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als **[Mindestzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Mindestzinssatz].]**

**[Falls ein Höchstzinssatz gilt:** Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als **[Höchstzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Höchstzinssatz].]**

**[(4)] Zinsbetrag.** Die Berechnungsstelle wird zu - oder baldmöglichst nach - jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den zahlbaren Zinsbetrag in Bezug auf jeden festgelegten Nennbetrag (der "**Zinsbetrag**") für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jeden festgelegten Nennbetrag angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

**[(5)] Mitteilung von Zinssatz und Zinsbetrag.** Die Berechnungsstelle wird veranlassen, dass der für die jeweilige Zinsperiode geltende Zinssatz, Zinsbetrag und Zinszahlungstag der Emittentin **[bei von Finance begebenen Schuldverschreibungen:** und der Garantin] und den Gläubigern gemäß § 13 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden **[Londoner] [TARGET] [zutreffenden anderen Ort einfügen]** Geschäftstag (wie in § 4 Absatz 2 definiert) sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert werden und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode, mitgeteilt werden. Im Falle einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert werden, sowie den Gläubigern gemäß § 13 mitgeteilt.

**[(6)] Verbindlichkeit der Festsetzungen.** Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 4 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, **[die Garantin,]** den Fiscal Agent, die Zahlstellen und die Gläubiger bindend.

**[Im Fall von Schuldverschreibungen, die durch Dauerglobalurkunden verbrieft sind, einfügen:**

**[(7)] Auflaufende Zinsen.** Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Gesamtnennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht. Der jeweils geltende Zinssatz ist der gesetzlich festgelegte Satz für Verzugszinsen.<sup>1]</sup>

**[Im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft sind, einfügen:**

**[(7)] Auflaufende Zinsen.** Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Gesamtnennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht, spätestens jedoch mit Ablauf des vierzehnten Tages nach der Bekanntmachung durch den Fiscal Agent gemäß § 13, dass ihm die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind. Der jeweils geltende Zinssatz ist der gesetzlich festgelegte Satz für Verzugszinsen<sup>1</sup>.]

**im Falle von Nullkupon-Schuldverschreibungen:**

**[(1)] Periodische Zinszahlungen.** Es erfolgen keine periodischen Zinszahlungen auf die Schuldverschreibungen.

**[Im Fall von Nullkupon-Schuldverschreibungen, die durch Dauerglobalurkunden verbrieft sind, einfügen:**

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<sup>1</sup> Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 BGB.

(2) *Auflaufende Zinsen.* Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den Gesamtnennbetrag der Schuldverschreibungen ab dem Fälligkeitstag bis zu dem Tag, der dem Tag der tatsächlichen Rückzahlung vorangeht, Zinsen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen.<sup>1</sup>]

**[Im Fall von Nullkupon-Schuldverschreibungen, die durch Einzelkunden verbrieft sind, einfügen:**

(2) *Auflaufende Zinsen.* Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den Gesamtnennbetrag der Schuldverschreibungen ab dem Fälligkeitstag bis zum Tag, der dem Tag der tatsächlichen Rückzahlung vorangeht, Zinsen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen<sup>1</sup>; die Verzinsung endet jedoch spätestens mit Ablauf des vierzehnten Tages nach Bekanntmachung durch den Fiscal Agent gemäß § 13, dass ihm die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind.]

**[Im Fall von indexierten Schuldverschreibungen, Raten-Schuldverschreibungen, Credit Linked Notes, Doppelwährungs-Schuldverschreibungen oder anderen strukturierten Schuldverschreibungen sind die anwendbaren Bestimmungen die Zinsen betreffend einzufügen.]**

**[(I ) Zinstagequotient.** "Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"):

**[Im Falle von Actual/Actual (ICMA Regelung 251) mit jährlichen Zinszahlungen einfügen:** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen in der jeweiligen Zinsperiode.] **[bei ersten/letzten langen oder kurzen Zinsperioden entsprechende Actual/Actual Regelung 251 Berechnungsmethode angeben.]**

**[Im Falle von Actual/Actual (ICMA Regelung 251) mit zwei oder mehr gleich bleibenden Zinsperioden innerhalb eines Zinsjahres einfügen:** die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch (x) die Anzahl der Tage in der Zinsperiode im Fall von Schuldverschreibungen, bei denen die planmäßige Zinszahlung nur durch regelmäßige jährliche Zahlungen erfolgt, oder (y) das Produkt der Anzahl der Tage in der Zinsperiode und der Anzahl von Zinszahlungstagen, die angenommen, dass Zinsen für das gesamte Jahr zu zahlen wären in ein Kalenderjahr fallen würden, im Fall von Schuldverschreibungen, bei denen die planmäßige Zinszahlung anders als nur durch regelmäßige jährliche Zahlungen erfolgt.] **[bei ersten/letzten langen oder kurzen Zinsperioden entsprechende Actual/Actual Regelung 251 Berechnungsmethode angeben.]**

**[Falls Actual/Actual (ISDA) anwendbar ist, einfügen:** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365.)]

**[im Falle von Actual/365 (Fixed):** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

**[im Falle von Actual/360:** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

**[im Falle von 30/360, 360/360 oder Bond Basis:** die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraumes fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch den 31. Tag eines Monats fällt, in welchem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, in welchem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

**[im Falle von 30E/360 oder Eurobond Basis:** die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des ersten oder letzten Tages des Zinsberechnungszeitraumes).]

## **§ 5 Zahlungen**

(1) *Zahlungen auf Kapital.*

### **bei durch Einzelurkunden verbrieften Schuldverschreibungen:**

[Zahlungen auf Kapital in Bezug auf durch Einzelurkunden verbrieftete Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes 3 gegen Vorlage und (Teilzahlungen ausgenommen) Einreichung der entsprechenden Schuldverschreibung bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

### **bei durch eine Dauerglobalurkunde verbrieften Schuldverschreibungen:**

[Zahlungen auf Kapital in Bezug auf durch eine Globalurkunde verbrieftete Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes 3 an das Clearing-System oder dessen Order zur Gutschrift auf die Konten der jeweiligen Kontoinhaber des Clearing-Systems gegen Vorlage und Einreichung der Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

### **bei Raten-Schuldverschreibungen:**

[Die Zahlung von Raten auf eine Raten-Schuldverschreibung mit Rückzahlungsscheinen erfolgt gegen Vorlage der Schuldverschreibung zusammen mit dem betreffenden Rückzahlungsschein und Einreichung dieses Rückzahlungsscheins und, im Falle der letzten Ratenzahlung gegen Einreichung der Schuldverschreibung bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten. Rückzahlungsscheine begründen keinen Titel. Rückzahlungsscheine, die ohne die dazugehörige Schuldverschreibung vorgelegt werden, begründen keine Verpflichtungen der Emittentin. Daher berechtigt die Vorlage einer Raten-Schuldverschreibung ohne den entsprechenden Rückzahlungsschein oder die Vorlage eines Rückzahlungsscheins ohne die dazugehörige Schuldverschreibung den Gläubiger nicht, die Zahlung einer Rate zu verlangen.]

Für die Zwecke **[bei TEFRA D Schuldverschreibungen einfügen:** des § 1 Absatz [4] und] dieses § 5 bezeichnet **"Vereinigte Staaten"** die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, die U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

### **bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:**

[(2) *Zahlung von Zinsen.* **[Bei durch Einzelurkunden verbrieften Schuldverschreibungen:** Die Zahlung von Zinsen auf durch Einzelurkunden verbrieftete Schuldverschreibungen mit Zinsscheinen erfolgt nach Maßgabe des nachstehenden Absatzes 3 gegen Einreichung der entsprechenden Zinsscheine, oder im Falle von Zinsen, die zwar fällig sind, aber nicht an einem der vorher festgelegten Zinszahlungstage, gegen Vorlage der entsprechenden Schuldverschreibungen bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

**[im Falle von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft werden:** Die Zahlung von Zinsen auf durch eine Dauerglobalurkunde verbrieftete Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes 3 an das Clearing-System oder dessen Order zur Gutschrift für die betreffenden Kontoinhaber des Clearing-Systems gegen Vorlage der Dauerglobalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

**[im Falle von auf eine Vorläufige Globalurkunde zahlbaren Zinsen:** Die Zahlung von Zinsen auf durch eine vorläufige Globalurkunde verbrieftete Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes 3 an das Clearing-System oder dessen Order zur Gutschrift für die betreffenden Kontoinhaber des Clearing-Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 Absatz [4] (b) gegen Vorlage der vorläufigen Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]]

(3) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf Schuldverschreibungen

**bei durch Globalurkunden verbrieften Schuldverschreibungen:**

[in der frei handelbaren und konvertierbaren Wahrung, die am entsprechenden Falligkeitstag die Wahrung des Staates der festgelegten Wahrung ist.]

**bei Einzelurkunden einfugen:**

**[im Falle von Zahlungen in einer anderen Wahrung als Euro oder U.S.-Dollar: durch [festgelegte Wahrung einfugen]** Scheck, der auf eine Bank in **[Hauptfinanzzentrum des Landes der festgelegten Wahrung einfugen]** ausgestellt ist oder nach Wahl des Zahlungsempfangers durch Uberweisung auf ein auf **[festgelegte Wahrung]** lautendes von diesem bei einer Bank in **[Hauptfinanzzentrum des Landes der festgelegten Wahrung]** gefuhrtes Konto.]

**[im Falle von Zahlungen in U.S.-Dollar: durch U.S.-Dollar Scheck, ausgestellt auf eine Bank in New York City oder nach Wahl des Zahlungsempfangers durch Uberweisung auf ein auf U.S.-Dollar lautendes Konto des Zahlungsempfangers bei einer Bank auerhalb der Vereinigten Staaten. Falls die Zahlung von Kapital oder Zinsen bei den Geschaftsstellen aller Zahlstellen auerhalb der Vereinigten Staaten aufgrund der Einfuhrung von Devisenbeschrankungen oder ahnlichen Beschrankungen hinsichtlich der vollstandigen Zahlung oder des Empfangs der entsprechenden Betrage in U.S.-Dollar widerrechtlich wird oder tatsachlich ausgeschlossen wird, wird die Emittentin eine Geschaftsstelle oder einen Beauftragten innerhalb der Vereinigten Staaten ernennen, bei dem solche Zahlungen vorgenommen werden durfen.]**

**[bei Zahlungen in Euro: in Bar oder durch in Euro zahlbaren Scheck ausgestellt auf eine Bank in einem Hauptfinanzzentrum eines Landes, das Teilnehmerstaat in der Europaischen Wirtschafts- und Wahrungunion im Sinne des am 7. Februar 1992 in Maastricht unterzeichneten Vertrages uber die Europaische Union und des Amsterdamer Vertrages vom 2. Oktober 1997, in seiner jeweiligen Fassung, geworden ist, oder nach Wahl des Zahlungsempfangers durch Uberweisung auf ein auf Euro lautendes Konto des Zahlungsempfangers bei einer Bank in einem solchen Finanzzentrum.]**

(4) *Erfullung.*

**[Im Fall von Schuldverschreibungen, die durch Globalurkunden verbrieft werden, einfugen:**

Die Emittentin wird durch Leistung der Zahlung an das Clearing-System oder dessen Order von ihrer Zahlungspflicht befreit.]

**[Im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft sind, einfugen:**

Im Fall von Schuldverschreibungen, die uber ein Clearing-System gehalten werden, wird die Emittentin durch Leistung der Zahlung an das Clearing-System oder dessen Order von ihrer Zahlungspflicht befreit.]

(5) *Zahltag.* Fallt der Falligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung [oder einen Zinsschein] [oder einen Ruckzahlungsschein] auf einen Tag, der kein Zahltag ist, dann hat der Glaubiger **[im Falle von variabel verzinslichen Schuldverschreibungen, einfugen:**, vorbehaltlich der Bestimmungen in § 4(1),] keinen Anspruch auf Zahlung vor dem nachsten Zahltag am jeweiligen Geschaftsort. Der Glaubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspatung zu verlangen.

Fur diese Zwecke bezeichnet "Zahltag" einen Tag, **[bei nicht auf Euro lautenden Schuldverschreibungen, einfugen:** der ein Tag (auer einem Samstag oder Sonntag) ist, an dem Geschaftsbanken und Devisenmarkte Zahlungen in **[samtliche relevanten Finanzzentren angeben]** abwickeln] **[bei auf Euro lautenden Schuldverschreibungen, einfugen:** der ein Tag (auer einem Samstag oder Sonntag) ist, an dem alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") geoffnet sind, um die betreffenden Zahlungen weiterzuleiten] **[bei Einzelurkunden einfugen:** und an dem Banken am Ort einer Zahlstelle, bei der Schuldverschreibungen [,] [Zinsscheine] [,] [Talons] [oder] [Ruckzahlungsscheine] zur Zahlung eingereicht werden, geoffnet sind].

**bei Einzelurkunden, die anfanglich mit Zinsscheinen, Talons oder Ruckzahlungsscheinen ausgeliefert der:**

[(6) Einreichung von [Zinsscheinen][,][Talons][und] [Rückzahlungsscheinen]. Jede Schuldverschreibung, die anfänglich mit beigefügten Zinsscheinen [oder Talons] [oder Rückzahlungsscheinen] ausgegeben wurde, ist bei Rückzahlung vorzulegen und, außer im Falle einer Teilzahlung des Rückzahlungsbetrages, bei Endfälligkeit zusammen mit allen dazugehörigen noch nicht fälligen Zinsscheinen [und Talons] [und Rückzahlungsscheinen] einzureichen; erfolgt dies nicht

**[im Falle von festverzinslichen Schuldverschreibungen:** wird der Betrag der fehlenden noch nicht fälligen Zinsscheine (oder falls die Zahlung nicht vollständig erfolgt, der Anteil des Gesamtbetrages solcher fehlenden, nicht fälligen Zinsscheine, wie er dem Verhältnis zwischen dem tatsächlich gezahlten Betrag und der fälligen Summe entspricht) von dem ansonsten bei der Rückzahlung fälligen Betrag abgezogen[,] [und][.]

**[im Falle von variabel verzinslichen Schuldverschreibungen:** werden alle nicht fälligen zugehörigen Zinsscheine (gleich, ob sie zusammen mit diesen eingereicht werden oder nicht) ungültig und es erfolgt ab diesem Zeitpunkt keine Zahlung mehr auf sie[,] [und] [.]

**[im Falle von Einzelurkunden, die anfänglich mit beigefügten Talons ausgegeben werden:** werden sämtliche nicht fälligen Talons (gleich, ob sie zusammen mit diesen eingereicht werden oder nicht) ungültig und können nicht zu einem späteren Zeitpunkt gegen Zinsscheine ausgetauscht werden [,] [und] [.]

**[im Falle von Einzelurkunden, die anfänglich mit beigefügten Rückzahlungsscheinen ausgegeben werden:** werden sämtliche zugehörigen Rückzahlungsscheine, die in Bezug auf die Zahlung einer Rate, die (wäre sie nicht zur Rückzahlung fällig geworden) an einem Tag nach Rückzahlung fällig geworden wäre (gleich, ob sie mit dieser Schuldverschreibung eingereicht wurde oder nicht) ungültig, und bei Vorlage zu einem späteren Zeitpunkt erfolgt auf sie keine Zahlung.]

