



MEDIA INFORMATION

Bonn, May 8, 2014

Deutsche Telekom receives further boost in growth from United States in the first quarter

- Net revenue up 8.0 percent to EUR 14.9 billion
- Adjusted EBITDA down 3.9 percent as a result of market investments in the U.S.
- Net profit more than tripled to EUR 1.8 billion due to partial sale of Scout24
- T-Mobile US with 1.3 million new branded postpaid customers; total net additions of 2.4 million
- Record number of VDSL and FTTH fiber-optic lines in Germany
- Europe accelerates network build-out and drives forward revenue transformation

Thanks to the booming U.S. business, Deutsche Telekom upped the pace of growth in the first quarter of 2014. Revenue increased 8.0 percent year-on-year to EUR 14.9 billion in the first quarter. In organic terms, i.e., adjusted for changes in the composition of the Group, like the merger with MetroPCS in the United States, as well as currency effects, revenue still increased substantially by 4.2 percent. At the same time, adjusted EBITDA fell 3.9 percent to EUR 4.1 billion; in organic terms, it decreased by 8.3 percent. This decline was mainly attributable to higher market investments in the United States, which resulted in 2.4 million net customer adds between January and March.

"Our success story in the United States continues. The decision to invest boldly in this market was right on the mark," stated Tim Höttges, CEO of Deutsche Telekom. "We are once again delivering figures in the first quarter that confirm



we are on the right track to achieving our leadership ambition in Europe's telecommunications industry."

The positive development in the first quarter comprises more than just the continued customer rush in the United States. In Germany, the Telekom and Congstar brands attracted 204,000 new mobile contract customers. At the same time, the 222,000 new lines based on the fiber-optic products VDSL and FTTH constitute a record high. In Europe, further progress was made with the migration to the IP platform and with the revenue transformation.

At EUR 1.8 billion, net profit was more than three times higher in the first three months than in the prior-year period. This is attributable to income from the partial sale of the Scout24 group. Adjusted for this factor, net profit decreased by 23.5 percent to EUR 587 million, reflecting the decline in adjusted EBITDA. Free cash flow declined 5.3 percent to EUR 983 million. Net debt was reduced by more than EUR 1 billion compared with the end of 2013 to EUR 38.0 billion.

Deutsche Telekom confirms its guidance for the full year 2014. Adjusted EBITDA is expected to be around EUR 17.6 billion, with free cash flow of around EUR 4.2 billion.

Germany – Record demand for fiber-optic products

On its home market, Deutsche Telekom held its lead in mobile service revenues, which were up 0.2 percent year-on-year. Customer growth in the German mobile business continued successfully. In the first quarter, Telekom won 551,000 mobile contract customers. Alongside customers gained in business with service providers, 204,000 of these additions were attributable to business under the Telekom and Congstar brands.



Fiber-optic products VDSL and FTTH recorded the highest net additions since market launch. In the first three months of this year, 222,000 customers opted for a fiber-optic line, compared with 156,000 in the same period in 2013. Of these customers, 93,000 came from the wholesale sector, mainly due to the success of what is known as the contingent model. The total number of fiber-optic lines increased by 53 percent within one year to over 1.7 million.

Development in the broadband market is still under pressure. The Company lost 7,000 broadband customers overall, hence the trend improved substantially compared with the previous three quarters. The network build-out has gained further momentum: Coverage with fiber-optic lines grew from 34 percent to 38 percent year-on-year; population coverage with the mobile standard LTE reached 74 percent after just 50 percent a year earlier. The migration to the all-IP platform is also progressing at an accelerating pace, with 2.6 million lines already migrated by the end of the first quarter.

Revenue in the Germany operating segment decreased 1.5 percent year-on-year to EUR 5.5 billion in the first quarter of 2014. Adjusted EBITDA was down 1.1 percent to EUR 2.2 billion, resulting in an adjusted EBITDA margin of 40.7 percent, which is slightly up on the prior-year level.

United States – Customer forecast revised upwards

T-Mobile US has once again caused a sensation on the U.S. mobile market with a new initiative. Since January, as part of the Un-carrier phase 4.0, the company has been reimbursing new customers' early termination fees charged by previous providers.

This contributed to further very strong customer growth. In the first quarter, T-Mobile US won 1.3 million new branded postpaid customers. In this customer segment, the churn rate fell to 1.5 percent, compared with 1.9 percent a year



earlier. The total customer base increased by 2.4 million to 49.1 million. T-Mobile US revised its forecast for customer acquisition upwards, with 2.8 to 3.3 million net branded postpaid additions now expected in full year 2014. The previous forecast had been for between 2 and 3 million.

Customer growth also impacts on the financial figures. Total revenue increased by 43.3 percent to EUR 5.1 billion compared with the first quarter of 2013. In U.S. dollar terms, it increased by as much as almost 50 percent. Excluding the effect of the first-time consolidation of MetroPCS as of May 1, 2013, organic revenue growth amounted to 16.4 percent. Increased expenses for customer acquisition and marketing had a negative effect on adjusted EBITDA. In the first quarter of 2014, adjusted EBITDA decreased by 1.3 percent year-on-year in U.S. dollar terms; in euro terms, it declined by 5.0 percent to EUR 0.8 billion.

Europe – Revenue transformation advances

Transformation in business in Europe made further progress in the first quarter. The proportion of revenue generated by growth areas is now 25 percent compared with 22 percent a year earlier, thanks in particular to mobile data revenue and B2B/ICT business. LTE network coverage was substantially expanded. The number of base stations for the fourth-generation mobile communications standard increased from around 1,200 to some 6,700 within a year.

The migration to all-IP lines also progressed successfully. The proportion of IP-based lines grew by 10 percentage points to 29 percent. Following the complete migration in Macedonia, Slovak Telekom has now migrated 69 percent of lines and is on track to complete the IP conversion by the end of the year.

Revenue in the Europe operating segment declined by 2.6 percent in organic terms – i.e., adjusted for the effects of changes in the composition of the Group, such as the sale of the Bulgarian company Globul, and exchange rate effects – to EUR 3.1 billion. This was primarily due to regulatory decisions in mobile communications. The reported year-on-year revenue decline was 6.5 percent. In organic terms, adjusted EBITDA declined by 2.3 percent. On a reported basis, it declined by 6.4 percent to EUR 1.0 billion.

Systems Solutions – Realignment begins

A focus on profitability is the heart of the transformation program T-Systems 2015+. The financial figures for the first quarter of 2014 show the initial effects of this strategic realignment. In the first three months of this year, order entry in the Market Unit, which mainly comprises T-Systems' external business, declined by 28.4 percent year-on-year to EUR 1.4 billion. This reflects compliance with stricter profitability criteria for new business introduced as part of the restructuring.

It is therefore all the more pleasing that T-Systems has won one of the biggest systems integration orders in the history of the company. The contract with Daimler AG has an order volume in the three-digit million range. In the long term, T-Systems will assume sole responsibility for maintaining, developing, and integrating numerous software applications across all of the automaker's important business areas. In addition to cooperating in conventional systems integration business, the two companies will advance promising future topics such as connected cars and the cloud-based workplace together.

The abstention from less profitable activities is also having an impact on the Market Unit's revenue. Discontinued business activities, such as hardware reselling, as well as the still difficult industry climate resulted in a revenue decline of 6.7 percent to EUR 1.7 billion. Adjusted for the sales of T-Systems



Italia and the Systems Integration business unit in France, as well as exchange rate effects, revenue decreased 4.1 percent in the first quarter.

This revenue decline also impacts on earnings. The adjusted EBIT margin fell to minus 0.4 percent in the first quarter, compared with plus 0.2 percent one year ago. The reduction of the Group's IT costs is progressing according to plan. They declined by another 4.3 percent in the first quarter of 2014 compared with the prior year.



The Deutsche Telekom Group at a glance:

	Q1 2014 millions of €	Q1 2013 millions of €	Change %	FY 2013 millions of €
Revenue	14,894	13,785	8.0	60,132
Proportion generated internationally %	58.7	54.3	4.4p	57.8
EBITDA	5,638	4,079	38.2	15,834
Adjusted EBITDA	4,121	4,288	(3.9)	17,424
Net profit	1,817	564	n.a.	930
Adjusted net profit	587	767	(23.5)	2,755
Free cash flow ^a	983	1,038	(5.3)	4,606
Cash capex ^b (excl. spectrum)	2,065	2,087	(1.1)	8,861
Cash capex ^b	2,197	3,024	(27.3)	11,068
Net debt	37,964	37,119	2.3	39,093
Number of employees ^c	227,240	229,456	(1.0)	228,596

Comments on the table:

MetroPCS was included in Deutsche Telekom's consolidated financial statements for the first time as of May 1, 2013.

- a Before dividend payments, investments in spectrum, and before effects in connection with the AT&T transaction and compensation payments for MetroPCS employees.
- b Cash outflows for investments in property, plant and equipment, and intangible assets (excluding goodwill).
- c At reporting date.

Operating segments:

	Q1 2014 millions of €	Q1 2013 millions of €	Change %	FY 2013 millions of €
Germany				
Total revenue	5,483	5,566	(1.5)	22,435
EBITDA	2,205	2,118	4.1	8,401
Adjusted EBITDA	2,230	2,255	(1.1)	8,936
Number of employees ^a	67,318	68,636	(1.9)	66,725
United States^b				
Total revenue	5,074	3,541	43.3	18,556
EBITDA	795	854	(6.9)	3,642
Adjusted EBITDA	844	888	(5.0)	3,874
Europe				
Total revenue	3,125	3,343	(6.5)	13,704
EBITDA	1,012	1,139	(11.2)	4,371
Adjusted EBITDA	1,027	1,097	(6.4)	4,550
Systems Solutions				
Order entry	1,414	1,976	(28.4)	7,792
Total revenue	2,052	2,226	(7.8)	9,038
Of which Market Unit	1,679	1,800	(6.7)	7,244
Adjusted EBITDA margin (%)	(0.1)	0.2	(0.3p)	1.5
Adj. EBIT margin, Market Unit (%)	(0.4)	0.2	(0.6p)	2.8
EBITDA	81	108	(25.0)	358
Adjusted EBITDA	138	168	(17.9)	774

Comments on the table:

ICSS/GNF business at the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014, and is now reported under the Europe operating segment. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative prior-year figures have been adjusted retrospectively.

a At reporting date.

b First-time inclusion of MetroPCS as of May 1, 2013.



Development of customer numbers

Operating segments: Development of customer numbers in year-on-year comparison

	Mar. 31, 2014 thousands	Mar. 31, 2013 thousands	Change thousands	Change %
Germany				
Mobile customers	39,145	37,005	2,140	5.8
Of which contract customers	22,104	20,011	2,093	10.5
Fixed-network lines	21,202	22,113	(911)	(4.1)
Of which IP-based	2,640	1,215	1,425	n.a.
Broadband lines	12,354	12,443	(89)	(0.7)
Of which fiber (FTTC/VDSL, vectoring, and FTTH)	1,375	1,015	360	35.5
TV (IPTV, satellite)	2,255	2,036	219	10.8
Unbundled local loop lines (ULLs)	9,207	9,422	(215)	(2.3)
United States^a				
Mobile customers	49,075	33,968	15,107	44.5
Of which branded postpaid customers	23,622	20,094	3,528	17.6
Of which branded prepay customers	15,537	6,028	9,509	n.a.
Europe^b				
Mobile customers	56,615	56,949	(334)	(0.6)
Of which contract cust.	25,521	25,035	486	1.9
Fixed-network lines	9,215	9,595	(380)	(4.0)
Of which IP-based	2,680	1,803	877	48.6
Retail broadband lines	4,784	4,560	224	4.9
TV (IPTV, satellite, cable)	3,558	2,969	589	19.8

Comments on the table:

a First-time inclusion of MetroPCS as of May 1, 2013.

b The fixed-network customers of our subsidiary Euronet Communications in the Netherlands have not been included in the Europe operating segment since January 2, 2014, following the sale of the shares held in the company. They have been eliminated from all historical customer figures to improve comparability.



Operating segments: Development of customer numbers in the first quarter of 2014

	Mar. 31, 2014 thousands	Dec. 31, 2013 thousands	Change thousands	Change %
Germany				
Mobile customers	39,145	38,625	520	1.3
Of which contract customers	22,104	21,553	551	2.6
Fixed-network lines	21,202	21,417	(215)	(1.0)
Of which IP-based	2,640	2,141	499	23.3
Broadband lines	12,354	12,360	(6)	(0.0)
Of which fiber (FTTC/VDSL, vectoring, and FTTH)	1,375	1,246	129	10.4
TV (IPTV, satellite)	2,255	2,177	78	3.6
Unbundled local loop lines (ULLs)	9,207	9,257	(50)	(0.5)
United States^a				
Mobile customers	49,075	46,684	2,391	5.1
Of which branded postpaid customers	23,622	22,299	1,323	5.9
Of which branded prepay customers	15,537	15,072	465	3.1
Europe^b				
Mobile customers	56,615	56,679	(64)	(0.1)
Of which contract customers	25,521	25,509	12	0.0
Fixed-network lines	9,215	9,284	(69)	(0.7)
Of which IP-based	2,680	2,472	208	8.4
Retail broadband lines	4,784	4,744	40	0.8
TV (IPTV, satellite, cable)	3,558	3,503	55	1.6

Comments on the table:

a First-time inclusion of MetroPCS as of May 1, 2013.

b The fixed-network customers of our subsidiary Euronet Communications in the Netherlands have not been included in the Europe operating segment since January 2, 2014, following the sale of the shares held in the company. They have been eliminated from all historical customer figures to improve comparability.

This media information contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These forward-looking statements include statements with regard to the expected development of revenue, earnings, profits from operations, depreciation and amortization, cash flows, and personnel-related measures. They should therefore be considered with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom's control. Among the factors that might influence our ability to achieve our objectives are the progress of our workforce reduction initiative and other cost-saving measures, and the impact of other significant strategic, labor, or business initiatives, including acquisitions, dispositions, business combinations, and our network upgrade and expansion initiatives. In addition, stronger than expected competition, technological change, legal proceedings and regulatory developments, among other factors, may have a material adverse effect on our costs and revenue development. Further, the economic downturn in our markets, and changes in interest and currency exchange rates, may also have an impact on our business development and the availability of financing on favorable conditions. Changes to our expectations concerning future cash flows may lead to impairment write downs of assets carried at historical cost, which may materially affect our results at the group and operating segment levels. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, our actual performance may materially differ from the performance expressed or implied by forward-looking statements. We can offer no assurance that our estimates or expectations will be achieved. Without prejudice to existing obligations under capital market law, we do not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

In addition to figures prepared in accordance with IFRS, Deutsche Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted net profit, free cash flow, gross debt, and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.



LIFE IS FOR SHARING.

Deutsche Telekom AG

Corporate Communications

Tel.: +49 (0) 228 181-49 49

E-mail: media@telekom.de

Further information for media representatives is available at:
www.telekom.com/media and www.telekom.com/photos

For smartphone and tablet users:

Simply scan
the QR code and
download
the presentation.



DEUTSCHE TELEKOM

Q1/14 RESULTS



LIFE IS FOR SHARING.

DISCLAIMER

This presentation contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These forward-looking statements include statements with regard to the expected development of revenue, earnings, profits from operations, depreciation and amortization, cash flows and personnel-related measures. You should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom's control. Among the factors that might influence our ability to achieve our objectives are the progress of our workforce reduction initiative and other cost-saving measures, and the impact of other significant strategic, labor or business initiatives, including acquisitions, dispositions and business combinations, and our network upgrade and expansion initiatives. In addition, stronger than expected competition, technological change, legal proceedings and regulatory developments, among other factors, may have a material adverse effect on our costs and revenue development. Further, the economic downturn in our markets, and changes in interest and currency exchange rates, may also have an impact on our business development and the availability of financing on favorable conditions. Changes to our expectations concerning future cash flows may lead to impairment write downs of assets carried at historical cost, which may materially affect our results at the group and operating segment levels. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, our actual performance may materially differ from the performance expressed or implied by forward-looking statements. We can offer no assurance that our estimates or expectations will be achieved. Without prejudice to existing obligations under capital market law, we do not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

In addition to figures prepared in accordance with IFRS, Deutsche Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted net income, free cash flow, gross debt and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.

REVIEW Q1/14



LIFE IS FOR SHARING.

LEADING TELCO: STRATEGIC AND FINANCIAL KEY ACHIEVEMENTS IN Q1

STRATEGIC ACHIEVEMENTS

- All-IP migration: Voice IP migration in Macedonia accomplished, Germany with 499k migrations in Q1
- LTE and fiber roll out running at full speed in Germany
- Clear ownership structure in Czech Republic enables integration of fixed and mobile
- Approval of GTS transaction will strengthen European business footprint
- T-Systems 2015+ restructuring started with sale of IDS

Q1 HIGHLIGHTS

- Group revenue growth of 8%, organic growth of 4.2%
- Adj. EBITDA of € 4.1 billion driven by record customer growth in the US – catch up expected in upcoming quarters
- FCF of € 1 billion almost unchanged compared to previous year
- Proceeds from sale of Scout24 reduce net debt
- Guidance for FY 2014 confirmed



Q1/14: KEY FIGURES

€ mn	Q1		
	2013	2014	Change
Revenue	13,785	14,894	8.0%
Adj. EBITDA	4,288	4,121	-3.9%
Adj. net profit	767	587	-23.5%
Net profit	564	1,817	222.2%
Adj. EPS (in €)	0.18	0.13	-27.8%
EPS (in €)	0.13	0.41	215.4%
Free cash flow ¹	1,038	983	-5.3%
Cash capex ²	2,087	2,065	-1.1%
Net debt (in € bn)	37.1	38.0	2.3%

1) Free cash flow before dividend payments and spectrum investment

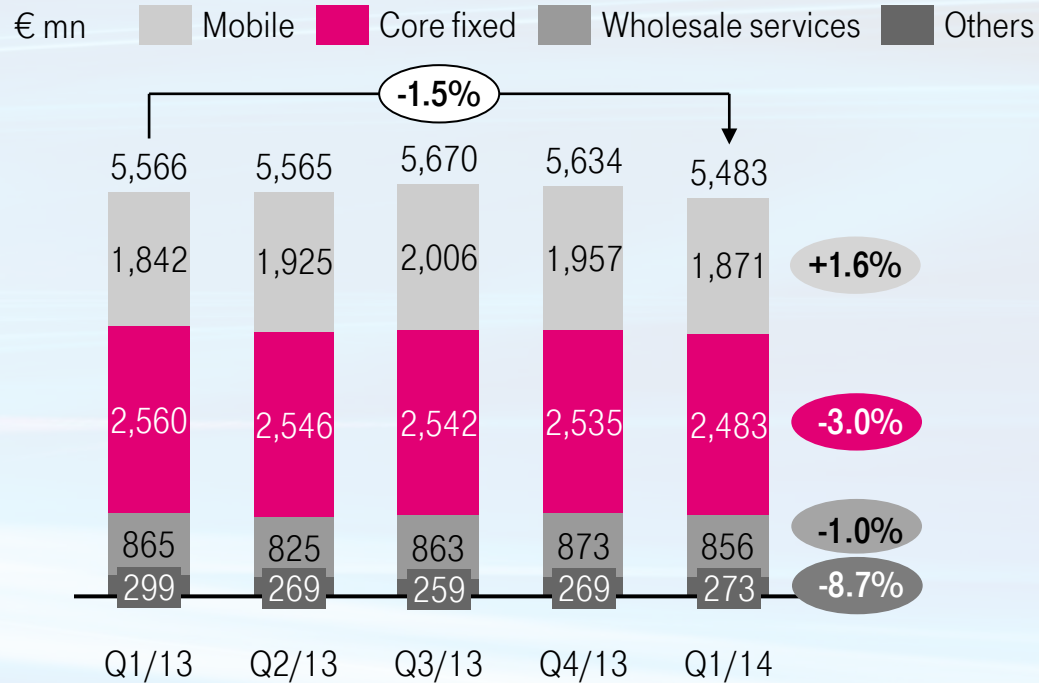
2) Before spectrum payments. Q1/13: 937 million €. Q1/14: 132 million €



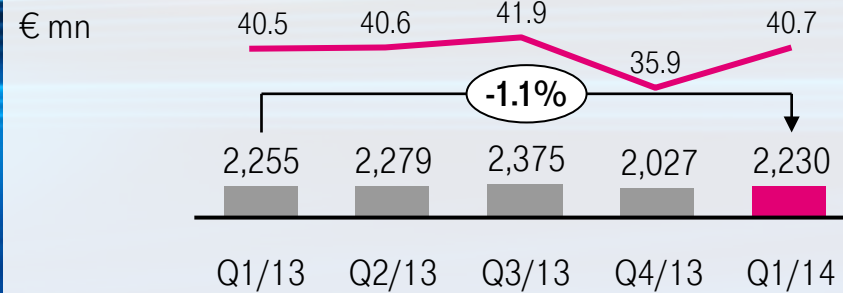
LIFE IS FOR SHARING.

GERMANY: CONTINUED STRONG REVENUE TREND AND MARGIN

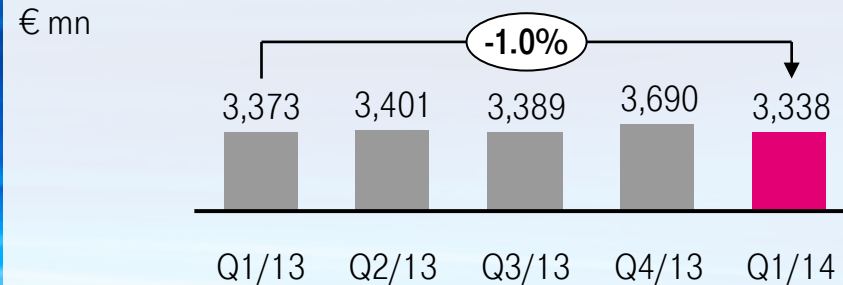
REVENUE



ADJ. EBITDA AND MARGIN (IN %)



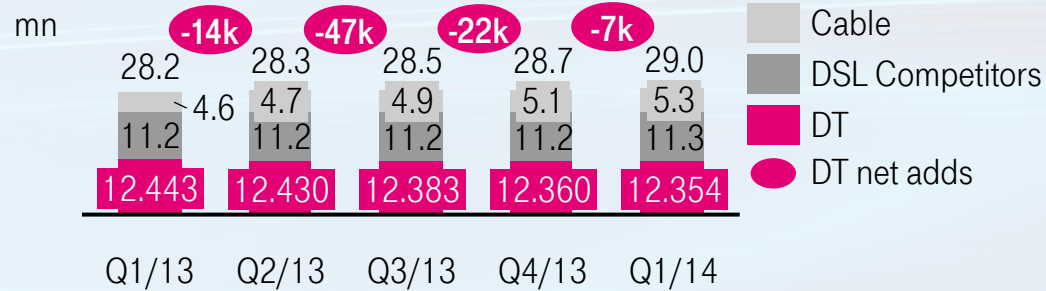
ADJ. OPEX



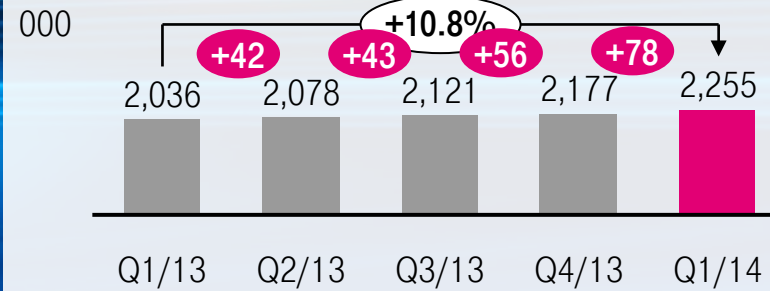
LIFE IS FOR SHARING.

GERMANY FIXED: STRONG PERFORMANCE IN TV AND FIBER

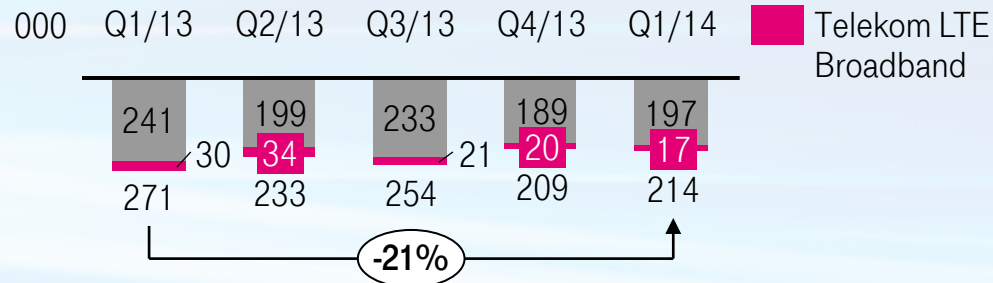
GERMAN BROADBAND MARKET¹



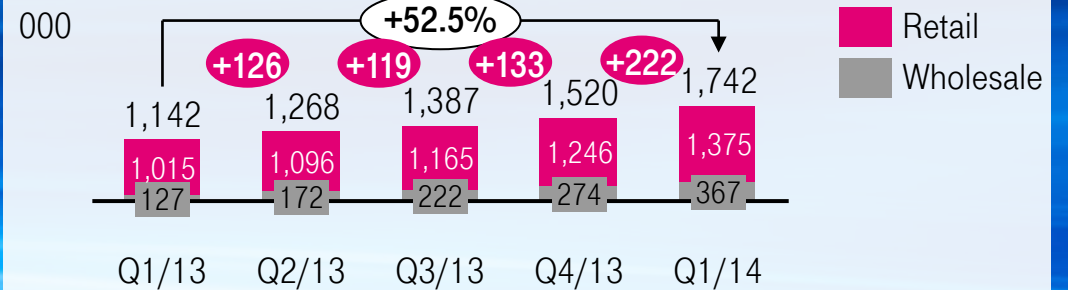
ENTERTAIN CUSTOMERS



LINE LOSSES



FIBER CUSTOMERS



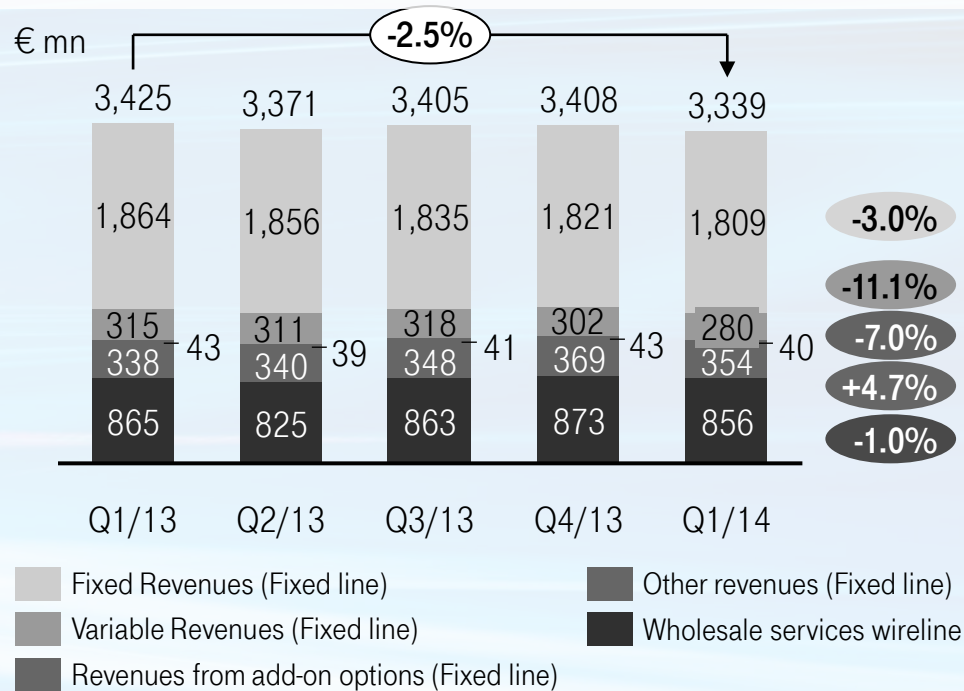
1) Based on management estimates



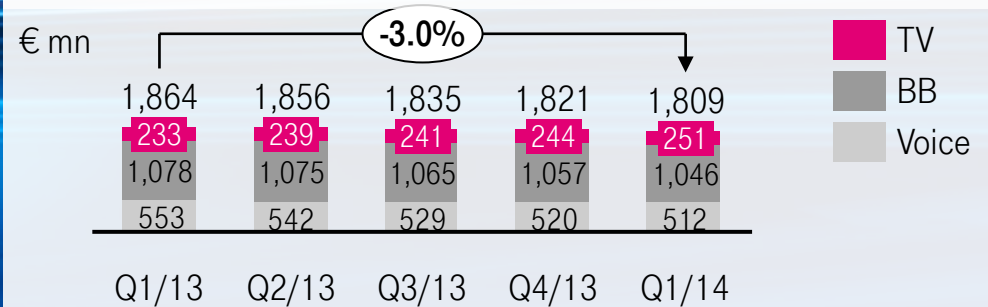
LIFE IS FOR SHARING.

GERMANY FIXED: REVENUE NOT YET STABILIZED DESPITE UPSELL

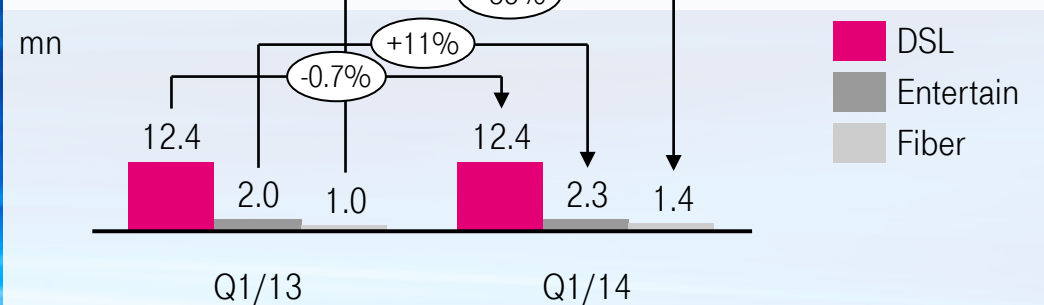
FIXED NETWORK REVENUE (CORE FIXED AND WHOLESALE)



FIXED REVENUES (FIXED LINE)



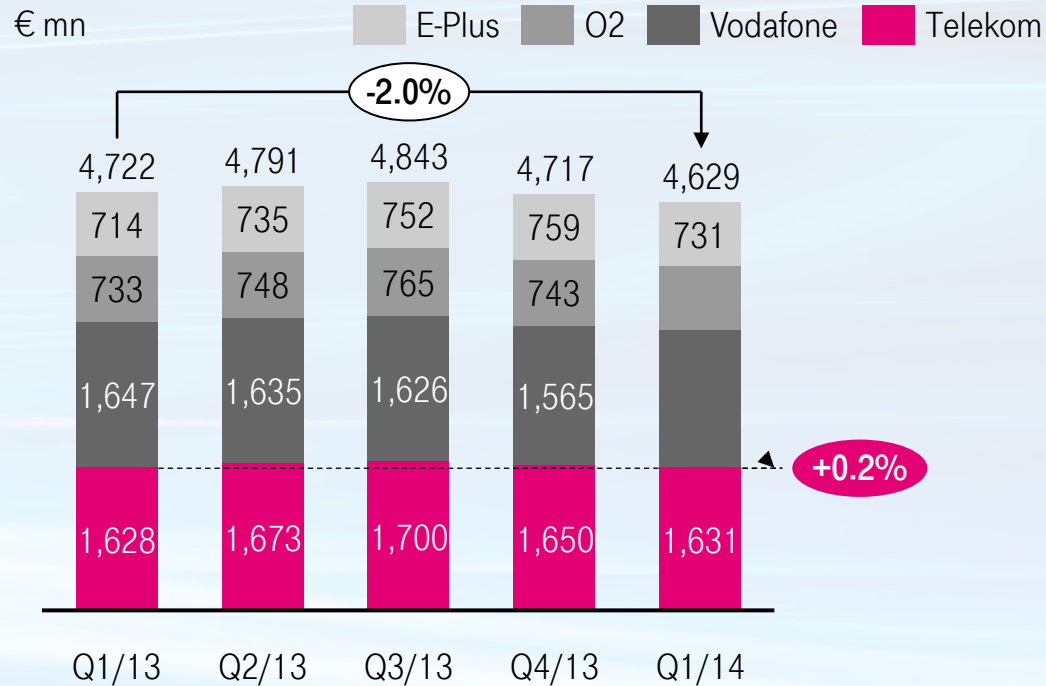
UPSELL STRATEGY ACCESS



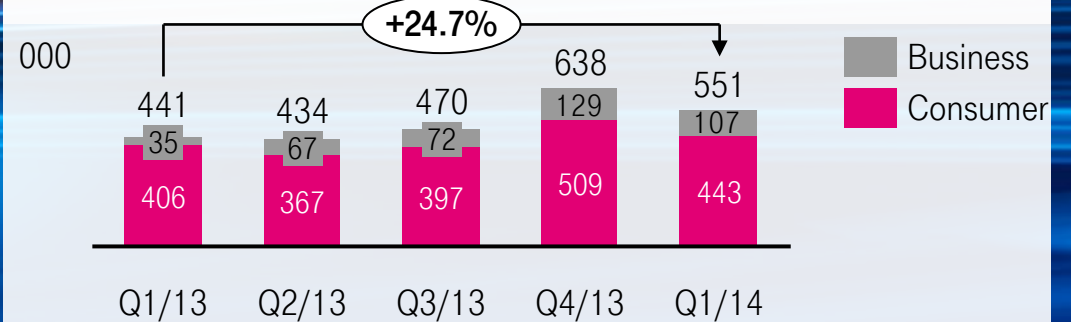
LIFE IS FOR SHARING.

GERMANY MOBILE: RETURNING TO SERVICE REVENUE GROWTH

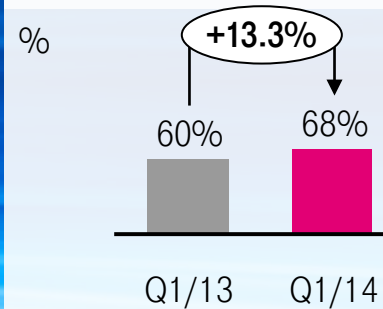
GERMAN MOBILE MARKET SERVICE REVENUE¹



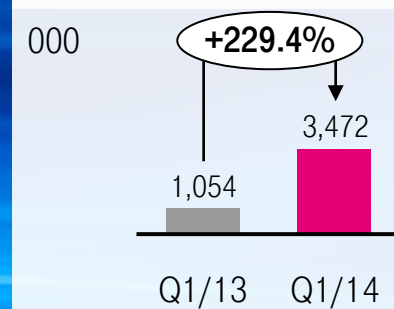
CONTRACT NET ADDS



SMARTPHONE PENETRATION²



LTE CUSTOMERS³



1) Based on management estimates

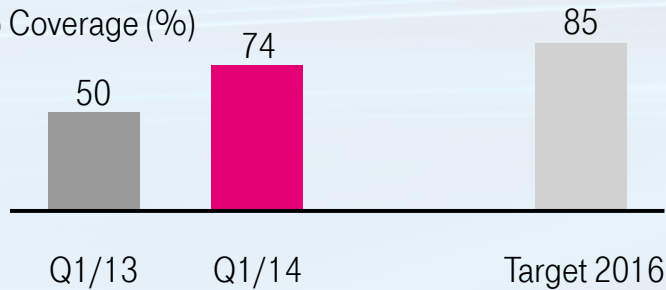
2) Of own branded retail customers

3) customers using a LTE-device and tariff plan including LTE

GERMANY: INTEGRATED NETWORK ROLLOUT AND ALL-IP MIGRATION FULLY ON TRACK

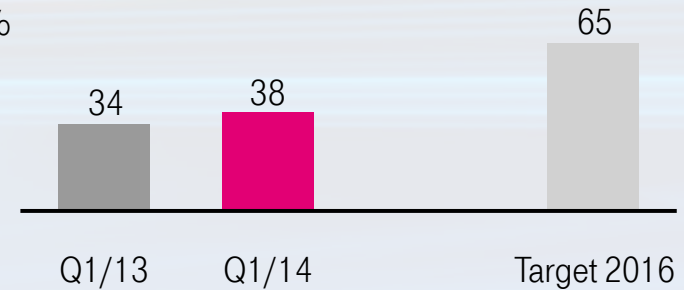
INS- STATUS LTE ROLLOUT

Outdoor Pop Coverage (%)



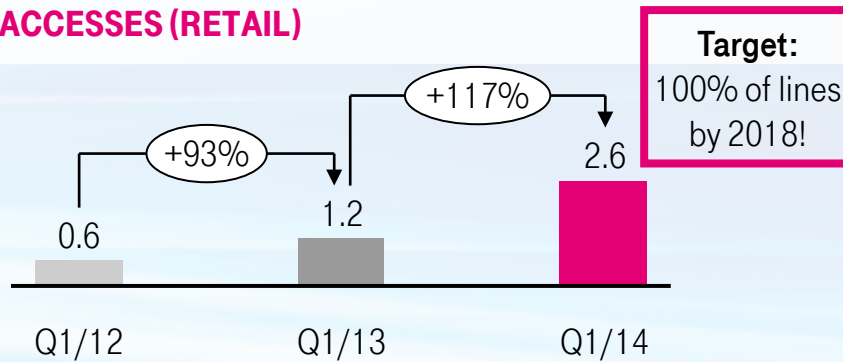
INS- STATUS FIBER ROLLOUT¹

Coverage %

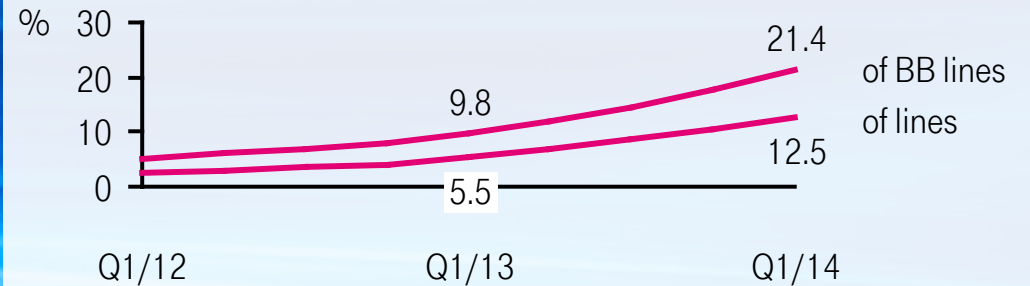


STATUS IP ACCESSES (RETAIL)

mn



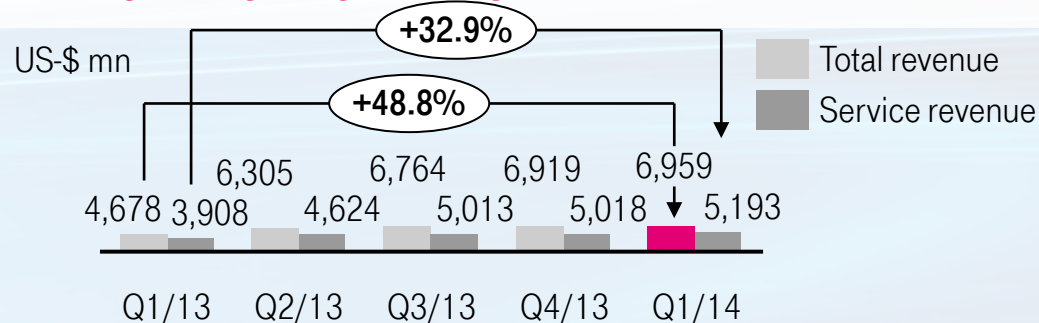
STATUS IP ACCESSES (RETAIL)



1) in % of households within fixed network coverage in Germany

TMUS: RECORD QUARTER IN CUSTOMER ADDITIONS

REVENUE AND SERVICE REVENUE

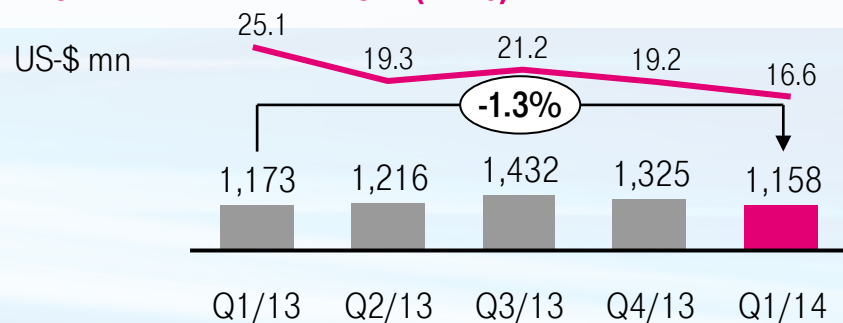


NET ADDITIONS

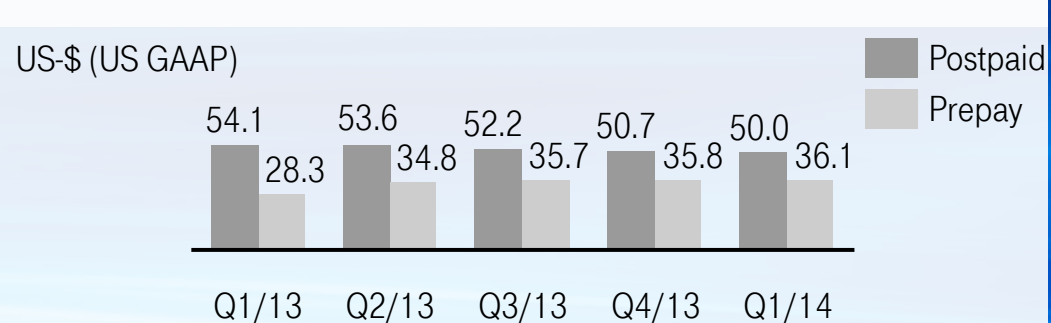
in 000

Total net adds	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14
Total net adds	579	1,130	1,023	1,645	2,391
Branded:					
▪ Postpaid	-199	688	648	869	1,323
▪ Prepay	202	-10	24	112	465
Wholesale ¹	576	452	351	664	603

ADJ. EBITDA AND MARGIN (IN %)



BRANDED CUSTOMERS: POSTPAID AND PREPAY ARPU

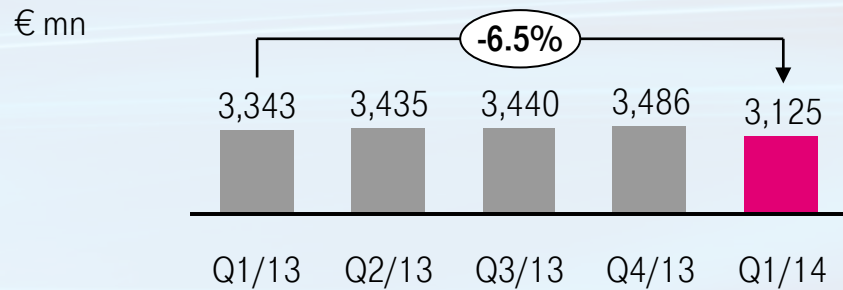


1) Wholesale includes MVNO and machine-to-machine (M2M). Amounts may not add up due to rounding.