Werden Schuldverschreibungen mit einer Fälligkeit und einem Zinssatz oder Zinssätzen begeben, die dazu führen würden, dass bei Vorlage zur Zahlung dieser Schuldverschreibungen ohne dazugehörige noch nicht fällige Zinsscheine der wie vorstehend dargelegt in Abzug zu bringende Betrag den ansonsten zu zahlenden Rückzahlungsbetrag übersteigt, so werden diese noch nicht fälligen Zinsscheine (gleich, ob sie beigefügt sind oder nicht) zum Zeitpunkt der Fälligkeit solcher Schuldverschreibungen ungültig (und es erfolgt auf sie keine Zahlung), insoweit als dies erforderlich ist, damit der gemäß der vorstehenden Regelung in Abzug zu bringende Betrag den vorgesehenen Rückzahlungsbetrag nicht übersteigt. Sofern die Anwendung des letzten Satzes die Entwertung einiger, aber nicht sämtlicher noch nicht fälliger Zinsscheine einer Schuldverschreibung erfordert, bestimmt die betreffende Zahlstelle, welche nicht fälligen Zinsscheine ungültig werden sollen, wobei zu diesem Zwecke später fällige Zinsscheine vor früher fälligen Zinsscheinen für ungültig zu erklären sind.

**[im Falle von Einzelurkunden, die anfänglich mit Talons ausgegeben wurden:**

(7) *Austausch von Talons.* Am oder nach dem Zinszahlungstag, an dem der letzte Zinsschein eines Zinsscheinbogens fällig wird, kann der im Zinsscheinbogen enthaltene Talon bei der bezeichneten Geschäftsstelle einer Zahlstelle im Austausch gegen einen weiteren Zinsscheinbogen (einschließlich ggf. eines weiteren Talons) eingereicht werden. Jeder Talon gilt für die Zwecke dieser Anleihebedingungen als am Zinszahlungstag fällig, an dem der letzte im jeweiligen Zinsscheinbogen enthaltene Zinsschein fällig wird.]]

[(8) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen, **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen vorzeitig zurückzuzahlen, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen,] **[falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:** den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen,] **[im Fall von Nullkupon-Schuldverschreibungen einfügen:** den Amortisationsbetrag der Schuldverschreibungen,] **[im Fall von Raten-Schuldverschreibungen einfügen:** die auf die Schuldverschreibungen anwendbare(n) Rate(n)] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 8 zahlbaren zusätzlichen Beträge einschließen.

**[(9)] Hinterlegung von Kapital und Zinsen.** Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

## § 6 Rückzahlung

(1) *Rückzahlung bei Endfälligkeit.*

**im Falle von Schuldverschreibungen außer Raten-Schuldverschreibungen:**

[Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[[im Falle eines festgelegten Fälligkeitstages Fälligkeitstag einfügen]** (der "Fälligkeitstag") **[im Falle eines Rückzahlungsmonats: an dem in den [Rückzahlungsmonat] fallenden Zinszahlungstag]** zurückgezahlt. Der Rückzahlungsbetrag dieser Serie von Schuldverschreibungen beträgt 100% des Gesamtnennbetrages der Schuldverschreibungen. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung beträgt **[Rückzahlungsbetrag für jeweiligen Nennbetrag einfügen].**

**im Falle von Raten-Schuldverschreibungen:**

[Soweit nicht vorher bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen an dem/den nachstehenden Ratenzahlungstermin(en) zu der/den folgenden Rate(n) zurückgezahlt:

Ratenzahlungstermin(e)	Rate(n)
<b>[Ratenzahlungstermin(e)]</b>	<b>[Rate(n)]</b>
[ ]	[ ]
[ ]	[ ]

(2) *Vorzeitige Rückzahlung aus Steuergründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber dem Fiscal Agent und gemäß § 13 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin **[bei von Finance begebenen Schuldverschreibungen: oder die Garantin, die aus von ihr nicht zu verantwortenden Gründen die Leistung der Zahlung durch die Emittentin nicht bewirken kann,]** als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften **[bei von Finance begebenen Schuldverschreibungen: der Niederlande oder] der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem **[Ausgabetag]** wirksam) zur Zahlung von zusätzlichen Beträgen (wie in § 8 dieser Bedingungen, **[bei von Finance begebenen Schuldverschreibungen: bzw. in der Garantie]** definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen der Emittentin **[bei von Finance begebenen Schuldverschreibungen: oder der Garantin]** zur Verfügung stehender und ihr zumutbarer Maßnahmen vermieden werden kann.**

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühest möglichen Termin erfolgen, an dem die Emittentin **[bei von Finance begebenen Schuldverschreibungen: oder die Garantin]** verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, und (ii) zu dem Zeitpunkt, zu dem die Kündigung erfolgt, muss die Verpflichtung zur Zahlung von zusätzlichen Beträgen noch wirksam sein, **[bei variabel verzinslichen Schuldverschreibungen: Der für die Rückzahlung festgelegte Termin muss ein Zinszahlungstag sein.]**

Vor der Veröffentlichung einer Kündigung gemäß dieser Bestimmung muss die Emittentin dem Fiscal Agent eine Bescheinigung vorlegen, die von einem Vorstandsmitglied **[bei von Deutsche Telekom begebenen Schuldverschreibungen: der Emittentin]** **[bei von Finance begebenen Schuldverschreibungen: der Garantin]** unterschrieben ist und welche darlegt, dass die Voraussetzungen dieses Kündigungsrechts vorliegen und außerdem eine Stellungnahme eines

unabhängigen und anerkannten Rechtsberaters enthält, in der festgestellt wird, dass die Emittentin **[bei von Finance begebenen Schuldverschreibungen: oder die Garantin]** verpflichtet ist oder sein wird, solche zusätzlichen Beträge aufgrund einer solchen Rechts- oder Auslegungsänderung zu zahlen.

Eine solche Kündigung hat gemäß § 13 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die Umstände darlegt, die das Rückzahlungsrecht der Emittentin begründen.

**[(3) Vorzeitige Rückzahlung nach Wahl der Emittentin.**

**falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen:**

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise am/an den Wahl-Rückzahlungstag(en) (Call) zum/zu den Wahl-Rückzahlungsbetrag bzw. -beträgen (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages:** Eine solche Rückzahlung muss in Höhe eines Nennbetrages von **[mindestens [Mindestrückzahlungsbetrag] [erhöhter Rückzahlungsbetrag]** erfolgen.]

Wahl-Rückzahlungstag(e)	Wahl-Rückzahlungsbetrag/-beträge
(Call)	(Call)
<b>[Wahl-Rückzahlungstag(e)]</b>	<b>[Wahl-Rückzahlungsbetrag/-beträge]</b>
[ ]	[ ]
[ ]	[ ]

**[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen:** Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Absatz [4] dieses § 6 verlangt hat.]

- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 13 und dem Fiscal Agent bekannt zu geben (die Kündigung gegenüber dem Fiscal Agent hat 15 Tage vor der Kündigung gegenüber den Gläubigern zu erfolgen). Sie beinhaltet die folgenden Angaben:
- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
  - (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtbetrag der zurückzuzahlenden Schuldverschreibungen und, falls die Schuldverschreibungen durch Einzelkunden verbrieft sind, die entsprechenden Seriennummern;
  - (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als 15 und nicht mehr als 30 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und
  - (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.
- (c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen **[bei Einzelkunden einfügen:** in einer von dem Fiscal Agent bestimmten europäischen Stadt durch das Los oder nach billigem Ermessen des Fiscal Agent auf andere Weise oder an einem anderen Ort ermittelt.] **[im Falle von durch eine Dauerglobalurkunde verbrieften Schuldverschreibungen:** in Übereinstimmung mit den Regeln des betreffenden Clearing-Systems ausgewählt.] **[Falls die Schuldverschreibungen in Form einer NGN begeben werden, einfügen:** Die teilweise Rückzahlung wird in den Registern von CBL und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Gesamtnennbetrags wiedergegeben.]

**[[4)] Vorzeitige Rückzahlung nach Wahl des Gläubigers.**

**falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen:**

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu den Wahl-Rückzahlungsbetrag/-beträgen (Put), wie nachstehend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

Wahl-Rückzahlungstag(e) (Put)	Wahl-Rückzahlungsbetrag/-beträge (Put)
<b>[Wahl-Rückzahlungstag(e)]</b>	<b>[Wahl-Rückzahlungsbetrag/-beträge]</b>
[ ]	[ ]
[ ]	[ ]

Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung durch die Emittentin in Ausübung ihres Wahlrechts nach § 6 Absatz 2 **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen: oder Absatz 3]** verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, darf der Gläubiger die betreffende Schuldverschreibung [zusammen mit allen dazugehörigen noch nicht fälligen Zinsscheinen] nicht früher als 15 Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei einer bezeichneten Geschäftsstelle einer Zahlstelle während der normalen Geschäftszeiten zusammen mit einer ordnungsgemäß ausgefüllten Mitteilung zur vorzeitigen Rückzahlung ("**Ausübungserklärung**"), wie sie von der bezeichneten Geschäftsstelle jeder Zahlstelle erhältlich ist, hinterlegen. Eine so hinterlegte Schuldverschreibung kann nicht zurückgefordert und die Ausübung des Wahlrechts kann nicht widerrufen werden.]

**[(5)] Vorzeitiger Rückzahlungsbetrag.**

**bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:**

[Für die Zwecke des § 6 Absatz 2 und § 10 entspricht der vorzeitige Rückzahlungsbetrag [dem Rückzahlungsbetrag] **[bei einem sonstigen Rückzahlungsbetrag Einzelheiten einfügen].**]

**bei Nullkupon-Schuldverschreibungen:**

- [(a) Für die Zwecke des § 6 Absatz 2 und § 10 ist der vorzeitige Rückzahlungsbetrag der Amortisationsbetrag der Schuldverschreibung.
- (b) Der Amortisationsbetrag entspricht der Summe aus:
- [Referenz-Preis einfügen]** (der "**Referenz-Preis**"), und
  - dem Produkt aus **[Emissionsrendite einfügen]** (jährlich kapitalisiert) und dem Referenz-Preis ab **[Ausgabebetrag einfügen]** (einschließlich) bis zu dem vorgesehenen Rückzahlungstag (ausschließlich) oder (je nachdem) dem Termin, an dem die Schuldverschreibungen fällig und rückzahlbar werden.

Wenn diese Berechnung für einen Zeitraum, der nicht vollen von Kalenderjahren entspricht, durchzuführen ist, hat sie im Falle des nicht vollständigen Jahres (der "**Zinsberechnungszeitraum**") auf der Grundlage des Zinstagequotienten (wie vorstehend in § 4 definiert) zu erfolgen.

- (c) Falls die Emittentin den vorzeitigen Rückzahlungsbetrag bei Fälligkeit nicht zahlt, wird der Amortisationsbetrag einer Schuldverschreibung wie vorstehend beschrieben berechnet, jedoch mit der Maßgabe, dass die Bezugnahmen in Unterabsatz (ii) auf den für die Rückzahlung vorgesehenen Rückzahlungstag oder den Tag, an dem diese Schuldverschreibungen fällig und rückzahlbar werden, durch den früheren der nachstehenden Zeitpunkte ersetzt werden: (i) der Tag, an dem die Zahlung gegen ordnungsgemäße Vorlage und Einreichung der betreffenden Schuldverschreibungen (sofern erforderlich) erfolgt, und (ii) der vierzehnte Tag, nachdem der Fiscal Agent gemäß § 13 mitgeteilt hat, dass ihm die für die Rückzahlung erforderlichen Mittel zur Verfügung gestellt wurden.]

**[Im Fall von indexierten Schuldverschreibungen, Credit Linked Notes, Doppelwährungs-Schuldverschreibungen oder anderen strukturierten Schuldverschreibungen sind die anwendbaren Bestimmungen die Rückzahlung betreffend einzufügen.]**

## **§ 7**

### **Der Fiscal Agent[,] [und] die Zahlstellen [und die Berechnungsstelle]**

(1) *Ernennung; bezeichnete Geschäftsstellen.* Der anfänglich bestellte Fiscal Agent[,] [und] die anfänglich bestellten Zahlstellen [und die anfänglich bestellte Berechnungsstelle] und deren bezeichnete Geschäftsstellen lauten wie folgt:

Fiscal Agent und Hauptzahlstelle: Deutsche Bank Aktiengesellschaft  
Trust & Securities Services (TSS)  
Große Gallusstraße 10-14  
60272 Frankfurt am Main  
Deutschland

Zahlstelle[n]: Deutsche Bank Luxembourg S.A.  
2 boulevard Konrad Adenauer  
1115 Luxembourg  
Luxembourg

**[weitere Zahlstellen und deren bezeichnete Geschäftsstellen]**

**[Name und Geschäftsstelle]**

**[Berechnungsstelle]**

**[Name und Geschäftsstelle]**

Der Fiscal Agent[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit ihre jeweiligen bezeichneten Geschäftsstellen durch andere bezeichnete Geschäftsstellen in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung des Fiscal Agent oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und einen anderen Fiscal Agent oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird jedoch zu jedem Zeitpunkt (i) einen Fiscal Agent unterhalten[,] [und] (ii) zusätzlich zu dem Fiscal Agent eine Zahlstelle mit einer bezeichneten Geschäftsstelle in einer kontinentaleuropäischen Stadt außerhalb Deutschland **[für an einer Börse notierte Schuldverschreibungen: [,] [und] (iii) solange die Schuldverschreibungen an der [Name der Börse] notiert sind, eine Zahlstelle (die der Fiscal Agent sein kann) mit bezeichneter Geschäftsstelle in [Ort der Börse] und/oder an einem anderen gemäß den Vorschriften einer anderen Börse hierfür vorgeschriebenen Ort] [für auf US-Dollar lautende Schuldverschreibungen: [,] [und] [(iv)] unter den in § 5 Absatz 3 genannten Umständen eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City] [,] [und] [(v)] [falls eine Berechnungsstelle bestellt werden soll einfügen: eine Berechnungsstelle [falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort haben muss: mit bezeichneter Geschäftsstelle in [vorgeschriebenem Ort einfügen]]** ernannt halten, **[im Falle von Einzelkunden einfügen:** Die Emittentin verpflichtet sich, eine Zahlstelle in einem Mitgliedstaat der Europäischen Union zu unterhalten, welche nicht verpflichtet ist, steuerliche Einbehalte oder Abzüge nach Maßgabe der Richtlinie 2003/48/EG des Rates vom 3. Juni 2003 im Bereich der Besteuerung von Zinserträgen oder nach Maßgabe einer Rechtsnorm, die zur Umsetzung dieser Richtlinie vorgesehen ist, dieser entspricht oder zur Anpassung an diese Richtlinie eingeführt wird, vorzunehmen, soweit dies in einem Mitgliedstaat der Europäischen Union möglich ist.] Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird (außer im Insolvenzfall, wo eine solche Änderung sofort wirksam wird) nur wirksam, sofern die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und höchstens 45 Tagen informiert wurden.

(3) *Erfüllungsgehilfe(n) der Emittentin.* Der Fiscal Agent[,] [und] [die Zahlstelle[n]] [und die Berechnungsstelle] [handelt] [handeln] ausschließlich als Erfüllungsgehilfe[n] der Emittentin und

[übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihm] [ihnen] und den Gläubigern begründet.

## § 8 Steuern

Kapital und Zinsen werden von der Emittentin ohne Abzug oder Einbehalt wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art gezahlt, die von oder in **[im Fall von Schuldverschreibungen, die von Finance begeben werden einfügen:** den Niederlanden oder] Deutschland oder für deren Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden (nachstehend zusammen "**Quellensteuern**" genannt), es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem letzteren Fall wird die Emittentin die zusätzlichen Beträge an Kapital und Zinsen zahlen, die erforderlich sind, damit der dem Gläubiger nach diesem Abzug oder Einbehalt zufließende Nettobetrag jeweils den Beträgen an Kapital und Zinsen entspricht, die ihm zustehen würden, wenn der Abzug oder Einbehalt nicht erforderlich wäre. Solche zusätzlichen Beträge sind jedoch nicht zahlbar wegen Steuern, Abgaben oder amtlicher Gebühren, die

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen gegenwärtiger oder früherer persönlicher oder geschäftlicher Beziehungen des Gläubigers zu **[im Fall von Schuldverschreibungen, die von Finance begeben werden, einfügen:** den Niederlanden oder] Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in **[im Fall von Schuldverschreibungen, die von Finance begeben werden einfügen:** den Niederlanden oder] Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der Deutschland **[im Fall von Schuldverschreibungen, die von Finance begeben werden einfügen:**, die Niederlande] oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) aufgrund einer Rechtsänderung zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß den Bedingungen wirksam wird [.] [; oder]

**Falls die Schuldverschreibungen durch Einzelurkunden verbrieft sind, einfügen:**

- [(e) von einer Zahlstelle abgezogen oder einbehalten werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Abzug oder Einbehalt hätte vorgenommen werden können; oder
- (f) nicht zahlbar wären, wenn die Schuldverschreibungen bei einer Bank oder einem vergleichbaren Institut verwahrt worden wären und die Bank oder das vergleichbare Institut die Zahlungen eingezogen hätte.]

## [§ 9 Vorlegungsfrist

**Falls die Schuldverschreibungen durch Globalurkunden verbrieft sind, einfügen:**

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.]

## [§ 9 Vorlegungsfrist, Ersetzung von Schuldverschreibungen [falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen: und Zinsscheinen]

**Falls die Schuldverschreibungen durch Einzelurkunden verbrieft sind, einfügen:**

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt. **[Falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** Die Vorlegungsfrist für Zinsscheine beträgt gemäß § 801 Absatz 2 BGB vier Jahre und beginnt mit dem Ablauf des Kalenderjahres, in dem der betreffende Zinsschein zur Zahlung fällig geworden ist. Der Anspruch gemäß § 804 Absatz 1, Satz 1 BGB wegen abhandengekommener oder vernichteter Zinsscheine ist ausgeschlossen.] Sollte eine Schuldverschreibung **[falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** oder ein Zinsschein] verloren gehen, gestohlen, beschädigt, unleserlich gemacht oder zerstört werden, so kann sie [er] bei der bezeichneten Geschäftsstelle des Fiscal Agent vorbehaltlich der betreffenden Börsenbestimmungen und aller anwendbaren Gesetze ersetzt werden; dabei hat der Anspruchsteller alle dabei möglicherweise entstehenden Kosten und Auslagen zu zahlen und alle angemessenen Bedingungen der Emittentin hinsichtlich des Nachweises, der Sicherheit, einer Freistellung und dergleichen zu erfüllen. Eine beschädigte oder unleserlich gemachte Schuldverschreibung **[falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** oder ein solcher Zinsschein] muss eingereicht werden, bevor eine Ersatzkunde ausgegeben wird.]

## § 10 Kündigung

(1) *Kündigungsrecht.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortige Tilgung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 6 Absatz [5] beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls einer der folgenden Kündigungsgründe ("Kündigungsgründe") vorliegt:

- (a) die Emittentin zahlt Kapital oder Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag; oder
- (b) die Emittentin unterlässt die ordnungsgemäße Erfüllung irgendeiner anderen Verpflichtung aus den Schuldverschreibungen **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin unterlässt die Erfüllung einer Verpflichtung aus der Garantie, auf die in § 3 Bezug genommen wird,] und diese Unterlassung, falls sie geheilt werden kann, länger als 60 Tage fort dauert, nachdem der Fiscal Agent hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
- (c) eine Kapitalmarktverbindlichkeit (wie in § 3 Absatz 1 definiert) der Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder der Garantin] vorzeitig zahlbar wird aufgrund einer Nicht- oder Schlechterfüllung des dieser Kapitalmarktverbindlichkeit zugrunde liegenden Vertrages, oder die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] einer Zahlungsverpflichtung in Höhe oder im Gegenwert von mehr als EUR 25.000.000 aus einer Kapitalmarktverbindlichkeit oder aufgrund einer Bürgschaft oder Garantie, die für eine Kapitalmarktverbindlichkeit Dritter gegeben wurde, nicht innerhalb von 30 Tagen nach ihrer Fälligkeit bzw. im Falle einer Bürgschaft oder Garantie nicht innerhalb von 30 Tagen nach Inanspruchnahme aus dieser Bürgschaft oder Garantie nachkommt, es sei denn die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] bestreitet in gutem Glauben, dass diese Zahlungsverpflichtung besteht oder fällig ist bzw. diese Bürgschaft oder Garantie berechtigterweise geltend gemacht wird, oder falls eine für solche Verbindlichkeiten bestellte Sicherheit für die oder von den daraus berechtigten Gläubiger(n) in Anspruch genommen wird, oder
- (d) die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] ihre Zahlungsunfähigkeit bekannt gibt oder ihre Zahlungen einstellt, oder
- (e) ein Gericht ein Insolvenzverfahren gegen die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] eröffnet, oder die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] ein solches Verfahren einleitet oder beantragt, oder eine allgemeine Schuldenregelung zugunsten ihrer Gläubiger anbietet oder trifft, oder **[bei von Finance begebenen Schuldverschreibungen:** die Emittentin ein "surseance van betaling" (Schuldenmoratorium im Sinne des niederländischen Insolvenzrechts) beantragt, oder]
- (f) die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder

einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und diese Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] im Zusammenhang mit diesen Schuldverschreibungen eingegangen ist, oder

- (g) in **[bei von Finance begebenen Schuldverschreibungen:** den Niederlanden oder in] Deutschland irgendein Gesetz, eine Verordnung oder behördliche Anordnung erlassen wird oder ergeht, aufgrund derer die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] daran gehindert wird, die von ihr gemäß diesen Bedingungen **[bei von Finance begebenen Schuldverschreibungen:** bzw. der Garantie] übernommenen Verpflichtungen in vollem Umfang zu beachten und zu erfüllen und diese Lage nicht binnen 90 Tagen behoben ist **[. [ ], oder]**

**bei von Finance begebenen Schuldverschreibungen:**

- [(h) die Garantie aus irgendeinem Grund nicht mehr gilt.]**

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(2) *Quorum.* In den Fällen des § 10 Absatz 1 (b) oder 1 (c) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in § 10 Absatz 1(a), 1(d), 1(e), 1(f) **[oder]** 1(g) **[oder]** 1(h) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei dem Fiscal Agent Kündigungserklärungen von Gläubigern von Schuldverschreibungen im Gesamtnennbetrag von mindestens  $\frac{1}{10}$  der dann ausstehenden Schuldverschreibungen eingegangen sind.

(3) *Form der Erklärung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Absatz 1 ist schriftlich gegenüber dem Fiscal Agent zu erklären und persönlich oder per Einschreiben an dessen bezeichnete Geschäftsstelle zu übermitteln.

## § 11

### Ersetzung der Emittentin

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger, **[bei von Finance begebenen Schuldverschreibungen:** entweder die Garantin oder] eine Tochtergesellschaft (wie nachstehend definiert) **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** der Emittentin] **[bei von Finance begebenen Schuldverschreibungen:** der Garantin] an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit dieser Emission einzusetzen, vorausgesetzt, dass:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen **[und Zinsscheine]** **[und Rückzahlungsscheine]** übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erlangt hat und berechtigt ist, an den Fiscal Agent die zur Erfüllung ihrer Zahlungsverpflichtungen aus den Schuldverschreibungen **[oder Zinsscheinen]** **[oder Rückzahlungsscheinen]** zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, in dem Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat, erhobene Steuern oder sonstige Abgaben jeder Art, abzuziehen oder einzubehalten;
- (c) **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** die Emittentin] **[bei von Finance begebenen Schuldverschreibungen:** die Garantin, sofern sie nicht selbst die Nachfolgeschuldnerin ist,] unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge garantiert **[bei von Finance begebenen Schuldverschreibungen:**, wobei diese Garantie im wesentlichen die Form der "**Garantie**" hat] **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** und diese Garantie eine Verpflichtung der Garantin gemäß den Bestimmungen des § 3 enthält];
- (d) dem Fiscal Agent ein oder mehrere Rechtsgutachten von anerkannten Rechtsanwälten vorgelegt wurden, die bestätigen, dass die Bestimmungen in vorstehenden Unterabsätzen (a), (b) und (c) erfüllt wurden.

Im Sinne dieser Bedingungen bedeutet "**Tochtergesellschaft**" eine Kapital- oder Personengesellschaft, an der die Deutsche Telekom direkt oder indirekt insgesamt nicht weniger als 90% des Kapitals jeder Klasse oder der Stimmrechte hält.

(2) *Bekanntmachung*. Jede solche Ersetzung wird gemäß § 13 bekannt gegeben.

(3) *Änderung von Bezugnahmen*. Im Falle einer solchen Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin, und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.

## § 12

### Begebung weiterer Schuldverschreibungen, Ankauf und Entwertung

(1) *Begebung weiterer Schuldverschreibungen*. Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf*. Die Emittentin ist berechtigt, Schuldverschreibungen [,] [und] [Zinsscheine] [und] [Rückzahlungsscheine] im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder beim Fiscal Agent zwecks Entwertung eingereicht werden. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden.

#### **[Falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:**

(3) *Entwertung*. Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zusammen mit allen nicht fälligen und zusammen mit den Schuldverschreibungen eingereichten oder den Schuldverschreibungen beigefügten Zinsscheinen zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.]

#### **[Falls die Schuldverschreibungen ohne Zinsscheine begeben werden, einfügen:**

(3) *Entwertung*. Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.]

## § 13

### Mitteilungen

#### **[Im Fall von Schuldverschreibungen, die auf der offiziellen Liste der der Luxemburger Börse gelistet sind, einfügen:**

(1) *Bekanntmachung*. Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen durch elektronische Publikation auf der Website der Luxemburger Börse ([www.bourse.lu](http://www.bourse.lu)). Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.

(2) *Mitteilungen an das Clearing System*. Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen zusätzlich an das Clearing System zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt. Solange Schuldverschreibungen auf der offiziellen Liste der Luxemburger Börse gelistet sind, findet Absatz (1) Anwendung. Soweit die Mitteilung den Zinssatz von variabel verzinslichen Schuldverschreibungen betrifft oder die Regeln der Luxemburger Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

**[Im Fall von Schuldverschreibungen, die nicht an einer Börse notiert sind, einfügen:**

(1) *Mitteilungen an das Clearing-System.* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

**[Im Fall von Schuldverschreibungen, die an einer anderen Börse als der Luxemburger Börse notiert sind, relevante Bestimmungen einfügen]**

[(3)] *Form der Mitteilung.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit der oder den betreffenden Schuldverschreibungen an die Emissionsstelle geleitet werden. Solange Schuldverschreibungen durch eine Globalurkunde verbrieft sind, kann eine solche Mitteilung von einem Gläubiger an die Emissionsstelle über das Clearing System in der von der Emissionsstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.

**§ 14**

**Anwendbares Recht, Erfüllungsort, Gerichtsstand und gerichtliche Geltendmachung**

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen[,] [und] [Zinsscheine] [,] [und] [Talons] [und Rückzahlungsscheine] sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main.

(3) *Gerichtsstand.* Nicht ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit den Schuldverschreibungen [oder den Zinsscheinen] [oder den Talons] [oder den Rückzahlungsscheinen] ist Frankfurt am Main. **[bei von Finance begebenen Schuldverschreibungen:** Die Gläubiger können ihre Ansprüche jedoch auch vor anderen zuständigen Gerichten geltend machen.] Die deutschen Gerichte sind nicht ausschließlich zuständig für die Kraftloserklärung abhandengekommener oder vernichteter Schuldverschreibungen. Die Emittentin unterwirft sich hiermit der Gerichtsbarkeit der nach diesem Absatz zuständigen Gerichte.

**[bei von Finance begebenen Schuldverschreibungen:**

(4) *Ernennung von Zustellungsbevollmächtigten.* Für etwaige Rechtsstreitigkeiten oder sonstige Verfahren vor deutschen Gerichten bestellt die Emittentin die Deutsche Telekom zu ihrem Zustellungsbevollmächtigten in Deutschland].

[(5)] *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen [und Zinsscheinen] [und Rückzahlungsscheinen], der diese über ein Clearing-System hält, darf in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen [und Zinsscheinen] [und Rückzahlungsscheinen] im eigenen Namen auf der folgenden Grundlage schützen oder geltend machen: (i) Er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der betreffenden Schuldverschreibungen als Global- oder Einzelurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing-Systems oder der Verwahrstelle des Clearing-Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der Globalurkunde oder der Einzelurkunde in einem solchen Verfahren erforderlich wäre. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist. Im Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Kreditinstitut, das berechtigt ist, das Wertpapierverwahrgeschäft zu betreiben und bei dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing-Systems.

**§ 15**  
**Sprache**

[Diese Anleihebedingungen sind ausschließlich in [deutscher] [englischer] Sprache abgefasst.]

[Diese Anleihebedingungen sind in [deutscher] [englischer] Sprache abgefasst und mit einer Übersetzung in die [englische] [deutsche] Sprache versehen. Der [deutsche] [englische] Text soll bindend und maßgeblich sein. Die [englische] [deutsche] Übersetzung ist unverbindlich.