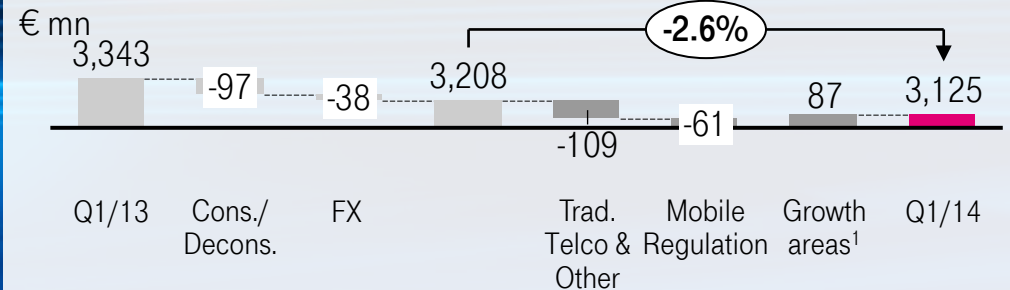


EUROPE: ORGANIC REVENUE AND ADJ. EBITDA TRENDS

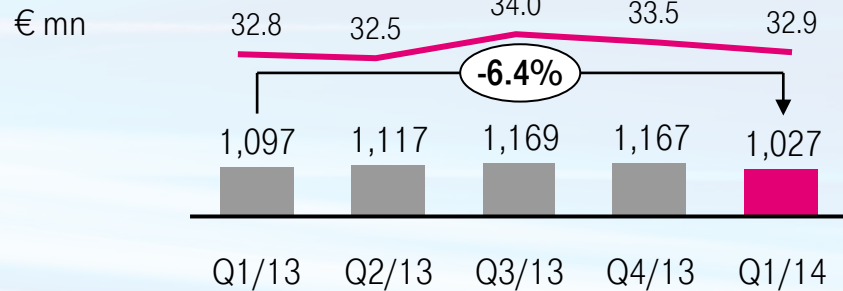
REVENUE AS REPORTED



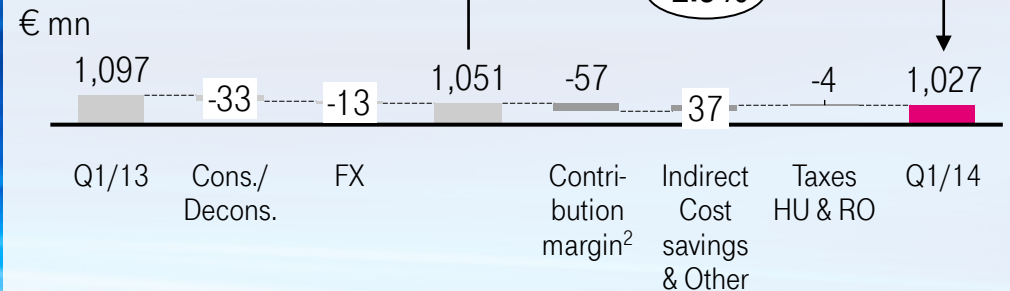
ORGANIC REVENUE DEVELOPMENT



ADJ. EBITDA AND MARGIN (IN %) AS REPORTED



ORGANIC ADJ. EBITDA DEVELOPMENT

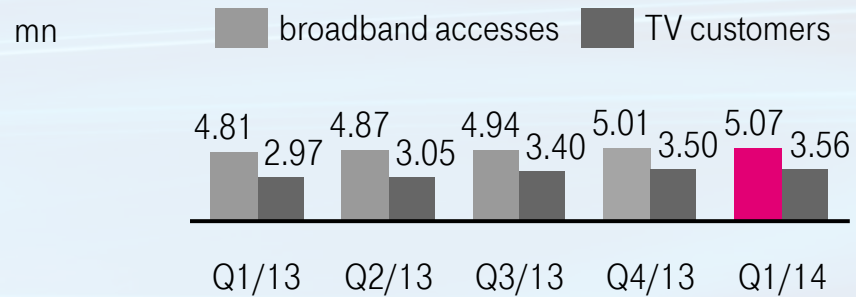


1) Mobile Data, Pay TV & fixed broadband, B2B/ICT, adjacent industries (online consumer services, energy and other) 2) Total Revenues - Direct Cost

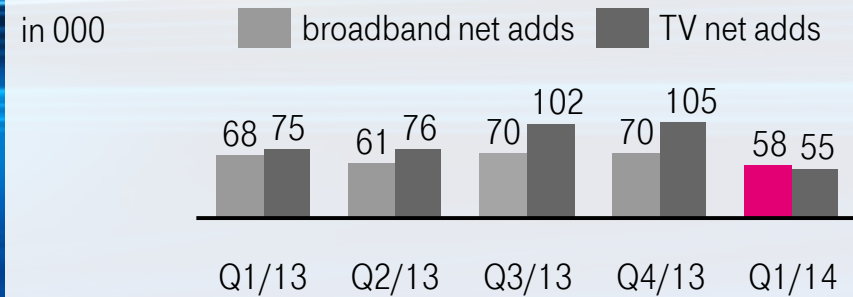


EUROPE: CONTINUED GROWTH IN MOBILE AND FIXED KEY AREAS

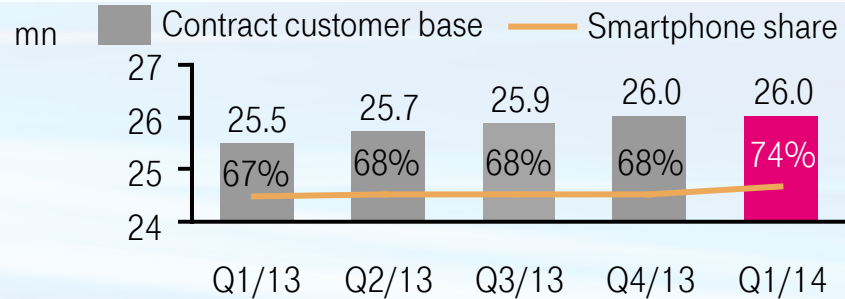
POCKETS OF GROWTH - BROADBAND AND TV¹



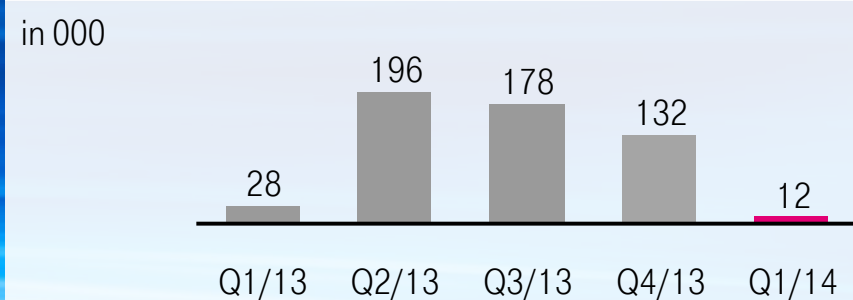
NET ADDS - BROADBAND AND TV¹



POCKETS OF GROWTH - MOB. CONTRACT AND SMARTPHONES¹



NET ADDS - MOBILE CONTRACT¹

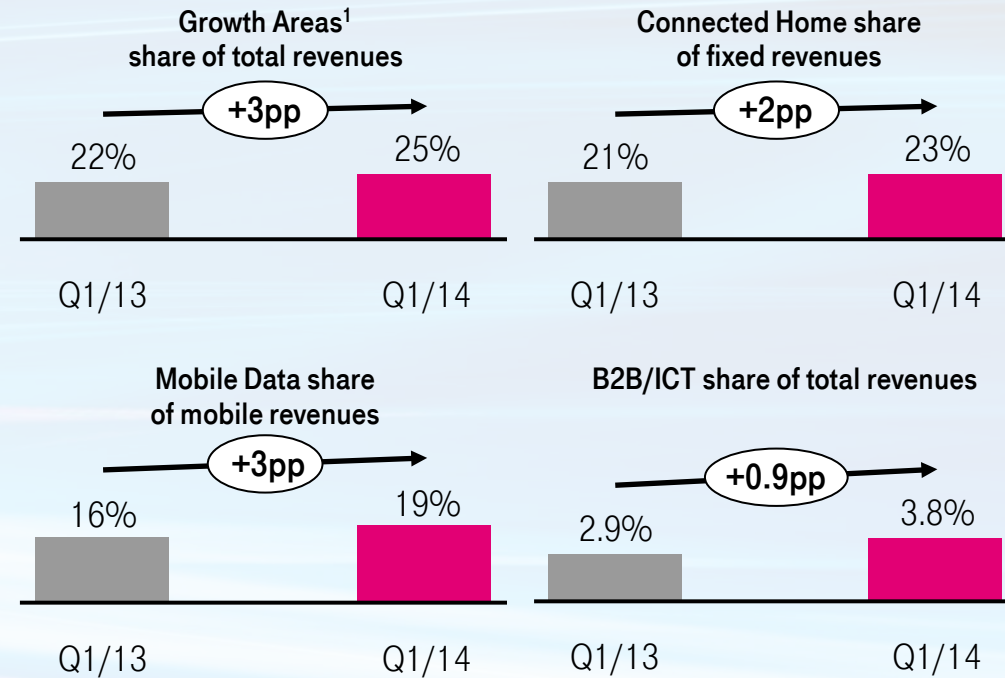


¹) incl. business customers shifted to T-Systems in Hungary as of 1.1.2011. Smartphone share w/o AL and Bulgaria based on purchased devices. TV figures include DiGi Slovakia as of 1. September 2013 (not counted as net adds). The customers of our companies in Bulgaria and Online in the Netherlands are no longer included in the Europe operating segment since August 1, 2013 and January 2, 2014 respectively following the sale of the shares held in the companies. They have been eliminated from the historical customer figures to improve comparability.

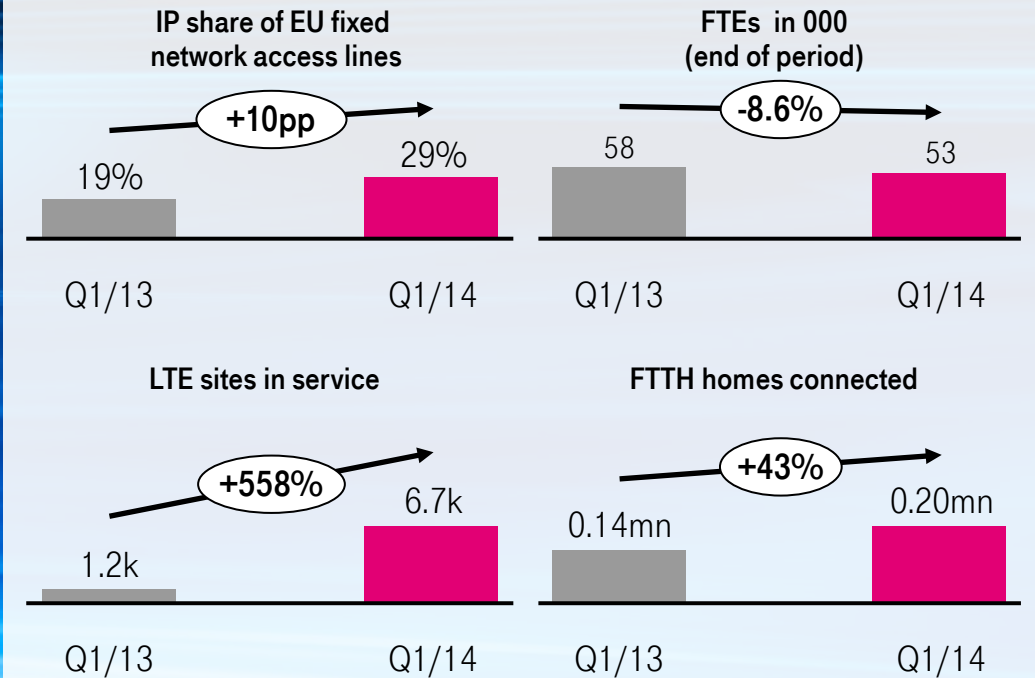


EUROPE: REVENUE AND COST TRANSFORMATION ONGOING

REVENUE TRANSFORMATION



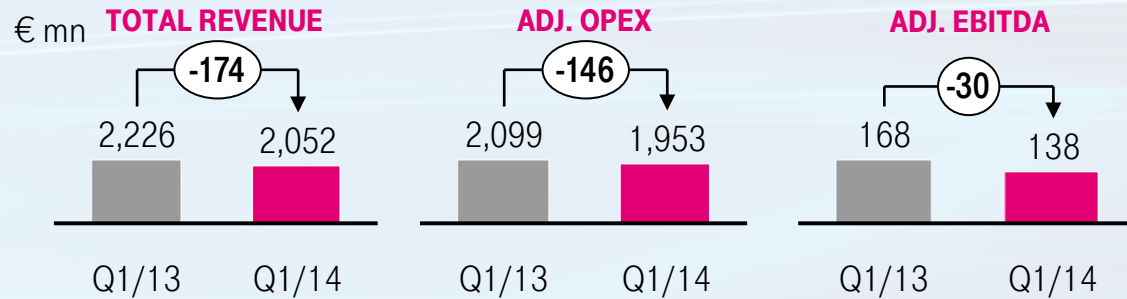
TECHNOLOGY AND COST TRANSFORMATION



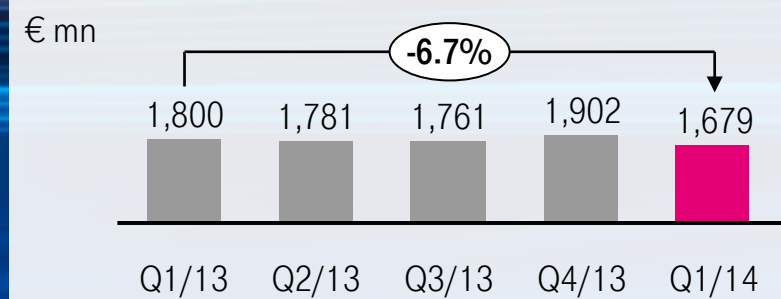
1) Mobile Data, Pay TV & fixed broadband, B2B/ICT, adjacent industries (online consumer services, energy and other)

SYSTEMS SOLUTIONS: REVENUE DEVELOPMENT IN LINE WITH OUTLOOK. ADJ. EBITDA TRENDS TO IMPROVE IN H2

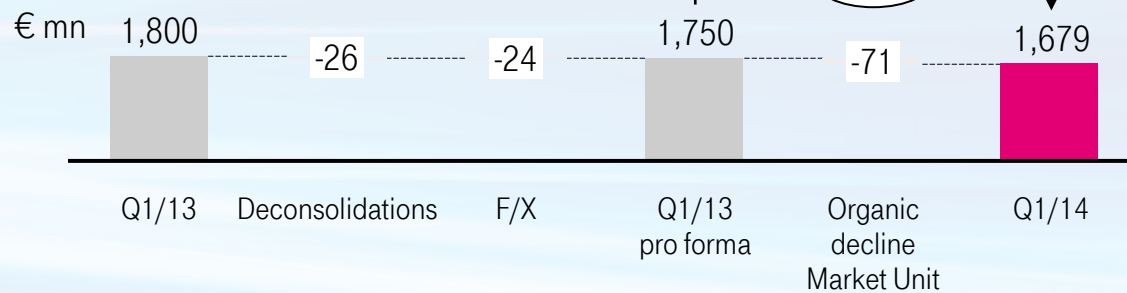
T-SYSTEMS FINANCIALS AS REPORTED



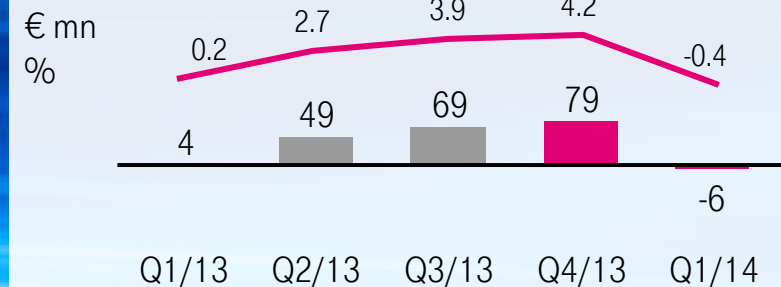
REVENUE MARKET UNIT



ORGANIC REVENUE MARKET UNIT

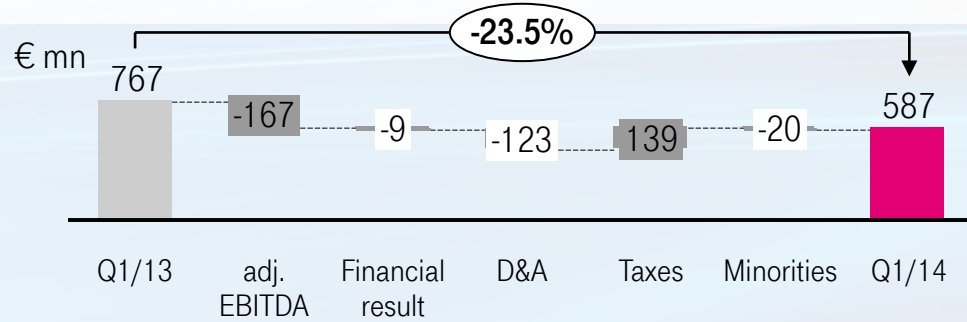


ADJ. EBIT AND MARGIN MARKET UNIT

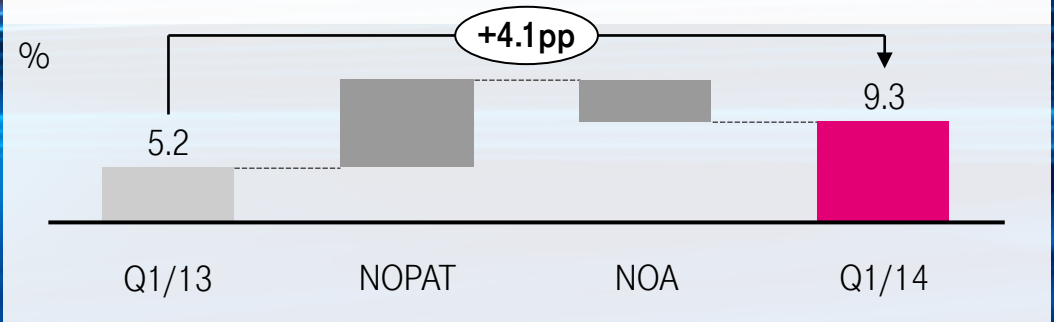


FINANCIALS: Q1/14 FCF ON TRACK FOR FY GUIDANCE

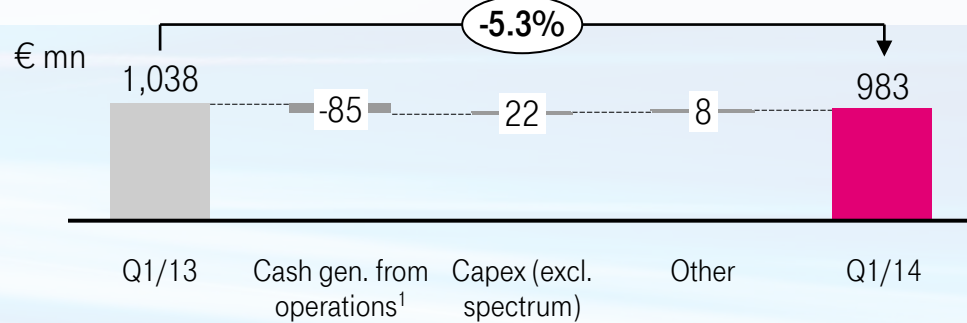
ADJ. NET INCOME



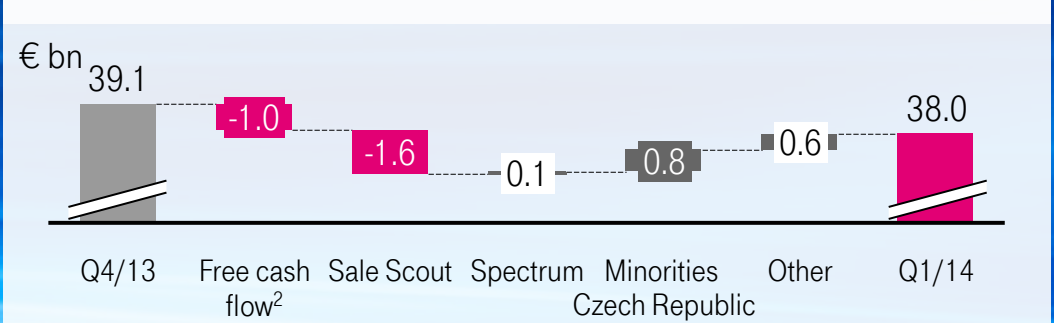
ROCE DEVELOPMENT³



FREE CASH FLOW



NET DEBT DEVELOPMENT



1) adjusted for € 95 million tax on break-up fee in Q1/13

2) Free cash flow before dividend payments, spectrum investment

3) includes book gain on sale of Scout24



FINANCIALS: BALANCE SHEET REMAINS STRONG

€ bn	31/03/2013	30/06/2013	30/09/2013	31/12/2013	31/03/2014
Balance sheet total	108.8	116.1	115.3	118.1	117.3
Shareholders' equity	31.0	31.3	32.0	32.1	32.8
Net debt	37.1	41.4	39.7	39.1	38.0
Net debt/Adj. EBITDA ¹	2.1	2.4	2.3	2.2	2.2
Equity ratio	28.5%	26.9%	27.8%	27.1%	27.9%
Comfort zone ratios		Current rating			
Rating: A-/BBB	●	Fitch:	BBB+	stable outlook	
2 – 2.5x net debt/Adj. EBITDA	●	Moody's:	Baa1	stable outlook	
25 – 35% equity ratio	●	S&P:	BBB+	stable outlook	
Liquidity reserve covers redemption of the next 24 months	●				

1) Ratios for the interim quarters calculated on the basis of previous 4 quarters.

2014 KEY PRIORITIES

EXECUTE ON STRATEGY

INTEGRATED IP NETWORKS

BEST CUSTOMER EXPERIENCE

WIN WITH PARTNERS

LEAD IN BUSINESS

2014 PRIORITIES

- Full speed INS roll-out
- Migrate around 3 million customers to All-IP in 2014
- Improve broadband net adds
- Execute on SME Initiative



- Continue LTE roll-out to 250 million POPs
- Deliver on higher net add target of 2.8 to 3.3 million
- Deliver on EBITDA target



- Drive IP migration with full speed. Slovakia to be completed YE/14
- Continue to grow in growth areas: Mobile broadband, TV/Broadband push, B2B ICT
- Start integration of GTS
- Design Pan-European network



- Implementation of “T-Systems 2015+”
- Increase run rate of EBITDA
- Deliver on IT spend reduction target of € 1 billion until 2015

T-SYSTEMS



LIFE IS FOR SHARING.

FURTHER QUESTIONS

PLEASE CONTACT THE IR DEPARTMENT

Investor Relations

Phone +49 228 181 - 8 88 80

E-Mail investor.relations@telekom.de

For further information please visit

www.telekom.com/investors

IR webpage:



IR twitter account:



IR youtube playlist:



Follow us on
@DT_IR



LIFE IS FOR SHARING.

THANK YOU!



LIFE IS FOR SHARING.

BACKUP Q1 2014

DEUTSCHE TELEKOM

III Q1 2014

Check out our IR website www.telekom.com/investor-relations for:

- This backup in .pdf and excel-format
- The IR calendar
- Detailed information for debt investors
- Shareholder structure
- Corporate governance

For further information on the business units please refer to:

www.telekom.com
www.telekom.de
www.t-mobile.com
www.t-systems.com

Investor Relations, Bonn office

Phone +49 228 181 - 8 88 80
Fax +49 228 181 - 8 88 99
E-Mail investor.relations@telekom.de



LIFE IS FOR SHARING.

CONTENT

At a Glance	4		
Excellent market position	6		
<hr/>			
GROUP			
Adjusted for special factors	8		
EBITDA reconciliation	9		
As reported	10		
Special factors in the consolidated income statement	11		
Details on special factors	12		
Change in the composition of the group	14		
Consolidated statement of financial position	15		
Provisions for pensions	17		
Maturity profile	18		
Liquidity reserves	19		
Net debt	20		
Net debt development	21		
Cash capex	22		
Free cash flow	23		
Personnel	24		
Exchange rates	25		
		GERMANY	
		Financials	28
		EBITDA reconciliation	29
		Operational	30
		Additional information	31
		<hr/>	
		UNITED STATES	
		Financials	44
		EBITDA reconciliation	45
		Operational	46
		Additional information	48
		<hr/>	
		EUROPE	
		Financials	54
		EBITDA reconciliation	55
		Greece	57
		Romania	59
		Hungary	61
		Poland	63
		Czech Republic	64
		<hr/>	
		EUROPE	
		Netherlands	65
		Croatia	66
		Slovakia	68
		Austria	70
		Bulgaria	71
		<hr/>	
		SYSTEMS SOLUTIONS	
		Financials	74
		EBITDA reconciliation	75
		<hr/>	
		GHS	
		Financials	78
		EBITDA reconciliation	79
		EE	80
		<hr/>	
		GLOSSARY	82

GROUP

AT A GLANCE I^{1,2}

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
GROUP		13.785	15.157	15.525	15.665	60.132	14.894	8,0
Germany		5.566	5.565	5.670	5.634	22.435	5.483	(1,5)
United States		3.541	4.825	5.108	5.082	18.556	5.074	43,3
Europe		3.343	3.435	3.440	3.486	13.704	3.125	(6,5)
Systems Solutions		2.226	2.170	2.174	2.468	9.038	2.052	(7,8)
Group Headquarters & Group Services		691	761	635	792	2.879	622	(10,0)
Reconciliation		(1.582)	(1.599)	(1.502)	(1.797)	(6.480)	(1.462)	7,6
NET REVENUE								
Germany		5.216	5.227	5.331	5.282	21.056	5.146	(1,3)
United States		3.540	4.824	5.106	5.082	18.552	5.073	43,3
Europe		3.212	3.295	3.313	3.354	13.174	3.018	(6,0)
Systems Solutions		1.567	1.539	1.515	1.623	6.244	1.466	(6,4)
Group Headquarters & Group Services		250	272	260	324	1.106	191	(23,6)
GROUP		13.785	15.157	15.525	15.665	60.132	14.894	8,0
EBITDA (ADJUSTED FOR SPECIAL FACTORS)								
Germany		2.255	2.279	2.375	2.027	8.936	2.230	(1,1)
United States		888	930	1.082	974	3.874	844	(5,0)
Europe		1.097	1.117	1.169	1.167	4.550	1.027	(6,4)
Systems Solutions		168	210	197	199	774	138	(17,9)
Group Headquarters & Group Services		(99)	(111)	(155)	(290)	(655)	(118)	(19,2)
Reconciliation		(21)	(8)	(9)	(17)	(55)	0	n.a.
GROUP		4.288	4.417	4.659	4.060	17.424	4.121	(3,9)
Proportional EBITDA		3.867	3.505	3.920	3.095	14.387	3.494	(9,6)

1 The ICSS/GNF business of the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative figures have been adjusted retrospectively.

2 As of May 1, 2013, including MetroPCS.

GROUP

AT A GLANCE II^{1,2}

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
EBITDA MARGIN (ADJUSTED FOR SPECIAL FACTORS) (EBITDA / TOTAL REVENUE)								
	%							
Germany	%	40,5	40,6	41,9	35,9	39,7	40,7	0,2p
United States	%	25,1	19,3	21,2	19,2	20,9	16,6	(8,5p)
Europe	%	32,8	32,5	34,0	33,5	33,2	32,9	0,1p
Systems Solutions	%	7,5	9,7	9,1	8,1	8,6	6,7	(0,8p)
Group Headquarters & Group Services	%	(14,3)	(14,6)	(24,4)	(36,6)	(22,8)	(19,0)	(4,7p)
GROUP	%	31,1	29,1	30,0	25,9	28,9	27,7	(3,4p)
CASH CAPEX								
Germany		594	644	892	1.281	3.411	705	18,7
United States		852	804	767	856	3.279	690	(19,0)
Europe		1.384	522	500	1.255	3.661	585	(57,7)
Systems Solutions		209	213	270	374	1.066	253	21,1
Group Headquarters & Group Services		77	94	97	143	411	65	(15,6)
Reconciliation		(92)	(79)	(148)	(441)	(760)	(101)	(9,8)
GROUP		3.024	2.198	2.378	3.468	11.068	2.197	(27,3)
- thereof spectrum investment		937	131	117	1.022	2.207	132	(85,9)
NET PROFIT (LOSS)								
adjusted for special factors		767	810	823	355	2.755	587	(23,5)
as reported		564	530	588	(752)	930	1.817	n.a.
FREE CASH FLOW (BEFORE DIVIDEND PAYMENTS, SPECTRUM INVESTMENT, EFFECTS IN CONNECTION WITH THE AT&T TRANSACTION AND COMPENSATION PAYMENTS FOR METROPCS EMPLOYEES)		1.038	1.110	1.426	1.032	4.606	983	(5,3)
Proportional free cash flow		908	1.007	1.346	781	4.042	1.043	14,9
NET DEBT		37.119	41.374	39.726	39.093	39.093	37.964	2,3

1 The ICSS/GNF business of the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative figures have been adjusted retrospectively.

2 As of May 1, 2013, including MetroPCS.

DT GROUP

EXCELLENT MARKET POSITION¹

	Note	Q1	Q2	Q3	Q4	Q1	Change compared to		Change compared to	
		2013	2013	2013	2013	2014	prior quarter		prior year	
		'000	'000	'000	'000	'000	abs.	%	abs.	%
BROADBAND RETAIL LINES (END OF PERIOD)	2,3,4	17.017	17.061	17.079	17.118	17.151	33	0,2	134	0,8
Germany		12.443	12.430	12.383	12.360	12.354	(6)	0,0	(89)	(0,7)
Europa		4.560	4.616	4.682	4.744	4.784	40	0,8	224	4,9
Greece		1.208	1.232	1.244	1.260	1.274	14	1,1	66	5,5
Romania		1.142	1.156	1.175	1.193	1.200	7	0,6	58	5,1
Hungary		801	812	832	851	867	16	1,9	66	8,2
Czech Republic		123	126	127	129	131	2	1,6	8	6,5
Croatia		634	631	631	628	624	(4)	(0,6)	(10)	(1,6)
Slovakia		421	422	431	434	436	2	0,5	15	3,6
other		232	238	242	249	251	2	0,8	19	8,2
FIXED NETWORK LINES (END OF PERIOD)	3,4,5	31.773	31.415	31.052	30.765	30.485	(280)	(0,9)	(1.288)	(4,1)
Germany		22.113	21.880	21.625	21.417	21.202	(215)	(1,0)	(911)	(4,1)
Europa		9.595	9.470	9.362	9.284	9.215	(69)	(0,7)	(380)	(4,0)
Greece		2.900	2.849	2.794	2.746	2.702	(44)	(1,6)	(198)	(6,8)
Romania		2.409	2.401	2.385	2.369	2.341	(28)	(1,2)	(68)	(2,8)
Hungary		1.626	1.597	1.597	1.596	1.595	(1)	(0,1)	(31)	(1,9)
Czech Republic		123	126	127	129	130	1	0,8	7	5,7
Croatia		1.192	1.174	1.156	1.133	1.138	5	0,4	(54)	(4,5)
Slovakia		945	932	919	922	914	(8)	(0,9)	(31)	(3,3)
other		400	392	385	390	396	6	1,5	(4)	(1,0)
MOBILE SUBSCRIBERS (END OF PERIOD)	3,6	128.405	138.986	140.307	142.504	145.351	2.847	2,0	16.946	13,2
Germany		37.005	37.492	37.936	38.625	39.145	520	1,3	2.140	5,8
United States	7	33.968	44.016	45.039	46.684	49.075	2.391	5,1	15.107	44,5
Europa		56.949	56.985	56.825	56.679	56.615	(64)	(0,1)	(334)	(0,6)
Greece		7.632	7.602	7.550	7.477	7.416	(61)	(0,8)	(216)	(2,8)
Romania		6.155	6.106	6.125	6.153	6.080	(73)	(1,2)	(75)	(1,2)
Hungary		4.845	4.838	4.853	4.887	4.878	(9)	(0,2)	33	0,7
Poland		15.919	15.969	15.667	15.563	15.748	185	1,2	(171)	(1,1)
Czech Republic		5.570	5.667	5.733	5.831	5.912	81	1,4	342	6,1
Croatia		2.309	2.350	2.392	2.303	2.272	(31)	(1,3)	(37)	(1,6)
Netherlands		4.622	4.561	4.534	4.441	4.343	(98)	(2,2)	(279)	(6,0)
Slovakia		2.289	2.273	2.263	2.262	2.257	(5)	(0,2)	(32)	(1,4)
Austria		4.090	4.073	4.044	4.091	4.105	14	0,3	15	0,4
other		3.518	3.548	3.663	3.671	3.604	(67)	(1,8)	86	2,4

1 Figures rounded to the nearest million. The total is calculated on the basis of precise numbers. Percentages calculated on the basis of figures shown.

2 Broadband lines in operation excluding lines for internal use and public telecommunications; including IP-based access lines and wholesale services. Including BB via cable in Hungary.

3 incl. business subscriber (0,5mn mobile subscriber) and accesses (0,1mn fixed network lines) from T-Systems Hungary.

4 The customers of Euronet Communications in the Netherlands have no longer been included in the Europe operating segment since January 2, 2014 following the sale of the shares held in the company. They have been eliminated from all historical customer figures to improve comparability.

5 Fixed network lines in operation excluding lines for internal use and public telecommunications.

6 The customers of our companies in Bulgaria have no longer been included in the Europe operating segment since August 1, 2013 following the sale of the shares held in the companies. They have been eliminated from all historical customer figures to improve comparability.

7 On May 1, 2013, prepay customers increased by 8.918 tsd in connection with the acquisition of MetroPCS.

CONTENT

At a Glance	4
Excellent market position	6

GROUP

Adjusted for special factors	8
EBITDA reconciliation	9
As reported	10
Special factors in the consolidated income statement	11
Details on special factors	12
Change in the composition of the group	14
Consolidated statement of financial position	15
Provisions for pensions	17
Maturity profile	18
Liquidity reserves	19
Net debt	20
Net debt development	21
Cash capex	22
Free cash flow	23
Personnel	24
Exchange rates	25

GERMANY

Financials	28
EBITDA reconciliation	29
Operational	30
Additional information	31

UNITED STATES

Financials	44
EBITDA reconciliation	45
Operational	46
Additional information	48

EUROPE

Financials	54
EBITDA reconciliation	55
Greece	57
Romania	59
Hungary	61
Poland	63
Czech Republic	64

EUROPE

Netherlands	65
Croatia	66
Slovakia	68
Austria	70
Bulgaria	71

SYSTEMS SOLUTIONS

Financials	74
EBITDA reconciliation	75

GHS

Financials	78
EBITDA reconciliation	79
EE	80

GLOSSARY

82

DT CONSOLIDATED INCOME STATEMENT

ADJUSTED FOR SPECIAL FACTORS

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
NET REVENUE		13.785	15.204	15.525	15.679	60.193	14.894	8,0
Cost of sales		(7.831)	(8.881)	(9.243)	(9.724)	(35.679)	(9.067)	(15,8)
GROSS PROFIT		5.954	6.323	6.282	5.955	24.514	5.827	(2,1)
Selling expenses		(3.078)	(3.410)	(3.403)	(3.663)	(13.554)	(3.260)	(5,9)
General and administrative expenses		(1.102)	(1.126)	(831)	(785)	(3.844)	(927)	15,9
Other operating income		296	232	277	264	1.069	245	(17,2)
Other operating expenses		(155)	(110)	(237)	(432)	(934)	(260)	(67,7)
PROFIT (LOSS) FROM OPERATIONS (EBIT)		1.915	1.909	2.088	1.339	7.251	1.625	(15,1)
EBIT margin (EBIT / net revenue)	%	13,9	12,6	13,4	8,5	12,0	10,9	(3,0p)
Profit (loss) from financial activities		(677)	(654)	(758)	(683)	(2.772)	(686)	(1,3)
of which: finance costs		(522)	(521)	(552)	(567)	(2.162)	(597)	(14,4)
PROFIT (LOSS) BEFORE INCOME TAXES (EBT)		1.238	1.255	1.330	656	4.479	939	(24,2)
Income taxes		(443)	(328)	(351)	(242)	(1.364)	(304)	31,4
PROFIT (LOSS)		795	927	979	414	3.115	635	(20,1)
Profit (loss) attributable to non-controlling interests		28	117	156	59	360	48	71,4
NET PROFIT (LOSS)		767	810	823	355	2.755	587	(23,5)
Depreciation, amortization and impairment losses		(2.373)	(2.508)	(2.571)	(2.721)	(10.173)	(2.496)	(5,2)
EBITDA		4.288	4.417	4.659	4.060	17.424	4.121	(3,9)
EBITDA margin (EBITDA / net revenue)	%	31,1	29,1	30,0	25,9	28,9	27,7	(3,4p)

DT GROUP

EBITDA RECONCILIATION

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
NET REVENUE		13.785	15.157	15.525	15.665	60.132	14.894	8,0
NET PROFIT (LOSS)		564	530	588	(752)	930	1.817	n.a.
+ Profit (loss) attributable to non-controlling interests		57	114	249	(146)	274	34	(40,4)
= Profit (loss)		621	644	837	(898)	1.204	1.851	n.a.
- Income taxes		(391)	(220)	(304)	(9)	(924)	(550)	(40,7)
= Profit (loss) before income taxes = EBT		1.012	864	1.141	(889)	2.128	2.401	n.a.
- Profit (loss) from financial activities		(680)	(661)	(755)	(706)	(2.802)	(741)	(9,0)
PROFIT (LOSS) FROM OPERATIONS (EBIT)		1.692	1.525	1.896	(183)	4.930	3.142	85,7
- Depreciation, amortization and impairment losses		(2.387)	(2.507)	(2.572)	(3.438)	(10.904)	(2.496)	(4,6)
= EBITDA		4.079	4.032	4.468	3.255	15.834	5.638	38,2
EBITDA margin (EBITDA/net revenue)	%	29,6	26,6	28,8	20,8	26,3	37,9	8,3p
- Special factors affecting EBITDA		(209)	(385)	(191)	(805)	(1.590)	1.517	n.a.
= EBITDA ADJUSTED FOR SPECIAL FACTORS		4.288	4.417	4.659	4.060	17.424	4.121	(3,9)
EBITDA margin (adjusted for special factors) (EBITDA / net revenue)	%	31,1	29,1	30,0	25,9	28,9	27,7	(3,4p)

DT CONSOLIDATED INCOME STATEMENT

AS REPORTED

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
NET REVENUE		13.785	15.157	15.525	15.665	60.132	14.894	8,0
Cost of sales		(7.954)	(8.968)	(9.398)	(9.935)	(36.255)	(9.134)	(14,8)
GROSS PROFIT		5.831	6.189	6.127	5.730	23.877	5.760	(1,2)
Selling expenses		(3.145)	(3.466)	(3.456)	(3.730)	(13.797)	(3.301)	(5,0)
General and administrative expenses		(1.156)	(1.235)	(912)	(1.215)	(4.518)	(970)	16,1
Other operating income		356	263	410	297	1.326	1.957	n.a.
Other operating expenses		(194)	(226)	(273)	(1.265)	(1.958)	(304)	(56,7)
PROFIT (LOSS) FROM OPERATIONS (EBIT)		1.692	1.525	1.896	(183)	4.930	3.142	85,7
EBIT margin (EBIT / net revenue)	%	12,3	10,1	12,2	(1,2)	8,2	21,1	8,8p
Profit (loss) from financial activities		(680)	(661)	(755)	(706)	(2.802)	(741)	(9,0)
of which: finance costs		(522)	(521)	(552)	(567)	(2.162)	(597)	(14,4)
PROFIT (LOSS) BEFORE INCOME TAXES (EBT)		1.012	864	1.141	(889)	2.128	2.401	n.a.
Income taxes		(391)	(220)	(304)	(9)	(924)	(550)	(40,7)
PROFIT (LOSS)		621	644	837	(898)	1.204	1.851	n.a.
Profit (loss) attributable to non-controlling interests		57	114	249	(146)	274	34	(40,4)
NET PROFIT (LOSS)		564	530	588	(752)	930	1.817	n.a.
Depreciation, amortization and impairment losses		(2.387)	(2.507)	(2.572)	(3.438)	(10.904)	(2.496)	(4,6)
EBITDA		4.079	4.032	4.468	3.255	15.834	5.638	38,2
EBITDA margin (EBITDA / net revenue)	%	29,6	26,6	28,8	20,8	26,3	37,9	8,3p

DT GROUP

SPECIAL FACTORS IN THE CONSOLIDATED INCOME STATEMENT

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €
NET REVENUE		0	(47)	0	(14)	(61)	0
Cost of sales		(123)	(87)	(155)	(211)	(576)	(67)
GROSS PROFIT		(123)	(134)	(155)	(225)	(637)	(67)
Selling expenses		(67)	(56)	(53)	(67)	(243)	(41)
General and administrative expenses		(54)	(109)	(81)	(430)	(674)	(43)
Other operating income	1	60	31	133	33	257	1.712
Other operating expenses		(39)	(116)	(36)	(833)	(1.024)	(44)
PROFIT (LOSS) FROM OPERATIONS (EBIT)	1	(223)	(384)	(192)	(1.522)	(2.321)	1.517
Profit (loss) from financial activities		(3)	(7)	3	(23)	(30)	(55)
PROFIT (LOSS) BEFORE INCOME TAXES (EBT)	1	(226)	(391)	(189)	(1.545)	(2.351)	1.462
Income taxes		52	108	47	233	440	(246)
PROFIT (LOSS)		(174)	(283)	(142)	(1.312)	(1.911)	1.216
Profit (loss) attributable to non-controlling interests		29	(3)	93	(205)	(86)	(14)
NET PROFIT (LOSS)		(203)	(280)	(235)	(1.107)	(1.825)	1.230
Depreciation, amortization and impairment losses		(14)	1	(1)	(717)	(731)	0
EBITDA	1	(209)	(385)	(191)	(805)	(1.590)	1.517

1 Income from divestitures relating to the deconsolidation of the Scout24 group.

DT GROUP

DETAILS ON SPECIAL FACTORS I

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
EFFECT ON OPERATING EXPENSES		(283)	(368)	(325)	(1.541)	(2.517)	(195)	31,1
of which: expenses / income for early retirement (civil servants)		(36)	(109)	(137)	(204)	(486)	(7)	80,6
of which: expenses for severance payments		(159)	(157)	(65)	(333)	(714)	(48)	69,8
of which: expenses / income for partial retirement		(14)	(15)	(20)	(36)	(85)	(29)	n.a.
of which: expenses for other personnel restructuring charges		(6)	(29)	(68)	(63)	(166)	(42)	n.a.
of which: restructuring charges		(47)	(66)	(6)	(77)	(196)	(30)	36,2
of which: expenses due to de-consolidations and other asset sales		(20)	(22)	(83)	(48)	(173)	(8)	60,0
of which: others		(1)	30	54	(780)	(697)	(31)	n.a.
EFFECT ON OTHER OPERATING INCOME		60	31	133	33	257	1.712	n.a.
of which: income due to asset sales		60	31	134	31	256	1.712	n.a.
of which: others		0	0	(1)	2	1	0	n.a.
EFFECT ON REVENUE	1	0	(47)	0	(14)	(61)	0	n.a.
EFFECT ON PROFIT FROM OPERATIONS = EBIT	2	(223)	(384)	(192)	(1.522)	(2.321)	1.517	n.a.
DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES		(14)	1	(1)	(717)	(731)	0	n.a.
of which: restructuring charges		(14)	1	12	(1)	(2)	0	n.a.
of which: expenses due to consolidations and other asset sales		0	0	(13)	0	(13)	0	n.a.
of which: others		0	0	0	(716)	(716)	0	n.a.
EFFECT ON EBITDA	2	(209)	(385)	(191)	(805)	(1.590)	1.517	n.a.

1 Special factors affecting Total revenue: EUR -47 mn in Q2/13 and EUR -14 mn in Q4/13 within Wholesale Services (ULL) in Germany.

2 Income from divestitures relating to the deconsolidation of the Scout24 group.

DT GROUP

DETAILS ON SPECIAL FACTORS II

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
EFFECT ON PROFIT (LOSS) FROM FINANCIAL ACTIVITIES		(3)	(7)	3	(23)	(30)	(55)	n.a.
EFFECT ON PROFIT (LOSS) BEFORE INCOME TAXES	1	(226)	(391)	(189)	(1.545)	(2.351)	1.462	n.a.
EFFECT ON TAXES		52	108	47	233	440	(246)	n.a.
Tax effect of special factors within EBIT		70	92	90	266	518	43	(38,6)
Tax effect of special factors on profit (loss) from financial activities		2	2	4	10	18	1	(50,0)
Other tax effects		(20)	14	(47)	(43)	(96)	(290)	n.a.
EFFECT ON PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		29	(3)	93	(205)	(86)	(14)	n.a.
EFFECT ON NET PROFIT (LOSS)	1	(203)	(280)	(235)	(1.107)	(1.825)	1.230	n.a.

1 Income from divestitures relating to the deconsolidation of the Scout24 group.

DT GROUP

CHANGE IN THE COMPOSITION OF THE GROUP IN THE FIRST QUARTER

	REPORTED NUMBERS		MINUS ACQUISITION EFFECTS					PLUS DECONSOLIDATION EFFECTS					TOTAL EFFECT	PRO FORMA			
	Q1 2013 millions of €	Q1 2014 millions of €	Total	Germany	United States	Europe	Systems Solutions	GHS	Total	Germany	United States	Europe		Systems Solutions	GHS	Q1 2014 millions of €	Change %
NET REVENUE	13.785	14.894	958	0	951	7	0	0	196	8	0	104	26	58	(762)	14.132	2,5
PROFIT (LOSS) FROM OPERATIONS = EBIT	1.692	3.142	101	0	100	1	0	0	53	(3)	0	60	(15)	11	(48)	3.094	82,9
Profit (loss) from financial activities	(680)	(741)	(18)	0	(18)	0	0	0	(73)	(25)	0	(42)	0	(6)	(55)	(796)	(17,1)
of which finance costs	(522)	(597)	(58)	0	(58)	0	0	0	(4)	0	0	(4)	0	0	54	(543)	(4,0)
PROFIT (LOSS) BEFORE INCOME TAXES = EBT	1.012	2.401	83	0	82	1	0	0	(20)	(28)	0	18	(15)	5	(103)	2.298	n.a.
Income taxes	(391)	(550)	0	0	0	0	0	0	(5)	0	0	(4)	0	(1)	(5)	(555)	(41,9)
PROFIT (LOSS)	621	1.851	83	0	82	1	0	0	(25)	(28)	0	14	(15)	4	(108)	1.743	n.a.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	Note	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013	Dec. 31, 2013	Mar. 31, 2014	Change compared to prior quarter %	Change compared to prior year %
		millions of €	millions of €	millions of €	millions of €	millions of €		
CURRENT ASSETS		15.862	18.212	18.020	21.963	22.270	1,4	40,4
Cash and cash equivalents		4.540	5.243	5.675	7.970	7.706	(3,3)	69,7
Trade and other receivables		6.423	6.763	7.146	7.712	7.536	(2,3)	17,3
Current recoverable income taxes		113	105	112	98	146	49,0	29,2
Other financial assets		1.696	2.100	2.230	2.745	2.695	(1,8)	58,9
Inventories		1.111	1.424	1.342	1.062	1.139	7,3	2,5
Current and non-current assets and disposal groups held for sale		217	744	78	1.033	1.211	17,2	n.a.
Other assets		1.762	1.833	1.437	1.343	1.837	36,8	4,3
NON-CURRENT ASSETS		92.975	97.902	97.281	96.185	95.073	(1,2)	2,3
Intangible assets		42.811	47.533	46.972	45.967	45.157	(1,8)	5,5
Property, plant and equipment		37.135	37.739	37.501	37.427	37.255	(0,5)	0,3
Investments accounted for using the equity method		6.288	6.218	6.247	6.167	6.257	1,5	(0,5)
Other financial assets		1.780	1.346	1.528	1.362	1.265	(7,1)	(28,9)
Deferred tax assets		4.630	4.742	4.708	4.960	4.841	(2,4)	4,6
Other assets		331	324	325	302	298	(1,3)	(10,0)
TOTAL ASSETS		108.837	116.114	115.301	118.148	117.343	(0,7)	7,8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013	Dec. 31, 2013	Mar. 31, 2014	Change compared to prior quarter %	Change compared to prior year %
		millions of €	millions of €	millions of €	millions of €	millions of €		
LIABILITIES		77.824	84.864	83.286	86.085	84.577	(1,8)	8,7
CURRENT LIABILITIES		22.783	25.296	25.188	22.496	23.490	4,4	3,1
Financial liabilities		8.919	10.874	11.169	7.891	8.891	12,7	(0,3)
Trade and other payables		6.091	6.831	6.701	7.259	6.696	(7,8)	9,9
Income tax liabilities		441	346	428	308	295	(4,2)	(33,1)
Other provisions		2.924	2.575	2.709	3.120	3.315	6,3	13,4
Liabilities directly associated with non-current assets and disposal groups held for sale		47	235	0	113	0	n.a.	n.a.
Other liabilities		4.361	4.435	4.181	3.805	4.293	12,8	(1,6)
NON-CURRENT LIABILITIES		55.041	59.568	58.098	63.589	61.087	(3,9)	11,0
Financial liabilities		35.835	39.473	38.154	43.708	40.737	(6,8)	13,7
Provisions for pensions and other employee benefits		7.113	7.131	7.172	7.006	7.285	4,0	2,4
Other provisions		1.834	1.998	1.957	2.071	2.083	0,6	13,6
Deferred tax liabilities		6.263	6.934	6.845	6.916	7.103	2,7	13,4
Other liabilities		3.996	4.032	3.970	3.888	3.879	(0,2)	(2,9)
SHAREHOLDERS' EQUITY		31.013	31.250	32.015	32.063	32.766	2,2	5,7
Issued capital		11.063	11.395	11.395	11.395	11.395	n.a.	3,0
Capital reserves		51.506	51.297	51.346	51.428	50.996	(0,8)	(1,0)
Retained earnings incl. carryforwards		(34.361)	(37.348)	(37.333)	(37.437)	(36.670)	2,0	(6,7)
Total other comprehensive income		(2.346)	(2.215)	(2.276)	(2.383)	(2.502)	(5,0)	(6,6)
Net profit (loss)		564	1.094	1.682	930	1.817	95,4	n.a.
Treasury shares		(6)	(6)	(6)	(54)	(54)	n.a.	n.a.
Non-controlling interests		4.593	7.033	7.207	8.184	7.784	(4,9)	69,5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		108.837	116.114	115.301	118.148	117.343	(0,7)	7,8

DT GROUP

PROVISIONS FOR PENSIONS

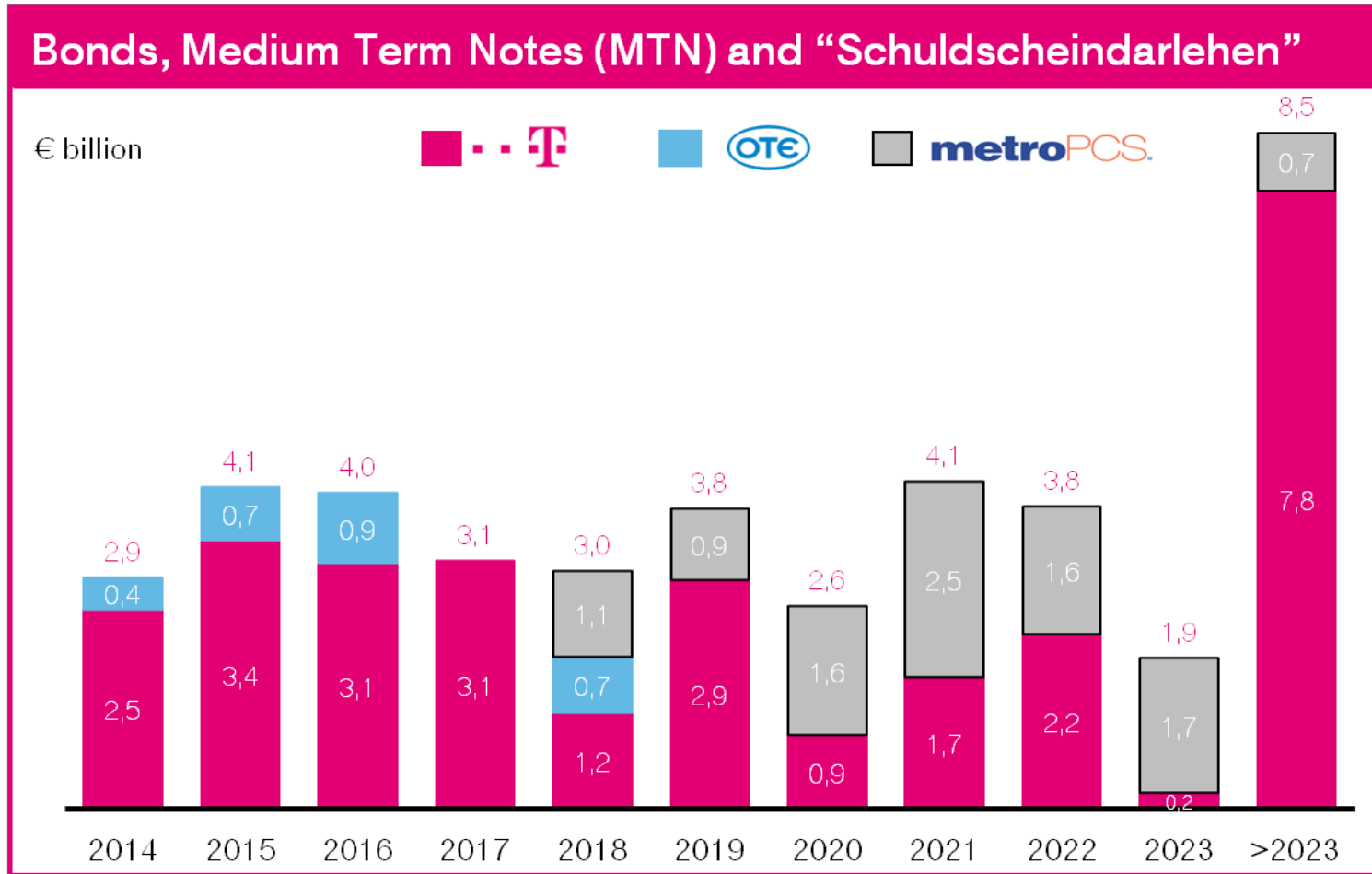
		2013 millions of €	2012 millions of €	2011 millions of €	2010 millions of €	2009 millions of €
FROM DEFINED BENEFIT OBLIGATION TO PROVISION IN BALANCE SHEET						
Present value of obligation (DBO)	1	8.965	8.973	6.966	7.017	6.833
Plan assets		(1.973)	(1.680)	(860)	(629)	(618)
Others		14	19	18	(15)	(36)
Provision in balance sheet		7.006	7.312	6.124	6.373	6.179
PENSION COSTS INCLUDED IN P&L (INCLUDED EXPECTED RETURN ON PLAN ASSETS)						
		388	511	530	514	525
thereof included in EBITDA		160	197	199	197	204
thereof included in financial result		228	313	314	317	321
CASH PAYMENTS FOR PENSIONS						
1) funding of plan assets by DT (investment in financial assets)		269	768	267	2	45
2) benefits paid through plan assets	2	42	45	52	56	61
3) benefits paid through provision (included in cash flow from operations)		366	375	367	345	332
cash payments included in cash flow statement = 1) + 3)		635	1.143	634	347	377
cash payments included in free cash flow = 3)		366	375	367	345	332
CHANGE IN THE PRESENT VALUE OF THE OBLIGATION (EXAMPLE)						
End of 2012		8.973				
pension costs included in P&L		388				
benefits paid		(408)				
actuarial losses/gains	3	(35)				
F/X		(6)				
Others		53				
End of 2013		8.965				

1 Increase in obligation in 2012 mainly due to a change in the discount rate.

2 The sum of payments through plan assets and the benefit paid through provisions equal the "benefits paid" in "Change in the present value of the obligation".

3 Actuarial losses/gains are via other comprehensive income directly billed vs. equity. Cumulative amount recorded in equity 2013: loss of 2.152 million €.

MATURITY PROFILE AS OF MARCH 31, 2014



LIQUIDITY RESERVE AS OF MARCH 31, 2014

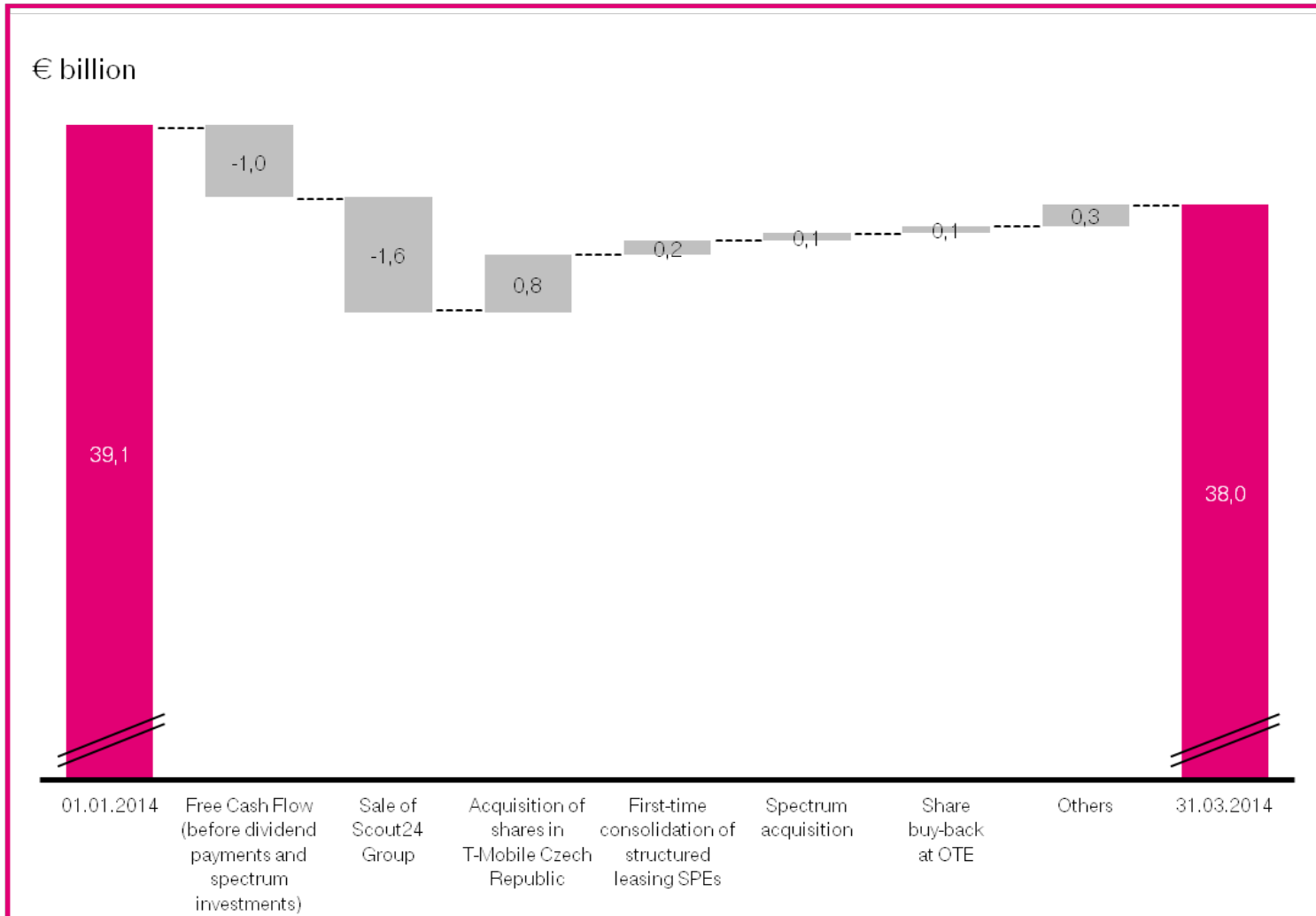
€ billion	60,7	Total line availability	
	22,7	Liquidity reserve	
		Unused bank lines:	€ 13,6 bn
		Other liquid assets:	€ 9,1 bn
	38,0	Net-debt	
		Gross debt	€ 47,8 bn
		Bonds:	€ 40,1 bn
		Other financial liabilities:	€ 7,7 bn
		Liquid financial assets	€ 9,9 bn
		Cash & equivalents:	€ 7,7 bn
	Available-for-sale/held-for-trading financial assets	€ 0,3 bn	
	Other financial assets:	€ 1,9 bn	
Numbers rounded			

DT GROUP

NET DEBT

		Mar. 31, 2013	Jun. 30, 2013	Sep. 30, 2013	Dec. 31, 2013	Mar. 31, 2014	Change compared to prior quarter %	Change compared to prior year %
	Note	millions of €	millions of €	millions of €	millions of €	millions of €		
Bonds		35.519	40.087	39.225	40.535	40.101	(1,1)	12,9
Other financial liabilities		7.694	8.466	8.366	9.092	7.717	(15,1)	0,3
GROSS DEBT		43.213	48.553	47.591	49.627	47.818	(3,6)	10,7
Cash and cash equivalents		4.540	5.243	5.675	7.970	7.706	(3,3)	69,7
Available-for-sale/held-for-trading financial assets		15	269	301	310	299	(3,5)	n.a.
Other financial assets		1.539	1.667	1.889	2.254	1.849	(18,0)	20,1
NET DEBT		37.119	41.374	39.726	39.093	37.964	(2,9)	2,3

NET DEBT DEVELOPMENT Q1 2014



Numbers rounded

DT GROUP

CASH CAPEX

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
CASH CAPEX								
Germany		594	644	892	1.281	3.411	705	18,7
United States		852	804	767	856	3.279	690	(19,0)
Europe		1.384	522	500	1.255	3.661	585	(57,7)
Systems Solutions		209	213	270	374	1.066	253	21,1
Group Headquarters & Group Services		77	94	97	143	411	65	(15,6)
Reconciliation		(92)	(79)	(148)	(441)	(760)	(101)	(9,8)
GROUP	1	3.024	2.198	2.378	3.468	11.068	2.197	(27,3)
- thereof spectrum investment		937	131	117	1.022	2.207	132	(85,9)

1 Amounts of payouts for property, plant and equipment and intangible assets excluding goodwill.

DT GROUP

FREE CASH FLOW

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
Net profit (loss)		564	530	588	(752)	930	1.817	n.a.
Profit (loss) attributable to non-controlling interests		57	114	249	(146)	274	34	(40,4)
PROFIT (LOSS) AFTER INCOME TAXES		621	644	837	(898)	1.204	1.851	n.a.
Depreciation, amortization and impairment losses		2.387	2.507	2.572	3.438	10.904	2.496	4,6
Income tax expense/(benefit)		391	220	304	9	924	550	40,7
Interest (income) and interest expenses		522	521	552	567	2.162	597	14,4
Other financial (income) expense		78	146	174	171	569	117	50,0
Share of (profit) loss of associates and joint ventures accounted for using the equity method		80	(6)	29	(32)	71	27	(66,3)
(Profit) loss on the disposal of fully consolidated subsidiaries		(55)	47	(122)	(1)	(131)	(1.709)	n.a.
Other non-cash transactions		3	18	28	52	101	53	n.a.
(Gain) loss from the disposal of intangible assets and property, plant and equipment		20	24	3	91	138	(26)	n.a.
Change in assets carried as working capital		(348)	(508)	(37)	(373)	(1.266)	(496)	(42,5)
Change in provisions		(108)	(595)	67	441	(195)	153	n.a.
Change in other liabilities carried as working capital		199	657	(424)	264	696	188	(5,5)
Income taxes received (paid)		(184)	(173)	(157)	(134)	(648)	(178)	3,3
Dividends received		110	2	92	69	273	237	n.a.
Net payments from entering into or canceling interest rate swaps		0	67	133	90	290	0	n.a.
Break-up fee T-Mobile USA		0	0	0	0	0	0	n.a.
Tax effect break-up fee T-Mobile USA		95	42	0	0	137	0	n.a.
Retention bonus T-Mobile USA/compensation payments for MetroPCS employees		0	51	1	8	60	0	n.a.
CASH GENERATED FROM OPERATIONS		3.811	3.664	4.052	3.762	15.289	3.860	1,3
Interest received (paid)		(764)	(540)	(411)	(360)	(2.075)	(898)	(17,5)
NET CASH FROM OPERATING ACTIVITIES		3.047	3.124	3.641	3.402	13.214	2.962	(2,8)
Cash outflows for investments in (proceeds from disposal of)		(2.009)	(2.014)	(2.215)	(2.370)	(8.608)	(1.979)	1,5
Intangible assets		(1.435)	(775)	(746)	(1.534)	(4.490)	(820)	42,9
Property, plant and equipment		(1.511)	(1.370)	(1.586)	(1.858)	(6.325)	(1.291)	14,6
Spectrum investment		937	131	117	1.022	2.207	132	(85,9)

DT GROUP

PERSONNEL¹

AT REPORTING DATE	Note	Mar. 31,	Jun. 30,	Sep. 30,	Dec. 31,	Mar. 31,	Change compared to		Change compared to	
		2013	2013	2013	2013	2014	prior quarter		prior year	
							abs.	%	abs.	%
Germany		68.636	67.936	67.434	66.725	67.318	593	0,9	(1.318)	(1,9)
United States		29.826	33.489	34.132	37.071	36.633	(438)	(1,2)	6.807	22,8
Europe		58.170	57.877	55.744	53.265	52.982	(283)	(0,5)	(5.188)	(8,9)
Systems Solutions		50.835	49.563	49.468	49.540	49.436	(104)	(0,2)	(1.399)	(2,8)
Group Headquarters & Group Services		21.989	22.330	22.316	21.995	20.871	(1.124)	(5,1)	(1.118)	(5,1)
of which Vivento		8.200	8.300	8.100	8.000	8.900	900	11,3	700	8,5
GROUP		229.456	231.195	229.094	228.596	227.240	(1.356)	(0,6)	(2.216)	(1,0)
of which: Domestic		118.926	118.191	117.658	116.643	115.975	(668)	(0,6)	(2.951)	(2,5)
of which: International		110.530	113.004	111.436	111.953	111.265	(688)	(0,6)	735	0,7
of which: Civil servants (domestic)		21.963	21.239	20.988	20.523	20.578	55	0,3	(1.385)	(6,3)

AVERAGE	Note	Q1	Q2	Q3	Q4	Q1	Change compared to	
		2013	2013	2013	2013	2014	prior year	
							abs.	%
Germany		68.672	67.880	67.516	66.992	67.396	(1.276)	(1,9)
United States		30.033	31.971	33.881	35.962	36.400	6.367	21,2
Europe		58.225	57.995	56.329	54.689	52.990	(5.235)	(9,0)
Systems Solutions		50.868	50.091	49.448	49.535	49.476	(1.392)	(2,7)
Group Headquarters & Group Services		21.948	22.309	22.328	22.143	21.344	(604)	(2,8)
of which Vivento		8.200	8.300	8.100	8.100	8.400	200	2,4
GROUP		229.746	230.246	229.502	229.321	227.606	(2.140)	(0,9)
of which: Domestic		118.970	118.157	117.739	117.114	116.552	(2.418)	(2,0)
of which: International		110.776	112.089	111.763	112.207	111.054	278	0,3
of which: Civil servants (domestic)		21.974	21.336	21.087	20.732	20.628	(1.346)	(6,1)

1 The ICSS/GNF business of the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative figures have been adjusted retrospectively. As of May 1, 2013, including MetroPCS.

EXCHANGE RATES

AVERAGE

	Q1 2013 €	Q2 2013 €	Q3 2013 €	Q4 2013 €	FY 2013 €	Q1 2014 €
1 US Dollar (USD)	0,75699	0,76530	0,75504	0,73457	0,75289	0,73015
1 British pound (GBP)	1,17465	1,17538	1,17022	1,18926	1,17714	1,20718
100 Czech korunas (CZK)	3,91222	3,87237	3,86870	3,74759	3,85018	3,64337
100 Croatian kunas (HRK)	13,18660	13,23430	13,25530	13,10810	13,19720	13,07380
1,000 Hungarian forints (HUF)	3,37393	3,38131	3,35604	3,36065	3,36771	3,24976
100 Macedonian Denar (MKD)	1,60447	1,61950	1,62362	1,62584	1,61831	1,62249
100 Polish Zloty (PLN)	24,06960	23,81640	23,54300	23,88820	23,82270	23,89150
10 Romanian leu (RON)	2,28004	2,27277	2,25165	2,24648	2,26252	2,22159

END OF PERIOD

	Mar. 31 2013 €	Jun. 30 2013 €	Sep. 30 2013 €	Dec. 31 2013 €	Mar. 31 2014 €
1 US Dollar (USD)	0,78089	0,76482	0,74085	0,72597	0,72458
1 British pound (GBP)	1,18171	1,16541	1,19542	1,20086	1,20644
100 Czech korunas (CZK)	3,88554	3,85410	3,88750	3,64929	3,64469
100 Croatian kunas (HRK)	13,16710	13,42880	13,13020	13,12490	13,07470
1,000 Hungarian forints (HUF)	3,28837	3,38437	3,35295	3,36594	3,25664
100 Macedonian Denar (MKD)	1,62991	1,62286	1,62273	1,62712	1,62102
100 Polish Zloty (PLN)	23,94350	23,06330	23,67970	24,08060	23,96540
10 Romanian leu (RON)	2,26277	2,24026	2,24175	2,23723	2,24189

CONTENT

At a Glance	4
Excellent market position	6

GROUP

Adjusted for special factors	8
EBITDA reconciliation	9
As reported	10
Special factors in the consolidated income statement	11
Details on special factors	12
Change in the composition of the group	14
Consolidated statement of financial position	15
Provisions for pensions	17
Maturity profile	18
Liquidity reserves	19
Net debt	20
Net debt development	21
Cash capex	22
Free cash flow	23
Personnel	24
Exchange rates	25

GERMANY

Financials	28
EBITDA reconciliation	29
Operational	30
Additional information	31

UNITED STATES

Financials	44
EBITDA reconciliation	45
Operational	46
Additional information	48

EUROPE

Financials	54
EBITDA reconciliation	55
Greece	57
Romania	59
Hungary	61
Poland	63
Czech Republic	64

EUROPE

Netherlands	65
Croatia	66
Slovakia	68
Austria	70
Bulgaria	71

SYSTEMS SOLUTIONS

Financials	74
EBITDA reconciliation	75

GHS

Financials	78
EBITDA reconciliation	79
EE	80

GLOSSARY

82

GERMANY

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE	2	5.566	5.612	5.670	5.648	22.496	5.483	(1,5)
NET REVENUE		5.216	5.274	5.331	5.296	21.117	5.146	(1,3)
EBITDA		2.255	2.279	2.375	2.027	8.936	2.230	(1,1)
EBITDA margin (EBITDA / total revenue)	%	40,5	40,6	41,9	35,9	39,7	40,7	0,2p
Depreciation, amortization and impairment losses		(966)	(978)	(989)	(1.028)	(3.961)	(956)	1,0
Profit (loss) from operations = EBIT		1.289	1.301	1.386	999	4.975	1.274	(1,2)
CASH CAPEX		594	644	892	1.281	3.411	705	18,7
CASH CONTRIBUTION		1.661	1.635	1.483	746	5.525	1.525	(8,2)

FINANCIALS (AS REPORTED)¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		5.566	5.565	5.670	5.634	22.435	5.483	(1,5)
NET REVENUE		5.216	5.227	5.331	5.282	21.056	5.146	(1,3)
EBITDA		2.118	2.161	2.268	1.854	8.401	2.205	4,1
EBITDA margin (EBITDA / total revenue)	%	38,1	38,8	40,0	32,9	37,4	40,2	2,1p
Depreciation, amortization and impairment losses		(966)	(978)	(989)	(1.033)	(3.966)	(956)	1,0
Profit (loss) from operations = EBIT		1.152	1.183	1.279	821	4.435	1.249	8,4
CASH CAPEX		594	644	892	1.281	3.411	705	18,7
CASH CONTRIBUTION		1.524	1.517	1.376	573	4.990	1.500	(1,6)

1 As of April 1, 2013, deconsolidation of SAF Forderungsmanagement GmbH.

2 Special factors affecting Total revenue: EUR -47 mn in Q2/13 and EUR -14 mn in Q4/13 within Wholesale Services (ULL).

GERMANY

EBITDA RECONCILIATION¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		5.566	5.565	5.670	5.634	22.435	5.483	(1,5)
TOTAL REVENUE (ADJUSTED FOR SPECIAL FACTORS)	2	5.566	5.612	5.670	5.648	22.496	5.483	(1,5)
Profit (loss) from operations = EBIT		1.152	1.183	1.279	821	4.435	1.249	8,4
- Depreciation, amortization and impairment losses		(966)	(978)	(989)	(1.033)	(3.966)	(956)	1,0
= EBITDA		2.118	2.161	2.268	1.854	8.401	2.205	4,1
EBITDA margin	%	38,1	38,8	40,0	32,9	37,4	40,2	2,1p
- Special factors affecting EBITDA		(137)	(118)	(107)	(173)	(535)	(25)	81,8
= EBITDA (ADJUSTED FOR SPECIAL FACTORS)		2.255	2.279	2.375	2.027	8.936	2.230	(1,1)
EBITDA margin (adjusted for special factors)	%	40,5	40,6	41,9	35,9	39,7	40,7	0,2p

SPECIAL FACTORS

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
EFFECTS ON EBITDA		(137)	(118)	(107)	(173)	(535)	(25)	81,8
- of which personnel		(123)	(150)	(103)	(130)	(506)	(23)	81,3
- of which other		(14)	32	(4)	(43)	(29)	(2)	85,7
EFFECTS ON PROFIT (LOSS) FROM OPERATIONS = EBIT		(137)	(118)	(107)	(178)	(540)	(25)	81,8
- of which personnel		(123)	(150)	(103)	(130)	(506)	(23)	81,3
- of which other		(14)	32	(4)	(48)	(34)	(2)	85,7

1 As of April 1, 2013, deconsolidation of SAF Forderungsmanagement GmbH.

2 Special factors affecting Total revenue: EUR -47 mn in Q2/13 and EUR -14 mn in Q4/13 within Wholesale Services (ULL).

GERMANY OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Change %
GERMANY							
ACCESS LINES							
Fixed network	('000)	1	22.113	21.880	21.625	21.417	21.202 (4,1)
IP	('000)	1	1.215	1.474	1.774	2.141	2.640 n.a.
Broadband	('000)	1	12.443	12.430	12.383	12.360	12.354 (0,7)
Fiber	('000)	1,2	1.015	1.096	1.165	1.246	1.375 35,5
TV (incl. IPTV, SAT)	('000)	1	2.036	2.078	2.121	2.177	2.255 10,8
ULLs	('000)	1	9.422	9.359	9.299	9.257	9.207 (2,3)
Wholesale bundled	('000)	1	483	455	419	390	362 (25,1)
Wholesale unbundled	('000)	1	1.362	1.418	1.495	1.564	1.675 23,0
Fiber	('000)		127	172	222	274	367 n.a.
MOBILE CUSTOMERS							
Total	('000)		37.005	37.492	37.936	38.625	39.145 5,8
- contract	('000)		20.011	20.445	20.915	21.553	22.104 10,5
- prepaid	('000)		16.994	17.047	17.021	17.072	17.040 0,3

CONSUMER OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Change %
GERMANY - CONSUMER							
ACCESS LINES							
Fixed network	('000)	1	17.536	17.331	17.109	16.923	16.698 (4,8)
IP	('000)	1	1.119	1.355	1.629	1.960	2.407 n.a.
Broadband	('000)	1	10.035	10.024	9.983	9.963	9.927 (1,1)
Fiber	('000)	1,2	866	935	994	1.064	1.171 35,2
TV (incl. IPTV, SAT)	('000)	1	1.866	1.906	1.948	2.001	2.071 11,0
MOBILE CUSTOMERS							
Total	('000)		29.064	29.343	29.623	29.943	30.174 3,8
- contract	('000)		14.396	14.762	15.159	15.669	16.112 11,9
- prepaid	('000)		14.668	14.581	14.463	14.275	14.061 (4,1)

BUSINESS CUSTOMERS OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Change %
GERMANY - BUSINESS							
ACCESS LINES							
Fixed network	('000)	1	3.515	3.490	3.465	3.445	3.460 (1,6)
IP	('000)	1	81	103	128	164	216 n.a.
Broadband	('000)	1	2.083	2.080	2.074	2.072	2.101 0,9
Fiber	('000)	1,2	147	159	169	180	200 36,1
TV (incl. IPTV, SAT)	('000)	1	168	170	172	174	182 8,3
MOBILE CUSTOMERS							
Mobile communications	('000)		7.941	8.149	8.314	8.682	8.971 13,0
- contract	('000)		5.615	5.683	5.755	5.885	5.992 6,7
- prepaid (M2M)	('000)		2.326	2.467	2.558	2.797	2.979 28,1

1 Figures do not add up.

2 Sum of all FTTx accesses (e.g. FTTC/VDSL, Vectoring and FTTH).

GERMANY

REVENUE SPLIT - PRODUCTS¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
GERMANY		5.566	5.565	5.670	5.634	22.435	5.483	(1,5)
FIXED NETWORK		2.560	2.546	2.542	2.535	10.183	2.483	(3,0)
of which Fixed Revenues (Fixed line)		1.864	1.856	1.835	1.821	7.376	1.809	(3,0)
Voice only revenues		553	542	529	520	2.144	512	(7,4)
Broadband revenues		1.078	1.075	1.065	1.057	4.275	1.046	(3,0)
TV revenues		233	239	241	244	957	251	7,7
of which Variable Revenues (Fixed line)		315	311	318	302	1.246	280	(11,1)
of which Revenues from add-on options (Fixed line)		43	39	41	43	166	40	(7,0)
thereof revenues from voice centric options		21	20	21	21	83	20	(4,8)
thereof revenues from broadband centric options		7	7	7	7	28	7	n.a.
thereof revenues from TV centric options		15	12	13	14	54	13	(13,3)
MOBILE COMMUNICATIONS		1.842	1.925	2.006	1.957	7.730	1.871	1,6
of which Service Revenues		1.628	1.673	1.700	1.650	6.651	1.631	0,2
thereof Data Revenues		541	569	651	679	2.440	697	28,8
WHOLESALE SERVICES FIXED NETWORK		865	825	863	873	3.426	856	(1,0)
of which access full ULL		323	273	320	304	1.220	315	(2,5)
of which bundled and unbundled access line		103	104	107	108	422	123	19,4
ONLINE CONSUMER SERVICES	2	18	21	20	20	79	20	11,1
VALUE-ADDED SERVICES		83	74	71	65	293	64	(22,9)
OTHERS		198	174	169	184	725	189	(4,5)

REVENUE SPLIT - SEGMENTS¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
GERMANY		5.566	5.565	5.670	5.634	22.435	5.483	(1,5)
Consumer		2.982	3.031	3.086	3.023	12.122	2.928	(1,8)
Business customers		1.391	1.414	1.431	1.440	5.676	1.404	0,9
Wholesale services		959	922	959	971	3.811	952	(0,7)
Value-added services		80	73	71	64	288	63	(21,3)
Others		154	125	123	136	538	136	(11,7)