**Guarantee**  
and  
**Negative Pledge**  
of  
DEUTSCHE TELEKOM AG  
Bonn, Federal Republic of Germany,  
for the benefit of the Holders of Notes (the "**Notes**")  
issued by  
Deutsche Telekom International Finance B.V.  
(incorporated with limited liability in The Netherlands)  
under the Debt Issuance Programme (the "**Programme**")  
as in force from time to time

WHEREAS:

(A) Deutsche Telekom AG (the "**Guarantor**") and Deutsche Telekom International Finance B.V. ("**Finance**") intend to issue from time to time Notes under the Programme;

(B) the Guarantor wishes to guarantee the payment of principal and interest and any other amounts payable in respect of any and all Notes that may be issued by Finance under the Programme;

(C) the Guarantor wishes to enter into a negative pledge for the benefit of each Holder of Notes that may be issued by Finance under the Programme;

IT IS AGREED AS FOLLOWS:

- (1) (a) The Guarantor unconditionally and irrevocably guarantees to the holder of each Note (which expression shall include any Temporary Global Note or Permanent Global Note representing Notes), Coupon or Receipt (each a "**Holder**"), now or at any time hereafter issued by Finance under the Programme, the due and punctual payment of the principal of, and interest on, the Notes, Coupons or Receipts, and any other amounts which may be expressed to be payable under any Note, Coupon or Receipt, in accordance with the Conditions, as and when the same shall become due in accordance with the Conditions.
- (b) This Guarantee constitutes an unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor from time to time outstanding.
- (c) All payments under this Guarantee shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of the Federal Republic of Germany or by or on behalf of any political subdivision or authority therein having power to tax (hereinafter together called "**Withholding Taxes**"), unless such deduction or withholding is required by law. In such event, the Guarantor shall pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such deduction or withholding shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such additional amounts shall, however, be payable on account of any taxes, duties or governmental charges which
  - (i) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payments made by it; or
  - (ii) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely

by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Federal Republic of Germany; or

- (iii) are deducted or withheld pursuant to (x) any European Union directive or regulation concerning the taxation of interest income, or (y) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (z) any provision of law implementing, or complying with, or introduced to conform with such directive, regulation, treaty or understanding; or
  - (iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with the Conditions whichever occurs later; or
  - (v) are withheld or deducted by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such withholding or deduction; or
  - (vi) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution.
- (d) The obligations of the Guarantor under this Guarantee (i) shall be separate and independent from the obligations of Finance under the Notes, Coupons or Receipts, (ii) shall exist irrespective of the legality, validity and binding effect or enforceability of the Notes, Coupons or Receipts, and (iii) shall not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations expressed to be assumed under the Notes, Coupons or Receipts.
- (e) The obligations of the Guarantor under this Guarantee shall, without any further act or thing being required to be done or to occur, extend to the obligations of any Substituted Debtor which is not the Guarantor arising in respect of any Note, Coupon or Receipt by virtue of a substitution pursuant to the Conditions.
- (f) This Guarantee is given in respect of any and all Notes which are or will be issued by Finance under the Programme on or after the date hereof. The Guarantee dated 31 October 1997 extends to any and all Notes which have been issued by Finance during the period beginning on 31 October 1997 through 9 November 1999. The Guarantee dated 10 November 1999 extends to any and all Notes which have been issued by Finance during the period beginning on 10 November 1999 through 5 June 2001. The Guarantee dated 6 June 2001 extends to any and all Notes which have been issued by Finance on or after 6 June 2001 and prior to the date hereof.

(2) The Guarantor undertakes towards each Holder, so long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to grant or permit to subsist any encumbrance over any or all of its present or future assets, as security of any present or future Capital Market Indebtedness issued or guaranteed by the Guarantor or by any other person, without at the same time having the Holders share equally and rateably in such security. "**Capital Market Indebtedness**" means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, a certificate of indebtedness or in the form of, or represented or evidenced by, bonds, notes or other securities which are, or are capable of being, quoted, listed, dealt in or traded on a stock exchange or other recognised securities market. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Guarantor, the expression "assets" as used in this subparagraph (2) does not include assets of the Guarantor that are sold on a non-recourse basis determined in accordance with the civil law applicable to such transaction.

(3) This Agreement and all undertakings herein contained constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328 (1) of the German Civil Code. They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor and to enforce such obligations directly against the Guarantor.

(4) Deutsche Bank Aktiengesellschaft does not act as fiduciary or in any similar capacity for the Holders.

(5) Terms used in this Agreement and not otherwise defined herein shall have the meanings attributed to them in the Terms and Conditions.

(6) This Agreement shall be governed by, and construed in accordance with, German law.

(7) This Agreement is written in the English language and attached hereto is a non-binding German language translation.

(8) The original version of this Agreement shall be delivered to, and kept by, Deutsche Bank Aktiengesellschaft.

(9) The place of jurisdiction for all legal proceedings arising out of or in connection with this Agreement shall be Frankfurt am Main. Each Holder, however, may pursue his claims also before any other court of competent jurisdiction.

(10) Each Holder may in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties protect and enforce in his own name his rights arising under this Agreement on the basis of a copy of this Agreement certified as being a true copy by a duly authorised officer of Deutsche Bank Aktiengesellschaft, without the need for production in such proceedings of this Guarantee.

Bonn, 1 September 2005

DEUTSCHE TELEKOM AG

We accept the terms of the above Guarantee without recourse, warranty or liability.

1 September 2005

DEUTSCHE BANK AKTIENGESELLSCHAFT

Non-binding translation of the Guarantee and the Negative Pledge:

**Garantie**  
und  
**Negativverpflichtung**  
der  
DEUTSCHE TELEKOM AG  
Bonn, Bundesrepublik Deutschland,  
zugunsten der Gläubiger von Schuldverschreibungen (die "**Schuldverschreibungen**"),  
die von der  
Deutsche Telekom International Finance B.V.  
(einer mit beschränkter Haftung in den Niederlanden errichteten Gesellschaft)  
im Rahmen des Debt Issuance Programme (das "**Programm**")  
in seiner jeweils geltenden Fassung begeben werden.

IM HINBLICK DARAUF DASS:

(A) Deutsche Telekom AG (die "**Garantin**") und Deutsche Telekom International Finance B.V. ("**Finance**") beabsichtigt, von Zeit zu Zeit Schuldverschreibungen im Rahmen des Programms zu begeben;

(B) die Garantin die Zahlung von Kapital und Zinsen sowie von allen sonstigen Beträgen, die aufgrund der von Finance im Rahmen des Programms begebenen Schuldverschreibungen zu leisten sind, garantieren möchte;

(C) die Garantin gegenüber jedem Gläubiger der von Finance im Rahmen des Programms begebenen Schuldverschreibungen eine Negativverpflichtung eingehen möchte;

WIRD FOLGENDES VEREINBART:

- (1) (a) Die Garantin übernimmt gegenüber jedem Gläubiger ("**Gläubiger**") der Schuldverschreibungen (wobei dieser Begriff jede vorläufige oder Dauerglobalurkunde, die Schuldverschreibungen verbrieft, einschließt), Zinsscheine und Rückzahlungsscheine, die jetzt oder zu irgendeinem Zeitpunkt nach dem Datum dieser Garantie von Finance im Rahmen des Programms begeben werden, die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen auf die Schuldverschreibungen, Zinsscheine und Rückzahlungsscheine sowie von allen sonstigen Beträgen, die gemäß den Bedingungen auf Schuldverschreibungen, Zinsscheine oder Rückzahlungsscheine zahlbar sind, bei deren Fälligkeit gemäß den Bedingungen.
- (b) Diese Garantie begründet eine unbedingte, unbesicherte und nicht nachrangige Verbindlichkeit der Garantin, die mit allen anderen jeweils bestehenden, nicht besicherten und nicht nachrangigen Verbindlichkeiten der Garantin gleichrangig ist.
- (c) Sämtliche Zahlungen aufgrund dieser Garantie sind ohne Abzug oder Einbehalt wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden (nachstehend zusammen "**Quellensteuern**" genannt), es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem letzteren Fall wird die Garantin die zusätzlichen Beträge zahlen, die erforderlich sind, damit der dem Gläubiger nach diesem Abzug oder Einbehalt zufließende Nettobetrag jeweils den Beträgen an Kapital und Zinsen entspricht, die ihm zustehen würden, wenn der

Abzug oder Einbehalt nicht erforderlich wäre. Solche zusätzlichen Beträge sind jedoch nicht zahlbar wegen Steuern, Abgaben oder amtlicher Gebühren, die

- (i) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Garantin aus den von ihr zu leistenden Zahlungen einen Abzug oder Einbehalt vornimmt; oder
  - (ii) wegen gegenwärtiger oder früherer persönlicher oder geschäftlicher Beziehungen des Gläubigers zu der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
  - (iii) aufgrund (x) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (y) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (z) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
  - (iv) aufgrund einer Rechtsänderung zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß den Bedingungen wirksam wird; oder
  - (v) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder
  - (vi) nicht zahlbar wären, wenn die Schuldverschreibungen bei einer Bank oder einem vergleichbaren Institut verwahrt worden wären und die Bank oder das vergleichbare Institut die Zahlungen eingezogen hätte.
- (d) Die Verpflichtungen der Garantin aus dieser Garantie (i) sind selbständig und unabhängig von den Verpflichtungen der Finance aus den Schuldverschreibungen, Zinsscheinen oder Rückzahlungsscheinen, (ii) bestehen unabhängig von der Rechtmäßigkeit, Gültigkeit, Verbindlichkeit und Durchsetzbarkeit der Schuldverschreibungen, Zinsscheine oder Rückzahlungsscheine und (iii) werden nicht durch Ereignisse, Bedingungen oder Umstände tatsächlicher oder rechtlicher Art berührt, außer durch die vollständige, endgültige und unwiderrufliche Erfüllung sämtlicher in den Schuldverschreibungen, Zinsscheinen oder Rückzahlungsscheinen eingegangenen Zahlungsverpflichtungen.
- (e) Die Verpflichtungen der Garantin aus dieser Garantie erstrecken sich, ohne dass eine weitere Handlung vorgenommen wird oder ein weiterer Umstand eintreten muss, auf die Verpflichtungen einer nicht mit der Garantin identischen Nachfolgeschuldnerin, die infolge einer Schuldnerersetzung gemäß den Bedingungen in Bezug auf die Schuldverschreibungen, Zinsscheine oder Rückzahlungsscheine entstehen.
- (f) Diese Garantie erstreckt sich auf sämtliche Schuldverschreibungen, die am oder nach dem Datum dieser Garantie von Finance unter dem Programm begeben werden. Die Garantie mit Datum vom 31. Oktober 1997 gilt für sämtliche Schuldverschreibungen, die von Finance in der Zeit vom 31. Oktober 1997 bis zum 9. November 1999 begeben worden sind. Die Garantie mit Datum vom 10. November 1999 gilt für sämtliche Schuldverschreibungen, die von Finance in der Zeit vom 10. November 1999 bis zum 5. Juni 2001 begeben worden sind. Die Garantie mit Datum vom 6. Juni 2001 gilt für sämtliche Schuldverschreibungen, die von Finance am oder nach dem 6. Juni 2001 und vor dem Datum dieser Garantie begeben worden sind.

(2) Die Garantin verpflichtet sich gegenüber jedem Gläubiger, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt worden sind, weder ihr gegenwärtiges noch ihr zukünftiges Vermögen

ganz oder teilweise in irgendeiner Weise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit, die von der Garantin oder einer anderen Person eingegangen oder gewährleistet ist, zu belasten oder eine solche Belastung zu diesem Zweck bestehen zu lassen, ohne gleichzeitig die Gläubiger an derselben Sicherheit im gleichen Rang und gleichem Verhältnis teilnehmen zu lassen. "**Kapitalmarktverbindlichkeit**" ist jede Verbindlichkeit zur Zahlung aufgenommener Gelder, die durch Schuldscheine verbrieft, verkörpert oder dokumentiert ist oder durch Schuldverschreibungen oder sonstige Wertpapiere, die an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert oder gehandelt werden oder werden können. Um etwaige Zweifel bezüglich von asset-backed financings der Garantin zu vermeiden, schließt das in diesem Absatz (2) benutzte Wort "*Vermögen*" nicht solche Vermögensgegenstände der Garantin ein, die nach dem jeweils auf die Transaktion anwendbaren Zivilrecht ohne Rückgriffsmöglichkeiten veräußert sind.

(3) Dieser Vertrag und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar. Sie begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen.

(4) Die Deutsche Bank Aktiengesellschaft handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger.

(5) Die in diesem Vertrag verwendeten und darin nicht anders definierten Begriffe haben die ihnen in den Emissionsbedingungen zugewiesene Bedeutung.

(6) Dieser Vertrag unterliegt deutschem Recht.

(7) Dieser Vertrag ist in englischer Sprache abgefasst und ihm ist eine unverbindliche Übersetzung in die deutsche Sprache beigefügt.

(8) Das Original dieses Vertrages wird der Deutsche Bank Aktiengesellschaft ausgehändigt und von dieser verwahrt.

(9) Gerichtsstand für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit diesem Vertrag ist Frankfurt am Main. Jeder Gläubiger kann seine Ansprüche jedoch auch vor jedem anderen zuständigen Gericht geltend machen.

(10) Jeder Gläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus diesem Vertrag auf der Grundlage einer von einer vertretungsberechtigten Person der Deutsche Bank Aktiengesellschaft beglaubigten Kopie dieses Vertrages ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.

Bonn, 1. September 2005

DEUTSCHE TELEKOM AG

Wir nehmen die Bedingungen der vorstehenden Garantie ohne Obligo, Gewährleistung oder Haftung an.

1. September 2005

DEUTSCHE BANK AKTIENGESELLSCHAFT

Full information on the Issuers and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated 23 April 2010. The Final Terms will be displayed on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## FORM OF FINAL TERMS MUSTER – ENDGÜLTIGE BEDINGUNGEN

[Date]  
[Datum]

### Final Terms Endgültige Bedingungen

[Title of relevant Series of Notes]

[(to be consolidated, form a single series with the [Title of relevant Series of Notes] issued on •, in the aggregate principal amount to [•])]

[Bezeichnung der betreffenden Serie der Schuldverschreibungen]

[die mit den am • begebenen [Bezeichnung der betreffenden Serie der Schuldverschreibungen] konsolidiert werden und eine einheitliche Serie im Gesamtnennbetrag von [•] bilden]

Series: [•]/[•], Tranche [•]  
Serien: [•]/[•], Tranche [•]

issued pursuant to the  
begeben aufgrund des

### EUR 25,000,000,000 Debt Issuance Programme

dated 23 April 2010  
vom 23. April 2010

of  
der

**Deutsche Telekom AG**

and  
und

**Deutsche Telekom International Finance B.V.**

Issue Price: [ ] per cent.

Ausgabepreis: [ ]%

Issue Date: [ ]<sup>1</sup>

Tag der Begebung: [ ]

These are the Final Terms of an issue of Notes under the EUR 25,000,000,000 Debt Issuance Programme of Deutsche Telekom AG and Deutsche Telekom International Finance B.V. (the "**Programme**"). Full information on the Issuer and Guarantor and the offer of the Notes is only available on the basis of the combination of the Prospectus dated 23 April 2010 as supplemented (the "**Prospectus**") and these Final Terms.

*Dies sind die Endgültigen Bedingungen einer Emission von Schuldverschreibungen unter dem EUR 25.000.000.000 Debt Issuance Programme der Deutsche Telekom AG und der Deutsche Telekom International Finance B.V. (das "**Programm**"). Vollständige Informationen über die Emittentin und die Garantin und das Angebot der Schuldverschreibungen sind nur verfügbar, wenn die Endgültigen Bedingungen und der Prospekt vom 23. April 2010 in der jeweils geltenden Fassung (der "**Prospekt**") zusammengekommen werden.*

<sup>1</sup> The Issue Date is the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.