1 As of April 1, 2013, deconsolidation of SAF Forderungsmanagement GmbH.

2 Contains mainly security packages and hosting storages.

GERMANY

MOBILE COMMUNICATIONS KPIS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
AVERAGE MONTHLY CHURN	(%)	1,4	1,5	1,4	1,5	1,4	1,3	(0,1p)
- contract	(%)	1,1	1,2	1,1	1,0	1,1	1,1	0,0p
SAC PER GROSS ADD	(€)	79	78	81	80	79	67	(15,2)
- contract	(€)	136	123	133	131	131	101	(25,7)
- prepaid	(€)	12	25	20	17	19	15	25,0
SRC PER RETAINED CUSTOMER	(€)	197	210	213	207	207	214	8,6
ARPU	(€)	15	15	15	14	15	14	(6,7)
- contract	(€)	24	25	24	23	24	23	(4,2)
- prepaid	(€)	3	3	4	3	3	3	0,0
NON-VOICE % OF ARPU	(%)	44	45	48	51	47	50	6p
MOU PER CUSTOMER	(min)	81	85	84	83	83	80	(1,2)
- contract	(min)	132	138	135	132	134	129	(2,3)

CONSUMER - KPIS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
AVERAGE MONTHLY CHURN	(%)	1,6	1,6	1,6	1,6	1,6	1,5	(0,1p)
- contract	(%)	1,1	1,3	1,2	1,1	1,2	1,2	0,1p
SAC PER GROSS ADD	(€)	74	75	80	83	78	67	(9,5)
- contract	(€)	125	114	124	127	123	92	(26,4)
- prepaid	(€)	15	29	25	23	23	21	40,0
SRC PER RETAINED CUSTOMER	(€)	234	229	227	253	236	227	(3,0)
ARPU	(€)	13	13	13	12	13	12	(7,7)
- contract	(€)	22	22	22	21	22	20	(9,1)
- prepaid	(€)	4	4	4	4	4	3	(25,0)
NON-VOICE % OF ARPU	(%)	44	45	49	51	47	49	5p
MOU PER CUSTOMER	(min)	76	80	80	80	79	74	(2,6)
- contract	(min)	119	125	122	121	122	112	(5,9)

BUSINESS CUSTOMERS - KPIS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
AVERAGE MONTHLY CHURN	(%)	0,9	0,8	0,8	1,0	0,9	0,7	(0,2p)
- contract	(%)	1,0	0,8	0,8	0,8	0,8	0,7	(0,3p)
SAC PER GROSS ADD	(€)	98	89	85	70	84	69	(29,6)
- contract	(€)	190	166	175	146	167	141	(25,8)
- prepaid	(€)	3	4	0	2	2	2	(33,3)
SRC PER RETAINED CUSTOMER	(€)	142	175	187	150	162	190	33,8
ARPU	(€)	23	23	22	22	22	21	(8,7)
- contract	(€)	31	32	31	30	31	30	(3,2)
- prepaid	(€)	2	2	2	2	2	2	0,0
NON-VOICE % OF ARPU	(%)	46	44	47	51	47	53	7p
MOU PER CUSTOMER	(min)	128	133	129	126	129	128	0,0
- contract	(min)	179	188	185	183	184	189	5,6

GERMANY

SINGLE PLAY

SINGLE PLAY^{1,2,3} IN €	CALL START⁴	CALL BASIC^{4,5}	CALL COMFORT⁴
	Standard-PSTN, voice usage per minute	Standard-PSTN, voice usage per minute, up to 120 minutes included within Germany	Standard-PSTN, voice flat rate within Germany
	17.95	19.95	29.95
CITY, CDL	CENT/MINUTE		
Off peak	2.9		0
Peak	2.9		0
international		from 2.9	
fixed to mobile		19.0	
CALLING PLANS			
CountryFlat 1		€ 3.94 per month	
CountryFlat 2		€14.95 per month	
fixed to mobile		12.9 cents/minute, minimum charge €4 per month	
fixed to T-Mobile flatrate		€14.95 per month	
Set-up		One off charge PSTN €69.95	

1 For general conditions and further details, please see www.telekom.de.

2 All prices in € including VAT.

3 Usage prices in cents/minute including VAT

4 Standard-PSTN; Universal-PSTN + €8

5 Universal-PSTN up to 240 Min included

GERMANY

DOUBLE PLAY

DOUBLE PLAY ^{1,2,3} IN €	CALL & SURF BASIC ⁴ (4.1)	CALL & SURF COMFORT ⁴	CALL & SURF COMFORT SPEED ⁹	CALL & SURF COMFORT PLUS ⁴
	Bandwidth DSL 2 Mbit/s, flat rate Internet usage. ⁷	Bandwidth DSL 16 Mbit/s, flat rate Internet usage and flat rate voice usage.	Bandwidth VDSL 50 Mbit/s ⁶ , flat rate Internet usage and flat rate voice usage	Bandwidth DSL 16 Mbit/s, flat rate Internet usage and flat rate voice usage, Security pack, Hotspot flat, e-Mail-Paket.
	29.95 ¹⁰	34.95 ¹⁰	39.95 ^{5,10}	44.95 ^{8,10}
CITY, DLD	CENT/MINUTE			
Off peak	2.9		0	
Peak	2.9		0	
international			from 2.9	
fixed to mobile		19.0		12.9
CALLING PLANS				
CountryFlat 1			€3.94 per month	
CountryFlat 2			€14.95 per month	
fixed to mobile		12.9 cents/minute, minimum charge €4 per month		included
fixed to T-Mobile flatrate			€14.95 per month	
Set-up			One off charge PSTN / IP €69.95	
Installation Service Comfort			One off charge €99.95	

1 For general conditions and further details, please see www.telekom.de

2 All prices in € including VAT

3 Usage prices are stated in cents/minute including VAT

4 Standard-PSTN; Universal-PSTN + €4; IP-Access incl. 2 voice channels and 3 telephone no.

5 Promotional price until 31.12.2014. Regular price €44.95

6 Also available as Fiber 100 / 200 (IP-Product only) for €49.95 / €54.95 (promotional price until 30.06.2014)

7 IP-Product "Call & Surf Basic IP" includes 16 Mbit/s bandwidth

8 Promotional Price €39.95 until 31.12.2014 for customer retention (IP-Product only)

9 Available as IP-Product only

10 120€ one-time-bonus for new customers from 03.03.2014 until 04.05.2014 (IP-Products only)

GERMANY

TRIPLE PLAY

TRIPLE PLAY ^{1,2,3} IN €	ENTERTAIN COMFORT ⁵	ENTERTAIN PREMIUM ⁵	ENTERTAIN SAT ^{5,9}	ENTERTAIN COMFORT SAT ^{5,9}
	Bandwidth DSL 16 Mbit/s plus ^{6,7} flat rate internet usage and flat rate voice usage, video on demand, IPTV basic package.	Bandwidth DSL 16 Mbit/s plus ^{6,7} flat rate Internet usage and flat rate voice usage, video on demand, IPTV premium package.	Bandwidth DSL min. 3 Mbit/s, flat rate Internet usage and flat rate voice usage, video on demand, IPTV basic package. No Pay TV possible.	Bandwidth DSL 16 Mbit/s plus flat rate internet usage and flat rate voice usage, video on demand, IPTV basic package.
	34.95 ^{4,8,10}	44.95 ^{4,8}	39.95 ⁴	34.95 ^{4,8,10}
CITY, DLD	CENT/MINUTE			
Off peak	0			
Peak	0			
international	from 2.9			
fixed to mobile	19.0			
CALLING PLANS				
CountryFlat 1	€3.94 per month			
CountryFlat 2	€14.95 per month			
fixed to mobile	12.9 cents/minute, minimum charge € 4 per month			
fixed to T-Mobile flatrate	€14.95 per month			
Set-up	One off charge PSTN / IP €69.95			
Installation Service Comfort	One off charge €99.95			

1 For general conditions and further details, please see www.telekom.de

2 All prices in € including VAT

3 Usage prices are stated in cents/minute including VAT

4 120€ one-time-bonus for new customers from 03.03.2014 until 04.05.2014

5 Available as IP-Product only

6 Also available as VDSL 50 with a promotional price + €5 until 31.12.2014, Regular Price + €10

7 Also available as Fiber 100 / 200 with a promotional price + €15 / + €20 (IP-Product only) until 30.06.2014

8 Promotional price for 24 months for new Entertain customers until 31.12.2014; Regular price €44.95/ €49.95

9 Digital SAT-Environment is necessary

10 Additional promotional price the first 6 months, until 04.05.2014

GERMANY

SPECIAL ALLNET

SPECIAL PLANS IN €	Special Allnet
Monthly charge (without handset)	29.95
Monthly charge (with handset)	39.95
includes national voice minutes (on-net, fixed net, other mobile networks)	
- mobile to national fixed net	free
- on-net	free
- other mobile networks	free
- Voicebox	free
SMS (onnet, other networks)	free
Data Network	3G
Data Speed	8 Mbit/s
Data Volume until speed step down	200 MB
MultiSim	4.95
VoIP	9.95
Tethering	free
Activation fee	29.95
Duration of contract	24 months

GERMANY

COMPLETE COMFORT & COMPLETE PREMIUM

COMPLETE PLANS IN €	XS	S	M	L	XL	XXL	PREMIUM
Monthly charge (without handset)	15.96	27.96	39.96	55.96	63.96	79.96	-
Monthly charge (with handset)	19.95	34.95	49.95	69.95	79.95	99.95	149.95
includes national voice minutes (on-net, fixed net, other mobile networks)	50	100					
- mobile to national fixed net	0.29	0.29	free	free	free	free	free
- on-net	free	free	free	free	free	free	free
- other mobile networks	0.29	0.29	free	free	free	free	free
- Voicebox	free	free	free	free	free	free	free
International Calls (minutes)							1.000
includes SMS per month	50						
SMS (onnet, other networks)	0.19	free	free	free	free	free	free
HotSpot Flatrate	-	-	free	free	free	free	free
Data Network	3G	3G	3G/LTE	3G/LTE	3G/LTE	3G/LTE	3G/LTE
Data Speed	8 Mbit/s	16 Mbit/s	16 Mbit/s	50 Mbit/s	100 Mbit/s	150 Mbit/s	150 Mbit/s
Data Volume until speed step down	100 MB	500 MB	750 MB	1 GB	2 GB	5 GB	20 GB
MultiSim	4.95	4.95	4.95	4.95	free	free	free
VoIP	9.95	9.95	free	free	free	free	free
Tethering	free	free	free	free	free	free	free
Roaming Voice (Minutes)					50	100	250
Roaming SMS							1.000
Roaming Data ¹				4 x Travel & Surf WeekPass	4 x Travel & Surf WeekPass	8 x Travel & Surf WeekPass	16 x Travel & Surf WeekPass
Activation fee				29.95			
Duration of contract				24 months			

1 Travel & Surf WeekPass 50 MB within Europe (24 Monate)

GERMANY

MOBILE OPTIONS

VOICE OPTIONS IN €	NETWORK FLAT (FixNet, VF, O2 or Eplus)	FIXED NUMBER	FAMILY
Monthly charge	9.95	9.95	4.95
Additional national voice minutes (on-net, fixed net, other mobile networks)	Flat to other network	Flat from home zone	free calls between 4 mobil numbers (onnet)
SMS OPTION IN €	SMS FLAT ALLNET		
Monthly charge	9.95		
Additional SMS per month (on-net, other networks)	free		
DATA OPTIONS IN €	LTE SPEED	MULTISIM	
Monthly charge	9.95	4.95	
Data Speed	150 Mbit/s		
Additional Data Volume (per month)	250/500		

GERMANY

CALL

CALL PLANS IN €	50
Monthly charge (without handset)	9.95
Monthly charge (with handset)	-
includes national voice minutes (on-net, fixed net, other mobile networks)	50
- mobile to national fixed net	0.29
- on-net	0.29
- other mobile networks	0.29
- Voicebox	0.29
includes SMS per month	50
SMS (on-net, other networks)	0.19
Activation fee	29.95
Duration of contract	24 months

GERMANY

DOUBLE PLAY VIA WIRELESS (CALL & SURF VIA FUNK)

DOUBLE PLAY VIA WIRELESS^{1,2,3,4} IN €	S	M	L
Monthly Charge ⁵	34.95 ⁶	39.95 ⁷	49.95 ⁸
Data Speed (Mbit/s)	16 Mbit/s	50 Mbit/s	100 Mbit/s
Data Volume until Speed Step Down (SSD)	10 GB	15 GB	30 GB
Voice minutes	Cent/Minute		
fixed net city	0		
fixed net national	0		
international	from 2.9		
fixed to mobile	19.0		
Options			
Speed On	€14.95 für 10 GB		
fixed to mobile	12.9 cents/minute, minimum charge €4 per month		
mobile flat	to Telekom Mobile €14.95 per month		
CountryFlat 1	€3.95 per month		
CountryFlat 2	€14.95 per month		
Mail & Cloud M	€4.95 per month		
Security Package	€3.95 per month		

1 For general conditions and further details, please see www.telekom.de

2 All prices in € including VAT

3 Usage prices are stated in cents/minute including VAT

4 Standard-PSTN; Universal-PSTN + €4

5 without terminal equipment. Monthly rent for Router €4.95

6 Promotional price until 30th September 2014. Regular price €39.95

7 Promotional price until 30th September 2014. Regular price €49.95

8 Promotional price until 30th September 2014. Regular price €69.95

FIXED NETWORK

OVERVIEW DOM. INTERCONNECTION TARIFFS (EXCL. VAT)

TERMINATION FEES IN CENT/MIN.	PEAK (9:00-18:00), OLD	PEAK (9:00-18:00), NEW	OFF-PEAK (18:00-9:00), OLD	OFF-PEAK (18:00-9:00), NEW
Local	0.45	0.36 ¹	0.32	0.25 ¹
Single transit	0.89 ^{1a}	0.40 ^{1b}	0.60 ^{1a}	0.28 ^{1b}
Double transit national	1.34 ^{1a}	0.40 ^{1b}	0.89 ^{1a}	0.28 ^{1b}
ORIGINATION FEES IN CENT/MIN.	PEAK (9:00-18:00), OLD	PEAK (9:00-18:00), NEW ¹	OFF-PEAK (18:00-9:00), OLD	OFF-PEAK (18:00-9:00), NEW ¹
Local	0.45	0.36	0.32	0.25
Single transit	0.69	0.52	0.46	0.36
Double transit national	1.03	0.61	0.68	0.43
FULLY UNBUNDLED ("ULL")	OLD		NEW	
One time fee	30.83 ²		31.01 ³	
Monthly fee	10.08 ⁴		10.19 ⁵	
PARTIALLY UNBUNDLED ("LINE SHARING")	OLD		NEW	
One time fee	38.20 ²		34.13 ³	
Monthly fee	1.84 ⁶		1.68 ⁷	
IP-BSA ADSL SHARED (CLASSIC)	OLD		NEW	
One time fee	—		44.87 ^{8,9}	
Monthly fee	—		8.12 ^{8,9}	
IP-BSA ADSL STAND ALONE (CLASSIC)	OLD		NEW	
One time fee	—		47.68 ^{8,9}	
Monthly fee	—		18.20 ^{8,9}	

1 Prices are valid from 01/12/2012 to 30/11/2014.

1a Prices are valid to 31/01/2013.

1b Prices are valid from 01/02/2013 to 30/11/2014.

2 Depending on complexity - valid to 30/06/2012.

3 Depending on complexity - valid to 30/06/2014.

4 Twisted pair copper access line valid to 30/06/2013.

5 Twisted pair copper access line valid to 30/06/2016.

6 valid to 30/06/2012.

7 valid to 30/06/2014.

8 Since 01/12/2010 these prices are ex post.

9 No price changes since 01/07/2011.

CONTENT

At a Glance	4
Excellent market position	6

GROUP

Adjusted for special factors	8
EBITDA reconciliation	9
As reported	10
Special factors in the consolidated income statement	11
Details on special factors	12
Change in the composition of the group	14
Consolidated statement of financial position	15
Provisions for pensions	17
Maturity profile	18
Liquidity reserves	19
Net debt	20
Net debt development	21
Cash capex	22
Free cash flow	23
Personnel	24
Exchange rates	25

GERMANY

Financials	28
EBITDA reconciliation	29
Operational	30
Additional information	31

UNITED STATES

Financials	44
EBITDA reconciliation	45
Operational	46
Additional information	48

EUROPE

Financials	54
EBITDA reconciliation	55
Greece	57
Romania	59
Hungary	61
Poland	63
Czech Republic	64

EUROPE

Netherlands	65
Croatia	66
Slovakia	68
Austria	70
Bulgaria	71

SYSTEMS SOLUTIONS

Financials	74
EBITDA reconciliation	75

GHS

Financials	78
EBITDA reconciliation	79
EE	80

GLOSSARY

82

UNITED STATES

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		3.541	4.825	5.108	5.082	18.556	5.074	43,3
NET REVENUE		3.540	4.824	5.106	5.082	18.552	5.073	43,3
EBITDA	1	888	930	1.082	974	3.874	844	(5,0)
EBITDA margin (EBITDA / total revenues)	%	25,1	19,3	21,2	19,2	20,9	16,6	(8,5)p
Depreciation, amortization and impairment losses		(396)	(529)	(607)	(609)	(2.141)	(641)	(61,9)
Profit (loss) from operations = EBIT		492	401	475	365	1.733	203	(58,7)
CASH CAPEX	2	826	804	767	624	3.021	690	(16,5)
CASH CONTRIBUTION	2	62	126	315	350	853	154	n.a.

FINANCIALS (AS REPORTED)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		3.541	4.825	5.108	5.082	18.556	5.074	43,3
NET REVENUE		3.540	4.824	5.106	5.082	18.552	5.073	43,3
EBITDA		854	884	1.019	885	3.642	795	(6,9)
EBITDA margin (EBITDA / total revenue)	%	24,1	18,3	19,9	17,4	19,6	15,7	(8,4)p
Depreciation, amortization and impairment losses		(396)	(529)	(607)	(706)	(2.238)	(641)	(61,9)
Profit (loss) from operations = EBIT		458	355	412	179	1.404	154	(66,4)
CASH CAPEX		852	804	767	856	3.279	690	(19,0)
CASH CONTRIBUTION		2	80	252	29	363	105	n.a.

Including first-time consolidation of MetroPCS from May 1, 2013.

1 Excluding special factors affecting EBITDA of EUR 34mn in Q1/13, EUR 46mn in Q2/13, EUR 63mn in Q3/13, EUR 89mn in Q4/13, and EUR 49mn in Q1/14.

2 Adjusted by excluding spectrum purchases of EUR 26mn in Q1/13 and EUR 232mn in Q4/13.

UNITED STATES

EBITDA RECONCILIATION

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		3.541	4.825	5.108	5.082	18.556	5.074	43,3
Profit (loss) from operations = EBIT		458	355	412	179	1.404	154	(66,4)
- Depreciation, amortization and impairment losses		(396)	(529)	(607)	(706)	(2.238)	(641)	(61,9)
= EBITDA		854	884	1.019	885	3.642	795	(6,9)
EBITDA margin	%	24,1	18,3	19,9	17,4	19,6	15,7	(8,4p)
- Special factors affecting EBITDA		(34)	(46)	(63)	(89)	(232)	(49)	(44,1)
= EBITDA ADJUSTED FOR SPECIAL FACTORS	1	888	930	1.082	974	3.874	844	(5,0)
EBITDA margin (adjusted for special factors)	%	25,1	19,3	21,2	19,2	20,9	16,6	(8,5p)

SPECIAL FACTORS

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €
EFFECTS ON EBITDA		(34)	(46)	(63)	(89)	(232)	(49)
- of which personnel		(23)	(39)	(62)	(55)	(179)	(46)
- of which other		(11)	(7)	(1)	(34)	(53)	(3)
EFFECTS ON PROFIT (LOSS) FROM OPERATIONS = EBIT		(34)	(46)	(63)	(186)	(329)	(49)
- of which personnel		(23)	(39)	(62)	(55)	(179)	(46)
- of which other		(11)	(7)	(1)	(131)	(150)	(3)

Including first-time consolidation of MetroPCS from May 1, 2013.

1 Excluding special factors affecting EBITDA of EUR 34mn in Q1/13, EUR 46mn in Q2/13, EUR 63mn in Q3/13, EUR 89mn in Q4/13, and EUR 49mn in Q1/14.

UNITED STATES OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %	
CUSTOMERS (END OF PERIOD)	('000)	1	33.968	44.016	45.039	46.684	46.684	49.075	44,5
Branded postpaid	('000)		20.094	20.783	21.430	22.299	22.299	23.622	17,6
Branded prepay	('000)		6.028	14.935	14.960	15.072	15.072	15.537	n.a.
- BRANDED	('000)		26.122	35.718	36.390	37.371	37.371	39.159	49,9
Machine-to-machine	('000)		3.290	3.423	3.430	3.602	3.602	3.822	16,2
MVNO	('000)		4.556	4.875	5.219	5.711	5.711	6.094	33,8
- WHOLESALE	('000)		7.846	8.298	8.649	9.313	9.313	9.916	26,4
NET ADDS	('000)		579	1.130	1.023	1.645	4.377	2.391	n.a.
Branded postpaid	('000)		(199)	688	648	869	2.006	1.323	n.a.
Branded prepay	('000)		202	(10)	24	112	328	465	n.a.
- BRANDED	('000)		3	678	672	981	2.334	1.788	n.a.
Machine-to-machine	('000)		200	133	7	172	512	220	10,0
MVNO	('000)		376	319	344	492	1.531	383	1,9
- WHOLESALE	('000)		576	452	351	664	2.043	603	4,7
AVERAGE MONTHLY CHURN	(%)		3,3	3,3	3,6	3,4	3,4	3,1	(0,2p)
- Branded postpaid	(%)		1,9	1,6	1,7	1,7	1,7	1,5	(0,4p)
- Branded prepay	(%)		7,0	5,4	5,0	5,1	5,4	4,3	(2,7p)
TOTAL REVENUES	(€ million)		3.541	4.825	5.108	5.082	18.556	5.074	43,3
Service revenue	(€ million)	2	2.958	3.539	3.785	3.685	13.968	3.785	28,0
EBITDA (ADJUSTED FOR SPECIAL FACTORS)	(€ million)	3	888	930	1.082	974	3.874	844	(5,0)
EBITDA margin (adjusted for special factors) (EBITDA / total revenue)	(%)		25,1	19,3	21,2	19,2	20,9	16,6	(8,5p)
EBITDA margin (adjusted for special factors) (EBITDA / service revenue)	(%)		30,0	26,3	28,6	26,4	27,7	22,3	(7,7p)
BLENDED ARPU	(€)		29	29	28	27	28	26	(10,3)
- Branded postpaid	(€)		40	40	38	36	38	35	(12,5)
- Branded prepay	(€)		21	26	27	26	26	26	23,8
NON-VOICE % OF ARPU	(%)		38	41	42	46	42	51	13,0p
MOU PER BRANDED CUSTOMER	(min)		926	1.086	1.141	1.112	1.077	1.127	21,7
- Branded postpaid	(min)		959	977	981	981	975	992	3,4
CASH CAPEX	(€ million)		852	804	767	856	3.279	690	(19,0)
CASH CAPEX (ADJUSTED FOR SPECIAL FACTORS)	(€ million)	6	826	804	767	624	3.021	690	(16,5)
CASH CONTRIBUTION (ADJUSTED FOR SPECIAL FACTORS)	(€ million)	6	62	126	315	350	853	154	n.a.

Note: T-Mobile's historical metrics have changed to conform with the current branded customer presentation. Branded customer metrics revenues exclude machine-to-machine, MVNO, third party roaming and third party one-time fees. Certain historical customer numbers may not tie to historical reports due to rounding.

1 On May 1, 2013, prepay customers increased by 8.918 tsd in connection with the acquisition of MetroPCS.

2 Includes revenues from providing recurring wireless, customer roaming and handset insurance services.

3 Excluding special factors affecting EBITDA of EUR 34mn in Q1/13, EUR 46mn in Q2/13, EUR 63mn in Q3/13, EUR 89mn in Q4/13, and EUR 49mn in Q1/14.

4 Represents the average service revenues from branded postpaid customers on a per user basis.

5 Represents the average service revenues from branded prepay customers on a per user basis.

6 Adjusted by excluding spectrum purchases of EUR 26mn in Q1/13 and EUR 232mn in Q4/13.

UNITED STATES

OPERATIONALS IN US-\$

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
CUSTOMERS (END OF PERIOD)	(000)	33.968	44.016	45.039	46.684	46.684	49.075	44,5
Branded postpaid	(000)	20.094	20.783	21.430	22.299	22.299	23.622	17,6
Branded prepay	(000)	6.028	14.935	14.960	15.072	15.072	15.537	n.a.
- BRANDED	(000)	26.122	35.718	36.390	37.371	37.371	39.159	49,9
Machine-to-machine	(000)	3.290	3.423	3.430	3.602	3.602	3.822	16,2
MVNO	(000)	4.556	4.875	5.219	5.711	5.711	6.094	33,8
- WHOLESALE	(000)	7.846	8.298	8.649	9.313	9.313	9.916	26,4
NET ADDS	(000)	579	1.130	1.023	1.645	4.377	2.391	n.a.
Branded postpaid	(000)	(199)	688	648	869	2.006	1.323	n.a.
Branded prepay	(000)	202	(10)	24	112	328	465	n.a.
- BRANDED	(000)	3	678	672	981	2.334	1.788	n.a.
Machine-to-machine	(000)	200	133	7	172	512	220	10,0
MVNO	(000)	376	319	344	492	1.531	383	1,9
- WHOLESALE	(000)	576	452	351	664	2.043	603	4,7
AVERAGE MONTHLY CHURN	(%)	3,3	3,3	3,6	3,4	3,4	3,1	(0,2p)
- Branded postpaid	(%)	1,9	1,6	1,7	1,7	1,7	1,5	(0,4p)
- Branded prepay	(%)	7,0	5,4	5,0	5,1	5,4	4,3	(2,7p)
TOTAL REVENUES	(USD million)	4.678	6.305	6.764	6.919	24.666	6.959	48,8
Service revenue	(USD million)	3.908	4.624	5.013	5.018	18.563	5.193	32,9
EBITDA (ADJUSTED FOR SPECIAL FACTORS)	(USD million)	1.173	1.216	1.432	1.325	5.146	1.158	(1,3)
EBITDA margin (adjusted for special factors)								
(EBITDA / total revenue)	(%)	25,1	19,3	21,2	19,2	20,9	16,6	(8,5p)
EBITDA margin (adjusted for special factors)								
(EBITDA / service revenue)	(%)	30,0	26,3	28,6	26,4	27,7	22,3	(7,7p)
BLENDED ARPU	(USD)	39	38	38	37	38	36	(7,7)
- Branded postpaid	(USD)	52	52	51	49	51	48	(7,7)
- Branded prepay	(USD)	28	35	35	36	34	36	28,6
NON-VOICE % OF ARPU	(%)	38	41	42	46	42	51	13,0p
MOU PER BRANDED CUSTOMER	(min)	926	1.086	1.141	1.112	1.077	1.127	21,7
- Branded postpaid	(min)	959	977	981	981	975	992	3,4
CASH CAPEX	(USD million)	1.124	1.051	1.018	1.164	4.357	947	(15,7)
CASH CAPEX (ADJUSTED FOR SPECIAL FACTORS)	(USD million)	6	1.089	1.018	847	4.005	947	(13,0)
CASH CONTRIBUTION (ADJUSTED FOR SPECIAL FACTORS)	(USD million)	6	84	164	415	1.141	212	n.a.

Note: T-Mobile's historical metrics have changed to conform with the current branded customer presentation. Branded customer metrics revenues exclude machine-to-machine, MVNO, third party roaming and third party one-time fees. Certain historical customer numbers may not tie to historical reports due to rounding.

1 On May 1, 2013, prepay customers increased by 8.918 tsd in connection with the acquisition of MetroPCS.

2 Includes revenues from providing recurring wireless, customer roaming and handset insurance services.

3 Excluding special factors affecting EBITDA of USD 44mn in Q1/13, USD 60mn in Q2/13, USD 83mn in Q3/13, USD 121mn in Q4/13, and USD 67mn in Q1/14.

4 Represents the average service revenues from branded postpaid customers on a per user basis.

5 Represents the average service revenues from branded prepay customers on a per user basis.

6 Adjusted by excluding spectrum purchases of USD 35mn in Q1/13 and USD 317mn in Q4/13.

For US-GAAP numbers please visit investor.t-mobile.com to download the corresponding T-Mobile USA earnings release.

UNITED STATES

T-MOBILE USA

SIMPLE CHOICE PLAN^{1,2,3,5,6,7,8,9}

PRICING⁸

Unlimited Talk, Text and Web with up to 1GB of full speed data ^{4,5}	\$50.00
Unlimited Talk, Text and Web with up to 3GB of full speed data ^{4,5}	\$60.00
Unlimited Talk, Text and Web with up to 5GB of full speed data ^{4,5}	\$70.00
Unlimited Talk, Text and Unlimited Nationwide 4G LTE data (unlimited full speed data)	\$80.00

1 Text plans include unlimited nationwide text, picture and video messaging. As of 3/23, international texting from the US to virtually anywhere, at no extra charge

2 Web plans include overage-free data with nationwide Web and e-mail access. Full speeds available up to monthly allotment, then slowed to up to 2G speeds for rest of billing cycle. All unlimited data plans are unlimited while on T-Mobile's network.

3 On-network and domestic roaming data allotments differ: 1 GB full-speed plan includes 10 MB roaming; 3 GB and unlimited 4G LTE full-speed plans, and limited 5 GB through 11 GB Smartphone Mobile HotSpot features, include 50 MB roaming; 5 GB, 7 GB and 9 GB full-speed plans include 100 MB roaming; and 11 GB through 21 GB full-speed plans include 200 MB roamina.

4 Customers may choose to add more full speed data in increments of 2 GB/each \$10 more per month per line, up to 21 GB of data.

8 All prices reflect monthly recurring charges; taxes and fees additional. Credit approval, \$10 SIM starter kit and deposit may be required. Web plans provide access to data; capable device required to achieve 4G LTE speeds.

9 All postpaid Simple Choice plan options include unlimited (2G) data and text while in over 120 countries and destinations at no extra charge.

5 Includes up to 1GB of full speed data at no additional charge.

6 All plan options include Smartphone Mobile HotSpot capability that share the same full speed data allotment of their data plan except for the Unlimited Nationwide 4G LTE plan which includes up to 5 GB of Smartphone Mobile HotSpot data usage that is capped. Customers may purchase additional capped Smartphone Mobile HotSpot data usage for the Unlimited Nationwide 4G LTE Data plan in 2GB increments for \$10 each up to 11GB. Use of connected devices subject to T-Mobile's Terms and Conditions. Must use device manufacturer or T-Mobile feature.

7 No limits or overages while on T-Mobile's network. No annual service contract required.

UNITED STATES

T-MOBILE USA

SIMPLE CHOICE PLAN^{1,2,3,4,5,6,7,8}

INCLUDED FEATURES PER LINE

Unlimited Talk, Text and Web with up to 1GB of full speed data (first 2 lines)

Unlimited Talk, Text and Web with up to 1GB of full speed data (third, fourth, fifth lines)

PRICING⁷

\$80.00 for first 2 lines

\$10.00 per line

DATA PLAN ADD-ON TO SIMPLE CHOICE MULTI-LINE^{2,3,5,6,7}

Add more full speed data in increments of 2GB, up to 21 GB of data (each line)

Unlimited Nationwide 4G LTE data (unlimited full speed data)

PRICING⁷

\$10.00 (more per line per 2 GB)

\$30.00 (more per line)

1 Text plans include unlimited nationwide text, picture and video messaging. As of 3/23, international texting from the US to virtually anywhere, at no extra charge

2 Web plans include overage-free data with nationwide Web and e-mail access. Full speeds available up to monthly allotment, then slowed to up to 2G speeds for rest of billing cycle. All unlimited data plans are unlimited while on T-Mobile's network.

3 On-network and domestic roaming data allotments differ: 1 GB full-speed plan includes 10 MB roaming; 3 GB and unlimited 4G LTE full-speed plans, and limited 5 GB through 11 GB Smartphone Mobile HotSpot features, include 50 MB roaming; 5 GB, 7 GB and 9 GB full-speed plans include 100 MB roaming; and 11 GB through 21 GB full-speed plans include 200 MB roaming.

4 Includes up to 1GB of full speed data at no additional charge

8 All postpaid Simple Choice plan options include unlimited (2G) data and text while in over 120 countries and destinations at no extra charge per line.

5 All plan options include Smartphone Mobile HotSpot capability that share the same full speed data allotment of their data plan except for the Unlimited Nationwide 4G LTE plan which includes up to 5 GB of Smartphone Mobile HotSpot data usage that is capped. Customers may purchase additional capped Smartphone Mobile HotSpot data usage for the Unlimited Nationwide 4G LTE Data plan in 2GB increments for \$10 each up to 11GB. Use of connected devices subject to T-Mobile's Terms of Service, which may include restrictions on use of connected devices. See T-Mobile.com for details.

6 No limits or overages while on T-Mobile's network. No annual service contract required.

7 All prices reflect monthly recurring charges; taxes and fees additional. Credit approval, \$10 SIM starter kit and deposit may be required. Web plans provide access to data; capable device required to achieve 4G LTE speeds.

UNITED STATES

T-MOBILE USA

SIMPLE CHOICE PLAN (PAY IN ADVANCE)^{1,2,3,4,5,6,7,8,12}

PRICING¹²

Unlimited Talk, Text and Web with up to 1GB of full speed data	\$50.00
Unlimited Talk, Text and Web with up to 3GB of full speed data	\$60.00
Unlimited Talk, Text and Web with up to 5GB of full speed data	\$70.00
Unlimited Talk, Text and Unlimited Nationwide 4G LTE data (unlimited full speed data)	\$80.00

1 No annual contract required.

2 Text plans include unlimited nationwide text, picture and video messaging.

3 Web plans include overage-free data with nationwide Web and e-mail access. Full speed, 4G LTE data available up to monthly allotment, then slowed to 2G speeds for balance of service period. All unlimited data plans are unlimited while on T-Mobile's network.

4 Features available for until 30th day.

5 These plan options include Smartphone Mobile HotSpot (tethering) capability that share the same full speed data allotment of their data plan except for the Unlimited Nationwide 4G LTE plan which includes up to 5 GB of Smartphone Mobile HotSpot data usage that is capped. Use of connected devices subject to T-Mobile's Terms and Conditions. Must use device manufacturer or T-Mobile feature.

6 No limits or overages while on T-Mobile's network.

7 Includes access to BlackBerry email, BlackBerry Messenger, and BlackBerry App World for your BlackBerry device, for \$0 per month. For No Annual contract plans \$50 and up and that include unlimited data. Not available for Pay By The Day or Pay As You Go plans.

8 Roaming and on-network data allotments differ; 1GB full-speed plan includes 10 MB roaming; 3GB and unlimited 4G LTE plans, and limited 5 GB Smartphone Mobile Hotspot feature, include 50MB roaming, 5GB full-speed plan includes 100 MB roaming.

ADDITIONAL ADD-ON PAY IN ADVANCE PLANS \$50/MONTH OR HIGHER

TALK/TEXT¹²

Stateside International Talk & Text with Mobile ⁹	\$15.00
Stateside International Talk & Text ¹⁰	\$10.00
Stateside International Text ¹¹	\$7.00

9 Unlimited calling to mobile numbers in 30+ countries and unlimited calling to landlines in 70+ countries. Plus, get 1000 mobile-to-mobile minutes to Mexico (Overage extra (if available funds for Pay In Advance); \$0.04/minute), unlimited texting to 200+ countries, and discounted calling rates to the rest of the world.

10 Unlimited calls to landlines in 70+ countries and unlimited texting to 200+ countries. Plus, call mobile numbers in 100+ countries for just \$0.20/minute and get discounted calling rates to the rest of the world

11 Unlimited text messages from the US to over 200 countries.

12 All prices reflect monthly charges. \$10 SIM starter kit may be required. Capable device required to achieve 4G LTE speeds.

UNITED STATES

T-MOBILE USA

SIMPLE CHOICE VALUE^{1,2,3,4,5,6,7}	PRICING¹	HOTSPOT ACCESS³
MOBILE INTERNET PLANS		
Unlimited, Overage-Free Mobile Internet 1 GB	\$20.00	Included
Unlimited, Overage-Free Mobile Internet 3 GB	\$30.00	Included
Unlimited, Overage-Free Mobile Internet 5 GB	\$40.00	Included
Unlimited, Overage-Free Mobile Internet 7 GB	\$50.00	Included
Unlimited, Overage-Free Mobile Internet 9 GB	\$60.00	Included
Unlimited, Overage-Free Mobile Internet 11 GB	\$70.00	Included
Unlimited, Overage-Free Mobile Internet 13 GB	\$80.00	Included
Unlimited, Overage-Free Mobile Internet 15 GB	\$90.00	Included
Unlimited, Overage-Free Mobile Internet 17 GB	\$100.00	Included
Unlimited, Overage-Free Mobile Internet 19 GB	\$110.00	Included
Unlimited, Overage-Free Mobile Internet 21 GB	\$120.00	Included

1 Prices reflect monthly recurring charges; taxes and fees additional. Credit approval, \$10 SIM starter kit and deposit may be required.

2 \$10 discount available when added to a postpaid voice line of service with T-Mobile on the same account.

3 All plan options include Smartphone Mobile HotSpot capability that share the same full speed data allotment of their data plan. Plan data allotment applies. Use of connected devices subject to T-Mobile's Terms and Conditions. Must use device manufacturer or T-Mobile feature.

4 No overage charges. After data allotment used, speeds slowed to up to 2G speeds for rest of billing cycle.

5 Customers may choose to add more full speed data in increments of 2 GB/each \$10 more per month per line, up to 21 GB of data. Or purchase an On Demand Mobile Internet (full speed data) Pass by day or week increments. (See On Demand Mobile Internet Passes (Postpaid) below)

6 On-network and domestic roaming data allotments differ: 1 GB full-speed plan includes 10 MB roaming; 3 GB full-speed plan includes 50 MB roaming; 5 GB, 7 GB and 9 GB full-speed plans include 100 MB roaming; and 11 GB through 21 GB full-speed plans include 200 MB roaming.

7 All monthly postpaid Simple Choice plan options include unlimited (2G)

ON DEMAND MOBILE INTERNET PASSES (Postpaid)^{1,2,3}	PRICING¹	HOTSPOT ACCESS³
Unlimited, Overage-Free Mobile Internet 500 MB data (use for 1 days)	\$5.00	Included
Unlimited, Overage-Free Mobile Internet 1 GB data (use for 7 days)	\$10.00	Included

1 Credit approval, \$10 SIM starter kit and deposit may be required.

2 No overage charges. After data allotment used, speeds slowed to up to 2G speeds for rest of billing cycle.

3 All plan options include Smartphone Mobile HotSpot capability that share the same full speed data allotment of their data plan Plan data allotment applies. Use of connected devices subject to T-Mobile's Terms and Conditions. Must use device manufacturer or T-Mobile feature.

PAY IN ADVANCE - (SINGLE USE) DATA PASSES^{1,2,3}	PRICING¹	HOTSPOT ACCESS
Unlimited, Overage-Free 500 MB data (use for 1 day)	\$10.00	Not Included
Unlimited, Overage-Free 1 GB data (use for 7 days)	\$15.00	Not Included
Unlimited, Overage-Free 3 GB data (use for 30 days)	\$30.00	Not Included

1 \$10 SIM starter kit may be required. Service available for time period and/or usage amount provided by Pass. For time period, a day is 12:00 a.m. to 11:59 p.m., based on time zone associated with account phone number. Usage rounded up to the nearest MB

2 No overage charges. After data allotment used, speeds slowed to up to 2G speeds for rest of billing cycle.

3 Domestic only. No roaming.

PAY IN ADVANCE - MONTHLY RECURRING (AUTO-RENEW) PASSES^{1,2,3}	PRICING¹	HOTSPOT ACCESS
Unlimited, Overage-Free Mobile Internet 1 GB	\$20.00	Not Included
Unlimited, Overage-Free Mobile Internet 3 GB	\$30.00	Not Included
Unlimited, Overage-Free Mobile Internet 5 GB	\$40.00	Not Included
Unlimited, Overage-Free Mobile Internet 7 GB	\$50.00	Not Included
Unlimited, Overage-Free Mobile Internet 9 GB	\$60.00	Not Included
Unlimited, Overage-Free Mobile Internet 11 GB	\$70.00	Not Included
Unlimited, Overage-Free Mobile Internet 13 GB	\$80.00	Not Included

1 Prices reflect monthly recurring charges. \$10 SIM starter kit and deposit may be required.

2 No overage charges. After data allotment used, speeds slowed to up to 2G speeds for rest of billing cycle.

3 On-network, Domestic data only. No roaming.

CONTENT

At a Glance	4
Excellent market position	6

GROUP

Adjusted for special factors	8
EBITDA reconciliation	9
As reported	10
Special factors in the consolidated income statement	11
Details on special factors	12
Change in the composition of the group	14
Consolidated statement of financial position	15
Provisions for pensions	17
Maturity profile	18
Liquidity reserves	19
Net debt	20
Net debt development	21
Cash capex	22
Free cash flow	23
Personnel	24
Exchange rates	25

GERMANY

Financials	28
EBITDA reconciliation	29
Operational	30
Additional information	31

UNITED STATES

Financials	44
EBITDA reconciliation	45
Operational	46
Additional information	48

EUROPE

Financials	54
EBITDA reconciliation	55
Greece	57
Romania	59
Hungary	61
Poland	63
Czech Republic	64

EUROPE

Netherlands	65
Croatia	66
Slovakia	68
Austria	70
Bulgaria	71

SYSTEMS SOLUTIONS

Financials	74
EBITDA reconciliation	75

GHS

Financials	78
EBITDA reconciliation	79
EE	80

GLOSSARY

82

EUROPE

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		3.343	3.435	3.440	3.486	13.704	3.125	(6,5)
NET REVENUE		3.212	3.295	3.313	3.354	13.174	3.018	(6,0)
EBITDA	1	1.097	1.117	1.169	1.167	4.550	1.027	(6,4)
EBITDA margin (EBITDA / total revenue)	%	32,8	32,5	34,0	33,5	33,2	32,9	0,1p
Depreciation, amortization and impairment losses		(701)	(686)	(651)	(747)	(2.785)	(611)	12,8
Profit (loss) from operations = EBIT	2	396	431	518	420	1.765	416	5,1
CASH CAPEX	3	473	392	382	466	1.713	453	(4,2)
CASH CONTRIBUTION		624	725	787	701	2.837	574	(8,0)

FINANCIALS (AS REPORTED)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		3.343	3.435	3.440	3.486	13.704	3.125	(6,5)
NET REVENUE		3.212	3.295	3.313	3.354	13.174	3.018	(6,0)
EBITDA		1.139	1.116	1.271	845	4.371	1.012	(11,2)
EBITDA margin (EBITDA / total revenue)	%	34,1	32,5	36,9	24,2	31,9	32,4	(1,7p)
Depreciation, amortization and impairment losses		(701)	(686)	(651)	(1.361)	(3.399)	(611)	12,8
Profit (loss) from operations = EBIT		438	430	620	(516)	972	401	(8,4)
CASH CAPEX		1.384	522	500	1.255	3.661	585	(57,7)
CASH CONTRIBUTION		(245)	594	771	(410)	710	427	n.a.

1 Special factors affecting EBITDA: EUR -42mn in Q1/13, EUR 1mn in Q2/13, EUR -102mn in Q3/13, EUR 322mn in Q4/13, EUR 15 mn in Q1/14.

2 Special factors affecting EBIT: EUR -42mn in Q1/13 (thereof EUR -42mn resulting from EBITDA), EUR 1mn in Q2/13 (thereof EUR 1mn resulting from EBITDA), EUR -102mn in Q3/13 (thereof EUR -102mn resulting from EBITDA) and EUR 936mn in Q4/13 (thereof EUR 322mn resulting from EBITDA), EUR 15mn in Q1/14 (thereof EUR 15mn resulting from EBITDA).

3 Excluding payments for spectrum licences: EUR 911mn in Q1/13 in the Netherlands, EUR 130mn in Q2/13 in Romania, EUR 107mn in Q3/13 in Poland, EUR 10mn in Q3/13 in Macedonia, EUR 1mn in Q3/13 in Hungary, EUR 656mn in Q4/13 in Austria, EUR 114mn in Q4/13 in Hungary, EUR 15mn in Q4/13 in Croatia, EUR 3mn in Q4/13 in Romania, EUR 1mn in Q4/13 in Slovakia, EUR 95mn in Q1/14 in the Czech Republic, EUR 32mn in Q1/14 in Slovakia, EUR 3mn in Q1/14 in Greece and EUR 2mn in Q1/14 in Austria.

The ICSS/GNF business of the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative figures have been adjusted retrospectively.

EUROPE

EBITDA RECONCILIATION

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		3.343	3.435	3.440	3.486	13.704	3.125	(6,5)
TOTAL REVENUE (ADJUSTED FOR SPECIAL FACTORS)		3.343	3.435	3.440	3.486	13.704	3.125	(6,5)
Profit (loss) from operations = EBIT		438	430	620	(516)	972	401	(8,4)
- Depreciation, amortization and impairment losses		(701)	(686)	(651)	(1.361)	(3.399)	(611)	12,8
= EBITDA		1.139	1.116	1.271	845	4.371	1.012	(11,2)
EBITDA margin	%	34,1	32,5	36,9	24,2	31,9	32,4	(1,7p)
- Special factors affecting EBITDA		42	(1)	102	(322)	(179)	(15)	n.a.
= EBITDA (ADJUSTED FOR SPECIAL FACTORS)		1.097	1.117	1.169	1.167	4.550	1.027	(6,4)
EBITDA margin (adjusted for special factors)	%	32,8	32,5	34,0	33,5	33,2	32,9	0,1p

SPECIAL FACTORS

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
EFFECTS ON EBITDA		42	(1)	102	(322)	(179)	(15)	n.a.
- of which personnel		(17)	(11)	(24)	(275)	(327)	(15)	11,8
- of which other		59	10	126	(47)	148	0	n.a.
EFFECTS ON PROFIT (LOSS) FROM OPERATIONS = EBIT		42	(1)	102	(936)	(793)	(15)	n.a.
- of which personnel		(17)	(11)	(24)	(275)	(327)	(15)	11,8
- of which other	1	59	10	126	(661)	(466)	0	n.a.

1 Impairment: Austria EUR 541 mn in Q4/13 and Netherlands EUR 14mn in Q4/13.

The ICSS/GNF business of the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative figures have been adjusted retrospectively.

EUROPE

CUSTOMER SUMMARY

	Note	Q1 2013 '000	Q2 2013 '000	Q3 2013 '000	Q4 2013 '000	Q1 2014 '000	Change %
GREECE							
- Fixed network Access Lines		2.900	2.849	2.794	2.746	2.702	(6,8)
- Broadband Access Lines		1.234	1.257	1.270	1.286	1.299	5,3
- Mobile Customers		7.632	7.602	7.550	7.477	7.416	(2,8)
ROMANIA							
- Fixed network Access Lines		2.409	2.401	2.385	2.369	2.341	(2,8)
- Broadband Access Lines		1.142	1.156	1.175	1.193	1.200	5,1
- Mobile Customers		6.155	6.106	6.125	6.153	6.080	(1,2)
HUNGARY							
- Fixed network Access Lines		1.626	1.597	1.597	1.596	1.595	(1,9)
- Broadband Access Lines		884	891	906	922	936	5,9
- Mobile Customers		4.845	4.838	4.853	4.887	4.878	0,7
POLAND							
- Mobile Customers		15.919	15.969	15.667	15.563	15.748	(1,1)
CZECH REPUBLIC							
- Fixed network Access Lines		123	126	127	129	130	5,7
- Broadband Access Lines		123	126	127	129	131	6,5
- Mobile Customers		5.570	5.667	5.733	5.831	5.912	6,1
CROATIA							
- Fixed network Access Lines		1.192	1.174	1.156	1.133	1.138	(4,5)
- Broadband Access Lines		664	665	667	670	678	2,1
- Mobile Customers		2.309	2.350	2.392	2.303	2.272	(1,6)
NETHERLANDS							
- Mobile Customers		4.622	4.561	4.534	4.441	4.343	(6,0)
SLOVAKIA							
- Fixed network Access Lines		945	932	919	922	914	(3,3)
- Broadband Access Lines		488	496	511	521	532	9,0
- Mobile Customers		2.289	2.273	2.263	2.262	2.257	(1,4)
AUSTRIA							
- Mobile Customers		4.090	4.073	4.044	4.091	4.105	0,4
OTHER							
- Fixed network Access Lines		400	392	385	390	396	(1,0)
- Broadband Access Lines		259	265	269	274	278	7,3
- Mobile Customers		3.518	3.548	3.663	3.671	3.604	2,4
TOTAL							
- Fixed network Access Lines	1	9.595	9.470	9.362	9.284	9.215	(4,0)
- IP	1	1.803	1.968	2.258	2.472	2.680	48,6
- Broadband Access Lines Retail	1	4.560	4.616	4.682	4.744	4.784	4,9
- Wholesale Bundled Access Lines		154	153	152	150	158	2,6
- Wholesale Unbundled Access Lines		80	86	91	101	113	41,3
- TV (IPTV, Sat, cable)	1,2	2.969	3.045	3.398	3.503	3.558	19,8
- Mobile Customers	3	56.949	56.985	56.825	56.679	56.615	(0,6)

1 The customers of Euronet Communications have no longer been included in the Europe operating segment since January 2, 2014. Historical customer figures have been adjusted accordingly to improve comparability.

2 Incl. der DIGI Slovakia since 1. September 2013.

3 The customers of our companies in Bulgaria have no longer been included in the Europe operating segment since August 1, 2013 following the sale of the shares held in the companies. Historical customer figures have been adjusted accordingly to improve comparability.

GREECE

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		713	744	771	760	2.988	691	(3,1)
- of which Fixed network		434	442	456	469	1.801	428	(1,4)
- of which Mobile communications		313	338	355	331	1.337	295	(5,8)
EBITDA	1	282	282	301	300	1.165	260	(7,8)
- of which Fixed network		152	140	144	166	602	149	(2,0)
- of which Mobile communications		122	133	142	115	512	106	(13,1)
EBITDA MARGIN (EBITDA / TOTAL REVENUE)	%	39,6	37,9	39,0	39,5	39,0	37,6	(2,0p)
- of which Fixed network	%	35,0	31,7	31,6	35,4	33,4	34,8	(0,2p)
- of which Mobile communications	%	39,0	39,3	40,0	34,7	38,3	35,9	(3,1p)
CASH CAPEX (AS REPORTED)		52	85	88	107	332	71	36,5
- of which Fixed network		23	32	45	83	183	33	43,5
- of which Mobile communications		29	51	43	16	139	37	27,6
CASH CONTRIBUTION		230	197	213	193	833	189	(17,8)
- of which Fixed network		129	108	99	83	419	116	(10,1)
- of which Mobile communications		93	82	99	99	373	69	(25,8)

1 Special factors affecting EBITDA: EUR -59mn in Q1/13, EUR 4mn in Q2/13, EUR 5mn in Q3/13, EUR 267mn in Q4/13 and EUR 1mn in Q1/14.

GREECE

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
FIXED NETWORK (END OF PERIOD)								
Fixed network Access Lines	('000)	2.900	2.849	2.794	2.746	2.746	2.702	(6,8)
- IP	('000)	4	5	7	9	9	10	n.a.
Broadband Access Lines Retail	('000)	1.208	1.232	1.244	1.260	1.260	1.274	5,5
TV (IPTV, SAT, Cable)	('000)	149	175	218	256	256	278	86,6
Wholesale Bundled Access Lines	('000)	26	25	26	26	26	26	0,0
ULLs/Wholesale PSTN	('000)	1.873	1.892	1.902	1.944	1.944	1.979	5,7
Wholesale Unbundled Access Lines	('000)	0	0	0	0	0	0	n.a.
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue	(€ million)	261	273	285	253	1.072	241	(7,7)
CUSTOMERS	('000)	7.632	7.602	7.550	7.477	7.477	7.416	(2,8)
- contract	('000)	2.286	2.284	2.262	2.249	2.249	2.224	(2,7)
- prepaid	('000)	5.345	5.318	5.288	5.228	5.228	5.192	(2,9)
NET ADDS	('000)	(66)	(30)	(52)	(73)	(220)	(61)	7,6
- contract	('000)	(16)	(3)	(21)	(13)	(53)	(25)	(56,3)
- prepaid	('000)	(49)	(27)	(30)	(60)	(167)	(36)	26,5
AVERAGE MONTHLY CHURN	(%)	1,6	1,6	2,0	1,7	1,7	1,4	(0,2p)
- contract	(%)	1,5	1,5	1,6	1,3	1,5	1,2	(0,3p)
SAC PER GROSS ADD	(€)	16	19	16	17	17	15	(6,3)
- contract	(€)	62	72	69	66	67	62	0,0
- prepaid	(€)	2	1	1	1	1	1	(50,0)
SRC PER RETAINED CUSTOMER	(€)	48	51	50	45	48	46	(4,2)
ARPU	(€)	11	12	12	11	12	11	0,0
- contract	(€)	27	28	29	26	27	25	(7,4)
- prepaid	(€)	5	5	6	5	5	5	0,0
NON-VOICE % OF ARPU	(%)	21	23	25	27	24	25	4p
MOU PER CUSTOMER	(min)	277	292	297	296	291	281	1,4
- contract	(min)	390	427	438	433	422	421	7,9

ROMANIA

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		243	248	254	272	1.017	261	7,4
- of which Fixed network		145	149	152	162	608	157	8,3
- of which Mobile communications		108	111	116	123	458	118	9,3
EBITDA	1	63	65	69	86	283	66	4,8
- of which Fixed network		39	36	35	52	162	39	0,0
- of which Mobile communications		24	30	32	35	121	26	8,3
EBITDA MARGIN (EBITDA / TOTAL REVENUE)	%	25,9	26,2	27,2	31,6	27,8	25,3	(0,6p)
- of which Fixed network	%	26,9	24,2	23,0	32,1	26,6	24,8	(2,1p)
- of which Mobile communications	%	22,2	27,0	27,6	28,5	26,4	22,0	(0,2p)
CASH CAPEX (AS REPORTED)		37	163	23	41	264	40	8,1
- of which Fixed network		13	18	13	31	75	24	84,6
- of which Mobile communications		24	145	10	10	189	16	(33,3)
CASH CONTRIBUTION		26	(98)	46	45	19	26	0,0
- of which Fixed network		26	18	22	21	87	15	(42,3)
- of which Mobile communications		0	(115)	22	25	(68)	10	n.a.

1 Special factors affecting EBITDA: EUR 1mn in Q1/13, EUR 2mn in Q2/13, EUR 8mn in Q3/13, EUR 10mn in Q4/13 and EUR 1mn in Q1/14.

ROMANIA

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
FIXED NETWORK (END OF PERIOD)								
Fixed network Access Lines	('000)	2.409	2.401	2.385	2.369	2.369	2.341	(2,8)
- IP	('000)	211	231	248	250	250	262	24,2
Broadband Access Lines Retail	('000)	1.142	1.156	1.175	1.193	1.193	1.200	5,1
TV (IPTV, SAT, Cable)	('000)	1.277	1.296	1.320	1.353	1.353	1.370	7,3
Wholesale Bundled Access Lines	('000)	0	0	0	0	0	0	n.a.
ULLs/Wholesale PSTN	('000)	0	0	0	0	0	0	n.a.
Wholesale Unbundled Access Lines	('000)	0	0	0	0	0	0	n.a.
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue	(€ million)	89	94	98	97	378	95	6,7
CUSTOMERS	('000)	6.155	6.106	6.125	6.153	6.153	6.080	(1,2)
- contract	('000)	1.591	1.600	1.606	1.639	1.639	1.611	1,3
- prepaid	('000)	4.564	4.506	4.519	4.515	4.515	4.469	(2,1)
NET ADDS	('000)	(213)	(49)	19	28	(215)	(73)	65,7
- contract	('000)	(47)	9	6	33	0	(27)	42,6
- prepaid	('000)	(166)	(58)	14	(5)	(215)	(46)	72,3
AVERAGE MONTHLY CHURN	(%)	3,8	3,0	3,3	2,7	3,2	2,8	(1,0p)
- contract	(%)	2,2	1,1	1,1	1,2	1,4	1,1	(1,1p)
SAC PER GROSS ADD	(€)	12	12	7	9	10	10	(16,7)
- contract	(€)	69	82	59	57	66	60	(13,0)
- prepaid	(€)	2	1	1	1	1	1	(50,0)
SRC PER RETAINED CUSTOMER	(€)	25	24	22	15	21	8	(68,0)
ARPU	(€)	5	5	5	5	5	5	0,0
- contract	(€)	11	11	11	11	11	11	0,0
- prepaid	(€)	3	3	3	3	3	3	0,0
NON-VOICE % OF ARPU	(%)	15	14	16	18	16	19	4p
MOU PER CUSTOMER	(min)	272	280	278	287	279	294	8,1
- contract	(min)	394	407	396	408	402	427	8,4

HUNGARY

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		393	386	377	407	1.563	366	(6,9)
PRODUCT VIEW		393	386	377	407	1.563	366	(6,9)
- of which Fixed network	1	202	177	172	198	749	180	(10,9)
- of which Mobile communications		191	208	206	208	813	186	(2,6)
SEGMENT VIEW		393	386	377	407	1.563	366	(6,9)
- of which Consumer		224	233	234	239	930	215	(4,0)
- of which Business		68	69	67	69	273	64	(5,9)
EBITDA	2	93	119	124	102	438	94	1,1
EBITDA MARGIN (EBITDA / TOTAL REVENUE)	%	23,7	30,8	32,9	25,1	28,0	25,7	2,0p
CASH CAPEX (AS REPORTED)		54	46	72	170	342	64	18,5
CASH CONTRIBUTION		39	73	52	(68)	96	30	(23,1)

1 Fixed Network include Total revenue of HU GHS.

2 Special factors affecting EBITDA: EUR 1mn in Q1/13, EUR -4mn in Q2/13 and EUR 6mn in Q4/13.

HUNGARY

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
FIXED NETWORK (END OF PERIOD)								
Fixed network Access Lines	('000)	1.626	1.597	1.597	1.596	1.596	1.595	(1,9)
- IP	('000)	617	621	636	665	665	683	10,7
Broadband Access Lines Retail	('000)	801	812	832	851	851	867	8,2
TV (IPTV, SAT, Cable)	('000)	844	852	871	885	885	896	6,2
Wholesale Bundled Access Lines	('000)	57	54	49	46	46	43	(24,6)
ULLs/Wholesale PSTN	('000)	16	17	17	16	16	15	(6,3)
Wholesale Unbundled Access Lines	('000)	26	25	25	25	25	26	0,0
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue	(€ million)	159	166	170	168	663	157	(1,3)
CUSTOMERS	('000)	4.845	4.838	4.853	4.887	4.887	4.878	0,7
- contract	('000)	2.304	2.321	2.342	2.370	2.370	2.375	3,1
- prepaid	('000)	2.541	2.518	2.511	2.517	2.517	2.503	(1,5)
NET ADDS	('000)	9	(7)	14	34	50	(9)	n.a.
- contract	('000)	17	17	21	28	83	5	(70,6)
- prepaid	('000)	(8)	(24)	(7)	6	(33)	(14)	(75,0)
AVERAGE MONTHLY CHURN	(%)	1,5	1,5	1,5	1,6	1,5	1,5	0,0p
- contract	(%)	1,3	1,1	1,1	0,9	1,1	1,1	(0,2p)
SAC PER GROSS ADD	(€)	19	18	22	26	22	18	(5,3)
- contract	(€)	41	38	51	62	48	41	0,0
- prepaid	(€)	4	5	6	10	6	6	50,0
SRC PER RETAINED CUSTOMER	(€)	46	41	45	65	50	45	(2,2)
ARPU	(€)	11	11	12	12	11	11	0,0
- contract	(€)	18	19	19	19	19	18	0,0
- prepaid	(€)	4	5	5	5	5	4	0,0
NON-VOICE % OF ARPU	(%)	26	24	25	26	25	26	0p
MOU PER CUSTOMER	(min)	150	157	156	157	155	155	3,3
- contract	(min)	252	264	260	262	259	263	4,4

POLAND

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		385	407	392	400	1.584	350	(9,1)
- of which Consumer		234	257	242	235	968	215	(8,1)
- of which Business		137	140	130	136	543	122	(10,9)
EBITDA	1	140	147	145	167	599	134	(4,3)
EBITDA margin (EBITDA / total revenue)	%	36,4	36,1	37,0	41,8	37,8	38,3	1,9p
CASH CAPEX (AS REPORTED)		85	57	142	55	339	68	(20,0)
CASH CONTRIBUTION		55	90	3	112	260	66	20,0

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue (€ million)		315	314	292	299	1.220	272	(13,7)
CUSTOMERS ('000)		15.919	15.969	15.667	15.563	15.563	15.748	(1,1)
- contract ('000)		7.014	7.038	7.062	7.049	7.049	6.989	(0,4)
- prepaid ('000)		8.905	8.931	8.605	8.514	8.514	8.759	(1,6)
NET ADDS ('000)		(121)	50	(302)	(104)	(477)	185	n.a.
- contract ('000)		18	23	24	(13)	53	(60)	n.a.
- prepaid ('000)		(139)	27	(326)	(91)	(530)	245	n.a.
AVERAGE MONTHLY CHURN (%)		2,4	2,1	2,6	2,3	2,4	1,2	(1,2p)
- contract (%)		1,0	1,1	1,1	1,1	1,1	1,1	0,1p
SAC PER GROSS ADD (€)		20	19	20	12	18	18	(10,0)
- contract (€)		82	68	67	49	67	72	(12,2)
- prepaid (€)		2	2	2	1	2	3	50,0
SRC PER RETAINED CUSTOMER (€)		31	34	21	11	24	18	(41,9)
ARPU (€)		7	7	6	6	6	6	(14,3)
- contract (€)		13	12	11	13	12	11	(15,4)
- prepaid (€)		2	2	2	1	2	2	0,0
NON-VOICE % OF ARPU (%)		33	33	35	38	35	37	4p
MOU PER CUSTOMER (min)		122	126	128	131	127	131	7,4
- contract (min)		233	240	239	245	239	249	6,9

1 Special factors affecting EBITDA: EUR -6 in Q2/13, EUR -7mn in Q3/13, EUR -3mn in Q4/13 and EUR -1mn in Q1/14.

CZECH REPUBLIC

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		238	249	242	244	973	214	(10,1)
- of which Consumer		138	144	141	137	560	125	(9,4)
- of which Business		86	90	85	91	352	78	(9,3)
EBITDA	1	109	111	102	103	425	92	(15,6)
EBITDA margin (EBITDA / total revenue)	%	45,8	44,6	42,1	42,2	43,7	43,0	(2,8p)
CASH CAPEX (AS REPORTED)		46	20	23	31	120	133	n.a.
CASH CONTRIBUTION		63	91	79	72	305	(41)	n.a.

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
FIXED NETWORK (END OF PERIOD)								
Fixed network Access Lines	('000)	123	126	127	129	129	130	5,7
- IP	('000)	120	122	124	126	126	126	5,0
Broadband Access Lines Retail	('000)	123	126	127	129	129	131	6,5
TV (IPTV, SAT, Cable)	('000)	25	26	28	31	31	27	8,0
Wholesale Bundled Access Lines	('000)	0	0	0	0	0	0	n.a.
ULLs/Wholesale PSTN	('000)	0	0	0	0	0	0	n.a.
Wholesale Unbundled Access Lines	('000)	0	0	0	0	0	0	n.a.
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue	(€ million)	197	197	188	178	760	172	(12,7)
CUSTOMERS	('000)	2	5.570	5.667	5.733	5.831	5.912	6,1
- contract	('000)	3.137	3.210	3.248	3.289	3.289	3.393	8,2
- prepaid	('000)	2.434	2.456	2.474	2.502	2.502	2.520	3,5
NET ADDS	('000)	2	72	97	66	333	81	12,5
- contract	('000)	65	73	38	41	217	104	60,0
- prepaid	('000)	7	22	18	28	76	18	n.a.
AVERAGE MONTHLY CHURN	(%)	1,1	1,1	1,2	1,3	1,1	1,3	0,2p
- contract	(%)	0,4	0,3	0,4	0,5	0,4	0,5	0,1p
SAC PER GROSS ADD	(€)	31	27	24	20	25	19	(38,7)
- contract	(€)	60	57	59	52	57	43	(28,3)
- prepaid	(€)	2	2	3	3	2	2	0,0
SRC PER RETAINED CUSTOMER	(€)	29	8	9	10	13	11	(62,1)
ARPU	(€)	12	12	11	10	11	10	(16,7)
- contract	(€)	17	17	16	15	16	14	(17,6)
- prepaid	(€)	5	5	5	4	5	4	(20,0)
NON-VOICE % OF ARPU	(%)	31	32	36	37	34	37	6p
MOU PER CUSTOMER	(min)	134	146	147	152	145	147	9,7
- contract	(min)	205	223	224	233	221	226	10,2

1 Special factors affecting EBITDA: EUR 1 mn in Q3/13.

2 Q4/13: due to technical reasons one of our service providers is currently only available on total customer level.

NETHERLANDS

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		393	406	412	455	1.666	393	0,0
- of which Consumer		299	313	317	348	1.277	302	1,0
- of which Business		71	74	71	84	300	72	1,4
EBITDA	1	114	108	116	157	495	148	29,8
EBITDA margin (EBITDA / total revenue)	%	29,0	26,6	28,2	34,5	29,7	37,7	8,7p
CASH CAPEX (AS REPORTED)		963	53	37	53	1.106	54	(94,4)
CASH CONTRIBUTION		(849)	55	79	104	(611)	94	n.a.

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
FIXED NETWORK (END OF PERIOD)								
Fixed network Access Lines	('000)	283	272	270	264	264	0	n.a.
- IP	('000)	274	264	261	256	256	0	n.a.
Broadband Access Lines Retail	('000)	266	264	261	256	256	0	n.a.
TV (IPTV, SAT, Cable)	('000)	2	49	55	59	59	0	n.a.
Wholesale Bundled Access Lines	('000)	0	0	0	0	0	0	n.a.
ULLs/Wholesale PSTN	('000)	0	0	0	0	0	0	n.a.
Wholesale Unbundled Access Lines	('000)	0	0	0	0	0	0	n.a.
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue	(€ million)	311	321	324	315	1.271	303	(2,6)
CUSTOMERS	('000)	4.622	4.561	4.534	4.441	4.441	4.343	(6,0)
- contract	('000)	3.045	3.085	3.142	3.129	3.129	3.105	2,0
- prepaid	('000)	1.578	1.476	1.392	1.312	1.312	1.237	(21,6)
NET ADDS	('000)	(98)	(62)	(27)	(92)	(279)	(98)	0,0
- contract	('000)	(7)	40	57	(13)	77	(24)	n.a.
- prepaid	('000)	(91)	(102)	(84)	(79)	(356)	(75)	17,6
AVERAGE MONTHLY CHURN	(%)	3,0	2,7	2,6	2,5	2,7	2,4	(0,6p)
- contract	(%)	1,6	1,3	1,2	1,3	1,4	1,4	(0,2p)
SAC PER GROSS ADD	(€)	114	137	126	109	122	125	9,6
- contract	(€)	224	241	216	198	221	210	(6,3)
- prepaid	(€)	24	18	21	23	22	23	(4,2)
SRC PER RETAINED CUSTOMER	(€)	179	213	209	87	171	100	(44,1)
ARPU	(€)	22	23	24	23	23	23	4,5
- contract	(€)	32	33	33	32	32	31	(3,1)
- prepaid	(€)	4	4	4	4	4	4	0,0
NON-VOICE % OF ARPU	(%)	40	41	43	44	42	46	6p
MOU PER CUSTOMER	(min)	129	133	129	135	132	134	3,9
- contract	(min)	185	187	177	182	183	179	(3,2)

1 Special factors affecting EBITDA: EUR 1mn in Q1/13, EUR 4mn in Q2/13, EUR 4mn in Q4/13 and EUR 3mn in Q1/14.

2 DVB-T only.

Euronet Communications has no longer been included in the Europe operating segment since January 2, 2014 due to the sale of the shares.

CROATIA

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		224	234	237	234	929	210	(6,3)
PRODUCT VIEW		224	234	237	234	929	210	(6,3)
- of which Fixed network		135	138	137	145	555	127	(5,9)
- of which Mobile communications		89	96	100	90	375	83	(6,7)
SEGMENT VIEW		224	234	237	234	929	210	(6,3)
- of which Consumer		128	134	135	130	527	124	(3,1)
- of which Business		71	74	69	80	294	67	(5,6)
EBITDA	1	88	99	105	112	404	82	(6,8)
EBITDA MARGIN (EBITDA / TOTAL REVENUE)	%	39,3	42,3	44,3	47,9	43,5	39,0	(0,3p)
CASH CAPEX (AS REPORTED)		40	33	44	43	160	29	(27,5)
CASH CONTRIBUTION		48	66	61	69	244	53	10,4

1 Special factors affecting EBITDA: EUR 8mn in Q1/13 , EUR 1mn in Q3/13 and EUR 7mn in Q1/14.

CROATIA

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
FIXED NETWORK (END OF PERIOD)								
Fixed network Access Lines	('000)	1.192	1.174	1.156	1.133	1.133	1.138	(4,5)
- IP	('000)	303	337	460	492	492	595	96,4
Broadband Access Lines Retail	('000)	634	631	631	628	628	624	(3,3)
TV (IPTV, SAT, Cable)	('000)	369	374	383	391	391	392	6,2
Wholesale Bundled Access Lines	('000)	28	30	32	36	36	44	57,1
ULLs/Wholesale PSTN	('000)	272	277	282	262	262	260	(4,4)
Wholesale Unbundled Access Lines	('000)	3	3	4	6	6	10	n.a.
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue	(€ million)	77	86	88	76	327	70	(9,1)
CUSTOMERS	('000)	2.309	2.350	2.392	2.303	2.303	2.272	(1,6)
- contract	('000)	1.006	1.023	1.048	1.070	1.070	1.090	8,3
- prepaid	('000)	1.303	1.326	1.344	1.232	1.232	1.182	(9,3)
NET ADDS	('000)	(17)	41	43	(90)	(23)	(31)	(82,4)
- contract	('000)	(5)	17	25	22	59	20	n.a.
- prepaid	('000)	(12)	24	18	(112)	(82)	(50)	n.a.
AVERAGE MONTHLY CHURN	(%)	3,0	2,6	2,9	3,9	3,1	2,9	(0,1p)
- contract	(%)	1,3	0,9	1,0	1,0	1,1	1,1	(0,2p)
SAC PER GROSS ADD	(€)	14	15	12	15	14	18	28,6
- contract	(€)	72	66	57	51	60	56	(22,2)
- prepaid	(€)	2	2	1	3	2	2	0,0
SRC PER RETAINED CUSTOMER	(€)	77	64	59	49	63	66	(14,3)
ARPU	(€)	11	12	12	11	12	10	(9,1)
- contract	(€)	17	19	19	16	18	15	(11,8)
- prepaid	(€)	6	7	7	6	7	6	0,0
NON-VOICE % OF ARPU	(%)	36	36	40	40	38	43	7p
MOU PER CUSTOMER	(min)	162	179	178	175	174	179	10,5
- contract	(min)	231	257	253	247	247	242	4,8

SLOVAKIA

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		192	200	200	236	828	197	2,6
PRODUCT VIEW		192	200	200	236	828	197	2,6
- of which Fixed network		91	95	98	129	413	103	13,2
- of which Mobile communications		100	106	101	107	414	94	(6,0)
SEGMENT VIEW		192	200	200	236	828	197	2,6
- of which Consumer		117	116	115	128	476	117	0,0
- of which Business		55	60	58	85	258	56	1,8
EBITDA	1	84	78	87	88	337	78	(7,1)
EBITDA MARGIN (EBITDA / TOTAL REVENUE)	%	43,8	39,0	43,5	37,3	40,7	39,6	(4,2p)
CASH CAPEX (AS REPORTED)		36	22	21	36	115	74	n.a.
CASH CONTRIBUTION		48	56	66	52	222	4	(91,7)

1 Special factors affecting EBITDA: EUR 1mn in Q1/13, EUR 1mn in Q3/13 and EUR 29mn in Q4/13.

SLOVAKIA

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
FIXED NETWORK (END OF PERIOD)								
Fixed network Access Lines	('000)	945	932	919	922	922	914	(3,3)
- IP	('000)	352	433	541	647	647	707	n.a.
Broadband Access Lines Retail	('000)	421	422	431	434	434	436	3,6
TV (IPTV, SAT, Cable)	('000) 1	179	184	438	440	440	444	n.a.
Wholesale Bundled Access Lines	('000)	16	17	17	18	18	18	12,5
ULLs/Wholesale PSTN	('000)	0	0	0	0	0	0	n.a.
Wholesale Unbundled Access Lines	('000)	51	57	62	70	70	78	52,9
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue	(€ million)	90	90	88	84	352	82	(8,9)
CUSTOMERS	('000)	2.289	2.273	2.263	2.262	2.262	2.257	(1,4)
- contract	('000)	1.455	1.455	1.454	1.455	1.455	1.450	(0,3)
- prepaid	('000)	834	817	809	808	808	808	(3,1)
NET ADDS	('000)	(22)	(16)	(9)	(1)	(48)	(5)	77,3
- contract	('000)	(7)	0	(2)	1	(8)	(5)	28,6
- prepaid	('000)	(14)	(16)	(8)	(2)	(40)	0	(100,0)
AVERAGE MONTHLY CHURN	(%)	1,4	1,3	1,2	1,3	1,3	1,3	(0,1p)
- contract	(%)	1,1	1,0	0,9	1,1	1,0	1,1	0,0p
SAC PER GROSS ADD	(€)	79	84	66	52	69	56	(29,1)
- contract	(€)	138	141	120	92	122	93	(32,6)
- prepaid	(€)	4	4	5	5	4	5	25,0
SRC PER RETAINED CUSTOMER	(€)	101	115	107	43	89	87	(13,9)
ARPU	(€)	13	13	13	12	13	12	(7,7)
- contract	(€)	18	19	18	17	18	17	(5,6)
- prepaid	(€)	4	4	4	3	4	3	(25,0)
NON-VOICE % OF ARPU	(%)	30	29	32	34	31	36	6p
MOU PER CUSTOMER	(min)	135	144	140	147	141	148	9,6
- contract	(min)	192	203	197	206	199	208	8,3

1 Incl. der DIGI Slovakia since September 1, 2013.

AUSTRIA

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		203	197	225	203	828	192	(5,4)
- of which Consumer		142	147	172	157	618	146	2,8
- of which Business		36	36	41	36	149	36	0,0
EBITDA	1	55	40	62	35	192	44	(20,0)
EBITDA margin (EBITDA / total revenue)	%	27,1	20,3	27,6	17,2	23,2	22,9	(4,2p)
CASH CAPEX (AS REPORTED)		37	19	13	668	737	26	(29,7)
CASH CONTRIBUTION		18	21	49	(633)	(545)	18	0,0

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue	(€ million)	174	175	204	173	726	168	(3,4)
CUSTOMERS	('000)	4.090	4.073	4.044	4.091	4.091	4.105	0,4
- contract	('000)	2.575	2.588	2.605	2.630	2.630	2.636	2,4
- prepaid	('000)	1.515	1.485	1.439	1.461	1.461	1.469	(3,0)
NET ADDS	('000)	(15)	(17)	(28)	47	(14)	14	n.a.
- contract	('000)	4	12	18	24	59	6	50,0
- prepaid	('000)	(18)	(30)	(46)	22	(72)	8	n.a.
AVERAGE MONTHLY CHURN	(%)	1,7	1,9	2,2	1,9	1,9	1,9	0,2p
- contract	(%)	0,9	0,9	0,7	0,7	0,8	0,8	(0,1p)
SAC PER GROSS ADD	(€)	59	84	69	65	69	54	(8,5)
- contract	(€)	134	189	188	186	175	161	20,1
- prepaid	(€)	4	7	5	5	6	4	0,0
SRC PER RETAINED CUSTOMER	(€)	110	138	116	99	115	85	(22,7)
ARPU	(€)	14	14	17	14	15	14	0,0
- contract	(€)	20	21	24	20	21	19	(5,0)
- prepaid	(€)	4	4	4	4	4	3	(25,0)
NON-VOICE % OF ARPU	(%)	47	45	40	45	44	42	(5p)
MOU PER CUSTOMER	(min)	208	209	200	209	206	201	(3,4)
- contract	(min)	291	291	272	285	285	275	(5,5)

1 Special factors affecting EBITDA: EUR 1mn in Q1/13 and EUR 1mn in Q1/14.

BULGARIA

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		83	87	30	0	200	0	n.a.
- of which Consumer		63	67	24	0	154	0	n.a.
- of which Business		16	16	6	0	38	0	n.a.
EBITDA		26	34	13	0	73	0	n.a.
EBITDA margin (EBITDA / total revenue)	%	31,3	39,1	43,3	n.a.	36,5	n.a.	n.a.
CASH CAPEX (AS REPORTED)		12	14	5	0	31	0	n.a.
CASH CONTRIBUTION		14	20	8	0	42	0	n.a.

OPERATIONALS

	Note	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Change %
MOBILE COMMUNICATIONS (END OF PERIOD)								
Service revenue	(€ million)	68	73	25	0	166	0	n.a.
CUSTOMERS	('000)	4.554	4.635	0	0	0	0	n.a.
- contract	('000)	2.622	2.684	0	0	0	0	n.a.
- prepaid	('000)	1.932	1.951	0	0	0	0	n.a.
NET ADDS	('000)	36	80	27	0	143	0	n.a.
- contract	('000)	45	62	20	0	126	0	n.a.
- prepaid	('000)	(8)	18	7	0	17	0	n.a.
AVERAGE MONTHLY CHURN	(%)	2,1	1,8	2,2	0,0	2,0	0,0	(2,1p)
- contract	(%)	1,4	1,2	1,2	0,0	1,3	0,0	(1,4p)
SAC PER GROSS ADD	(€)	9	2	3	0	5	0	n.a.
- contract	(€)	20	4	8	0	12	0	n.a.
- prepaid	(€)	1	0	1	0	0	0	n.a.
SRC PER RETAINED CUSTOMER	(€)	10	4	2	0	6	0	n.a.
ARPU	(€)	5	5	5	0	5	0	n.a.
- contract	(€)	8	8	8	0	8	0	n.a.
- prepaid	(€)	1	2	2	0	1	0	n.a.
NON-VOICE % OF ARPU	(%)	14	14	16	0	15	0	(14p)
MOU PER CUSTOMER	(min)	148	150	152	0	149	0	n.a.
- contract	(min)	215	216	217	0	216	0	n.a.

The national companies of Bulgaria have no longer been included in the Europe operating segment since August 1, 2013 following the sale of the shares held in the companies.

CONTENT

At a Glance	4
Excellent market position	6

GROUP

Adjusted for special factors	8
EBITDA reconciliation	9
As reported	10
Special factors in the consolidated income statement	11
Details on special factors	12
Change in the composition of the group	14
Consolidated statement of financial position	15
Provisions for pensions	17
Maturity profile	18
Liquidity reserves	19
Net debt	20
Net debt development	21
Cash capex	22
Free cash flow	23
Personnel	24
Exchange rates	25

GERMANY

Financials	28
EBITDA reconciliation	29
Operational	30
Additional information	31

UNITED STATES

Financials	44
EBITDA reconciliation	45
Operational	46
Additional information	48

EUROPE

Financials	54
EBITDA reconciliation	55
Greece	57
Romania	59
Hungary	61
Poland	63
Czech Republic	64

EUROPE

Netherlands	65
Croatia	66
Slovakia	68
Austria	70
Bulgaria	71

SYSTEMS SOLUTIONS

Financials	74
EBITDA reconciliation	75

GHS

Financials	78
EBITDA reconciliation	79
EE	80

GLOSSARY

82

SYSTEMS SOLUTIONS

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		2.226	2.170	2.174	2.468	9.038	2.052	(7,8)
Market Unit		1.800	1.781	1.761	1.902	7.244	1.679	(6,7)
Telekom IT		426	389	413	566	1.794	372	(12,7)
International revenue		658	641	619	664	2.582	587	(10,8)
NET REVENUE		1.567	1.539	1.515	1.623	6.244	1.466	(6,4)
EBITDA		168	210	197	199	774	138	(17,9)
Market Unit		124	163	173	188	648	100	(19,4)
Telekom IT		44	47	24	11	126	38	(13,6)
EBITDA margin (EBITDA/ total revenue)	%	7,5	9,7	9,1	8,1	8,6	6,7	(0,8p)
Depreciation, amortization and impairment losses		(163)	(158)	(147)	(169)	(637)	(140)	14,1
Profit (loss) from operations = EBIT		5	52	50	30	137	(2)	n.a.
EBIT MARGIN	%	0,2	2,4	2,3	1,2	1,5	(0,1)	(0,3p)
CASH CAPEX (AS REPORTED)		209	213	270	374	1.066	253	21,1
CASH CONTRIBUTION		(41)	(3)	(73)	(175)	(292)	(115)	n.a.
ORDER ENTRY		1.976	1.878	1.708	2.230	7.792	1.414	(28,4)

FINANCIALS (AS REPORTED)¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		2.226	2.170	2.174	2.468	9.038	2.052	(7,8)
NET REVENUE		1.567	1.539	1.515	1.623	6.244	1.466	(6,4)
EBITDA		108	41	128	81	358	81	(25,0)
EBITDA margin (EBITDA/ total revenue)	%	4,9	1,9	5,9	3,3	4,0	3,9	(1,0p)
Depreciation, amortization and impairment losses		(177)	(157)	(148)	(170)	(652)	(140)	20,9
Profit (loss) from operations = EBIT		(69)	(116)	(20)	(89)	(294)	(59)	14,5
CASH CAPEX		209	213	270	374	1.066	253	21,1
CASH CONTRIBUTION		(101)	(172)	(142)	(293)	(708)	(172)	(70,3)

¹ Deconsolidation of T-Systems Italia S.p.A. as of May 1, 2013 and part of the French business as of June 1, 2013.