*Der Tag der Begebung ist der Tag, an dem die Schuldverschreibungen begeben und bezahlt werden. Bei freier Lieferung ist der Tag der Begebung der Tag der Lieferung.*

**Part I. TERMS AND CONDITIONS**  
**Teil I. ANLEIHEBEDINGUNGEN**

**[In case of Long-Form Conditions, insert:**

***Im Fall von nicht konsolidierten Bedingungen einfügen:***

This part of the Final Terms is to be read in conjunction with the Terms and Conditions of the Notes (the "**Terms and Conditions**") set forth in the Prospectus [dated I ]<sup>2</sup> pertaining to the Programme, as the same may be supplemented from time to time. Capitalised terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions.

*Dieser Teil der Endgültigen Bedingungen ist in Verbindung mit den Anleihebedingungen der Schuldverschreibungen (die "**Anleihebedingungen**") zu lesen, die in der jeweils geltenden Fassung des Prospekts [vom I ]<sup>2</sup> enthalten sind, welcher für das Programm herausgegeben wird. Begriffe, die in den Anleihebedingungen definiert sind, haben, falls die Endgültigen Bedingungen nicht etwas anderes bestimmen, die gleiche Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.*

All references in this part of the Final Terms to numbered §§ and subparagraphs are to §§ and subparagraphs of the Terms and Conditions.

*Bezugnahmen in diesem Teil der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Anleihebedingungen.*

All provisions in the Terms and Conditions corresponding to items in the Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the "**Conditions**").

*Sämtliche Bestimmungen der Anleihebedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen und die weder angekreuzt noch ausgefüllt werden oder die gestrichen werden, gelten als aus den auf die Schuldverschreibungen anwendbaren Anleihebedingungen (die "**Bedingungen**") gestrichen.]*

**[In case of Integrated Conditions, insert:**

***Im Fall von konsolidierten Bedingungen einfügen:***

The Integrated Conditions applicable to the Notes (the "**Conditions**") and the German or English language translation thereof, if any, are attached hereto and replace in full the Terms and Conditions of the Notes as set out in the Prospectus [dated I ]<sup>2</sup> and take precedence over any conflicting provisions set forth in part I of the Final Terms.

*Die für die Schuldverschreibungen geltenden konsolidierten Bedingungen (die "**Bedingungen**") und eine etwaige deutsch- oder englischsprachige Übersetzung sind diesen Endgültigen Bedingungen beigelegt. Die Bedingungen ersetzen in Gänze die im Prospekt [vom I ]<sup>2</sup> abgedruckten Anleihebedingungen und gehen etwaigen abweichenden Bestimmungen in Teil I der Endgültigen Bedingungen vor.]*

**Issuer**

**Emittentin**

[ ]

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<sup>2</sup> In case of an increase of an issue of Notes which were originally issued prior to the date of the current Prospectus, insert date of the Prospectus under which the original tranche was issued.

*Im Fall einer Aufstockung einer Emission von Schuldverschreibungen, die ursprünglich vor dem Datum des aktuellen Prospekts begeben wurden, Datum des ursprünglichen Prospekts einfügen.*

### Form of Conditions<sup>3</sup>

#### Form der Bedingungen

- Long-Form  
*Nicht-konsolidierte Bedingungen*
- Integrated  
*Konsolidierte Bedingungen*

### Language of Conditions<sup>4</sup>

#### Sprache der Bedingungen

- German only  
*ausschließlich Deutsch*
- English only  
*ausschließlich Englisch*
- English and German (English text controlling)  
*Englisch und Deutsch (englischer Text maßgeblich)*
- German and English (German text controlling)  
*Deutsch und Englisch (deutscher Text maßgeblich)*

### CURRENCY, DENOMINATION, FORM AND TITLE, CERTAIN DEFINITIONS (§ 1)<sup>5</sup>

#### WÄHRUNG, NENNBETRAG, FORM UND EIGENTUMSRECHT, BESTIMMTE DEFINITIONEN (§ 1)

##### Currency and Denomination

##### Währung und Nennbetrag

Specified Currency

Festgelegte Währung

[ ]

Aggregate Principal Amount

<sup>3</sup> To be determined in consultation with the Issuer. It is anticipated that Long-Form Conditions will generally be used for Notes which are neither not publicly offered nor distributed, in whole or in part to non-qualified investors. Integrated Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be initially distributed in whole or in part to non-qualified investors.

*Die Form der Bedingungen ist in Abstimmung mit der Emittentin festzulegen. Es ist vorgesehen, daß nicht-konsolidierte Bedingungen für Schuldverschreibungen verwendet werden, die weder öffentlich zum Verkauf angeboten werden noch ganz oder teilweise an nicht qualifizierte Anleger verkauft werden. Konsolidierte Bedingungen sind erforderlich, wenn die Schuldverschreibungen anfänglich insgesamt oder teilweise öffentlich zum Verkauf angeboten werden oder insgesamt oder teilweise an nicht qualifizierte Investoren verkauft werden.*

<sup>4</sup> To be determined in consultation with the Issuer. In general, German will be the controlling language in case of Notes publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-qualified investors in Germany. If, however, such Notes are publicly offered, in whole or in part, in Germany, or distributed, in whole or in part, to non-qualified investors in Germany with English language Conditions, a German language translation of the Conditions will be available from the Paying Agent[s] and Deutsche Telekom AG.

*Die Sprache der Bedingungen ist in Abstimmung mit der Emittentin festzulegen. In der Regel wird für Schuldverschreibungen, die insgesamt oder teilweise öffentlich zum Verkauf in Deutschland angeboten werden und für Schuldverschreibungen, die an nicht qualifizierte Investoren in Deutschland vertrieben werden, die deutsche Sprache maßgeblich sein. Falls diese Schuldverschreibungen mit englischsprachigen Bedingungen insgesamt oder teilweise in Deutschland öffentlich angeboten oder an nicht qualifizierte Investoren in Deutschland vertrieben werden, wird eine deutschsprachige Übersetzung der Bedingungen bei [der] [den] Zahlstelle[n] und der Deutsche Telekom AG erhältlich sein.*

<sup>5</sup> The minimum denomination of the Notes will be, if in euro, EUR 1,000, if in any currency other than euro, in an amount in such other currency nearly equivalent to EUR 1,000 at the time of the issue of the Notes .

*Die Mindeststückelung der Schuldverschreibungen beträgt EUR 1.000, bzw. falls die Schuldverschreibungen in einer anderen Währung als Euro begeben werden, einem Betrag in dieser anderen Währung, der zur Zeit der Begebung der Schuldverschreibungen annähernd dem Gegenwert von EUR 1.000 entspricht.*

Gesamtnennbetrag	[ ]
Specified Denomination(s)	
Festgelegte(r) Nennbetrag/Nennbeträge	[ ]
Number of Notes to be issued in each Specified Denomination	
Zahl der in jedem festgelegten Nennbetrag auszugebenden Schuldverschreibungen	[ ]
<b>New Global Note</b>	[Yes/No]
<b>New Global Note</b>	[Ja/Nein]

- TEFRA C  
TEFRA C
  - Temporary Global Note exchangeable for:  
Vorläufige Globalurkunde austauschbar gegen:
    - Definitive Notes  
Einzelurkunden
    - Definitive Notes and Collective Global Note(s)  
Einzelurkunden und Sammelglobalurkunden
  - Permanent Global Note  
Dauerglobalurkunde
- TEFRA D  
TEFRA D
  - Temporary Global Note exchangeable for:  
Vorläufige Globalurkunde austauschbar gegen:
    - Definitive Notes  
Einzelurkunden
    - Permanent Global Note  
Dauerglobalurkunde
- NEITHER TEFRA D NOR TEFRA C<sup>6</sup>  
WEDER TEFRA D NOCH TEFRA C  
Permanent Global Note  
Dauerglobalurkunde

<b>Definitive Notes</b>	[Yes/No]
<b>Einzelurkunden</b>	[Ja/Nein]

- Coupons  
Zinsscheine
- Talons  
Talons

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<sup>6</sup> Applicable only if Notes have an initial maturity of one year or less.  
Nur anwendbar bei Schuldverschreibungen mit einer ursprünglichen Laufzeit von einem Jahr oder weniger.

- Receipts  
*Rückzahlungsscheine*

### Certain Definitions

#### **Bestimmte Definitionen**

#### Clearing System

- Clearstream Banking AG, Frankfurt am Main (CBF)  
Neue Börsenstraße 1  
60487 Frankfurt am Main  
Deutschland
- Clearstream Banking, société anonyme, Luxembourg (CBL)  
42 Avenue JF Kennedy  
1855 Luxembourg  
Luxembourg
- Euroclear Bank SA/NV (Euroclear)  
1 Boulevard du Roi Albert II  
1210 Brussels  
Belgium

- Other – specify

*sonstige (angeben)*

[ ]

#### Calculation Agent

[Yes/No]

#### *Berechnungsstelle*

[Ja/Nein]

- Fiscal Agent

*Fiscal Agent*

- Other (specify)

*sonstige (angeben)*

[ ]

### INTEREST (§ 4)<sup>7</sup>

#### **ZINSEN (§ 4)**

- Fixed Rate Notes

#### ***Festverzinsliche Schuldverschreibungen***

#### **Rate of Interest and Interest Payment Dates**

#### ***Zinssatz und Zinszahlungstage***

Rate of Interest

[ ] per cent. *per annum*

*Zinssatz*

[ ] % *per annum*

Interest Commencement Date

*Verzinsungsbeginn*

[ ]

Fixed Interest Date(s)

<sup>7</sup> If not applicable, the following items may be deleted.  
*Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.*

<i>Festzinstermine</i>	[ ]
First Interest Payment Date	
<i>Erster Zinszahlungstag</i>	[ ]
Initial Broken Amount(s) (per Specified Denomination)	
<i>Anfängliche(r) Bruchteilzinsbetrag(-beträge) (für jede festgelegte Stückelung)</i>	[ ]
Final Broken Amount(s) (per Specified Denomination)	
<i>Abschließende(r) Bruchteilzinsbetrag(-beträge) (für jede festgelegte Stückelung)</i>	[ ]
<b>o Floating Rate Notes</b>	
<b><i>Variabel verzinsliche Schuldverschreibungen</i></b>	
<b>Interest Payment Dates</b>	
<b><i>Zinszahlungstage</i></b>	
Interest Commencement Date	
<i>Verzinsungsbeginn</i>	[ ]
Specified Interest Payment Dates	
<i>Festgelegte Zinszahlungstage</i>	[ ]
Specified Interest Period(s)	[ ] [weeks/months/other -specify]
<i>Festgelegte Zinsperiode(n)</i>	[ ] [Wochen/Monate/andere angeben]
<b>Business Day Convention</b>	
<b><i>Geschäftstagskonvention</i></b>	
<b>o Modified Following Business Day Convention</b>	
<b>o FRN Convention (specify period(s))</b>	[ ] [months/other– specify] [ ] [Monate/andere angeben]
<b>o Following Business Day Convention</b>	
<b>o Preceding Business Day Convention</b>	
<b>Adjustment of interest</b>	[Yes/No]
<b><i>Anpassung der Zinsen</i></b>	[Ja/Nein]
<b>Relevant Financial Centres (specify all)</b>	
<b><i>Relevante Finanzzentren (alle angeben)</i></b>	[ ]
<b>Rate of Interest</b>	
<b><i>Zinssatz</i></b>	
<b>o Screen Rate Determination</b>	
<i>Bildschirmfeststellung</i>	
<b>o EURIBOR (11.00 a.m. Brussels time/Euro Business Day/Euro-Zone Interbank Market)</b>	
<i>EURIBOR (11.00 Brüsseler Ortszeit/Euro Geschäftstag/Interbankenmarkt in der Euro-Zone)</i>	
Screen page	
<i>Bildschirmseite</i>	[ ]
<b>o LIBOR (London time/London Business Day/City of London/London Office/London Interbank Market)</b>	
<i>LIBOR (Londoner Ortszeit/Londoner Geschäftstag/City of London/Londoner Geschäftsstelle/Londoner Interbankenmarkt)</i>	

- Screen page  
*Bildschirmseite* [ ]
- Other (specify)  
*Sonstige (angeben)* [ ]
- Screen page(s)  
*Bildschirmseite(n)* [ ]
- Margin [ ] per cent. *per annum*  
*Marge* [ ]% *per annum*
- plus  
*plus*
- minus  
*minus*
- Interest Determination Date  
*Zinsfestlegungstag*
- second Business Day prior to commencement of Interest Period  
*zweiter Geschäftstag vor Beginn der jeweiligen Zinsperiode*
- other (specify) [ ]  
*sonstige (angeben)* [ ]
- Screen Page  
*Bildschirmseite*
- Reference Banks (if other than as specified in § 4 (2))  
*Referenzbanken (sofern abweichend von § 4 Absatz 2)*
- ISDA Determination<sup>8</sup> [specify details]  
*ISDA-Feststellung* [Einzelheiten angeben]
- Other Method of Determination (insert details (including Interest Determination Date, Margin, Reference Banks, fall-back provisions))  
*Andere Methoden der Bestimmung (Einzelheiten angeben (einschließlich Zinsfestlegungstag, Marge, Referenzbanken, Ausweichbestimmungen))* [ ]
- Minimum and Maximum Rate of Interest**
- Mindest- und Höchstzinssatz***
- Minimum Rate of Interest [ ] per cent. *per annum*  
*Mindestzinssatz* [ ]% *per annum*
- Maximum Rate of Interest [ ] per cent. *per annum*  
*Höchstzinssatz* [ ]% *per annum*

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<sup>8</sup> ISDA Determination should only be applied in the case of Notes permanently represented by Global Notes because the ISDA Agreement and the ISDA Definitions have to be attached to the relevant Notes.  
*ISDA-Feststellung sollte nur dann gewählt werden, wenn die betreffenden Schuldverschreibungen während ihrer gesamten Laufzeit durch Globalurkunden verbrieft werden, weil das ISDA-Agreement und die ISDA Definitions den Schuldverschreibungen beizufügen sind.*

- **Zero Coupon Notes**  
**Nullkupon-Schuldverschreibungen**  
**Accrual of Interest**  
**Auflaufende Zinsen**  
Amortisation Yield  
Emissionsrendite [ ]
  - **Dual Currency Notes**  
**Doppelwährungs-Schuldverschreibungen**  
(set forth details in full here (including exchange rate(s) or basis for calculating exchange rate(s) to determine interest/fall-back provisions))  
(Einzelheiten einfügen (einschließlich Wechselkurs(e) oder Grundlage für die Berechnung des/der Wechselkurs(e) zur Bestimmung von Zinsbeträgen/Ausweichbestimmungen)) [ ]
  - **Index-linked Notes**  
**Indexierte Schuldverschreibungen**  
(set forth details in full here)  
(Einzelheiten einfügen) [ ]
  - **Instalment Notes**  
**Raten-Schuldverschreibungen**  
(set forth details in full here)  
(Einzelheiten einfügen) [ ]
  - **Credit linked Notes**  
**Schuldverschreibungen mit Kreditkomponente**  
(set forth details in full here)  
(Einzelheiten einfügen) [ ]
  - **Other structured Notes**  
**Sonstige strukturierte Schuldverschreibungen**  
(set forth details in full here)  
(Einzelheiten einfügen) [ ]
- Day Count Fraction<sup>9</sup>**  
**Zinstagequotient**
- Actual/Actual (ICMA 251)
  - Actual/Actual (ISDA)
  - Actual/365 (Fixed)
  - Actual/360
  - 30/360 or 360/360 (Bond Basis)
  - 30E/360 (Eurobond Basis)

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<sup>9</sup> Complete for all Notes.  
Für alle Schuldverschreibungen auszufüllen.