The ICSS/GNF business of the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative figures have been adjusted retrospectively.

SYSTEMS SOLUTIONS

EBITDA RECONCILIATION¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		2.226	2.170	2.174	2.468	9.038	2.052	(7,8)
Profit (loss) from operations = EBIT		(69)	(116)	(20)	(89)	(294)	(59)	14,5
- Depreciation, amortization and impairment losses		(177)	(157)	(148)	(170)	(652)	(140)	20,9
= EBITDA		108	41	128	81	358	81	(25,0)
EBITDA margin	%	4,9	1,9	5,9	3,3	4,0	3,9	(1,0p)
- Special factors affecting EBITDA		(60)	(169)	(69)	(118)	(416)	(57)	5,0
= EBITDA (ADJUSTED FOR SPECIAL FACTORS)		168	210	197	199	774	138	(17,9)
EBITDA margin (adjusted for special factors)	%	7,5	9,7	9,1	8,1	8,6	6,7	(0,8p)

SPECIAL FACTORS

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
EFFECTS ON EBITDA		(60)	(169)	(69)	(118)	(416)	(57)	5,0
- of which personnel		(30)	(57)	(49)	(76)	(212)	(28)	6,7
- of which other		(30)	(112)	(20)	(42)	(204)	(29)	3,3
EFFECTS ON PROFIT (LOSS) FROM OPERATIONS = EBIT		(74)	(168)	(70)	(119)	(431)	(57)	23,0
- of which personnel		(30)	(57)	(49)	(76)	(212)	(28)	6,7
- of which other		(44)	(111)	(21)	(43)	(219)	(29)	34,1

¹ Deconsolidation of T-Systems Italia S.p.A. as of May 1, 2013 and part of the French business as of June 1, 2013.

The ICSS/GNF business of the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative figures have been adjusted retrospectively.

CONTENT

At a Glance	4
Excellent market position	6

GROUP

Adjusted for special factors	8
EBITDA reconciliation	9
As reported	10
Special factors in the consolidated income statement	11
Details on special factors	12
Change in the composition of the group	14
Consolidated statement of financial position	15
Provisions for pensions	17
Maturity profile	18
Liquidity reserves	19
Net debt	20
Net debt development	21
Cash capex	22
Free cash flow	23
Personnel	24
Exchange rates	25

GERMANY

Financials	28
EBITDA reconciliation	29
Operational	30
Additional information	31

UNITED STATES

Financials	44
EBITDA reconciliation	45
Operational	46
Additional information	48

EUROPE

Financials	54
EBITDA reconciliation	55
Greece	57
Romania	59
Hungary	61
Poland	63
Czech Republic	64

EUROPE

Netherlands	65
Croatia	66
Slovakia	68
Austria	70
Bulgaria	71

SYSTEMS SOLUTIONS

Financials	74
EBITDA reconciliation	75

GHS

Financials	78
EBITDA reconciliation	79
EE	80

GLOSSARY

82

GROUP HEADQUARTERS & GROUP SERVICES

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		691	761	635	792	2.879	622	(10,0)
of which: Digital Business Units		213	234	224	299	970	156	(26,8)
NET REVENUE		250	272	260	324	1.106	191	(23,6)
EBITDA		(99)	(111)	(155)	(290)	(655)	(118)	(19,2)
of which: Digital Business Units		30	25	44	22	121	1	(96,7)
EBITDA margin (EBITDA / total revenue)	%	(14,3)	(14,6)	(24,4)	(36,6)	(22,8)	(19,0)	(4,7p)
Depreciation, amortization and impairment losses		(164)	(166)	(183)	(186)	(699)	(149)	9,1
Profit (loss) from operations = EBIT		(263)	(277)	(338)	(476)	(1.354)	(267)	(1,5)
CASH CAPEX		77	94	97	143	411	65	(15,6)
CASH CONTRIBUTION		(176)	(205)	(252)	(433)	(1.066)	(183)	(4,0)

FINANCIALS (AS REPORTED)¹

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		691	761	635	792	2.879	622	(10,0)
of which: Digital Business Units		213	234	224	299	970	156	(26,8)
NET REVENUE		250	272	260	324	1.106	191	(23,6)
EBITDA		(120)	(161)	(210)	(392)	(883)	1.544	n.a.
of which: Digital Business Units		19	19	41	15	94	1.709	n.a.
EBITDA margin (EBITDA / total revenue)	%	(17,4)	(21,2)	(33,1)	(49,5)	(30,7)	n.a.	n.a.
Depreciation, amortization and impairment losses		(164)	(166)	(183)	(186)	(699)	(149)	9,1
Profit (loss) from operations = EBIT		(284)	(327)	(393)	(578)	(1.582)	1.395	n.a.
CASH CAPEX		77	94	97	143	411	65	(15,6)
CASH CONTRIBUTION		(197)	(255)	(307)	(535)	(1.294)	1.479	n.a.

1 The EE joint venture in the United Kingdom, which had previously been assigned to the Europe operating segment, was transferred to the Group Headquarters & Group Services segment as of January 1, 2014. The prior-year figures (Cashflow, Financial assets, Financial result) have been adjusted for better comparability.

Results impacted by deconsolidation of Scout24 as of February 1st 2014. Please see tables of "Special Factors" and "Change in the composition of the group" for further details.

GROUP HEADQUARTERS & GROUP SERVICES

EBITDA RECONCILIATION

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
TOTAL REVENUE		691	761	635	792	2.879	622	(10,0)
Profit (loss) from operations = EBIT		(284)	(327)	(393)	(578)	(1.582)	1.395	n.a.
- Depreciation, amortization and impairment losses		(164)	(166)	(183)	(186)	(699)	(149)	9,1
= EBITDA		(120)	(161)	(210)	(392)	(883)	1.544	n.a.
EBITDA margin	%	(17,4)	(21,2)	(33,1)	(49,5)	(30,7)	n.a.	n.a.
- Special factors affecting EBITDA		(21)	(50)	(55)	(102)	(228)	1.662	n.a.
= EBITDA (ADJUSTED FOR SPECIAL FACTORS)		(99)	(111)	(155)	(290)	(655)	(118)	(19,2)
EBITDA margin (adjusted for special factors)	%	(14,3)	(14,6)	(24,4)	(36,6)	(22,8)	(19,0)	(4,7p)

SPECIAL FACTORS

	Note	Q1 2013 millions of €	Q2 2013 millions of €	Q3 2013 millions of €	Q4 2013 millions of €	FY 2013 millions of €	Q1 2014 millions of €	Change %
EFFECTS ON EBITDA		(21)	(50)	(55)	(102)	(228)	1.662	n.a.
- of which personnel		(22)	(53)	(53)	(98)	(226)	(14)	36,4
- of which other		1	3	(2)	(4)	(2)	1.676	n.a.
EFFECTS ON PROFIT (LOSS) FROM OPERATIONS = EBIT		(21)	(50)	(55)	(102)	(228)	1.662	n.a.
- of which personnel		(22)	(53)	(53)	(98)	(226)	(14)	36,4
- of which other		1	3	(2)	(4)	(2)	1.676	n.a.

Results impacted by deconsolidation of Scout24 as of February 1st 2014. Please see tables of "Special Factors" and "Change in the composition of the group" for further details.

EE LIMITED (JOINT VENTURE DEUTSCHE TELEKOM - FRANCE TELECOM)

FINANCIALS (ADJUSTED FOR SPECIAL FACTORS)^{1,2}

	Note	Q1 2013 millions of GBP	Q2 2013 millions of GBP	H1 2013 millions of GBP	Q3 2013 millions of GBP	Q4 2013 millions of GBP	H2 2013 millions of GBP	FY 2013 millions of GBP	Q1 2014 millions of GBP	Change % (YoY)
TOTAL REVENUE		1.605	1.606	3.211	1.631	1.639	3.270	6.482	1.548	(3,6)
EBITDA (AS REPORTED)		--	--	607	--	--	706	1.313	--	--
EBITDA margin (EBITDA (as reported) / total revenue)	%	--	--	18,9	--	--	21,6	20,3	--	--
RESTRUCTURING COST INCLUDED IN EBITDA		--	--	46	--	--	33	79	--	--
EBITDA (ADJUSTED FOR SPECIAL FACTORS)		--	--	746	--	--	828	1.574	--	--
EBITDA margin (EBITDA / total revenue)	%	--	--	23,2	--	--	25,3	24,3	--	--
CAPEX		--	--	317	--	--	266	583	--	--

OPERATIONALS¹

	Note	Q1 2013	Q2 2013	H1 2013	Q3 2013	Q4 2013	H2 2013	FY 2013	Q1 2014	Change % (YoY)
SERVICE REVENUE	(GBP million)	1.422	1.421	2.843	1.446	1.445	2.891	5.734	1.387	(2,5)
CUSTOMERS	('000)	26.441	25.996	25.996	25.842	25.503	25.503	25.503	25.325	(4,2)
- contract	('000)	13.759	13.976	13.976	14.156	14.350	14.350	14.350	14.473	5,2
- prepaid	('000)	11.983	11.312	11.312	10.967	10.424	10.424	10.424	10.103	(15,7)
- home	('000)	699	709	709	718	730	730	730	749	7,2
NET ADDS	('000)	(404)	(445)	(849)	(155)	(338)	(493)	(1.342)	(179)	55,7
- contract	('000)	166	216	382	181	194	375	757	123	(25,9)
- prepaid	('000)	(571)	(671)	(1.242)	(345)	(543)	(888)	(2.130)	(321)	43,8
- home	('000)	1	10	11	9	11	20	31	19	--
AVERAGE MONTHLY CHURN	(%)	2,6	2,6	--	2,2	2,5	--	--	2,0	(0,6)
- contract	(%)	1,2	1,1	--	1,1	1,2	--	--	1,2	0,0
SAC PER GROSS ADD	(GBP)	62	56	--	59	61	--	--	60	(3,2)
- contract	(GBP)	156	147	--	154	142	--	--	137	(12,2)
- prepaid	(GBP)	11	5	--	6	7	--	--	5	(54,5)
SRC PER RETAINED CUSTOMER	(GBP)	193	168	--	190	155	--	--	184	(4,7)
ARPU	(GBP)	18	18	--	19	19	--	--	19	2,3
- contract	(GBP)	30	30	--	30	30	--	--	29	(3,9)
- prepaid	(GBP)	5	5	--	5	5	--	--	4	(16,3)
VOICE ARPU	(GBP)	9	8	--	9	8	--	--	8	(12,4)
non-voice % of ARPU	(%)	51,1	54,6	--	55,5	56,1	--	--	58,4	7,3
MOU PER CUSTOMER	(min)	198	201	--	201	208	--	--	206	4,0
- contract	(min)	338	335	--	325	332	--	--	325	(3,8)

1 Definitions of KPIs partially differ from those of the other European Entities.

2 Adjusted EBITDA excluding restructuring costs, brand and management fees.

3 ARPU %-changes based on exact numbers.

GLOSSARY AND DISCLAIMER

In addition to financial information presented in accordance with IFRS, this presentation contains non-GAAP financial measures,	
such as ...	which is defined as ...
EBIT	Abbreviation for EARNINGS BEFORE INTEREST AND TAXES. EBIT is equivalent to the P&L-line "Profit from operations".
Adj. EBIT	EBIT adjusted for special factors.
EBT	Abbreviation for EARNINGS BEFORE TAXES. EBT is equivalent to the P&L-line "Profit before income taxes".
Adj. EBT	EBT adjusted for special factors.
EBITDA	Abbreviation for EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION. EBITDA is equivalent to EBIT before Depreciation and Amortization. Depreciation and Amortization is not a line in the P&L but provided in the notes as "Other disclosures".
Adj. EBITDA	EBITDA adjusted for special factors.
Adj. Net profit/loss	Net profit/loss adjusted for special factors.
Special factors	Special factors impair the comparability of the results with previous periods. Details on the special factors are given for the group and each operating segment.
Cash capex	Cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment.
Cash contribution	EBITDA minus capex.
Free cash flow	Net cash from operating activities minus net cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment.
Gross debt	Gross debt includes not only bonds and liabilities to banks, but also liabilities to non-banks from promissory notes, lease liabilities, liabilities arising from ABS transactions (capital market liabilities), liabilities from derivatives and cash collateral.
Net debt	Net debt is calculated by deducting cash and cash equivalents as well as financial assets classified as held for trading and available for sale (due \leq 1 year). In addition, receivables from derivatives and other financial assets are deducted from gross debt.
n.a.	not applicable
n.m.	not meaningful
ARPU	Abbreviation for AVERAGE REVENUE PER USER. Calculation: Service fee, as well as voice, non voice, roaming and visitor revenues, divided by the average number of customers in the period. Visitor revenues are allocated exclusively to contract customers.
SAC	Abbreviation for SUBSCRIBER ACQUISITION COSTS. Calculation: Customer acquisition costs divided by the number of gross customers added during the respective period.

The figures in this presentation are unaudited. These and the other non-GAAP financial measures used by Deutsche Telekom are derived from our IFRS financial information but do not comply with IFRS and should not be viewed as a substitute for our IFRS figures.

INTERIM GROUP REPORT

JANUARY 1 TO MARCH 31, 2014



SELECTED FINANCIAL DATA OF THE GROUP.

millions of €

	Q1 2014	Q1 2013	Change %	FY 2013
REVENUE AND EARNINGS				
Net revenue	14,894	13,785	8.0%	60,132
Of which: domestic	41.3	45.7		42.2
Of which: international	58.7	54.3		57.8
Profit from operations (EBIT)	3,142	1,692	85.7%	4,930
Net profit (loss)	1,817	564	n.a.	930
Net profit (loss) (adjusted for special factors)	587	767	(23.5)%	2,755
EBITDA	5,638	4,079	38.2%	15,834
EBITDA (adjusted for special factors)	4,121	4,288	(3.9)%	17,424
EBITDA margin (adjusted for special factors)	27.7	31.1		28.9
Earnings per share basic/diluted	€ 0.41	0.13	n.a.	0.21
STATEMENT OF FINANCIAL POSITION				
Total assets	117,343	108,837	7.8%	118,148
Shareholders' equity	32,766	31,013	5.7%	32,063
Equity ratio	27.9	28.5		27.1
Net debt	37,964	37,119	2.3%	39,093
CASH FLOWS				
Net cash from operating activities	2,962	2,952	0.3%	13,017
Cash capex	(2,197)	(3,024)	27.3%	(11,068)
Free cash flow (before dividend payments, spectrum investment) ^a	983	1,038	(5.3)%	4,606
Net cash used in investing activities	(348)	(2,829)	87.7%	(9,896)
Net cash (used in) from financing activities	(2,906)	481	n.a.	1,022

^a And before effects in connection with the AT&T transaction and compensation payments for MetroPCS employees.

NUMBER OF FIXED-NETWORK AND MOBILE CUSTOMERS.

millions

	Mar. 31, 2014	Dec. 31, 2013	Change Mar. 31, 2014/ Dec. 31, 2013 %	Mar. 31, 2013	Change Mar. 31, 2014/ Mar. 31, 2013 %
Mobile customers	145.4	142.5	2.0%	128.4	13.2%
Fixed-network lines ^a	30.5	30.8	(1.0)%	31.8	(4.1)%
Broadband lines ^{a, b}	17.2	17.1	0.6%	17.0	1.2%

^a The fixed-network customers of our subsidiary Euronet Communications in the Netherlands have no longer been included in the Europe operating segment since January 2, 2014 following the sale of the shares held in the company. They have been eliminated from all historical customer figures to improve comparability.

^b Excluding wholesale.

The performance indicators used by Deutsche Telekom are defined in the glossary of the 2013 Annual Report (page 257 et seq.).

CONTENTS.

4 — TO OUR SHAREHOLDERS

- 4 Developments in the Group
- 6 Deutsche Telekom at a glance
- 6 The T-Share
- 7 Highlights in the first quarter of 2014

9 — INTERIM GROUP MANAGEMENT REPORT

- 9 Group structure, strategy, and management
- 9 The economic environment
- 10 Development of business in the Group
- 15 Development of business in the operating segments
- 29 Events after the reporting period
- 29 Forecast
- 30 Risk situation

31 — INTERIM CONSOLIDATED FINANCIAL STATEMENTS

- 31 Consolidated statement of financial position
- 32 Consolidated income statement
- 33 Consolidated statement of comprehensive income
- 34 Consolidated statement of changes in equity
- 36 Consolidated statement of cash flows
- 37 Significant events and transactions

- 48 Responsibility statement
- 49 Review report

50 — ADDITIONAL INFORMATION

- 50 Reconciliation of pro forma figures
- 53 Glossary
- 54 Disclaimer
- 55 Financial calendar

TO OUR SHAREHOLDERS.

DEVELOPMENTS IN THE GROUP.

NET REVENUE.

- Net revenue increased substantially by 8.0 percent. The United States operating segment in particular contributed to this revenue trend as a result of the inclusion of MetroPCS since May of last year and continued strong customer additions.
- In our Europe operating segment, the substantial price changes imposed in some cases last year by regulatory authorities, intense competition, and the still strained economic situation in some European countries had a negative effect on our revenue.
- The general downward trend in prices for IT and communications services had a negative impact on revenue in our Systems Solutions operating segment.
- Adjusted for effects of changes in the composition of the Group as well as negative exchange rate effects totaling EUR 0.6 billion, net revenue increased by EUR 0.6 billion.

PROPORTION OF NET REVENUE GENERATED INTERNATIONALLY.

- The proportion of net revenue generated internationally increased to 58.7 percent, compared with 54.3 percent in the first quarter of 2013.
- The proportion of net revenue generated by our United States operating segment increased by 8.4 percentage points.
- By contrast, the proportions contributed by our Germany, Europe, and Systems Solutions operating segments as well as the Group Headquarters & Group Services segment shrank.

ADJUSTED EBITDA.

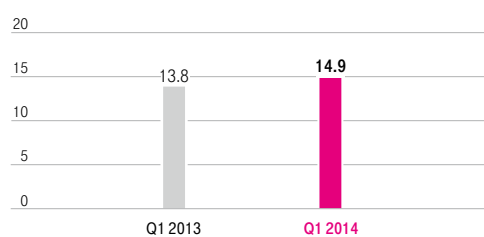
- Adjusted EBITDA decreased by 3.9 percent.
- The inclusion of MetroPCS' operations since May 2013 in particular had a positive effect on adjusted EBITDA.
- Adjusted EBITDA was reduced by higher costs incurred for the IP migration and the integrated network build-out in Germany, higher market investments in the United States, and operational EBITDA decreases in some European countries. The negative effects were partially offset by our comprehensive cost management.

NET PROFIT.

- Net profit increased substantially to EUR 1.8 billion.
- The increase was in particular due to income from divestitures in connection with the disposal of shares in the Scout24 group totaling EUR 1.7 billion.
- This effect was offset by a EUR 0.1 billion increase in depreciation, amortization and impairment losses compared with the prior-year period, attributable to the inclusion of MetroPCS since May of last year and the roll-out of the LTE network as part of T-Mobile US' network modernization program.

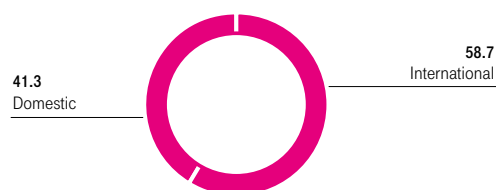
Net revenue.

billions of €



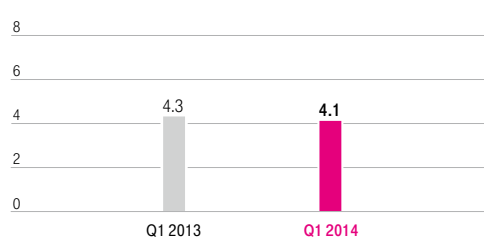
Proportion of net revenue generated internationally.

%



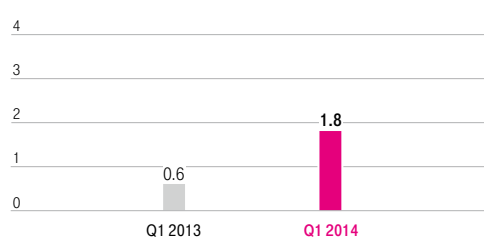
Adjusted EBITDA.

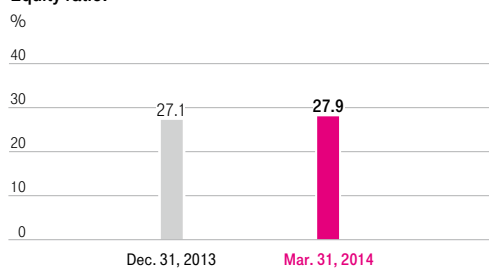
billions of €



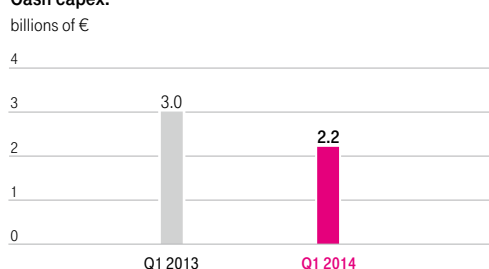
Net profit.

billions of €

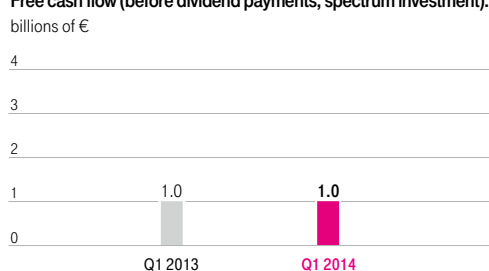


Equity ratio.**EQUITY RATIO.**

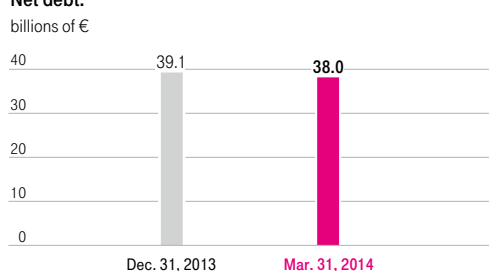
- Total assets decreased only slightly by 0.7 percent compared with the end of 2013.
- Shareholders' equity increased by EUR 0.7 billion compared with December 31, 2013 to EUR 32.8 billion, due to a profit of EUR 1.9 billion. The acquisition of the remaining shares in T-Mobile Czech Republic for EUR 0.8 billion and actuarial losses (after taxes) of EUR 0.2 billion recognized directly in equity, by contrast, had a decreasing effect.
- As a result, the equity ratio increased to 27.9 percent, thus remaining within our target range of 25 to 35 percent.

Cash capex.**CASH CAPEX.**

- Cash capex (including spectrum investments) was reduced to EUR 2.2 billion.
- The year-on-year decrease was mainly a result of the mobile licenses acquired in the Netherlands for EUR 0.9 billion in 2013. The decrease was partially offset by mobile spectrum acquired in the first quarter of 2014 totaling EUR 0.1 billion (primarily in the Czech Republic).
- Adjusted for the effects of spectrum acquisition, cash capex was at prior-year level.

Free cash flow (before dividend payments, spectrum investment).^a**FREE CASH FLOW (BEFORE DIVIDEND PAYMENTS, SPECTRUM INVESTMENT).^a**

- Free cash flow remained stable at EUR 1.0 billion.
- This was due to both the stable year-on-year trend in net cash from operating activities and cash capex (excluding spectrum investments).
- Net cash from operating activities was reduced by a EUR 0.1 billion increase in net interest payments. This effect was offset by a dividend payment received from the EE joint venture that was EUR 0.1 billion higher than in the prior year.

Net debt.**NET DEBT.**

- Net debt decreased by EUR 1.1 billion compared with the end of 2013.
- Free cash flow (EUR 1.0 billion) as well as the sale of the shares in the Scout24 group (EUR 1.6 billion) reduced net debt.
- The acquisition of the remaining shares in T-Mobile Czech Republic (EUR 0.8 billion), the acquisition of mobile spectrum (EUR 0.1 billion), and the buy-back of shares at OTE (EUR 0.1 billion) increased net debt.

^a And before effects in connection with the AT&T transaction and compensation payments for MetroPCS employees (see page 14).

For a more detailed explanation, please refer to the section "Development of business in the Group," page 10 et seq.

DEUTSCHE TELEKOM AT A GLANCE.

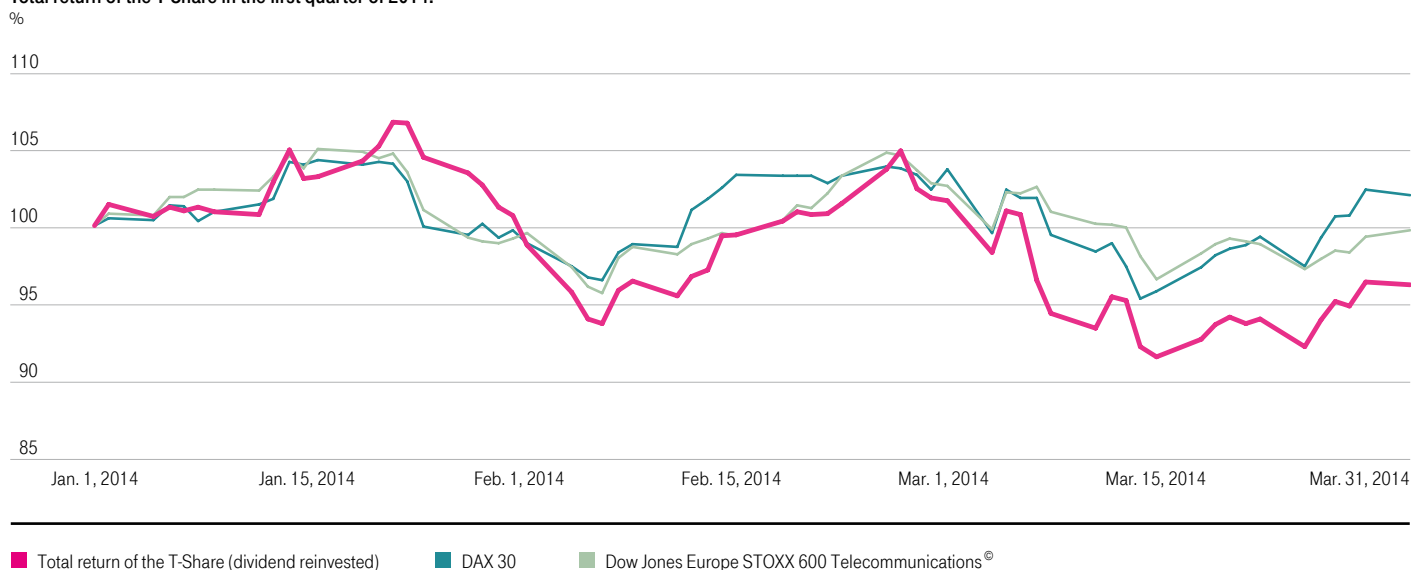
Deutsche Telekom made a successful start to 2014 in the first quarter. Net revenue increased substantially by 8.0 percent. In addition to the inclusion of the MetroPCS operations since May of last year, a key factor in this increase was the sustained strong revenue growth in the United States operating segment, where Deutsche Telekom saw record growth in new customers in the first quarter. Revenue in our Germany operating segment continued to decrease slightly showing signs of stabilizing, while in our Europe operating segment, the substantial price changes imposed in some cases last year by regulatory authorities, intense competition, and the still strained economic situation in some European countries continued to have a negative effect on our revenue.

As a result of the decline in revenue, adjusted EBITDA decreased in Germany and Europe. Despite the inclusion of MetroPCS, the U.S. operations did not compensate for the costs for strong customer additions and negative trends in Germany and Europe. Overall, however, adjusted EBITDA was within expectations. Consequently, Deutsche Telekom maintains its full-year guidance for adjusted EBITDA in the Group.

At first glance, cash capex was significantly lower than in the prior-year period. However, the previous year included considerable cash outflows for the acquisition of mobile spectrum. Adjusted for this effect, cash capex was at prior-year level. Free cash flow also remained stable at EUR 1.0 billion. In view of this development, Deutsche Telekom confirms its full-year guidance for free cash flow.

THE T-SHARE.

Total return of the T-Share in the first quarter of 2014.



T-Share performance.

		Q1 2014	Q1 2013	FY 2013
XETRA CLOSING PRICES				
Share price on the last trading day	€	11.73	8.25	12.43
Year high	€	12.83	9.14	12.60
Year low	€	11.28	8.01	8.01
WEIGHTING OF THE T-SHARE IN MAJOR STOCK INDEXES				
DAX 30	%	4.3	3.6	4.6
Dow Jones Euro STOXX 50®	%	1.7	1.6	1.2
Dow Jones Europe STOXX 600 Telecommunications®	%	11.6	9.7	11.7
Market capitalization	billions of €	52.2	35.6	55.3
Number of shares issued	millions	4,451	4,321	4,451

Historical performance of the T-Share as of March 31, 2014.

	Since the beginning of the year	1 year	3 years	5 years
Total return of the T-Share (dividend reinvested)	(3.3)	53.1	34.5	85.8
DAX 30	1.7	22.6	35.7	133.9
Dow Jones Europe STOXX 600 Telecommunications [®]	(0.2)	28.0	23.9	80.8

Overall, the international stock markets moved sideways in the first quarter of 2014. The optimism felt in the first half of January on account of the anticipated global economic recovery and the continuation of the policy of cheap money did not last. As the quarter progressed, pessimism and optimism prevailed in equal measure. Concerns about the effects of the Ukraine crisis and a possible battle of sanctions between Russia and the West also played a part in the stagnation of share prices. While the DAX 30 increased marginally by 1.7 percent and the Dow Jones Euro STOXX 50[®] also showed a slight improvement, the Nikkei in Japan lost ground, and the Dow Jones closed the quarter more or less unchanged, up 0.1 percent.

The European telecommunications sector performed in line with this general market trend. As of March 31, 2014, the Dow Jones Europe STOXX 600 Telecommunications[®] index was around 0.2 percent lower than at the start of the year. The reporting season from the end of February to the start of March failed to inject any additional momentum into the sector.

In this environment, the T-Share declined slightly. It ended the quarter down 3.3 percent. The publication of our full-year figures on March 6, 2014 and, in particular, the ongoing outlook for the business had a slightly negative impact on the share price performance. Although our business development in 2013 was in line with expectations, the outlook for 2015, which included additional investments in our United States operating segment and the expenses for restructuring the Systems Solutions operating segment, gave rise to a slight course correction.

HIGHLIGHTS IN THE FIRST QUARTER OF 2014.**DEVELOPMENTS AT SENIOR MANAGEMENT LEVEL.**

On May 15, 2013, the Supervisory Board appointed **Timotheus Höttges** as René Obermann's successor as Chairman of our Board of Management effective January 1, 2014. In addition, **Thomas Dannenfeldt** was appointed as successor to Timotheus Höttges in the role of Chief Financial Officer effective January 1, 2014.

Prof. Marion Schick, Chief Human Resources Officer and Labor Director of Deutsche Telekom AG, left the Company effective midnight April 30, 2014 for health reasons. In addition to his own duties, Dr. Thomas Kremer covered Prof. Marion Schick's portfolio on an interim basis from January 2014, and has been officially responsible for the Human Resources board department on an acting basis since her departure.

CORPORATE TRANSACTIONS.

On February 12, 2014, we completed the sale of a 70-percent stake in **Scout24 Holding GmbH** to Hellman & Friedman LLC (H&F) on the basis of an enterprise value of EUR 2.0 billion. The relevant authorities gave their approval on January 23, 2014. Since then, we have directly and indirectly retained a stake of approximately 30 percent in the Scout24 group, which is assigned to the Group Headquarters & Group Services segment, and, as such, are profiting from Scout24's future value accretion. In addition, by acquiring 100 percent of the shares in Scout24 International Management AG (now operating under the name Classifieds Business Beteiligungs- und Verwaltungs AG), effective January 24, 2014, Ringier Digital AG took over the 57.6 percent stake in **Scout24 Schweiz AG** that had been held indirectly by Scout24 Holding GmbH. The total sale price for both transactions amounted to EUR 1.6 billion. Income from divestitures amounted to EUR 1.7 billion.

On February 7, 2014, we signed a purchase agreement for the acquisition of the remaining 39.23 percent of shares in **T-Mobile Czech Republic**, which we did not yet own, for a purchase price of EUR 0.8 billion. The transaction was completed on February 25, 2014. The acquisition of the remaining shares from a consortium of investors furthers our development to become the leading pan-European integrated telecommunications provider. T-Mobile Czech Republic had already been fully consolidated in the Europe operating segment. The transaction was not subject to regulatory approval.

PARTNERSHIPS.

Thanks to an extensive partnership with **ProSiebenSat.1 Media AG**, which we entered into in February 2014, Entertain customers will also be able to use the broadcasting group's on-demand services from the middle of the year. The maxdome subscription package offers access to more than 50,000 titles from Germany's biggest online video store. In addition, Entertain customers will be able to view more than 1,000 items of content from the broadcasting group's media-center portfolio free of charge.

We attracted additional platform and sales partners to our smart-home platform **QIVICON** in the first quarter. New partners include ENTEGA, one of the largest providers of green electricity in Germany, as well as wholesalers/specialist retailers Herweck, Cyberport, and Euronics. The platform now has more than 30 partners from a range of industries to offer consumers solutions for energy efficiency, security, and convenience.

INVESTMENTS IN NETWORKS AND SPECTRUM.

In January 2014, T-Mobile US entered into an **agreement** with Verizon Wireless for the **acquisition** of 700 MHz A-block spectrum **licenses** for approximately USD 2.4 billion in cash and the exchange of certain Advanced Wireless Service (AWS) and Personal Communication Service (PCS) spectrum licenses. The acquired spectrum covers more than 150 million inhabitants in 23 markets, which corresponds to approximately 50 percent of the U.S. population or 70 percent of T-Mobile US' existing customer base. The transaction was closed in April 2014.

NEW PRODUCTS.

For CeBIT, we launched our **SME initiative** with the aim of offering a standardized, cost-effective portfolio of IT and telecommunications services tailored to the needs of small and medium-sized enterprises (SMEs). One key element of the initiative is the increase in the number of integrated products and cloud solutions on offer. New cloud offerings are, for example, "DeutschlandLAN PABX from the Net," Managed Workplace, i.e., hosted desktops from the private cloud, and TeamLike, a social company network. The "secure data center network" is a new offer designed for larger SMEs.

In February 2014, we launched a comprehensive, graduated product portfolio for mobile **security and data protection solutions** in Germany. This portfolio allows our customers to determine for themselves how they want to deal with their personal and business data and which security level they would like to select for which corporate applications. It ranges from an app to protect against, for example, malware, through to the high-security cell phone SiMKo 3. The product range is in various stages of development and is to be further expanded in future.

AWARDS.

Deutsche Telekom was named as the most valuable German brand by **Brand Finance Global 500**. Our top ranking is primarily a result of the successful redesign of our umbrella brand. We were acclaimed as the most trusted German brand by **European Trusted Brands 2014**, the largest consumer study in Europe. We performed especially well in the Mobile Phone Network and Internet Service Provider categories. Readers of the trade magazines PC Magazin, PCgo, and Business&IT voted us the winner of three **Victor Awards** for best Internet provider, best host, and best M2M solutions.

NEW CORPORATE CUSTOMER AGREEMENTS.

T-Systems and **SABMiller**, one of the world's largest brewery groups and based in the United Kingdom, have concluded a corporate customer agreement on information and communications services for the next five years. In future, SABMiller's business locations around the world will be connected via our global high-speed network.

Our business customers arm, T-Systems, signed a contract with **Daimler AG** which has a three-digit million order volume. T-Systems will assume exclusive responsibility for the maintenance, development, and integration of numerous software applications in all major business units of the car manufacturer. Apart from cooperating in the traditional area of systems integration, both partners will work together in future-oriented areas, such as connected cars and cloud-based workstations.

INTERIM GROUP MANAGEMENT REPORT.

GROUP STRUCTURE, STRATEGY, AND MANAGEMENT.

With regard to our **Group structure, strategy, and management**, please refer to the notes in the 2013 combined management report (2013 Annual Report, page 62 et seq.). No significant changes were recorded in this area from the Group's point of view.

The ICSS/GNF business of the local business units (LBUs), which had been organizationally assigned to the Systems Solutions operating segment until December 31, 2013, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. These are units in and outside of Europe (excluding Germany) that predominantly perform wholesale telecommunications services for ICSS (International Carrier Sales & Solutions) as part of the Europe operating segment and for third parties. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic. In addition to mobile and fixed-network business activities, the company will now also offer ICT solutions for business customers and public administrations. The activities will be disclosed under the Europe operating segment. Reporting was changed to improve the way in which these units can be managed. Comparative figures have been adjusted retrospectively.

The EE joint venture in the United Kingdom, which had previously been assigned to the Europe operating segment, was transferred to the Group Headquarters & Group Services segment as of January 1, 2014. Since then, it has been reported under the Finance board department due to the new definition of the management model of our EE joint venture.

For more information, please refer to the disclosures under segment reporting in the interim consolidated financial statements (page 42).

THE ECONOMIC ENVIRONMENT.

This section provides additional information on and explains recent changes in the economic situation as described in the combined management report for the 2013 financial year, focusing on global economic development in the first quarter of 2014, the currently prevailing economic risks, the outlook, the telecommunications market, and the regulatory environment. The overall economic outlook is subject to the precondition that there are no major unexpected occurrences in the forecast period.

GLOBAL ECONOMIC DEVELOPMENT.

Global economic growth was positive in the first three months of 2014. In addition to strong growth in the United States, this was also thanks to the economic recovery in Europe. The International Monetary Fund (IMF) currently forecasts global economic growth of 3.6 percent in 2014.

Economic development in our core markets was mainly positive in the first quarter of 2014: In Germany, the economy grew by 1.9 percent compared with the prior-year quarter. The German Bundesbank cites the relatively mild winter and the recovery of the eurozone as reasons for this accelerated growth.

The United States economy saw an increase of 2.8 percent compared to the prior-year quarter. The labor market proved very robust despite what was in some cases a hard winter: 192,000 new positions were created in March. The budget deficit is at a seven-year low. In the first three months of 2014, the eurozone performed better than expected, growing by 0.9 percent. In France, Spain, and the Netherlands, the economic situation improved slowly but steadily. We also observe more positive developments in the United Kingdom and in the Eastern European countries of Romania, the Czech Republic, Poland, Hungary, and Slovakia. This estimate is based on sound economic growth, supported by rising exports, positive expectations in industry, and an increase in domestic demand. Greece and Croatia recorded a GDP decline in the first quarter of 2014.

GDP growth rates in our core countries.

	Q1 2014 compared with Q1 2013
Germany	1.9
United States	2.8
Greece	(1.4)
Romania	2.9
Poland	2.6
Hungary	2.4
Czech Republic	2.7
Croatia	(1.2)
Netherlands	0.9
Slovakia	1.5
Austria	0.9
United Kingdom	3.2

Source: Oxford Economics, Forecast from April 2014.

OUTLOOK.

We still expect the expansion of the global economy to accelerate in the course of 2014 and 2015, supported primarily by increased growth in the industrialized countries.

OVERALL ECONOMIC RISKS.

The global economic recovery, supported primarily by the growing trust in industrialized countries, could lead to increased outflow of capital from emerging markets. This latter development could slow national economies in these markets and also cause increased tensions in capital markets and burden global economic development.

A further substantial increase in tensions between Russia and the Ukraine could impact on the economic and financial stability primarily in Eastern European countries and result in negative effects for the global economy.

Growing imbalances, geopolitical tensions, and rising risks for the emerging economies will be the central issues for 2014.

TELECOMMUNICATIONS MARKET.

In its forecast of March 2014, EITO (European Information Technology Observatory) assumes that worldwide expenditure for IT and telecommunications will increase by 4.5 percent in 2014 compared with 2013. For 2014, the ICT industry in the United States is forecast to grow by 4.0 percent. In Europe, growth will be lower at 1.3 percent.

According to the current EITO forecast, the global telecommunications market will enjoy above-average growth of 5.0 percent to EUR 1.7 trillion in 2014. Revenue from telecommunications infrastructure will increase by 7.9 percent to EUR 0.4 trillion. Revenue from telecommunications services will grow 3.9 percent to EUR 1.3 trillion. Growth will be particularly fast in business with mobile data services, which will increase by 12.8 percent to EUR 347 billion.

REGULATION.

Pricing measures for bitstream products can be implemented. Rate measures by Telekom Deutschland GmbH for bitstream products are subject to "ex-post" price regulation by the Federal Network Agency, to whom they must be announced before they take effect. Accordingly, in September 2013, Telekom Deutschland GmbH announced rate measures on the IP bitstream market in connection with planned partnerships for broadband roll-out. The Federal Network Agency reviewed the pricing measures and found no evidence of anti-competitive behavior in connection with these measures. Following an international consolidation and comments by the European Commission on March 14, 2014, the Federal Network Agency has now also formally concluded its review, with the result that the pricing measures may now take effect as of April 1, 2014.

Further rulings by the Federal Network Agency on vectoring are expected in the second quarter of 2014. The Federal Network Agency had essentially already given the green light to the use of vectoring transmission technology in August 2013, although some provisions were subject to the provision of a certain wholesale offer (bitstream access). This offer, as well as other contractual regulations, must be defined by the Federal Network Agency in a further administrative procedure, which is not expected to be completed until the end of the second quarter of 2014. From this date, it will be possible to use vectoring in Germany.

ASSIGNMENT OF FREQUENCIES.

Below we describe the most important current developments regarding the assignment of frequencies:

- In **Greece**, the Greek regulatory authority EETT carried out spectrum allocation proceedings for the 3.4 to 3.6 GHz and the 3.6 to 3.8 GHz frequency ranges. Both ranges have not previously been used for mobile broadband services, but are considered to be extension bands in the medium to long term for the use of mobile broadband technologies. In the short term, the 3.5 GHz band will continue to be used for fixed-wireless access services. OTE had taken part in the proceedings for this purpose. As there was no shortage of 3.5 GHz frequencies, OTE was able to secure the targeted spectrum of 2x 30 MHz at the minimum price of approximately EUR 2.5 million without taking part in an auction.
- In the meantime, there have been delays in preparations for the frequency auctions in **Hungary, Montenegro, and Poland**, where the publication of the final rules of award and the start of the bidding phase had been expected for the second quarter of 2014. These proceedings will now be postponed to the second half of 2014. Finally, spectrum is also expected to be awarded in **Albania** in the second half of the year.

DEVELOPMENT OF BUSINESS IN THE GROUP.

RESULTS OF OPERATIONS OF THE GROUP.

NET REVENUE.

In the first three months of the 2014 financial year, we generated net revenue of EUR 14.9 billion, up by a substantial EUR 1.1 billion or 8.0 percent compared with the same period in the prior year. Our United States operating segment in particular contributed to this trend thanks to the revenue generated by MetroPCS, which was only taken into account from the second quarter due to its first-time inclusion as of May 1, 2013, and continued strong customer additions. The substantial price changes imposed in some cases last year by regulatory authorities, intense competition, and the still strained economic situation in some European countries had a negative effect on revenue. Our Germany operating segment held its own, particularly in the mobile market, in the prevailing regulatory and competitive environment, but recorded a slight decline in revenue overall. This was primarily due to the line losses in fixed-network business. The general downward trend in prices for IT and communications services had a negative impact on revenue in our Systems Solutions operating segment.

Adjusted for the effects of changes in the composition of the Group of EUR 0.8 billion in total, as well as negative exchange rate effects of EUR 0.2 billion, especially from the translation of U.S. dollars into euros, revenue was up EUR 0.6 billion or 4.2 percent against the prior-year level. For details on the revenue trends in our Germany, United States, Europe, and Systems Solutions operating segments as well as in the Group Headquarters & Group Services segment, please refer to the section "Development of business in the operating segments" (page 15 et seq.).

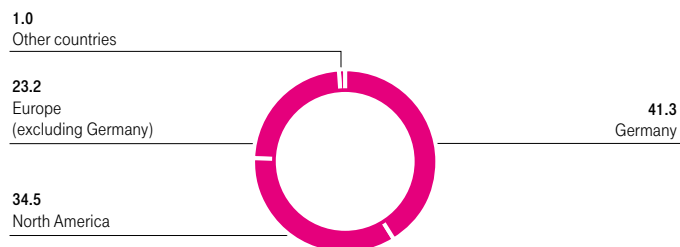
Contribution of the segments to net revenue.

millions of €

	Q1 2014	Q1 2013	Change	Change %	FY 2013
NET REVENUE	14,894	13,785	1,109	8.0%	60,132
Germany	5,483	5,566	(83)	(1.5)%	22,435
United States	5,074	3,541	1,533	43.3%	18,556
Europe	3,125	3,343	(218)	(6.5)%	13,704
Systems Solutions	2,052	2,226	(174)	(7.8)%	9,038
Group Headquarters & Group Services	622	691	(69)	(10.0)%	2,879
Intersegment revenue	(1,462)	(1,582)	120	7.6%	(6,480)

Breakdown of revenue by region.

%



At 34.5 percent, our Germany operating segment again provided the largest contribution to net revenue of the Group. Our United States operating segment substantially increased its share in net revenue by 8.4 percentage points year-on-year due in part to the inclusion of MetroPCS, whereas the contribution by our Germany, Europe, and Systems Solutions operating segments as well as the Group Headquarters & Group Services segment shrank. The proportion of net revenue generated internationally continued to increase, up from 54.3 percent in the prior-year period to 58.7 percent in the reporting period.

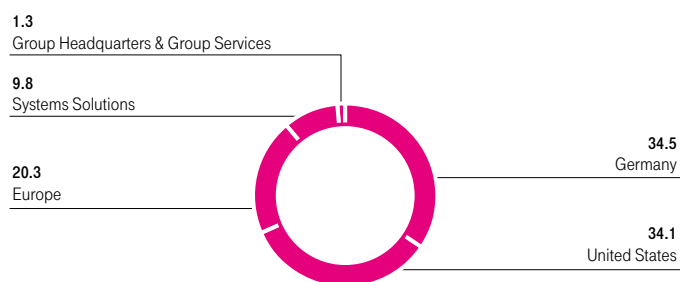
EBITDA, ADJUSTED EBITDA.

Our EBITDA increased year-on-year by EUR 1.6 billion to EUR 5.6 billion. Positive special factors amounting to EUR 1.5 billion were included in EBITDA in the first quarter of 2014. They were mainly attributable to income from the deconsolidation of the Scout24 group of EUR 1.7 billion in total. Expenses incurred in connection with staff-related measures and non-staff related restructuring expenses decreased by EUR 0.1 billion compared with the prior-year level.

Excluding special factors, adjusted EBITDA decreased year-on-year by EUR 0.2 billion to EUR 4.1 billion in the first quarter of 2014. For detailed information on the development of EBITDA/adjusted EBITDA in our segments, please refer to the section "Development of business in the operating segments" (page 15 et seq.).

Contribution of the segments to net revenue.

%

**Contribution of the segments to adjusted Group EBITDA.**

millions of €

	Q1 2014	Q1 2013	Change	Change %	FY 2013
EBITDA (ADJUSTED FOR SPECIAL FACTORS) IN THE GROUP	4,121	4,288	(167)	(3.9)%	17,424
Germany	2,230	2,255	(25)	(1.1)%	8,936
United States	844	888	(44)	(5.0)%	3,874
Europe	1,027	1,097	(70)	(6.4)%	4,550
Systems Solutions	138	168	(30)	(17.9)%	774
Group Headquarters & Group Services	(118)	(99)	(19)	(19.2)%	(655)
Reconciliation	0	(21)	21	n.a.	(55)

EBIT.

Group EBIT increased substantially by EUR 1.7 billion to EUR 3.1 billion compared with the first quarter of 2013, primarily due to income from divestitures in connection with the disposal of the Scout24 group. This was offset by a EUR 0.1 billion increase in depreciation, amortization and impairment losses compared with the prior-year period, attributable to the inclusion of MetroPCS since May of last year as well as the roll-out of the LTE network as part of T-Mobile US' network modernization program.

PROFIT BEFORE INCOME TAXES.

Profit before income taxes increased by EUR 1.4 billion to EUR 2.4 billion year-on-year in the first quarter of 2014 as a result of the aforementioned effects. Loss from financial activities increased slightly year-on-year. This development was attributable to the inclusion of MetroPCS and local financing conditions for T-Mobile US.

NET PROFIT.

Net profit increased to EUR 1.8 billion. The tax expense for the current financial year amounted to EUR 0.6 billion. For further information, please refer to the interim consolidated financial statements (page 40).

Profit attributable to non-controlling interests decreased slightly year-on-year, due in part to the acquisition of the remaining shares in T-Mobile Czech Republic which we did not yet own.

Number of employees (at the reporting date).

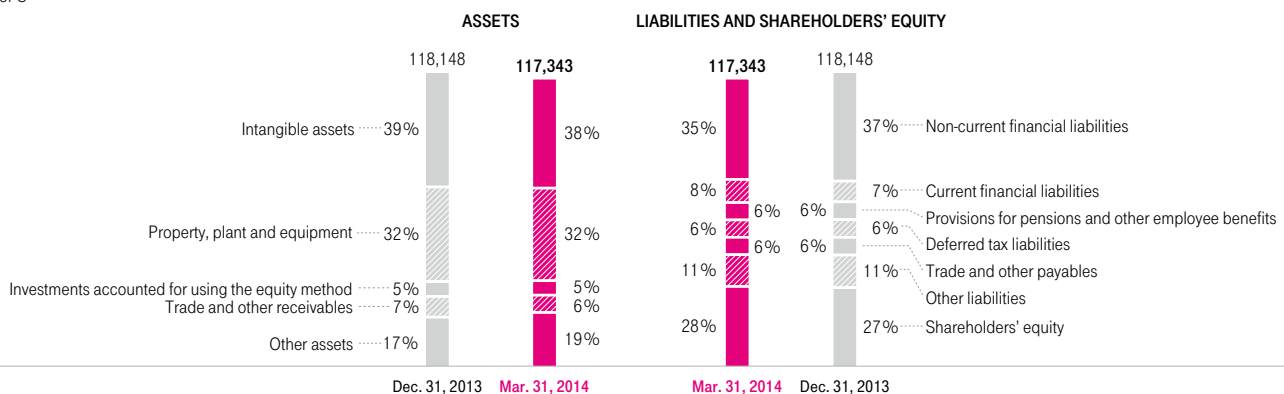
	Mar. 31, 2014	Dec. 31, 2013
Germany	67,318	66,725
United States	36,633	37,071
Europe ^a	52,982	53,265
Systems Solutions ^a	49,436	49,540
Group Headquarters & Group Services	20,871	21,995
NUMBER OF EMPLOYEES IN THE GROUP	227,240	228,596
Of which: civil servants (in Germany, with an active service relationship)	20,578	20,523

^a The prior-year comparatives were adjusted retrospectively due to changes in the structure of the Group implemented as of January 1, 2014. For more information, please refer to the disclosures under segment reporting in the interim consolidated financial statements (page 42).

The Group's headcount decreased by 0.6 percent compared with the end of 2013. Our segments showed countervailing trends to some extent. In the Germany operating segment, the headcount increased by 0.9 percent as staff were taken on primarily for the build-out and upgrade of our "networks of the future." In our United States operating segment the total number of employees decreased by 1.2 percent in the first quarter of 2014. This decrease compared with December 31, 2013 was on the one hand due to a decrease in customer acquisition employees, but on the other partially offset by an increase in customer support employees. In our Europe operating segment, staff levels decreased by 0.5 percent compared with December 31, 2013. This is attributable to two offsetting effects. On the one hand, the number of employees decreased on account of the disposal of shares in Euronet Communications in the Netherlands. Efficiency enhancement measures in a number of countries in our operating segment also reduced the workforce. On the other hand, the number of employees in the fixed-network business in Greece increased. In our Systems Solutions operating segment, the headcount decreased slightly by just 0.2 percent, primarily as a result of the staff restructuring measures implemented in Germany. The number of employees in the Group Headquarters & Group Services segment was down 5.1 percent compared with the end of 2013, due in particular to the deconsolidation of the Scout24 group. The personnel increase in the innovation areas of the DBU slightly counteracted this effect.

FINANCIAL POSITION OF THE GROUP.**Structure of the statement of financial position.**

millions of €



The level of **total assets** decreased by EUR 0.8 billion compared with December 31, 2013. Our consolidated statement of financial position was mainly influenced by the following factors:

Intangible assets decreased by EUR 0.8 billion, mainly due to the recognition of amortization of EUR 0.9 billion and reclassifications of EUR 0.6 billion for mobile licenses of T-Mobile US to non-current assets and disposal groups held for sale. This decrease was offset by capital expenditure of EUR 0.7 billion.

Property, plant and equipment decreased by EUR 0.2 billion compared to the end of 2013 to EUR 37.3 billion. The carrying amount was reduced by depreciation of EUR 1.6 billion and increased by capital expenditure of EUR 1.4 billion.

The carrying amount of **investments accounted for using the equity method** increased by EUR 0.1 billion to EUR 6.3 billion in the first quarter of 2014. On the one hand, the carrying amount for the investments decreased by EUR 0.2 billion as a result of a dividend payment received from the EE joint venture; on the other, the recognition of the remaining stake in the Scout24 group as an investment accounted for using the equity method had an increasing effect of EUR 0.3 billion.

Trade and other receivables decreased by EUR 0.2 billion to EUR 7.5 billion, due in particular to factoring agreements concluded in the reporting period concerning monthly revolving sales of current trade receivables totaling EUR 0.4 billion. An increased percentage of terminal equipment sold under installment plans in our United States operating segment increased our receivables. This results from T-Mobile US' strategy to introduce new rate plans under which terminal equipment is no longer sold at a subsidized price, but on the basis of a financing plan.

As of March 31, 2014, **other assets** include the following significant effects: **Non-current assets and disposal groups held for sale** increased by EUR 0.2 billion, due to the recognition of EUR 0.6 billion for the exchange of mobile licenses at T-Mobile US with Verizon Communications and the derecognition of the shares in the Scout24 group totaling EUR 0.3 billion. **Inventories** increased by EUR 0.1 billion due to increased stock levels of terminal equipment (in particular smartphones) at T-Mobile US.

Current and non-current **financial liabilities** increased by EUR 2.0 billion compared with the end of 2013 to EUR 49.6 billion in total. For the main effects on financial liabilities, please refer to net cash used in/from financing activities on page 41 of the interim consolidated financial statements.

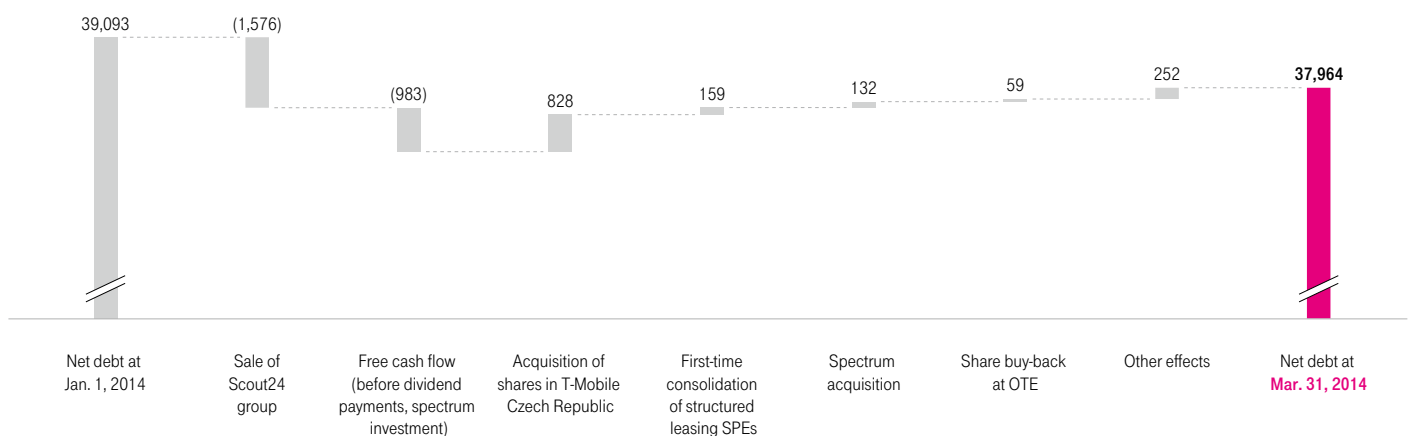
The EUR 0.3 billion increase in **provisions for pensions and other employee benefits** to EUR 7.3 billion was primarily attributable to actuarial losses recognized directly in equity as a result of the sustained decline in interest levels.

Trade and other payables decreased by EUR 0.6 billion compared with the end of 2013 to EUR 6.7 billion, due in part to lower procurement volumes in inventories and a slight reduction in capital expenditures in the Europe operating segment. Increased stock levels of terminal equipment (primarily smartphones) in the United States operating segment had an offsetting effect.

Shareholders' equity increased by EUR 0.7 billion compared with December 31, 2013 to EUR 32.8 billion, due to a profit of EUR 1.9 billion. This was contrasted by the following effects, which were recognized directly in equity: EUR 0.8 billion from the acquisition of the remaining shares in T-Mobile Czech Republic and EUR 0.2 billion from actuarial losses (after taxes).

Changes in net debt.

millions of €



Net debt decreased by EUR 1.1 billion to EUR 38.0 billion compared with the end of 2013, mainly due to the sale of shares in the Scout24 group and free cash flow totaling EUR 2.6 billion. The acquisition of the remaining shares in T-Mobile Czech Republic for EUR 0.8 billion, the first-time consolidation of four structured leasing special purpose entities (SPEs) accounting for EUR 0.2 billion, the acquisition of spectrum for EUR 0.1 billion (primarily in

the Czech Republic), and the buy-back of shares at OTE for EUR 0.1 billion increased net debt, as did other effects totaling EUR 0.3 billion.

For more information on net debt, please refer to the disclosures on the reconciliation of the pro forma figures in the section "Additional information" (page 50 et seq.).

Free cash flow (before dividend payments, spectrum investment).^a

millions of €

	Q1 2014	Q1 2013	Change	Change %	FY 2013
CASH GENERATED FROM OPERATIONS^a	3,860	3,811	49	1.3%	15,289
Interest received (paid)	(898)	(764)	(134)	(17.5)%	(2,075)
NET CASH FROM OPERATING ACTIVITIES^a	2,962	3,047	(85)	(2.8)%	13,214
Cash outflow for investments in intangible assets (excluding goodwill and before spectrum investment) and property, plant and equipment (CASH CAPEX)	(2,065)	(2,087)	22	1.1%	(8,861)
Proceeds from disposal of intangible assets (excluding goodwill) and property, plant and equipment	86	78	8	10.3%	253
FREE CASH FLOW (BEFORE DIVIDEND PAYMENTS AND SPECTRUM INVESTMENT)^a	983	1,038	(55)	(5.3)%	4,606

^a Before effects in connection with the AT&T transaction and compensation payments for MetroPCS employees.

Free cash flow. Free cash flow in the Group before dividend payments and spectrum investment remained unchanged against the prior-year period at EUR 1.0 billion. This was due to both the stable year-on-year trend in net cash from operating activities and cash capex.

A dividend payment received from the EE joint venture, which was EUR 0.1 billion higher than in the prior year, had a positive effect on net cash from operating activities. During the reporting period, factoring agreements were concluded concerning the monthly revolving sales of current trade receivables. This resulted in a positive effect on net cash from operating activities of EUR 0.4 billion. A EUR 0.1 billion increase in net interest payments and higher market investments in the United States operating segment, by contrast, decreased net cash from operating activities.

For further information on the statement of cash flows, please refer to the interim consolidated financial statements, page 41.

COMPARISON OF THE PAST TWELVE MONTHS.

Although there are no significant seasonal factors that affect Deutsche Telekom's earnings and financial position, we have compared the past twelve months with the full year 2013, as results were negatively impacted by special factors.

millions of €

	Apr. 1, 2013 through Mar. 31, 2014	FY 2013
REVENUE AND EARNINGS		
Net revenue	61,241	60,132
Profit from operations (EBIT)	6,380	4,930
Depreciation, amortization and impairment losses	(11,013)	(10,904)
EBITDA	17,393	15,834
EBITDA (adjusted for special factors)	17,257	17,424
Net profit (loss)	2,183	930
Net profit (loss) (adjusted for special factors)	2,575	2,755
Earnings per share basic/diluted	€ 0.49	0.21
CASH FLOWS		
Net cash from operating activities ^a	13,129	13,214
Cash outflow for investments in intangible assets (excluding goodwill and before spectrum investment) and property, plant and equipment (cash capex)	(8,839)	(8,861)
Proceeds from disposal of intangible assets (excluding goodwill) and property, plant and equipment	261	253
Free cash flow (before dividend payments and spectrum investment) ^a	4,551	4,606

^a Before effects in connection with the AT&T transaction and compensation payments for MetroPCS employees.

Net revenue increased by EUR 1.1 billion. This was in particular attributable to the first-time inclusion of MetroPCS as of May 1, 2013 and the ongoing substantial revenue growth in the United States operating segment due to continued strong customer additions.

The increase of around EUR 1.5 billion in profit from operations (EBIT) mainly resulted from income from divestitures in connection with the disposal of shares in the Scout24 group in February 2014 totaling EUR 1.7 billion. This

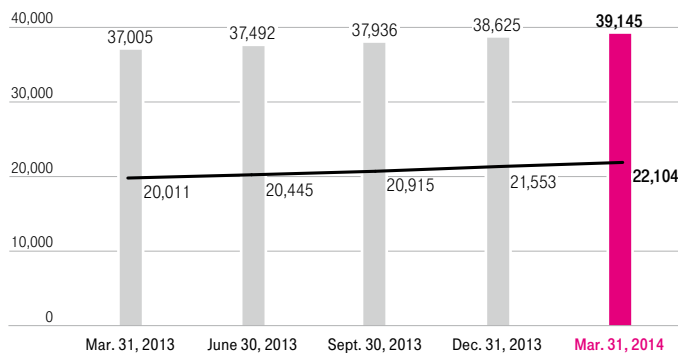
effect was offset by an increase of around EUR 0.1 billion in depreciation, amortization and impairment losses, attributable to the inclusion of MetroPCS since May of last year as well as the roll-out of the LTE network as part of T-Mobile US' network modernization program.

The aforementioned effect from the deconsolidation of the Scout24 group is also decisive for the changes in our other unadjusted financial figures.

DEVELOPMENT OF BUSINESS IN THE OPERATING SEGMENTS.

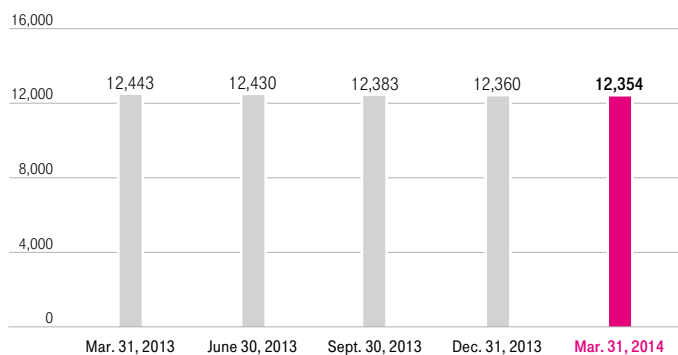
GERMANY. CUSTOMER DEVELOPMENT.

Mobile customers. thousands

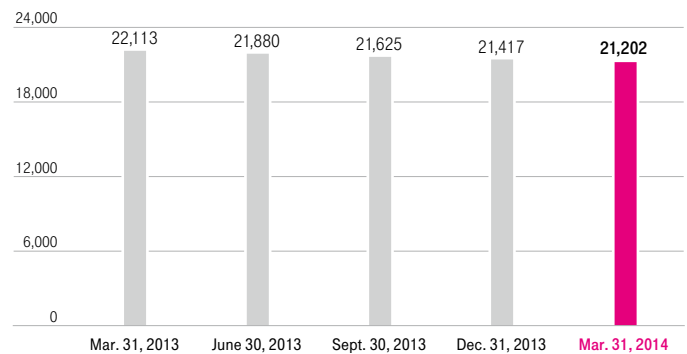


— Contract customers

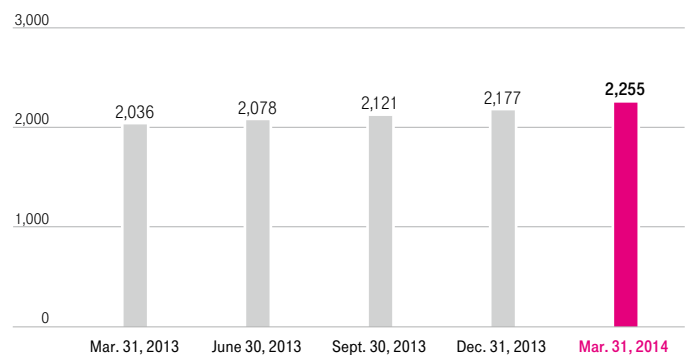
Broadband lines. thousands



Fixed-network lines. thousands



Television (IPTV, satellite).^a thousands



^a Customers connected.

thousands

	Mar. 31, 2014	Dec. 31, 2013	Change Mar. 31, 2014/ Dec. 31, 2013 %	Mar. 31, 2013	Change Mar. 31, 2014/ Mar. 31, 2013 %
TOTAL					
Mobile customers	39,145	38,625	1.3%	37,005	5.8%
Contract customers	22,104	21,553	2.6%	20,011	10.5%
Prepay customers	17,040	17,072	(0.2)%	16,994	0.3%
Fixed-network lines	21,202	21,417	(1.0)%	22,113	(4.1)%
Of which: IP-based	2,640	2,141	23.3%	1,215	n.a.
Broadband lines	12,354	12,360	–	12,443	(0.7)%
Of which: optical fiber	1,375	1,246	10.4%	1,015	35.5%
Television (IPTV, satellite)	2,255	2,177	3.6%	2,036	10.8%
Unbundled local loop lines (ULLs)	9,207	9,257	(0.5)%	9,422	(2.3)%
Wholesale bundled lines	362	390	(7.2)%	483	(25.1)%
Wholesale unbundled lines	1,675	1,564	7.1%	1,362	23.0%
Of which: optical fiber	367	274	33.9%	127	n.a.
OF WHICH: CONSUMERS					
Mobile customers	30,174	29,943	0.8%	29,064	3.8%
Contract customers	16,112	15,669	2.8%	14,396	11.9%
Prepay customers	14,061	14,275	(1.5)%	14,668	(4.1)%
Fixed-network lines	16,698	16,923	(1.3)%	17,536	(4.8)%
Of which: IP-based	2,407	1,960	22.8%	1,119	n.a.
Broadband lines	9,927	9,963	(0.4)%	10,035	(1.1)%
Of which: optical fiber	1,171	1,064	10.1%	866	35.2%
Television (IPTV, satellite)	2,071	2,001	3.5%	1,866	11.0%
OF WHICH: BUSINESS CUSTOMERS					
Mobile customers	8,971	8,682	3.3%	7,941	13.0%
Contract customers	5,992	5,885	1.8%	5,615	6.7%
Prepay customers (M2M)	2,979	2,797	6.5%	2,326	28.1%
Fixed-network lines	3,460	3,445	0.4%	3,515	(1.6)%
Of which: IP-based	216	164	31.7%	81	n.a.
Broadband lines	2,101	2,072	1.4%	2,083	0.9%
Of which: optical fiber	200	180	11.1%	147	36.1%
Television (IPTV, satellite)	182	174	4.6%	168	8.3%

Total.

We have maintained our lead in the fixed network and aim to gain a permanent foothold in mobile communications as the number one provider. Our goal is to be the leading telecommunications provider with integrated IP networks in Germany. The IP transformation has already got off to a successful start. In the first quarter of 2014 alone, we migrated 499 thousand customers to IP-based lines, bringing the total number of migrations up to 2.6 million.

In the highly competitive mobile market, we gained 551 thousand mobile contract customers in the first quarter of 2014 with slightly lower market investments, thus asserting our leading position. Alongside customers gained via service providers, 204 thousand of these additions were attributable to business under our Telekom and “congstar” brands.

We recorded increased demand for our fiber-optic products VDSL and FTTH. The number of these lines rose by 222 thousand in three months to a total of 1.7 million. With the progress in fiber-optic roll-out and our innovative vectoring technology, we will drive forward the marketing of substantially higher bandwidths. We are rolling out vectoring-enabled VDSL lines to more and more cities as part of our network upgrade initiative, and, from the second half of 2014, we will double the maximum download speed from 50 Mbit/s to

up to 100 Mbit/s. In regions already covered by this technology, customers can now reserve vectoring-enabled lines which will then be upgraded to the faster speed in the second half of the year.

With our “contingent model” and its future refinement, we are creating incentives for migration from traditional wholesale products – such as bundled wholesale lines or unbundled local loop lines – to higher-quality VDSL wholesale lines. Our partnerships in the housing sector also proved successful: We recorded growth of 22.1 percent in the first quarter of 2014, currently having connected 83 thousand apartments to our network.

Mobile communications.

Mobile telephony and data services. Thanks to our outstanding network coverage, our attractive rate plans, and our customers’ growing satisfaction, we added a total of 520 thousand new mobile customers. The Business Customers area and our second brand “congstar” developed particularly positive.

In the first quarter of 2014, we sold 1.4 million mobile terminal devices, with significant demand for premium equipment. The proportion of smartphones, especially Android devices and iPhones, totaled 69.3 percent. The trend of growing demand for mobile data rates thus continued.

Fixed network.

Telephony, Internet, and television. In the broadband market, we are still competing intensely, especially with the cable operators. Nevertheless, the number of broadband lines remained almost stable in the first quarter of 2014 at 12.4 million. A total of 247 thousand customers use a mobile broadband connection. In total, 18.3 percent of our broadband customers are TV customers. In the traditional fixed network, the number of lines decreased by 1.0 percent compared with the end of 2013. Customers switched primarily to cable operators, but increasingly also to regional providers.

Consumers.

Connected life across all screens. The number of mobile customers increased by 231 thousand in the first quarter of 2014 compared with the end of 2013. We won another 443 thousand contract customers, mainly from the reseller customer segment and under our second brand "congstar." The number of prepaid customers decreased by 1.5 percent in the reporting period, largely due to the decline in the reseller segment (service providers).

In particular, rate plans with integrated data flat rates for mobile Internet (Complete Comfort and Special Allnet) as well as pure data rate plans like Mobile Data and Combi Card Mobile Data developed positively. Call & Surf Comfort via Funk also performed very well, with 15 thousand net additions compared with the end of 2013.

In the fixed network, we migrated 447 thousand customers to IP-based lines and won another 70 thousand TV customers in the first quarter of 2014. Of the 9.9 million broadband lines, around 1.2 million customers use a fiber-optic line – 107 thousand of which were added in the first quarter of 2014. The line losses in the fixed network totaled 225 thousand, i.e., less than the 253 thousand recorded in the first quarter of 2013.

Business Customers.

Connected work with innovative solutions. We were particularly successful in mobile communications in the first quarter of 2014 – with 107 thousand new contract customers – as well as in the machine-to-machine segment – with an increase of 182 thousand cards. In mobile Internet, customers are increasingly opting for plans with higher bandwidths, such as Complete Comfort and BusinessFlex, including high-quality terminal equipment. In both fixed-network and broadband lines, we recorded modest growth of 0.4 percent and 1.4 percent, respectively, in the first quarter of 2014 compared with the end of 2013.

Products in the area of connected work developed positively. As a consequence, we recorded further growth in our rate plans "DeutschlandLAN – the Complete Solution for your Office." In data communications, we significantly increased the number of networks and connections, especially with Internet-based data networks (IP VPNs) and high-bandwidth location networking. Demand for cloud products grew in particular.

Wholesale.

The accelerated growth in our unbundled wholesale lines of 111 thousand or 7.1 percent in the first quarter of 2014 was driven mainly by the high demand in connection with the "contingent model." However, the number of bundled wholesale lines declined by 28 thousand. We expect this trend to continue for the next few years due to the fact that our competitors are switching from bundled to unbundled wholesale products with more bandwidth or to their own infrastructure. The number of unbundled local loop lines (ULLs) decreased by 50 thousand or 0.5 percent compared with year-end 2013. This is attributable both to the trend towards higher-quality VDSL wholesale lines and to market influences, since competitors are migrating their customers to mobile lines and customers are switching to cable companies.

DEVELOPMENT OF OPERATIONS.

millions of €

	Q1 2014	Q1 2013	Change	Change %	FY 2013
TOTAL REVENUE	5,483	5,566	(83)	(1.5)%	22,435
Consumers	2,928	2,982	(54)	(1.8)%	12,122
Business Customers	1,404	1,391	13	0.9%	5,676
Wholesale	952	959	(7)	(0.7)%	3,811
Value-Added Services	63	80	(17)	(21.3)%	288
Other	136	154	(18)	(11.7)%	538
Profit from operations (EBIT)	1,249	1,152	97	8.4%	4,435
EBIT margin %	22.8	20.7			19.8
Depreciation, amortization and impairment losses	(956)	(966)	10	1.0%	(3,966)
EBITDA	2,205	2,118	87	4.1%	8,401
Special factors affecting EBITDA	(25)	(137)	112	81.8%	(535)
EBITDA (ADJUSTED FOR SPECIAL FACTORS)	2,230	2,255	(25)	(1.1)%	8,936
EBITDA margin (adjusted for special factors) %	40.7	40.5			39.7
CASH CAPEX	(705)	(594)	(111)	(18.7)%	(3,411)

Total revenue.

Revenue decreased by 1.5 percent year-on-year in the first quarter of 2014. This was precipitated by the 3.0-percent decline in revenue in the fixed-network business, which was partly compensated by the 1.6-percent increase in revenue from mobile communications – largely driven by higher sales of mobile devices. Mobile service revenues increased by 0.2 percent year-on-year in spite of high competitive pressure. This is especially attributable to the strong development in the Business Customers area and to the increase in contract customers under our second brand “congstar.” The marketing of our TV lines and higher revenue from sales of media receivers and routers had a positive effect on fixed-network business, but were unable to compensate for the decline in revenue resulting from line losses in the broadband and fixed-network business.

Revenue from **Consumers** decreased by 1.8 percent, mainly due to a volume- and price-related downturn in the fixed network. Mobile revenue remained at the prior-year level. While mobile service revenues decreased by 1.7 percent owing to a decline in voice telephony and lower revenues from text messages, especially in the prepaid segment, we recorded a substantial 32.0-percent increase in data revenues. Our strong smartphone marketing, which increased revenue from mobile devices by 12.1 percent, also compensated for the decline in mobile service revenues.

Revenue in the **Business Customers** area rose by 0.9 percent. This positive trend primarily resulted from growth in mobile service revenues, especially in data revenue. The decline in revenue from traditional voice telephony had an offsetting effect.

The slight decrease in **Wholesale** revenue of 0.7 percent is attributable to volume and price effects, mainly for interconnection calls and lines. This was partly compensated by the positive trend in unbundled lines.

The decrease in revenue from **Value-Added Services** of 21.3 percent mainly resulted from weaker use of premium rate call numbers and the decline in revenue attributable to the exit from the digital out-of-home advertising business in the fourth quarter of 2013.

EBITDA, adjusted EBITDA.

EBITDA adjusted for special factors decreased slightly by 1.1 percent year-on-year as a result of higher costs for the IP transformation and for the integrated network build-out. This was in line with our expectations. With an adjusted EBITDA margin of 40.7 percent, we are above our target corridor of 40 percent. EBITDA in the first quarter of 2014 amounted to EUR 2.2 billion, an increase of 4.1 percent on the prior-year quarter, due in particular to higher special factors for expenses in connection with our staff restructuring in the previous year.

EBIT.

Profit from operations in our Germany operating segment increased by 8.4 percent year-on-year to EUR 1.2 billion. This was primarily attributable to lower special factors in the first quarter of 2014 compared with the prior-year period.

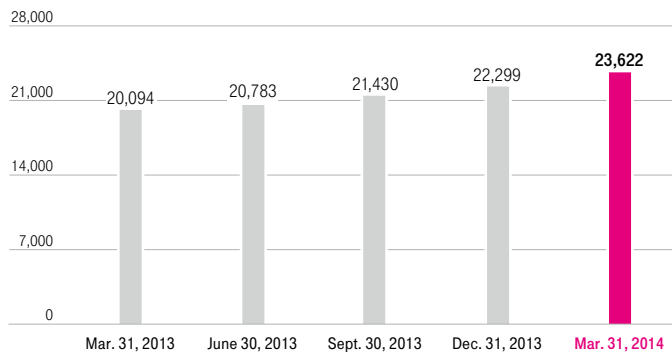
Cash capex.

Cash capex increased by 18.7 percent in the first quarter of 2014 compared with the prior-year period. During the first quarter of 2014, we increased our investments in the fiber-optic roll-out, our IP transformation, and our LTE infrastructure as part of our integrated network strategy.

UNITED STATES. CUSTOMER DEVELOPMENT.

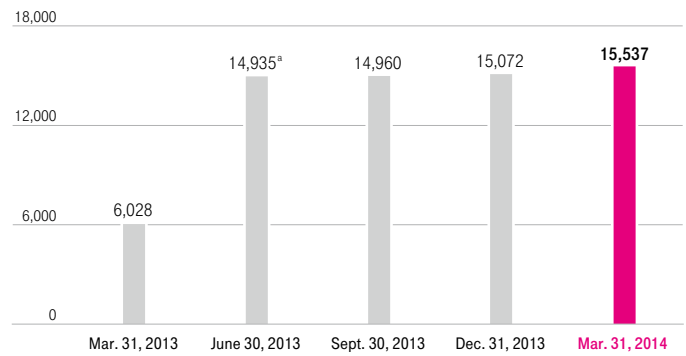
Branded postpaid customers.

thousands



Branded prepay customers.

thousands



* On May 1, 2013, the number of prepay customers increased by 8,918 thousand in connection with the acquisition of MetroPCS.

thousands

	Mar. 31, 2014	Dec. 31, 2013	Change Mar. 31, 2014/ Dec. 31, 2013 %	Mar. 31, 2013	Change Mar. 31, 2014/ Mar. 31, 2013 %
UNITED STATES					
Mobile customers	49,075	46,684	5.1%	33,968	44.5%
Branded customers	39,159	37,371	4.8%	26,122	49.9%
Branded postpaid	23,622	22,299	5.9%	20,094	17.6%
Branded prepay	15,537	15,072	3.1%	6,028	n.a.
Wholesale customers	9,916	9,313	6.5%	7,846	26.4%
M2M	3,822	3,602	6.1%	3,290	16.2%
MVNOs	6,094	5,711	6.7%	4,556	33.8%

At March 31, 2014, the United States operating segment (T-Mobile US) had 49.1 million customers compared to 46.7 million customers at December 31, 2013. This increase in net customers of 2.4 million was an improvement compared to a net increase of 579 thousand for the three months ended March 31, 2013. In the three months ended March 31, 2014, the increase in net customers was the result of growth in all customer categories, as described below.

Branded customers. Branded postpaid net customer additions improved to 1,323 thousand for the three months ended March 31, 2014, compared to 199 thousand branded postpaid net customer losses for the three months ended March 31, 2013. The significant improvement in customer development was attributable to increased new customer activations and improved branded postpaid churn. Growth in branded postpaid net customer additions resulted primarily from strong response to the company's Un-carrier value proposition and the sales of popular devices.

Branded prepay net customer additions were 465 thousand for the three months ended March 31, 2014, compared to 202 thousand branded prepay net customer additions for the three months ended March 31, 2013. The improvement was attributable to higher branded prepay gross customer additions primarily due to the acquisition and subsequent expansion of the MetroPCS brand, including the launch in 30 additional markets, partially offset by higher branded prepay customer deactivations as a result of the robust competitive environment in the prepay market and more branded prepay customers upgrading to branded postpaid plans.

Wholesale customers. Wholesale net customer additions were 603 thousand for the three months ended March 31, 2014, compared to wholesale net customer additions of 576 thousand for the three months ended March 31, 2013. The increase in wholesale net customer additions was primarily the result of MVNO growth in monthly plans and government subsidized Lifeline programs offered by the company's MVNO partners. Both MVNO and M2M customers continued to grow in the three months ended March 31, 2014.

DEVELOPMENT OF OPERATIONS.

millions of €

	Q1 2014	Q1 2013	Change	Change %	FY 2013
TOTAL REVENUE	5,074	3,541	1,533	43.3%	18,556
Profit from operations (EBIT)	154	458	(304)	(66.4)%	1,404
EBIT margin %	3.0	12.9			7.6
Depreciation, amortization and impairment losses	(641)	(396)	(245)	(61.9)%	(2,238)
EBITDA	795	854	(59)	(6.9)%	3,642
Special factors affecting EBITDA	(49)	(34)	(15)	(44.1)%	(232)
EBITDA (ADJUSTED FOR SPECIAL FACTORS)	844	888	(44)	(5.0)%	3,874
EBITDA margin (adjusted for special factors) %	16.6	25.1			20.9
CASH CAPEX	(690)	(852)	162	19.0%	(3,279)

Total revenue.

Total revenue for our United States operating segment of EUR 5.1 billion in the first quarter of 2014 increased by 43.3 percent compared to EUR 3.5 billion in the first quarter of 2013. In U.S. dollars, T-Mobile US total revenues increased by 48.8 percent year-on-year due primarily to the inclusion of MetroPCS results since May 2013. Excluding MetroPCS operating results, service revenues increased due primarily to an increase in the average number of branded postpaid customers driven by the success of the company's Un-carrier value proposition partially offset by decreased average revenue per branded postpaid customer as a result of growth in Value/Simple Choice plans, which have lower priced rate plans than other branded postpaid rate plans. In addition, increases in equipment sales, including those sold on installment plans, driven by the continued growth in smartphones sales in all distribution channels have contributed to the increase in total revenue.