**PAYMENTS (§ 5)****ZAHLUNGEN (§ 5)****Payment Business Day****Zahlungstag**

Relevant Financial Centre(s) (specify all)

*Relevante(s) Finanzzentrum(en) (alle angeben)* [ ]**REDEMPTION (§ 6)****RÜCKZAHLUNG (§ 6)****Final Redemption****Rückzahlung bei Endfälligkeit****Notes other than Instalment Notes****Schuldverschreibungen außer Raten-Schuldverschreibungen**

Maturity Date

*Fälligkeitstag* [ ]

Redemption Month

*Rückzahlungsmonat* [ ]

Final Redemption Amount (per Specified Denomination)

*Rückzahlungsbetrag (für jede festgelegte Stückelung)* [ ]**Instalment Notes****Raten-Schuldverschreibungen**

Instalment Date(s)

*Ratenzahlungstermin (e)* [ ]

Instalment Amount(s)

*Rate(n)* [ ]**Early Redemption at the Option of the Issuer** [Yes/No]**Vorzeitige Rückzahlung nach Wahl der Emittentin** [Ja/Nein]

Minimum Redemption Amount

*Mindestrückzahlungsbetrag* [ ]

Higher Redemption Amount

*Höherer Rückzahlungsbetrag* [ ]

Call Redemption Date(s)

*Wahrückzahlungstag(e) (Call)* [ ]

Call Redemption Amount(s)

*Wahrückzahlungsbetrag/-beträge (Call)* [ ]**Early Redemption at the Option of a Holder** [Yes/No]**Vorzeitige Rückzahlung nach Wahl eines Gläubigers** [Ja/Nein]

Put Redemption Date(s)

*Wahrückzahlungstag(e) (Put)* [ ]

Put Redemption Amount(s)	
<i>Wahlrückzahlungsbetrag/-beträge (Put)</i>	[ ]
Minimum notice period	[ ] days
<i>Mindestkündigungsfrist</i>	[ ] Tage
Maximum notice period	[ ] days
<i>Höchstkündigungsfrist</i>	[ ] Tage
<b>Early Redemption Amount</b>	
<b>Vorzeitiger Rückzahlungsbetrag</b>	
Notes other than Zero Coupon Notes:	
<i>Schuldverschreibungen außer Nullkupon-Schuldverschreibungen</i>	
Final Redemption Amount	[Yes/No]
<i>Rückzahlungsbetrag</i>	[Ja/Nein]
Other Redemption Amount	
<i>Sonstiger Rückzahlungsbetrag</i>	[ ]
(specify method, if any, of calculating the same (including fall-back provisions))	
<i>(ggf. Berechnungsmethode angeben (einschließlich Ausweichbestimmungen))</i>	
	[ ]
Zero Coupon Notes	
<i>Nullkupon-Schuldverschreibungen</i>	
Reference Price	
<i>Referenzpreis</i>	[ ]
<b>○ Dual Currency Notes</b>	
<b><i>Doppelwährungs-Schuldverschreibungen</i></b>	
(set forth details in full here (including exchange rate(s) or basis for calculating exchange rate(s) to determine fall-back provisions))	
<i>(Einzelheiten einfügen (einschließlich Wechselkurs(e) oder Grundlage für die Berechnung des/der Wechselkurs(e) zur Bestimmung von Ausweichbestimmungen))</i>	
	[ ]
<b>○ Index-linked Notes</b>	
<b><i>Indexierte Schuldverschreibungen</i></b>	
(set forth details in full here)	
<i>(Einzelheiten einfügen)</i>	
	[ ]
<b>○ Credit linked Notes</b>	
<b><i>Schuldverschreibungen mit Kreditkomponente</i></b>	
(set forth details in full here)	
<i>(Einzelheiten einfügen)</i>	
	[ ]
<b>○ Other structured Notes</b>	
<b><i>Sonstige strukturierte Schuldverschreibungen</i></b>	
(set forth details in full here)	
<i>(Einzelheiten einfügen)</i>	
	[ ]

**FISCAL AGENT AND PAYING AGENT[S] [AND CALCULATION AGENT] (§ 7)**

**EMISSIONSSTELLE UND DIE ZAHLSTELLE[N] [UND DIE BERECHNUNGSSTELLE] (§ 7)**

- Paying Agent(s)/specified office(s)  
*Zahlstelle(n)/bezeichnete Geschäftsstelle(n)* [ ]
- Calculation Agent/specified office  
*Berechnungsstelle/bezeichnete Geschäftsstelle* [ ]
- required location of Calculation Agent (specify)  
*vorgeschriebener Ort für Berechnungsstelle (angeben)* [ ]

**NOTICES (§ 13)**

**MITTEILUNGEN (§ 13)**

**Place and medium of publication**

**Ort und Medium der Bekanntmachung**

- Website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu))  
*Internetseite der Luxemburger Börse ([www.bourse.lu](http://www.bourse.lu))*
- Luxemburger Wort  
*Luxemburger Wort*
- Clearing System  
*Clearing System*
- Other (specify)  
*sonstige (angeben)* [ ]

**GOVERNING LAW (§ 14)**

**ANWENDBARES RECHT (§ 14)**

- Governing Law German Law  
*Anwendbares Recht* *Deutsches Recht*

**Part II. ADDITIONAL DISCLOSURE REQUIREMENTS RELATED TO NOTES**  
**Teil II. ZUSÄTZLICHE ANGABEN BEZOGEN AUF SCHULDVERSCHREIBUNGEN**

**A. Risk Factors<sup>10</sup>**

**A. Risikofaktoren**

**B. Key Information**

**B. Wichtige Informationen**

**Interests of natural and legal persons involved in the issue/offer**

***Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind***

**Reasons for the offer<sup>11</sup>**

***Gründe für das Angebot***

[specify details]

*[Einzelheiten einfügen]*

Estimated net proceeds [ ]  
*Geschätzter Nettobetrag der Erträge*

Estimated total expenses of the issue [ ]  
*Geschätzte Gesamtkosten der Emission*

**C. Information concerning the Notes to be offered/admitted to trading**

***C. Informationen über die anzubietenden bzw. zum Handel zuzulassenden Schuldverschreibungen***

**Eurosystem eligibility<sup>12</sup>**

***EZB-Fähigkeit***

Intended to be held in a manner which would allow Eurosystem eligibility [Yes/No]  
*Soll in EZB-fähiger Weise gehalten werden* [Ja/Nein]

**Securities Identification Numbers**

***Wertpapier-Kenn-Nummern***

Common Code [ ]  
*Common Code*

ISIN Code [ ]  
*ISIN Code*

German Securities Code [ ]

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<sup>10</sup> Include only product specific risk factors which are not covered under "Risk Factors" in the Prospectus.

*Nur produktbezogene Risikofaktoren aufnehmen, die nicht bereits im Abschnitt "Risk Factors" des Prospekts enthalten sind.*

<sup>11</sup> Not required for Notes with a Specified Denomination of at least EUR 50,000. See "Use of Proceeds" wording in the Prospectus. If reasons for the offer is different from making profit and/or hedging certain risks include those reasons here. *Nicht erforderlich für Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000. Siehe "Use of Proceeds" im Prospekt. Sofern die Gründe für das Angebot nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken bestehen, sind die Gründe hier anzugeben.*

<sup>12</sup> Complete e.g. if the Notes are issued in NGN form and to be kept in custody by a common safekeeper on behalf of the ICSDs.

*Auszufüllen, z.B. falls die Schuldverschreibungen als NGN begeben werden und von einem common safekeeper im Namen der ICSDs gehalten werden sollen.*

Deutsche Wertpapier-Kenn-Nummer (WKN)

Any other securities number [ ]  
Sonstige Wertpapiernummer

**Yield<sup>13</sup>**  
**Rendite**

Yield [ ]  
Rendite

Method of calculating the yield<sup>14</sup>  
Berechnungsmethode der Rendite

- ICMA method: The ICMA method determines the effective interest rate of notes taking into account accrued interest on a daily basis.  
*ICMA Methode: Die ICMA Methode ermittelt die Effektivverzinsung von Schuldverschreibungen unter Berücksichtigung der täglichen Stückzinsen.*

- Other method (specify)  
*Andere Methoden (angeben)*

- **Historic Interest Rates<sup>15</sup>**  
**Zinssätze der Vergangenheit**

Details of historic [EURIBOR][LIBOR][OTHER] rates can be obtained from [insert relevant Screen Page]

*Einzelheiten der Entwicklung der [EURIBOR][LIBOR][ANDERE] Sätze in der Vergangenheit können abgerufen werden unter [relevante Bildschirmseite einfügen]*

- **Details Relating to the Performance of the [Index][Formula][Other Variable] and other information concerning the underlying<sup>16</sup>**  
**Einzelheiten hinsichtlich der Entwicklung des [Index][der Formel][einer anderen Variablen] und andere die Basiswerte betreffende Informationen.**

Comprehensive explanation of how the value of the investment is affected by the value of the underlying, especially under circumstances when the risks are most evident<sup>17</sup>

*Umfassende Erläuterung darüber, wie der Wert der Anlage durch den Wert des Basiswerts beeinflusst wird, insbesondere in Fällen, in denen die Risiken am offensichtlichsten sind.*

[specify details here] *[Einzelheiten hier angeben]*

Indication where information about the past and further performance of the [Index][Formula][Other Variable] and its volatility can be obtained.

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<sup>13</sup> Only applicable for Fixed Rate Notes.

*Nur bei festverzinsliche Schuldverschreibungen anwendbar.*

<sup>14</sup> Not required for Notes with a Specified Denomination of at least EUR 50,000.

*Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000*

<sup>15</sup> Only applicable for Floating Rate Notes. Not required for Notes with a Specified Denomination of at least EUR 50,000.

*Nur bei variabel verzinslichen Schuldverschreibungen anwendbar. Nicht anwendbar auf Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000.*

<sup>16</sup> Only applicable for Index-linked or other Variable Linked Notes.

*Nur anwendbar bei indextierten Schuldverschreibungen und Schuldverschreibungen, die an eine Variable gebunden sind.*

<sup>17</sup> Only applicable in case of Notes with a Specified Denomination of less than EUR 50,000.

*Nur anwendbar bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000.*

Angaben darüber, wo Informationen über die vergangene und künftige Wertentwicklung des [Index][der Formel][einer anderen Variablen] und deren Volatilität eingeholt werden können.

[specify details here] [Einzelheiten hier angeben]

Exercise price or final reference price of the underlying  
Ausübungspreis oder endgültiger Referenzpreis des Basiswertes

[specify details here] [Einzelheiten hier angeben]

**[[Underlying is an Index  
Basiswert ist ein Index**

Name of Index [ ]  
Name des Index

[Description of Index]<sup>18</sup> [Details of where information about the Index can be obtained]<sup>19</sup>  
[Indexbeschreibung][Angaben, wo Informationen zum Index zu finden sind]]

[specify details here] [Einzelheiten hier angeben]

**[Underlying is an Interest Rate  
Basiswert ist ein Zinssatz**

Description of Interest Rate  
Beschreibung des Zinssatzes]

[specify details here] [Einzelheiten hier angeben]]

**[Underlying is a Basket of Underlyings  
Basiswert ist ein Korb von Basiswerten**

Weightings of each underlying in the basket  
Gewichtung jedes einzelnen Basiswertes im Korb]]<sup>20</sup>

[specify details here] [Einzelheiten hier angeben]

Comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when risks are most evident<sup>21</sup> [insert details here]  
Umfassende Erläuterung darüber, wie der Wert der Anlage [Einzelheiten hier einfügen]

<sup>18</sup> Only applicable if the Index is composed by the Issuer.

*Nur anwendbar, sofern der Index von der Emittentin zusammengestellt wird.*

<sup>19</sup> Only applicable, if the Index is not composed by the Issuer

*Nur anwendbar, sofern der Index nicht von der Emittentin zusammengestellt wird.*

<sup>20</sup> Where the underlying does not fall within the categories Index/Interest Rate/Basket of Underlyings, include equivalent information.

*Fällt der Basiswert nicht unter eine der Kategorien Index/Zinssatz/Korb von Basiswerten, sind vergleichbare Informationen einzufügen.*

<sup>21</sup> Not required for Notes with a Specified Denomination of at least EUR 50,000 or a minimum transfer amount of at least EUR 50,000.

*Nicht erforderlich bei Schuldverschreibungen anwendbar mit einer festgelegten Stückelung von mindestens EUR 50.000 oder Schuldverschreibungen, die lediglich für mindestens EUR 50.000 pro Wertpapier erworben werden können.*

durch den Wert des Basiswerts beeinflusst wird, insb.  
in den Fällen, in denen die Risiken offensichtlich sind

Market disruption or settlement disruption events that may  
affect the underlying<sup>22</sup>

[insert details here]

Störungen des Markts oder bei der Abrechnung, die den  
Basiswert beeinflussen

[Einzelheiten hier einfügen]

Adjustment rules with relation to events concerning the  
underlying

[insert details here]

Korrekturvorschriften in Bezug auf Vorfälle, die den Basiswert  
beeinflussen

[Einzelheiten hier einfügen]

- **Details Relating to the Performance of Rate(s) of Exchange  
and Explanation of Effect on Value of Investment**<sup>23</sup>

[specify details here]

**Einzelheiten der Entwicklung des bzw. der Wechselkurse  
und Erläuterung der Auswirkungen auf den Wert der Anlage  
sowie verbundene Risiken**

[Einzelheiten hier angeben]

## Selling Restriction

### Verkaufsbeschränkungen

The Selling Restrictions set out in the Prospectus shall apply.  
Es gelten die im Prospekt wiedergegebenen Verkaufsbeschränkungen.

- TEFRA C  
TEFRA C

- TEFRA D  
TEFRA D

- Neither TEFRA C nor TEFRA D  
Weder TEFRA C noch TEFRA D

Additional Selling Restrictions (specify)  
Zusätzliche Verkaufsbeschränkungen (angeben)

[ ]

Non-exempt Offer  
Nicht-befreites Angebot

[Not applicable] [Applicable]<sup>24</sup>  
[Nicht anwendbar] [anwendbar]

<sup>22</sup> To be completed only if applicable.  
Nur falls anwendbar einzufügen.

<sup>23</sup> Only applicable for Dual Currency Notes. Need to include details of where past and future performance and volatility of the relevant rate(s) can be obtained. In case of Notes with a Specified Denomination of less than EUR 50,000 need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.  
Nur bei Doppelwährungs-Schuldverschreibungen anwendbar. Angaben darüber erforderlich, wo Informationen über die vergangene und künftige Wertentwicklung und Volatilität der maßgeblichen Wechselkurse eingeholt werden können. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000 ist eine umfassende Erläuterung vorzunehmen, wie der Wert der Anlage durch den Wert des Basiswerts beeinflusst wird, insbesondere in Fällen, in denen die Risiken offensichtlich sind.

<sup>24</sup> Not applicable under German law. If applicable in the relevant jurisdiction, insert: "An offer of the Notes may be made by the Dealers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] during the period from [ ] until [ ]".  
Nicht anwendbar nach deutschem Recht. Wenn anwendbar in der jeweiligen Jurisdiktion, einfügen: "Die Schuldverschreibungen können von den Platzeuren [und [angeben, falls anwendbar]] anders als gemäß Artikel 3(2) der Prospekttrichtlinie in [die jeweiligen Mitgliedstaaten angeben, die den Jurisdiktionen entsprechen müssen, in die der Prospekt und etwaige Nachträge notifiziert wurden] im Zeitraum von [ ] bis [ ] angeboten werden".

## **Taxation Besteuerung**

Information on taxes on the income from the notes withheld at source in respect of countries where the offer is being made or admission to trading is being sought<sup>25</sup>

*Informationen über die an der Quelle einbehaltene Einkommensteuer auf die Schuldverschreibungen hinsichtlich der Länder in denen das Angebot unterbreitet oder die Zulassung zum Handel beantragt wird*

[None] [specify details]  
[keine] [Einzelheiten einfügen]

## **Restrictions on the free transferability of the Notes Beschränkungen der freien Übertragbarkeit der Wertpapiere**

[None] [specify details]  
[Keine] [Einzelheiten einfügen]

## **D. TERMS AND CONDITIONS OF THE OFFER<sup>26</sup> D. BEDINGUNGEN UND KUNDITIONEN DES ANGEBOTS**

[Conditions to which the offer is subject  
*Bedingungen, denen das Angebot unterliegt* [specify details]  
[Einzelheiten einfügen]

Total amount of the issue/offer and description of the arrangements and time for announcing to the public the amount of the offer [specify details]  
*Gesamtsumme der Emission/des Angebots und Beschreibung der Vereinbarungen und des Zeitpunkts für die Ankündigung des endgültigen Angebotsbetrags an das Publikum* [Einzelheiten einfügen]

Time period, including any possible amendments, during which the offer will be open [specify details]  
*Frist – einschließlich etwaiger Änderungen – während der das Angebot vorliegt* [Einzelheiten einfügen]

Description of the application process [specify details]  
*Beschreibung des Prozesses für die Umsetzung des Angebots* [Einzelheiten einfügen]

A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants [specify details]  
*Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Erstattung des zu viel gezahlten Betrags an die Zeichner* [Einzelheiten einfügen]

Details of the minimum and/or maximum amount of application, (whether in number of notes or aggregate amount to invest) [specify details]  
*Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung (entweder in Form der Anzahl der Schuldverschreibungen oder des aggregierten zu investierenden Betrags)* [Einzelheiten einfügen]

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<sup>25</sup> Unless specified in the Prospectus. Only applicable for Notes with a Specified Denomination of less than EUR 50,000 per Notes.  
*Soweit nicht bereits im Prospekt beschrieben. Nur bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000 anwendbar.*

<sup>26</sup> The following items are only to be specified if applicable (in each case).  
*Einzelheiten zu nachstehenden Unterpunkten nur einfügen, falls jeweils anwendbar.*

Method and time limits for paying up the notes and for delivery of the notes  
*Methode und Fristen für die Bedienung der Wertpapiere und ihre Lieferung* [specify details]  
[Einzelheiten einfügen]

Manner and date in which results of the offer are to be made public  
*Art und Weise und Termin, auf die bzw. an dem die Ergebnisse des Angebots offen zu legen sind* [specify details]  
[Einzelheiten einfügen]

The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.  
*Verfahren für die Ausübung eines etwaigen Vorzugsrechts, die Marktfähigkeit der Zeichnungsrechte und die Behandlung der nicht ausgeübten Zeichnungsrechte* [specify details]  
[Einzelheiten einfügen]

Various categories of potential investors to which the notes are offered  
*Angabe der verschiedenen Kategorien der potentiellen Investoren, denen die Schuldverschreibungen angeboten werden* [specify details]  
[Einzelheiten einfügen]

If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.  
*Erfolgt das Angebot gleichzeitig auf den Märkten zweier oder mehrerer Länder und wurde/wird eine bestimmte Tranche einigen dieser Märkte vorbehalten, Angabe dieser Tranche.* [specify details]  
[Einzelheiten einfügen]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made  
*Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe, ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist* [specify details]  
[Einzelheiten einfügen]

Expected price at which the notes will be offered / method of determining the price and the process for its disclosure and amount of any expenses and taxes specifically charged to the subscriber or purchaser  
*Kurs, zu dem die Schuldverschreibungen angeboten werden / Methode, mittels deren der Angebotskurs festgelegt wird und Angaben zum Verfahren für die Offenlegung sowie der Kosten und Steuern, die speziell dem Zeichner oder Käufer in Rechnung gestellt werden*

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place.  
*Name und Anschrift des Koordinators/der Koordinatoren des globalen Angebots oder einzelner Teile des Angebots und – sofern dem Emittenten oder dem Bieter bekannt – Angaben zu den Plazeuren in den einzelnen Ländern des Angebots* [specify details]  
[Einzelheiten einfügen]

**Method of distribution** [insert details]  
**Vertriebsmethode** [Einzelheiten einfügen]

Non-syndicated  
*Nicht syndiziert*

Syndicated  
*Syndiziert*

Date of Subscription Agreement<sup>27</sup> [ ]

<sup>27</sup> Not required for Notes with a Specified Denomination of at least EUR 50,000.

Datum des Subscription Agreements

**Management Details including form of commitment<sup>28</sup>**

**Einzelheiten bezüglich des Bankenkonsortiums einschließlich der Art der Übernahme**

Dealer/Management Group (specify)  
Platzeur/Bankenkonsortium (angeben)

firm commitment [ ]  
feste Zusage

no firm commitment / best efforts arrangements [ ]  
Keine feste Zusage / zu den bestmöglichen Bedingungen

**Commissions<sup>29</sup>**

**Provisionen**

Management/Underwriting Commission (specify) [ ]  
Management- und Übernahmeprovision (angeben)

Selling Concession (specify) [ ]  
Verkaufsprovision (angeben)

Listing Commission (specify) [ ]  
Börsenzulassungsprovision (angeben)

Other (specify) [ ]  
Andere (angeben)

**Stabilising Dealer/Manager**  
**Kursstabilisierender Dealer/Manager**

[insert details/None]  
[Einzelheiten einfügen/keiner]

**E. ADMISSION TO TRADING AND DEALING ARRANGEMENTS**  
**E. ZULASSUNG ZUM HANDEL UND HANDELSREGELN**

Listing(s) [Yes/No]  
Notierung(en) [Ja/Nein]

- Luxembourg Stock Exchange
  - Regulated Market "Bourse de Luxembourg"  
Regulierter Markt "Bourse de Luxembourg"
  - Euro MTF  
Euro MTF
- Other (insert details) [ ]  
Sonstige (Einzelheiten einfügen)

Date of admission [ ]  
Termin der Zulassung

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<sup>28</sup> Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000.

Not required for Notes with a Specified Denomination of at least EUR 50,000.

<sup>29</sup> Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000.

To be completed in consultation with the Issuer.  
In Abstimmung mit der Emittentin auszuführen.

**Estimate of the total expenses related to admission to trading<sup>30</sup>** [ ]  
**Geschätzte Gesamtkosten für die Zulassung zum Handel**

Regulated markets or equivalent markets on which, to the knowledge of the Issuer, notes of the same class of the notes to be offered or admitted to trading are already admitted to trading.<sup>31</sup>

*Angabe regulierter oder gleichwertiger Märkte, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind*

- Luxembourg (Regulated Market "Bourse de Luxembourg")
- Frankfurt am Main (regulated market)
- Other (insert details) [ ]  
*Sonstige (Einzelheiten einfügen)*

## **F. ADDITIONAL INFORMATION**

### **F. ZUSÄTZLICHE INFORMATIONEN**

**Rating<sup>32</sup>** [ ]  
**Rating**

**Other relevant terms and conditions (specify)** [ ]  
**Andere relevante Bestimmungen (einfügen)**

### **Information from a third party**

#### **Informationen von Seiten Dritter**

[Where Information is sourced from a third party, include information here  
*Informationen von Seiten Dritter hier einfügen*]

Source of information [ ]  
*Quelle der Information*

[The Issuer confirms that this information has been accurately reproduced].  
*[Die Emittentin bestätigt, daß diese Informationen korrekt wiedergegeben worden sind].*

[The Issuer has not independently verified any such information and accepts no responsibility for the accuracy of such information  
*Die Emittentin hat die Informationen nicht selbständig überprüft und übernimmt keine Verantwortung für die Richtigkeit der Informationen*]

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<sup>30</sup> Not required for Notes with a Specified Denomination of less than EUR 50,000

*Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000.*

<sup>31</sup> In case of a fungible issue, need to indicate that the original notes are already admitted to trading. Not required for Notes with a Specified Denomination of at least EUR 50,000.

*Im Falle einer Aufstockung, die mit einer vorangegangenen Emission fungibel ist, ist die Angabe erforderlich, dass die ursprünglichen Schuldverschreibungen bereits zum Handel zugelassen sind. Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000.*

<sup>32</sup> Do not complete, if the Notes are not rated on an individual basis. In case of Notes with a Specified Denomination of less than EUR 50,000, need to include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider.

*Nicht auszufüllen, wenn kein Einzelrating für die Schuldverschreibungen vorliegt. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000, kurze Erläuterung der Bedeutung des Ratings wenn dieses unlängst von der Ratingagentur erstellt wurde.*

**[Listing:<sup>33</sup>  
[Notierung:**

The above Final Terms comprise the details required to list this issue of Notes pursuant to the EUR 25,000,000,000 Debt Issuance Programme of Deutsche Telekom AG and Deutsche Telekom International Finance B.V. (as from **[insert Issue Date of the Notes]**).

*Die vorstehenden Endgültigen Bedingungen enthalten die Angaben, die für die Zulassung dieser Emission von Schuldverschreibungen gemäß des EUR 25.000.000.000 Debt Issuance Programme der Deutsche Telekom AG und der Deutsche Telekom International Finance B.V. (ab dem **[Tag der Begebung der Schuldverschreibungen einfügen]**) erforderlich sind].*

**Responsibility:  
Verantwortlichkeit:**

The Issuer accepts responsibility for the information contained in these Final Terms as set out in the section Responsibility Statement on page 4 of the Prospectus.

*Die Emittentin übernimmt die Verantwortung für die in diesen Endgültigen Bedingungen enthaltenen Informationen wie im Abschnitt Responsibility Statement auf Seite 4 des Prospekts bestimmt.*

**[Deutsche Telekom AG**

**[Name & title of signatories]  
[Name und Titel der Unterzeichnenden]]**

**[Deutsche Telekom International Finance B.V.**

**[Name & title of signatories]  
[Name und Titel der Unterzeichnenden]]**

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<sup>33</sup> Insert only if the Notes are listed.  
*Nur einfügen, wenn die Schuldverschreibungen gelistet werden.*

## Taxation

The following is a general discussion of certain German, Dutch and Luxembourg tax consequences of the acquisition and ownership of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. Moreover, this summary does not consider other taxes than taxes on income, in particular not inheritance or gift tax. This summary is based on the laws of Germany, The Netherlands and the Grand-Duchy of Luxembourg currently in force and as applied on the date of this prospectus, which are subject to change, possibly with retroactive or retrospective effect.

**PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY, THE NETHERLANDS, THE GRAND DUCHY OF LUXEMBOURG AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.**

### 1. Germany

#### Income Tax

*Notes held by Tax Residents as Private Assets*

##### - Taxation of Interest

Payments of interest on the Notes to Holders who are tax residents of Germany (*i.e.*, persons whose residence or habitual abode is located in Germany) are subject to German income tax. In each case where German income tax arises, a solidarity surcharge (*Solidarit tszuschlag*) is levied in addition. Furthermore, church tax may be levied, where applicable. If coupons or interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to income tax. The same applies to proceeds from the redemption of coupons or interest claims if the Note is disposed of separately.

On payments of interest on the Notes to individual tax residents of Germany income tax is generally levied as a flat income tax at a rate of 25% (plus solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%). The total investment income of an individual will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly), not by a deduction of expenses actually incurred.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German bank or financial services institution or with a securities trading business or bank in Germany (the "**Disbursing Agent**") the flat income tax will be levied by way of withholding at the aforementioned rate from the gross interest payment to be made by the Disbursing Agent.

If the Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition of Coupons are paid or credited upon delivery of the Coupons to the holder of the Coupons (other than a non-German bank or financial services institution), withholding tax at the aforementioned rate must also be levied by the Disbursing Agent upon the gross amount of the interest or the proceeds.

In general, no withholding tax will be levied if the Holder is an individual (i) whose Note does not form part of the property of a trade or business and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

If no Disbursing Agent (as defined above) is involved in the payment process the Holder will have to include its income on the Notes in its tax return and the flat income tax of 25% plus solidarity surcharge will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability of the Holder in respect of

such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%.

- Taxation of capital gains

From 1 January 2009, also capital gains realised by individual tax residents of Germany from the disposition or redemption of the Notes acquired after 31 December 2008 will be subject to the flat income tax on investment income at a rate of 25% (plus solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%), irrespective of any holding period. This will also apply to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) the flat income tax will be levied by way of withholding from the difference between the redemption amount (or the proceeds from the disposition) and the issue price (or the purchase price) of the Notes. If the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has been provided to the new Disbursing Agent by the Disbursing Agent which previously kept the Notes in its custodial account, withholding tax will be levied on 30% of the proceeds from the disposition or redemption of the Notes.

If the Notes are not kept in a custodial account with a Disbursing Agent and proceeds from the disposition or redemption of the Notes are paid or credited upon delivery of the Notes to the holder of such Notes (other than a non-German bank or financial services institution), withholding tax at the aforementioned rate must also be levied by the Disbursing Agent upon 30% of the gross amount of the proceeds.

If no Disbursing Agent is involved in the payment process the Holder will have to include capital gains from the disposition or redemption of the Notes in its tax return and the flat income tax of 25% plus solidarity surcharge will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%.

*Notes held by Tax Residents as Business Assets*

Payments of interest on Notes and capital gains from the disposition or redemption of Notes held as business assets by German tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge). The interest and capital gain will also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) tax at a rate of 25% (plus a solidarity surcharge of 5.5% of such tax) will also be withheld from interest payments on Notes and (since 1 January 2009) generally also from capital gains from the disposition or redemption of Notes held as business assets. In these cases the withholding tax does not satisfy the income tax liability of the Holder, as in the case of the flat income tax, but will be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge of the Holder.

With regard to capital gains no withholding will generally be required in the case of Notes held by corporations resident in Germany, provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax office, and upon application in the case of Notes held by individuals or partnerships as business assets.

*Notes held by Non-Residents*

Interest and capital gains are not subject to German taxation in the case of non-residents, *i.e.* persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in Germany, unless the Notes form part of the business property of a permanent establishment maintained in Germany. Interest may, however, also be subject to German income tax if it otherwise constitutes income taxable in Germany, such as income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German situs real estate.

Non-residents of Germany are in general exempt from German withholding tax on interest and capital gains and from solidarity surcharge thereon. However, if the interest or capital gain is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent (as defined above), withholding tax will be levied as explained above at "*Notes held by tax residents as business assets*" or at "*Notes held by tax residents as private assets*", respectively.

If the Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition of Coupons or proceeds from the disposition or redemption of the Notes are paid or credited by a Disbursing Agent to a non-resident of Germany (other than a non-German bank or financial services institution) upon delivery of the Coupons or the Notes, respectively, such payments will also be subject to withholding tax to the extent and at a rate as explained above at "*Notes held by tax residents as private assets*".

### **Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Note will generally arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in Germany.

### **Other Taxes**

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

## **2. The Netherlands**

*For the purpose of this summary it is assumed that no holder of a Note has or will have a substantial interest, or - in the case of a holder of a Note being an entity - a deemed substantial interest, in the Issuer.*

Generally speaking, an individual holding a Note has a substantial interest in the Issuer if (a) such individual, either alone or together with his partner, directly or indirectly has, or (b) certain relatives of such individual or his partner directly or indirectly have, (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5% or more of either the annual profit or the liquidation proceeds of the Issuer.

Generally speaking, an entity holding a Note has a substantial interest in the Issuer if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5% or more of either the annual profit or the liquidation proceeds of the Issuer. An entity holding a Note has a deemed substantial interest in the Issuer if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

### **Withholding Tax**

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as debt that effectively functions as equity for purposes of article 10, paragraph 1, sub d of the

Corporate Tax Act (*Wet op de vennootschapsbelasting 1969*). According to Supreme Court case law, the Notes effectively function as equity if (i) the Notes are subordinated to all non-subordinated creditors of the Issuer, (ii) the Notes do not have a fixed maturity or have a maturity of more than 50 years, and (iii) payments under the Notes are entirely or almost entirely dependent on the Issuer's profits.

## Taxes on Income and Capital Gains

### Residents

- Resident entities

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from a Note at rates up to 25.5%.

- Resident individuals

An individual holding a Note who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Note at rates up to 52 % if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Note will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. The deemed return amounts to 4% of the average value of the individual's net assets in the relevant fiscal year (including the Note). Subject to application of certain allowances, the deemed return will be taxed at a rate of 30%.

### Non-residents

A holder of a Note which is not, is not deemed to be, and - in case the holder is an individual - has not elected to be treated as, resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Note unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

## Gift and Inheritance Taxes

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

### **Value added Tax**

The issuance or transfer of a Note, and payments of interest and principal under a Note, will not be subject to value added tax in The Netherlands.

### **Other Taxes and Duties**

The subscription, issue, placement, allotment, delivery or transfer of a Note will not be subject to registration tax, stamp duty or any other similar tax or duty payable in The Netherlands.

### **Residence**

A holder of a Note will not be, or deemed to be, resident in The Netherlands for tax purposes and, subject to the assumptions and exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

### **EU Savings Tax Directive**

In accordance with EC Council Directive 2003/48/EC on the taxation of savings income, The Netherlands will provide to the tax authorities of another EU member state (and certain non-EU countries and associated territories specified in said directive) details of payments of interest or other similar income paid by a person within The Netherlands to, or collected by such a person for, an individual resident in such other state.

## **3. Luxembourg**

### **Non-Residents**

Under the existing laws of Luxembourg and except as provided for by the Luxembourg laws of 21 June 2005 implementing the EU Savings Tax Directive (as defined below), there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes made to non-residents of Luxembourg.

Under the Luxembourg laws of 21 June 2005 implementing the EU Savings Tax Directive and as a result of ratification by Luxembourg of certain related Accords with the relevant dependent and associated territories, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual holder of a Note or certain residual entities, who, as a result of an identification procedure implemented by the paying agent, are identified as residents or are deemed to be residents of an EU Member State other than Luxembourg or certain of those dependent or associated territories referred to under "*EU Savings Tax Directive*" below, will be subject to a withholding tax unless the relevant beneficiary has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her country of residence or deemed residence or, in the case of an individual holder of a Note, has provided a tax exemption certificate from his/her fiscal authority in the format required by law to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 20% until 30 June 2011 and at a rate of 35% thereafter.

### **Residents**

According to the law of 23 December 2005, as amended, interest on Notes paid by a Luxembourg paying agent or paying agents established in the EU, the EEA or in a State which has concluded an international agreement related to the EU Savings Tax Directive to an individual holder of Notes who is a resident of Luxembourg or to a residual entity established in another EU Member State or in the dependent and associated territories (as defined under the EU Savings Tax Directive) securing the payment for such individual will be subject to a withholding tax of 10%. In case of payment through a paying agent established in the EU, the EEA or in a State which has concluded an international agreement related to the EU Savings Tax Directive, the Luxembourg resident individual holder of Notes must under a specific procedure remit 10% tax to the Luxembourg Treasury.

If the individual holder holds the Notes in the course of the management of his or her private wealth, the aforementioned 10% withholding tax will operate a full discharge of income tax due on such payments.

Interest on Notes paid by a Luxembourg paying agent to a resident holder of Notes who is not an individual is not subject to withholding tax.

When used in the preceding paragraphs "*interest*", "*paying agent*" and "*residual entity*" have the meaning given thereto in the Luxembourg laws of 21 June 2005 (or the relevant Accords) and 23 December 2005, as amended. "*Interest*" will include accrued or capitalised interest at the sale, repayment or redemption of the Notes.

Payments of interest or similar income under the Notes to Clearstream Banking AG, Clearstream Banking, société anonyme and Euroclear Bank SA/NV and payments by or on behalf of Clearstream Banking, société anonyme to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

#### **4. EU Savings Tax Directive**

Under the EU Council Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**"), each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 20% from 1 July 2008, and of 35% from 1 July 2011. As from 2010 Belgium applies the information procedure described above.

In conformity with the prerequisites for the application of the EU Savings Tax Directive, a number of non-EU countries and territories, including Switzerland, agreed to apply measures equivalent to those contained in such directive (a withholding system in the case of Switzerland).

In Germany, provisions for implementing the EU Savings Tax Directive were enacted by legislative regulations of the Federal Government. These provisions apply since 1 July 2005.

Holders who are individuals should note that the Issuer will not pay additional amounts under § 7(c) of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result of the EU Savings Tax Directive.

## General Information

### General

The relevant Final Terms will specify which clearing system or systems (including CBF, CBL and Euroclear) has/have accepted the relevant Notes for clearance and provide any further appropriate information.

There are no interests of natural and legal persons involved in potential issues under the Programme, including conflicting ones that are material to the issue of Notes under the Programme.

### Selling Restrictions

#### 1. General

Each Dealer has agreed that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor the Guarantor (if Finance is the Issuer) and any other Dealer shall have any responsibility therefor.

Neither the Issuer nor the Guarantor (if Finance is the Issuer) and any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Final Terms.

#### 2. United States of America

- (a) The Notes have not been and will not be registered under the Securities Act, and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Note as part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to a Note.
- (b) From and after the time that the Issuer notifies the Dealers in writing that it is no longer able to make the representation set forth in Article 4 (1)(g)(i) of the Dealer Agreement, each Dealer (i) acknowledges that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act; (ii) has represented and agreed that it has not offered and sold any Notes, and will not offer and sell any Notes (x) as part of its distribution at any time and (y) otherwise until 40 days after the later of the commencement of the offering and closing date only in accordance with Rule 903 of Regulation S under the Securities Act, and (iii) accordingly has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S; and (iv) has also agreed that at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the

account or benefit of, U.S. persons by any person referred to in Rule 903 (b) (2) (iii) (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

- (c) Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of syndicated issue, the relevant Lead Manager) shall determine and notify to the Fiscal Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Fiscal Agent has agreed to notify such Dealer/Lead Manager of the end of the restricted period with respect to such Tranche.

Terms used in the above paragraph have the meanings given to them by Regulation S.

- (d) Each Dealer has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.
- (e) Notes other than Notes with a initial maturity of one year or less will be issued in accordance with the provisions of United States Treasury Regulation Section 1.163-5(c)(2)(i)(D) (the "**D Rules**"), or in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "**C Rules**"), as specified in the applicable Final Terms. In addition, in respect of Notes issued in accordance with the D Rules, each Dealer has represented and agreed that:
  - (i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D), (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
  - (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
  - (iii) if such Dealer is a United States person, it has represented that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if such Dealer retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6); and
  - (iv) with respect to each affiliate that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) has repeated and confirmed the agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (y) has agreed that it will obtain from such affiliate for the benefit of the Issuer the agreements contained in sub-clauses (i), (ii) and (iii).

Terms used in this paragraph (e) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

In addition, where the C Rules are specified in the relevant Final Terms as being applicable to any Tranche of Notes, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with the original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Notes in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in

this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

- (f) Each issue of index-, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the Final Terms. Each Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

### 3. European Economic Area

In relation to each Member State of the European Economic Area (the EU plus Iceland, Norway and Liechtenstein) which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3 (2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### **4. United Kingdom**

Each Dealer has represented and agreed, that:

in relation to any Notes which have a maturity of less than one year from the date of their issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer;

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **5. The Netherlands/Global**

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended).

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) to the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series/Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with. As used herein "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

#### **Use of Proceeds**

The net proceeds from each issue will be used for general financing purposes of Deutsche Telekom's group companies.

#### **Listing information**

##### ***Luxembourg Stock Exchange***

Application has been made to list Notes to be issued under the Programme on the official list of the Luxembourg Stock Exchange and to admit such Notes to trading on the Regulated Market of the Luxembourg Stock Exchange.

However, Notes may be issued pursuant to the Programme which will not be listed on the official list of and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

The above-mentioned documents are available for inspection at the head office of the Paying Agent in Luxembourg, Deutsche Bank Luxembourg S.A.

Each Paying Agent shall have available at its specified office a copy of the Amended and Restated Dealer Agreement dated 23 April 2010 (the "**Dealer Agreement**") and the Amended and Restated Agency Agreement dated 23 April 2010 and shall make available the inspection of these documents free of charge during normal business hours. Each Final Terms relating to the Notes which shall be quoted on the Regulated Market of the Luxembourg Stock Exchange may be obtained from the paying agent in Luxembourg.

### **Undertaking**

Each of the Issuers has undertaken, in connection with the listing of the Notes, that if, while Notes of an Issuer are outstanding and listed on the official list of as well as admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, there shall occur any adverse change in the business, financial position or otherwise of such Issuer or the Guarantor that is material in the context of issuance under the Programme which is not reflected in the Prospectus (or any of the Reference Documents) such Issuer and/or the Guarantor, as the case may be, will prepare or produce the preparation of a supplement to the Prospectus or, as the case may be, publish a new Prospectus for use in connection with any subsequent offering by such Issuer of Notes to be listed on the official list of and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

If the Terms and Conditions of the Notes (as set out in the Prospectus) are modified or amended in a manner which would make the Prospectus, as supplemented, inaccurate or misleading, a new Prospectus will be prepared to the extent required by law.

Each of the Issuers will, at the specified offices of the Paying Agents, provide, free of charge, upon the oral or written request therefor, a copy of the Prospectus (or any Reference Document). Written or oral requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the Listing Agent in Luxembourg.

### **Post Issuance Information**

In the case of Notes in respect of which payment of interest and/or principal is determined by reference to an underlying, the Issuers will not provide any post-issuance information regarding such underlying.

### **Authorisation**

The establishment of the Programme was authorised by the Board of Management of Deutsche Telekom and by the Board of Management and the Supervisory Board of Finance on 20 June 1997, 18 August 1997 and 1 September 1997, respectively. The increase of the aggregate principal amount of Notes which may be issued under the Programme was authorised by the Board of Management of Deutsche Telekom and by the Board of Management and the Supervisory Board of Finance on 11 April 2000, as well as on 22 March 2000 and 27 March 2000, respectively. The further increase of the aggregate principal amount of Notes which may be issued under the Programme to EUR 15,000,000,000 was authorised by the Board of Management of Deutsche Telekom on 14 May 2001 and by the Board of Management of Finance on 18 May 2001 and the Supervisory Board of Finance on 21 May 2001. The further increase of the aggregate principal amount of Notes which may be issued under the Programme to EUR 20,000,000,000 was authorised by the Board of Management of Deutsche Telekom on 1 April 2003 and by the Board of Management of Finance on 1 April 2003 and by the Supervisory Board of Finance on 1 April 2003. The further increase of the aggregate principal amount of Notes which may be issued under the Programme to EUR 25,000,000,000 was authorised by the Board of Management of Deutsche Telekom on 29 March 2007 and by the Board of Management of Finance on 28 March 2007 and by the Supervisory Board of Finance on 28 March 2007.

## **Names and Adresses**

### **Issuers**

Deutsche Telekom AG  
Friedrich-Ebert-Allee 140  
53113 Bonn  
Federal Republic of Germany

Deutsche Telekom International Finance B.V.  
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The Netherlands

### **Guarantor**

Deutsche Telekom AG  
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53113 Bonn  
Federal Republic of Germany

### **Arranger**

Deutsche Bank Aktiengesellschaft  
Große Gallusstraße 10-14  
60272 Frankfurt am Main  
Federal Republic of Germany

### **Dealers**

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Barclays Bank PLC  
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London E14 4BB  
United Kingdom

Citigroup Global Markets Limited  
Citigroup Centre  
Canada Square  
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London E14 5LB  
United Kingdom  
DZ BANK AG Deutsche  
Zentral-Genossenschaftsbank,  
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The Royal Bank of Scotland plc  
135 Bishopsgate  
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UniCredit Bank AG  
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Federal Republic of Germany

WestLB AG  
Herzogstraße 15  
40217 Düsseldorf  
Federal Republic of Germany

### **Agents**

*Fiscal and Principal Paying Agent*  
Deutsche Bank Aktiengesellschaft  
Trust & Securities Services (TSS)  
Große Gallusstraße 10-14  
60272 Frankfurt am Main  
Federal Republic of Germany

*Paying Agent*  
Deutsche Bank Luxembourg S.A.  
2 boulevard Konrad Adenauer  
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Luxembourg

*Listing Agent*  
Deutsche Bank Luxembourg S.A.  
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1115 Luxembourg  
Luxembourg

### **Legal Advisers**

#### *To the Dealers*

Clifford Chance LLP  
Droogbak 1a  
1013 GE Amsterdam  
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Hengeler Mueller  
Partnerschaft von Rechtsanwälten  
Bockenheimer Landstraße 24  
60323 Frankfurt am Main  
Federal Republic of Germany

### **Auditors of**

*Deutsche Telekom AG*  
PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft  
Olof-Palme-Straße 35  
60439 Frankfurt am Main  
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*Deutsche Telekom International Finance B.V.*  
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