EBITDA, adjusted EBITDA, adjusted EBITDA margin.

Adjusted EBITDA decreased in the first quarter of 2014 by 5.0 percent to EUR 844 million compared to EUR 888 million in the first quarter of 2013. Adjusted EBITDA in the first quarter of 2014 excludes EUR 49 million in expenses primarily associated with stock-based compensation and integration-related costs associated with the business combination with MetroPCS. In U.S. dollars, adjusted EBITDA decreased by 1.3 percent, but benefited from

the inclusion of MetroPCS activity since May 2013. Excluding the results of MetroPCS, adjusted EBITDA would have further decreased due primarily to a higher loss on equipment sales from increased smartphone sales volumes, which have a higher per unit cost, and higher commission expense from increased gross customer additions. Additionally, adjusted EBITDA was negatively impacted by higher promotional costs and the reimbursement of new customer's early termination fees from other carriers associated with Un-carrier phase 4.0, which was launched in the first quarter of 2014. Adjusted EBITDA margin decreased year-on-year due to the factors described above.

EBIT.

EBIT decreased by 66.4 percent to EUR 154 million in the first quarter of 2014 from EUR 458 million in the first quarter of 2013 driven by the factors described above and higher depreciation expense due to the inclusion of MetroPCS operating results and the deployment of LTE network assets related to the network modernization program.

Cash capex.

Cash capex decreased 19.0 percent year-on-year to EUR 690 million in the first quarter of 2014 compared to EUR 852 million in the first quarter of 2013 related to timing of network spend in connection with the T-Mobile US LTE network modernization program.

EUROPE.

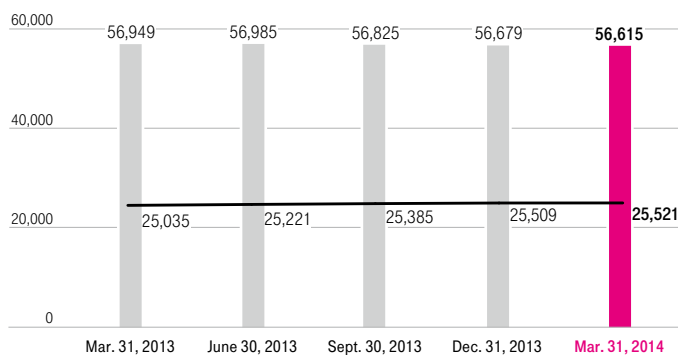
The ICSS/GNF business of the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. In addition, as of January 1,

2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative figures have been adjusted retrospectively. For more information, please refer to the disclosures under segment reporting in the interim consolidated financial statements (page 42).

CUSTOMER DEVELOPMENT.

Mobile customers.

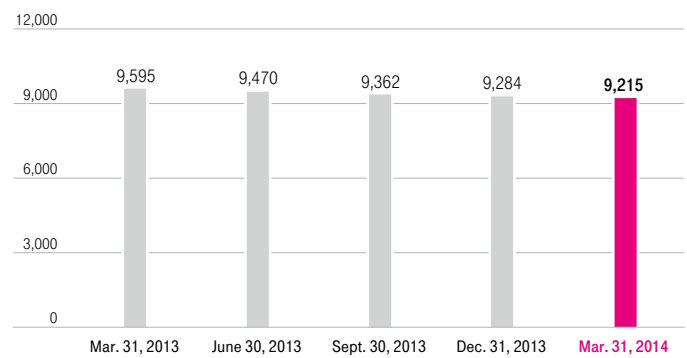
thousands



— Contract customers

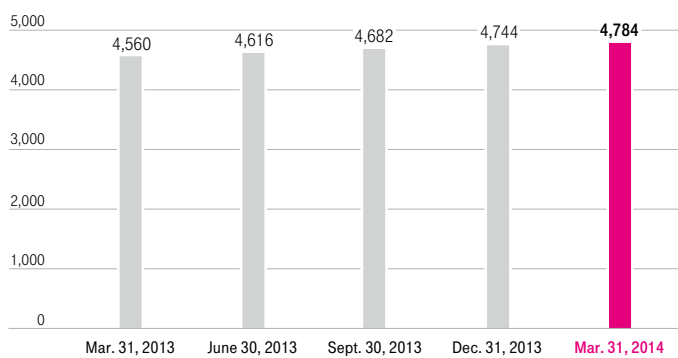
Fixed-network lines.^a

thousands



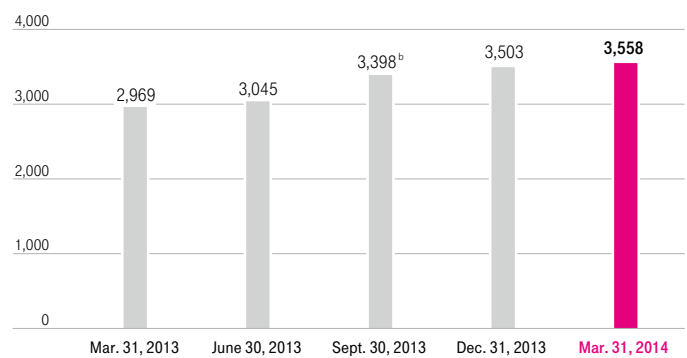
Retail broadband lines.^a

thousands



Television (IPTV, satellite, cable).^a

thousands



^a The fixed-network customers of our subsidiary Euronet Communications in the Netherlands have no longer been included in the Europe operating segment since January 2, 2014 following the sale of the shares held in the company. They have been eliminated from all historical customer figures to improve comparability.

^b The number of TV customers increased as of September 1, 2013 in connection with the acquisition of Digi Slovakia.

thousands

		Mar. 31, 2014	Dec. 31, 2013	Change Mar. 31, 2014/ Dec. 31, 2013 %	Mar. 31, 2013	Change Mar. 31, 2014/ Mar. 31, 2013 %
EUROPE, TOTAL^a	Mobile customers	56,615	56,679	(0.1)%	56,949	(0.6)%
	Fixed-network lines	9,215	9,284	(0.7)%	9,595	(4.0)%
	Of which: IP-based	2,680	2,472	8.4%	1,803	48.6%
	Retail broadband lines	4,784	4,744	0.8%	4,560	4.9%
	Television (IPTV, satellite, cable)	3,558	3,503	1.6%	2,969	19.8%
	Unbundled local loop lines (ULLs)/wholesale PSTN	2,261	2,230	1.4%	2,186	3.4%
	Wholesale bundled lines	158	150	5.3%	154	2.6%
	Wholesale unbundled lines	113	101	11.9%	80	41.3%
GREECE	Mobile customers	7,416	7,477	(0.8)%	7,632	(2.8)%
	Fixed-network lines	2,702	2,746	(1.6)%	2,900	(6.8)%
	Broadband lines	1,299	1,286	1.0%	1,234	5.3%
ROMANIA	Mobile customers	6,080	6,153	(1.2)%	6,155	(1.2)%
	Fixed-network lines	2,341	2,369	(1.2)%	2,409	(2.8)%
	Broadband lines	1,200	1,193	0.6%	1,142	5.1%
HUNGARY	Mobile customers	4,878	4,887	(0.2)%	4,845	0.7%
	Fixed-network lines	1,595	1,596	(0.1)%	1,626	(1.9)%
	Broadband lines	936	922	1.5%	884	5.9%
POLAND	Mobile customers	15,748	15,563	1.2%	15,919	(1.1)%
CZECH REPUBLIC	Mobile customers	5,912	5,831	1.4%	5,570	6.1%
	Fixed-network lines	130	129	0.8%	123	5.7%
	Broadband lines	131	129	1.6%	123	6.5%
CROATIA	Mobile customers	2,272	2,303	(1.3)%	2,309	(1.6)%
	Fixed-network lines	1,138	1,133	0.4%	1,192	(4.5)%
	Broadband lines	678	670	1.2%	664	2.1%
NETHERLANDS	Mobile customers	4,343	4,441	(2.2)%	4,622	(6.0)%
SLOVAKIA	Mobile customers	2,257	2,262	(0.2)%	2,289	(1.4)%
	Fixed-network lines	914	922	(0.9)%	945	(3.3)%
	Broadband lines	532	521	2.1%	488	9.0%
AUSTRIA	Mobile customers	4,105	4,091	0.3%	4,090	0.4%
OTHER^b	Mobile customers	3,604	3,671	(1.8)%	3,518	2.4%
	Fixed-network lines	396	390	1.5%	400	(1.0)%
	Broadband lines	278	274	1.5%	259	7.3%

^a The fixed-network customers of our subsidiary Euronet Communications in the Netherlands have no longer been included in the Europe operating segment since January 2, 2014 following the sale of the shares held in the company. They have been eliminated from all historical customer figures to improve comparability.

^b Other includes national companies of Albania, the F.Y.R.O. Macedonia, and Montenegro.

Total.

As of March 31, 2014, customer numbers in the markets of our Europe operating segment showed a promising year-on-year development. Despite ongoing intense competition, slight improvements in the economic situation in some countries of our operating segment gave rise to initial slightly positive effects on customer numbers, especially in relation to our mobile contract customers as well as our broadband customers. The number of mobile customers remained stable at the prior-year level. Thanks above all to our strategic focus on gradually rolling out broadband technology, the positive trends of the past financial year continued, with the number of broadband lines increasing compared with the end of 2013. At 4.9 percent, this growth was particularly prominent compared with the figure as of March 31, 2013. Our broadband products based on fiber-optic technology are becoming increasingly important. TV business in particular profited from this trend, growing 1.6 percent compared with December 31, 2013 and by just under 20 percent compared with the end of the prior-year quarter. The number of IP lines grew by 8.4 percent compared with the end of 2013, also due to the successful migration of traditional PSTN lines to IP technology in many countries of our Europe operating segment.

Mobile communications.

Mobile telephony and data services. As of the end of the first quarter of 2014, we had around 56.6 million mobile customers in total, i.e., unchanged against the prior-year level. Although the number of competitors we face on the European markets is constantly growing, we can set ourselves apart from the competition as a quality provider and, in many countries, also as the provider with the best mobile network. As part of our network strategy, we want to offer our customers an even faster broadband connection via mobile communications and systematically upgrade our networks with the 4G/LTE technology. And we are succeeding. Our LTE footprint includes almost all markets of the countries in our operating segment. Especially in view of the Business Customer area, our mobile networks constitute an identifiable competitive advantage. This is particularly clear in contract customer business: With around 25.5 million customers in total as of March 31, 2014, business customers as a proportion of the total number of contract customers increased to around 31 percent. Compared with the end of the prior year, the number of business customers grew, thereby more than offsetting the slight decline in consumers. Most countries of our operating segment made a positive contribution to this growth, especially the Czech Republic.

Our innovative bundled product offerings combined with the speed of our networks further increased sales of mobile terminal equipment. Smartphones in particular continue to be highly popular in all countries of our operating segment.

As of March 31, 2014, the number of prepay customers was more or less unchanged against the end of the prior year. Compared with the end of the first quarter of 2013, the number of prepay customers decreased, due, on the one hand, to intense competition and, on the other, to the implementation of our long-term strategy of focusing on high-value contract customers.

Fixed network.

Telephony, Internet, and television. Our TV business once again proved to be a consistent growth driver at the end of the first quarter of 2014, with a total TV customer base of 3.6 million. The majority of the 55 thousand net additions in total were satellite TV customers, especially in Greece. Growth was also achieved in the IPTV customer base, especially in Hungary, as well as in cable TV lines, e.g., in Romania.

The number of our IP-based lines grew by 8.4 percent as of March 31, 2014 compared with the end of the prior year to a total of around 2.7 million

lines. This growth was largely attributable to the successful migration to IP technology in the integrated countries, i.e., those countries where we offer both mobile and fixed-network services. In the F.Y.R.O. Macedonia, we thus successfully completed the migration of our customers to IP-based lines on January 15, 2014. We have also migrated a substantial proportion of lines in Slovakia, Croatia, and Hungary. As of March 31, 2014, IP lines accounted for 29 percent of all lines overall.

The number of retail broadband lines grew to around 4.8 million, up slightly by 0.8 percent compared with December 31, 2013 and by as much as 4.9 percent compared with the end of the prior-year quarter. This growth was primarily driven by innovative rate plans that bundle television with Internet services. The majority of this year-on-year increase is attributable to DSL business, especially in Greece, followed by broadband cable lines in Hungary. Other access technologies such as optical fiber, also recorded encouraging growth compared with the end of 2013, e.g., in Romania.

As of March 31, 2014, around 9.2 million customers in our Europe operating segment used a fixed-network line. This is more or less stable compared with the end of 2013. The first signs of a quarter-on-quarter slowdown in line losses have become apparent since the third quarter of 2013.

DEVELOPMENT OF OPERATIONS.

millions of €

	Q1 2014	Q1 2013	Change	Change %	FY 2013
TOTAL REVENUE	3,125	3,343	(218)	(6.5)%	13,704
Greece	691	713	(22)	(3.1)%	2,988
Romania	261	243	18	7.4%	1,017
Hungary	366	393	(27)	(6.9)%	1,563
Poland	350	385	(35)	(9.1)%	1,584
Czech Republic	214	238	(24)	(10.1)%	973
Croatia	210	224	(14)	(6.3)%	929
Netherlands	393	393	-	-	1,666
Slovakia	197	192	5	2.6%	828
Austria	192	203	(11)	(5.4)%	828
Other ^a	301	408	(107)	(26.2)%	1,548
Profit from operations (EBIT)	401	438	(37)	(8.4)%	972
EBIT margin %	12.8	13.1			7.1
Depreciation, amortization and impairment losses	(611)	(701)	90	12.8%	(3,399)
EBITDA	1,012	1,139	(127)	(11.2)%	4,371
Special factors affecting EBITDA	(15)	42	(57)	n.a.	(179)
EBITDA (ADJUSTED FOR SPECIAL FACTORS)	1,027	1,097	(70)	(6.4)%	4,550
Greece	260	282	(22)	(7.8)%	1,165
Romania	66	63	3	4.8%	283
Hungary	94	93	1	1.1%	438
Poland	134	140	(6)	(4.3)%	599
Czech Republic	92	109	(17)	(15.6)%	425
Croatia	82	88	(6)	(6.8)%	404
Netherlands	148	114	34	29.8%	495
Slovakia	78	84	(6)	(7.1)%	337
Austria	44	55	(11)	(20.0)%	192
Other ^a	32	69	(37)	(53.6)%	216
EBITDA margin (adjusted for special factors) %	32.9	32.8			33.2
CASH CAPEX	(585)	(1,384)	799	57.7%	(3,661)

The contributions of the national companies correspond to their respective unconsolidated financial statements and do not take consolidation effects at operating segment level into account.

^a Other: national companies of Bulgaria (up to and including July 31, 2013), Albania, the F.Y.R.O. Macedonia, and Montenegro, as well as ICSS (International Carrier Sales & Solutions), the ICSS/GNF business of the LBU, GNF (Global Network Factory), Europe Headquarters, and Group Technology.

Total revenue.

In the first quarter of 2014, our Europe operating segment generated total revenue of EUR 3.1 billion, down 6.5 percent compared with the prior-year quarter. At an operational level excluding consolidation and exchange rate effects, segment revenue decreased by just 2.6 percent. In addition to disposals in the previous year, for example, of Hellas Sat or our subsidiaries in Bulgaria, and the resulting lost contributions to revenue, we sold our shares in Euronet Communications in the Netherlands on January 2, 2014. Furthermore, revenue was impacted by negative exchange rate effects compared with the euro, especially the Hungarian forint and the Czech koruna. The inclusion of DIGI Slovakia as of September 1, 2013 had a slight positive impact on revenue development.

In operational terms, decisions by regulatory authorities had a substantial negative impact on our segment revenue: Mobile termination rates that were reduced in 2013 and roaming regulations in almost all countries of our Europe operating segment were responsible for more than half of the decline in our revenue from operations. In addition, competition-induced price reductions put further pressure on our mobile and fixed-network revenue.

Considering segment revenue by country, mobile business in Poland was hit hardest by declining revenues in the first quarter of 2014, especially as a result of the reduction in mobile termination rates in 2013. Mobile business in Greece was also strongly affected, mainly due to the declining market. The other countries of our operating segment, including Croatia and Austria, also sustained regulation- and market-induced revenue losses. At segment level, consumer and wholesale business were impacted overall by declining revenues.

At segment level, we recorded slight offsetting effects in some countries, such as Romania. Here we were able to generate higher revenues in B2B/ICT business and also in fixed-network wholesale business thanks to increased volumes. In mobile communications too, revenue grew thanks, on the one hand, to text messaging and, on the other, to increased revenue from terminal equipment.

Due to the consistent focus on the growth areas in the countries of our Europe operating segment, we partially compensated the negative revenue effects from voice telephony at segment level. Revenue from mobile data business grew by around 17 percent overall or EUR 54 million (excluding consolidation and exchange rate effects) compared with the prior-year quarter, increasing in all countries of our operating segment, especially in the Netherlands, the Czech Republic, and Austria. The majority of this revenue was attributable to consumer business. Thanks to attractive rate plans combined with our broad portfolio of terminal equipment, such as smartphones and tablets, we gained more contract customers, as is also reflected in the increased use of data services. In TV business, the positive trend of the past few quarters continued: In the first quarter of 2014, revenue from TV business increased by around 32 percent compared with the prior-year quarter and adjusted for the acquisition of DIGI Slovakia by 27 percent. As a result of our broadband roll-out in the fixed network and in mobile communications, we won significantly more customers with our TV offering – around 20 percent compared with the same quarter in the prior year – especially in Greece, Romania, and Hungary. Thanks to the expansion of our product and service portfolio, B2B/ICT also made a positive contribution to revenue.

In addition to the growth areas, there was also a positive trend in revenue from terminal equipment sales compared with the prior-year quarter. This increase is due in part to the fact that some countries of our Europe operating segment have introduced an alternative model to the conventional bundled rate plans. In contrast to these bundled rate plans, which include a discounted terminal device but higher service charges, the alternative model is distinctive in that the customer concludes separate contracts for the service and the device. The customer pays a regular monthly service charge and in addition, a monthly charge for the chosen device. This makes the device affordable for the customer even without subsidies.

EBITDA, adjusted EBITDA.

Our Europe operating segment generated adjusted EBITDA of EUR 1.0 billion in the first quarter of 2014, a year-on-year decrease of 6.4 percent. Excluding consolidation effects and the negative exchange rate effects compared with the euro, adjusted EBITDA decreased by just 2.3 percent. This remaining operational decline at segment level was largely attributable to the Greek mobile business, as well as to the Czech Republic, Austria, and Slovakia. It was partially offset by increased adjusted EBITDA contributions, for example, from the Netherlands and Hungary as well as the mobile business in Romania, which had a slightly positive impact overall on the development of adjusted EBITDA at segment level.

The overall decrease in revenue at segment level had a negative impact on the development of EBITDA compared with the prior-year quarter. Changes in legislation, taxes and duties, and national austerity programs put additional pressure on the development of earnings. By systematically reducing indirect costs through our efficiency enhancement measures, we partially offset the negative effect from the decline in revenue. Lower personnel costs in the Greek fixed-network business in particular made a positive contribution. In addition, our direct costs decreased overall thanks to targeted measures for customer retention and acquisition. These savings are attributable in part to the positive effects from the alternative model for terminal equipment. Furthermore, at segment level, the regulation-induced reduction in interconnection costs resulted in a slightly positive contribution to adjusted EBITDA.

Development of operations in selected countries.

The Europe operating segment pursues the vision of developing our entities into integrated, pan-European all-IP players. As part of this strategic focus, our entities have been assigned to four clusters according to their respective market position (for further information, please refer to the 2013 Annual Report, page 102). Below, we present one national company for each of the four clusters by way of example.

Greece (senior leader). Revenue in Greece totaled EUR 691 million in the first quarter of 2014, a year-on-year decline of 3.1 percent. Adjusted for the revenue lost since April 1, 2013 in connection with the sale of Hellas Sat, revenue decreased by 2.1 percent. This remaining decline in revenue from operations was largely due to mobile business. In particular, voice revenue came under further pressure, due among other factors to lower pricing. Despite the difficult economic environment, revenue from mobile data services increased by around 5 percent compared with the prior-year quarter. This was due to both increased use of data services and a higher number of data rate plans sold. Slightly higher revenue from terminal equipment sales had a positive effect on revenue. Fixed-network operations were also affected by

declining revenues. Voice services in particular came under further pressure from line losses in traditional telephony of around 7 percent. The low price level, especially in the broadband business, reduced revenue further. This was only partially offset by growth in DSL lines. TV business continued its encouraging growth trend in the first quarter of 2014, even doubling its revenue year-on-year. We won many new customers with our expanded TV offering, which now also includes exclusive soccer content, for example.

In Greece, adjusted EBITDA decreased to EUR 260 million in the first quarter of 2014, a year-on-year decline of 7.8 percent. Excluding the effects from the deconsolidation of Hellas Sat, adjusted EBITDA decreased by 6.1 percent, mainly due to the negative revenue effects, especially in mobile business. Higher direct costs, partly as a result of higher interconnection costs due to increased volumes, were only partially offset by more targeted measures for mobile customer acquisition. In terms of indirect costs, we partially compensated the negative revenue effects with our programs to enhance efficiency in fixed-network and mobile operations. The success of these programs can be seen in particular in the fixed network with lower personnel costs due to lower staff levels and lower costs for goods and services purchased.

Slovakia (junior leader). Our Slovakian subsidiary generated revenue of EUR 197 million in the first quarter of 2014, up 2.6 percent compared with the same quarter in the prior year. Excluding the effects from the inclusion of DIGI Slovakia as of September 1, 2013, revenue decreased by 1.0 percent. This decline relates entirely to mobile business, driven by regulation-induced reductions in termination rates. In addition, revenues were reduced by lower price levels underlying mobile voice revenues, due in particular to intense competition on the Slovakian mobile market. This was only partially offset by increased use of voice services. Mobile data services remained a constant driver of growth again in the first quarter of 2014. Thanks to the higher number of customers using data services and the ongoing strong appeal of smartphone use, we increased revenue by 12 percent. This is also reflected in higher terminal equipment sales. Fixed-network revenue increased compared with the prior-year period, despite the losses in voice telephony attributable to the line losses in traditional telephony and lower prices. The main driver for revenue growth was TV business, as a result of the acquisition of DIGI Slovakia last year. B2B/ICT business also increased significantly against the prior year. Our Slovakian subsidiary made substantial progress in the migration of PSTN lines to the forward-looking IP technology. As of March 31, 2014, we recorded a migration rate of around 70 percent.

Adjusted EBITDA amounted to EUR 78 million in the first quarter of 2014, down 7.1 percent year-on-year. Excluding the effects from the acquisition of DIGI Slovakia, adjusted EBITDA decreased by 9.5 percent. The positive revenue effects were offset again by higher direct costs overall, for example for the B2B/ICT business.

Poland (mobile runner-up). In the first quarter of 2014, our revenue in Poland totaled EUR 350 million, down 9.1 percent year-on-year. Excluding the slightly negative exchange rate performance of the Polish zloty against the euro, revenue decreased by 8.3 percent. This operational decline was mainly driven by regulation-induced reductions in termination rates in 2013. The remaining decline was market-related. Despite customer additions and increased usage of voice services, the lower price level in the Polish mobile market had a negative effect on our revenue. Revenue from text messaging

also declined compared with the first quarter of 2013 as a result of a lower average price, coupled with reduced use of the text messaging service. The sale of terminal equipment decreased slightly year-on-year in the first quarter of 2014, due to the fact that terminal equipment sales had been particularly high in the first quarter of 2013. The increase in mobile data business had a slightly offsetting effect.

Adjusted EBITDA amounted to EUR 134 million in the first quarter of 2014, down 4.3 percent year-on-year. Excluding the slightly negative exchange rate effects, the decrease was 3.6 percent. Revenue-driven declines were offset by the regulation-induced reduction in interconnection costs and a more personalized dialog with customers for the purpose of customer retention and acquisition. Strict cost management in terms of indirect costs also had a positive effect on adjusted EBITDA.

Netherlands (smart attacker). In the first quarter of 2014, we generated revenue of EUR 393 million in the Netherlands, which was on a par with the level of the prior-year quarter. This is the result of offsetting effects: On the one hand, revenue decreased due to the sale of the shares in Euronet Communications as of January 2, 2014. On the other hand, revenue from terminal equipment sales to branded and wholesale customers increased. Mobile data business also made a positive contribution to revenue due to the new rate plans introduced in September last year as well as the increased usage by customers as a result of the ongoing high demand for smartphones. These factors offset the regulation-induced decreases in voice revenue.

Adjusted EBITDA rose by 29.8 percent year-on-year in the first quarter of 2014 to EUR 148 million. This was attributable to expenses no longer incurred as a result of the sale of shares in Euronet Communications, reduced direct costs, primarily due to more targeted measures for customer retention and acquisition as well as regulation-induced lower interconnection costs. In addition, savings in indirect costs, for example, in costs for goods and services purchased, made a positive contribution to EBITDA.

EBIT.

EBIT in our Europe operating segment totaled EUR 401 million in the first quarter of 2014, down 8.4 percent year-on-year, mainly as a result of the decline in EBITDA. The decline was also attributable to the gain resulting from deconsolidation of Hellas Sat in the first quarter of 2013. Lower depreciation and amortization as a result of the sale of our subsidiaries in Bulgaria as well as of restrained capital expenditure initiatives in most countries of our operating segment counteracted the negative effects from the decline in EBITDA. Depreciation was reduced in particular in Poland and the Netherlands; in the latter due to the sale of the shares in Euronet Communications.

Cash capex.

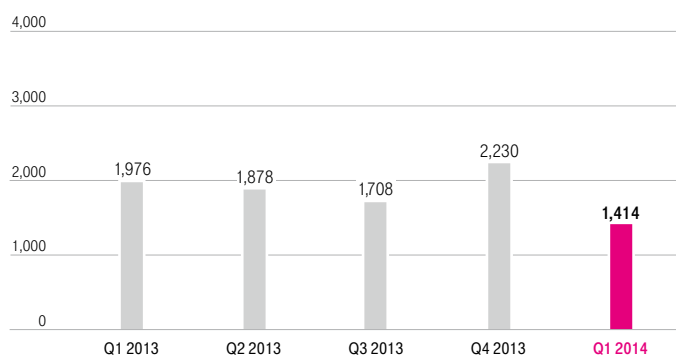
In the first quarter of 2014, our Europe operating segment reported cash capex of EUR 585 million, i.e., down by 57.7 percent, primarily due to the acquisition of the mobile license in the Netherlands in the first quarter of 2013. Adjusted for the effects of spectrum acquisition, cash capex at segment level decreased slightly compared with the prior-year level, since our national companies acted very prudently in their capital spending. The reasons for this included the difficult market situation, decisions by regulatory authorities, and additional financial burdens, such as taxes.

SYSTEMS SOLUTIONS.

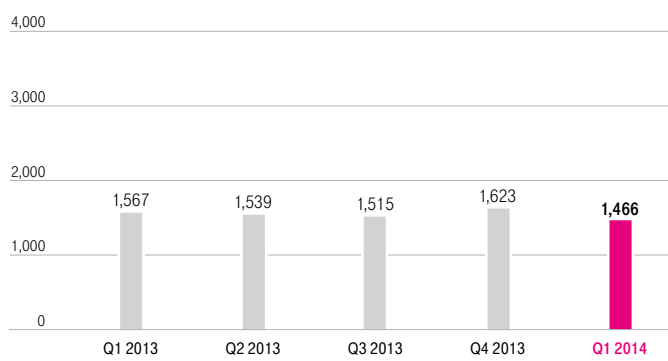
The ICSS/GNF business of the local business units (LBUs), which had previously been organizationally assigned to the Systems Solutions operating segment, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic; they are reported in the Europe operating segment. Comparative figures have been adjusted retrospectively. For more information, please refer to the disclosures under segment reporting in the interim consolidated financial statements (page 42).

SELECTED KPIs.**Order entry.**

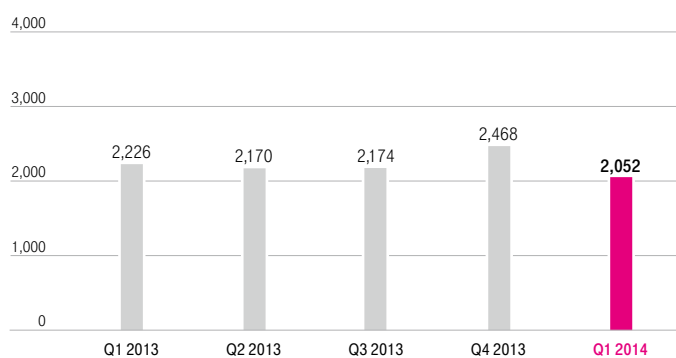
millions of €

**External revenue.**

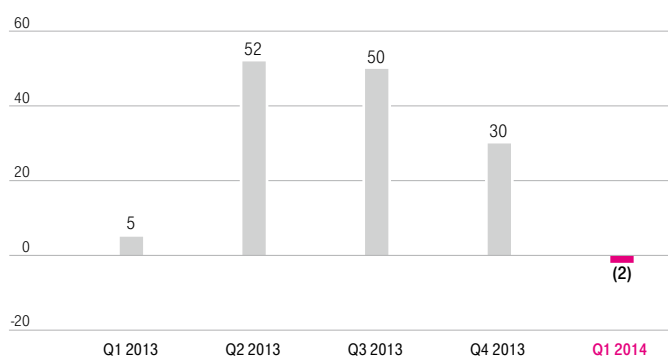
millions of €

**Revenue.**

millions of €

**Adjusted EBIT.**

millions of €



		Mar. 31, 2014	Dec. 31, 2013	Change Mar. 31, 2014/ Dec. 31, 2013 %	Mar. 31, 2013	Change Mar. 31, 2014/ Mar. 31, 2013 %
ORDER ENTRY	millions of €	1,414	7,792	n.a.	1,976	(28.4)%
COMPUTING & DESKTOP SERVICES						
Number of servers managed and serviced	units	61,887	62,308	(0.7)%	56,721	9.1%
Number of workstations managed and serviced	millions	1.34	1.31	2.3%	1.36	(1.5)%
SYSTEMS INTEGRATION						
Hours billed	millions	1.7	6.6	n.a.	1.7	-
Utilization rate	%	82.8	82.5	0.3%p	81.4	1.4%p

Development of business.

In the first quarter of 2014, we concluded new contracts in Germany and abroad, for example, with the brewery group SABMiller. This encouraging development did not compensate for the persistent cost pressure in the ICT market, however: Order entry was down 28.4 percent year-on-year in the reporting period. Nevertheless, our standard solutions in the growth area of cloud computing succeeded in the face of strong competition, winning us contracts with many of our corporate customers. We further expanded our dynamic resources from the cloud accordingly in the reporting period. For our customers, this means that they receive bandwidth, computing capacity, memory and software as they require it, while sharing infrastructure and paying only according to what they actually use.

The new deals result in increased requirements, which we are meeting by continuously modernizing and consolidating our ICT resources. The number of servers managed and serviced increased by 9.1 percent compared with the first quarter of 2013. We partially compensated for the greater demand for resources with higher-performance servers and improved utilization management. A similar trend was seen in data centers, where consolidation, e.g., in Magdeburg, is creating larger, higher-performance units. The number of workstations managed and serviced decreased mainly as a result of staff restructuring measures and IT cost-cutting initiatives within the Group.

DEVELOPMENT OF OPERATIONS.

millions of €

	Q1 2014	Q1 2013	Change	Change %	FY 2013
TOTAL REVENUE	2,052	2,226	(174)	(7.8)%	9,038
Loss from operations (EBIT)	(59)	(69)	10	14.5%	(294)
Special factors affecting EBIT	(57)	(74)	17	23.0%	(431)
EBIT (adjusted for special factors)	(2)	5	(7)	n.a.	137
EBIT margin (adjusted for special factors)	%	0.2			1.5
Depreciation, amortization and impairment losses	(140)	(177)	37	20.9%	(652)
EBITDA	81	108	(27)	(25.0)%	358
Special factors affecting EBITDA	(57)	(60)	3	5.0%	(416)
EBITDA (ADJUSTED FOR SPECIAL FACTORS)	138	168	(30)	(17.9)%	774
EBITDA margin (adjusted for special factors)	%	6.7	7.5		8.6
CASH CAPEX	(253)	(209)	(44)	(21.1)%	(1,066)

Total revenue.

Total revenue in our Systems Solutions operating segment in the reporting period amounted to EUR 2.1 billion, a year-on-year decrease of 7.8 percent. This is largely due to substantial decreases in Telekom IT's revenue, which reflects the successful reduction of IT costs within our Group.

Revenue recognized at the Market Unit includes revenue generated with external customers as well as intragroup revenues for telecommunications services and international IT services that do not fall within the remit of Telekom IT. At EUR 1.7 billion, total revenue of the Market Unit was below the prior-year level. Both national and international revenue decreased compared

with prior-year period. The deconsolidation of T-Systems Italia, the sale of the SI business unit at T-Systems France in the first half of 2013, and exchange rate effects had a negative impact on revenue. The increased number of new deals concluded and our multi-annual contracts from prior periods had a positive effect on total revenue. However, this trend did not fully offset the general negative price trend in the IT and telecommunications business.

In the Telekom IT business unit, which pools all of the Group's internal domestic IT projects, revenue was down against the prior year by 12.7 percent, primarily reflecting the Group's targeted savings in IT costs.

EBITDA, adjusted EBITDA.

Adjusted EBITDA in our Systems Solutions operating segment declined by EUR 30 million in the reporting period. Increased profitability in operations was more than offset by expenses required to expand the business model, with the aim of ensuring future profitable growth. The adjusted EBITDA margin decreased from 7.5 percent in the prior-year period to 6.7 percent in the first quarter of 2014. EBITDA decreased by EUR 27 million compared with the same quarter in the prior year due to the aforementioned effects.

EBIT, adjusted EBIT.

Adjusted EBIT for the first quarter of 2014 was EUR 7 million lower than in the prior-year period. The key factors were the effects described under EBITDA. Offsetting factors in the reporting period were lower depreciation and amortization as a result of lower investments thanks to increased efficiency and extended useful lives in the prior quarters. The adjusted EBIT margin declined from plus 0.2 percent in the prior year to minus 0.1 percent.

Cash capex.

Cash capex was up by EUR 44 million year-on-year to EUR 253 million in the reporting period. This increase was due to the investments needed in connection with our new contracts and customer relationships and was only partly compensated for by enhanced efficiency, for example, as a result of the standardization of the ICT platform. Telekom IT management aims to reduce its own capital expenditure in the long term. Cash outflows include payments for the expansion of the Dynamic Computing platform and for technical upgrades in connection with new deals.

GROUP HEADQUARTERS & GROUP SERVICES.

Group Headquarters & Group Services comprises all Group units that cannot be allocated directly to one of the operating segments. For more information, please refer to the section "Group structure" in the 2013 Annual Report, page 62 et seq.

Vivento, our personnel service provider, acted once again in the first quarter of 2014 as the central contact supporting the operating segments in their staff restructuring measures. Vivento secures external employment opportunities for civil servants and employees, predominantly in the public sector. In addition, the service provider has taken on a new central role with the aim of retaining professional expertise within the Group, so as to reduce the use of external staff.

As of March 31, 2014, Vivento had a workforce of around 8,900 employees (December 31, 2013: around 8,000), of which around 3,800 were deployed externally, mainly in the public sector, for example at the Federal Employment Agency. Another 3,000 or so employees were employed within the Group, especially in service centers. Around 2,100 employees were placed in Vivento's operational and strategic units or continued to be managed by Vivento. In the reporting period, Vivento took on a total of around 1,200 new employees, while around 300 employees left the personnel service provider to pursue new opportunities.

DEVELOPMENT OF OPERATIONS.

millions of €

	Q1 2014	Q1 2013	Change	Change %	FY 2013
TOTAL REVENUE	622	691	(69)	(10.0)%	2,879
Of which: Digital Business Unit	156	213	(57)	(26.8)%	970
Profit (loss) from operations (EBIT)	1,395	(284)	1,679	n.a.	(1,582)
Depreciation, amortization and impairment losses	(149)	(164)	15	9.1%	(699)
EBITDA	1,544	(120)	1,664	n.a.	(883)
Special factors affecting EBITDA	1,662	(21)	1,683	n.a.	(228)
EBITDA (ADJUSTED FOR SPECIAL FACTORS)	(118)	(99)	(19)	(19.2)%	(655)
Of which: Digital Business Unit	1	30	(29)	(96.7)%	121
CASH CAPEX	(65)	(77)	12	15.6%	(411)

Total revenue.

Total revenue in the Group Headquarters & Group Services segment in the first quarter of 2014 decreased by 10.0 percent year-on-year, mainly due to the revenue lost in connection with the sale of 70 percent of the shares in the Scout24 group which was completed in early February 2014. Revenue in the remaining parts of the Digital Business Unit (DBU) increased slightly, primarily due to sales of tofino eReaders and tofino tablets. This was contrasted by slightly lower revenue from Group Services.

EBITDA, adjusted EBITDA.

Adjusted EBITDA at Group Headquarters & Group Services declined by EUR 19 million year-on-year in the first quarter of 2014, mainly due to the loss of the operating results of the Scout24 group. Since the closing of the transaction, the earnings from the remaining 30 percent stake are reported under profit/loss from financial activities as share of profit/loss of associates and joint ventures accounted for using the equity method. The DBU's intragroup earnings also declined due to efficiency enhancement measures. Increased income from real estate sales as a result of our continued optimization of the real estate portfolio as well as lower external consulting expenses had a positive impact on adjusted EBITDA.

Overall, EBITDA was impacted by positive special factors of around EUR 1.7 billion in the reporting period, which mainly resulted from the income generated in connection with the deconsolidation of the Scout24 group. Expenses, especially for staff-related measures such as early retirement and severance payments, had a slightly offsetting effect. In the prior-year quarter, EBITDA was negatively impacted by special factors of EUR 21 million, primarily in connection with staff-related measures.

EBIT.

The year-on-year increase in profit from operations by around EUR 1.7 billion is mainly due to the income from the deconsolidation of the Scout24 group.

Cash capex.

Cash capex decreased year-on-year by 15.6 percent, largely due to the procurement of fewer vehicles.

EVENTS AFTER THE REPORTING PERIOD (MARCH 31, 2014).

Agreed acquisition of the GTS Central Europe group. On April 15, 2014, we received approval from the European Commission for the takeover of GTS without conditions. The acquisition was announced in November 2013. The transaction is expected to be closed in May 2014.

Collective agreements for Group Headquarters and Telekom Deutschland.

On April 9, 2014, Deutsche Telekom and the ver.di union agreed the terms for a collective agreement for Group Headquarters and Telekom Deutschland. The new collective agreement provides for the salaries of the some 55,000 employees covered by the agreement to increase in two steps – by at least 2.5 percent as of April 1, 2014 and by a further 2.1 percent as of February 1, 2015. The new agreement takes effect on February 1, 2014 and has a term of 24 months.

Collective agreement for T-Systems in Germany. On April 30, 2014, T-Systems and the ver.di union agreed the terms for a collective agreement for the some 20,000 T-Systems employees in Germany covered by the agreement. Among other provisions, the new collective agreement provides for the salaries of the employees to increase in two steps – by 1.5 percent as of June 1, 2014 and by a further 2.0 percent as of April 1, 2015. The agreement takes effect retrospectively from April 2014 and has a term of two years.

Agreed sale of Individual Desktop Solutions (IDS). In April 2014, we agreed with the Aurelius group on the sale of IDS, which belongs to our Systems Solutions operating segment. The transaction is still subject to approval by the relevant authorities and is expected to be closed in mid-2014. The sale price and income from divestiture is not expected to be material.

Agreements on the acquisition and exchange of mobile licenses in the United States. In January 2014, T-Mobile US entered into agreements with Verizon Wireless for the acquisition of 700 MHz A-Block spectrum licenses for cash and the transfer of certain AWS spectrum and PCS spectrum. In addition, in November 2013, the company entered into an agreement with Verizon Wireless to exchange certain AWS spectrum and PCS spectrum. The closing for the acquisition of 700 MHz A-Block spectrum licenses was completed on April 30, 2014. The closing for the exchange of AWS spectrum and PCS spectrum was completed on April 29, 2014.

For information on the ongoing legislative process with regard to the regulation of **international roaming**, please refer to the section "Risk situation," page 30.

For explanations on the settlement agreed on April 16, 2014 with regard to the class actions in Texas (United States) brought against the business combination of **MetroPCS** and T-Mobile USA, please refer to the section "Risk situation," page 30.

FORECAST.

The statements in this section reflect the current views of our management. To date, there is no evidence that the forecasts published in the 2013 combined management report have significantly changed (2013 Annual Report, page 127 et seq.). Accordingly, the statements made therein remain valid. For additional information and recent changes in the economic situation, please refer to the section "The economic environment" in this interim Group management report. Readers are also referred to the Disclaimer at the end of this report.

RISK SITUATION.

This section provides important additional information and explains recent changes in the risks and opportunities as described in the combined management report for the 2013 financial year (2013 Annual Report, page 137 et seq.). Readers are also referred to the Disclaimer at the end of this report.

LITIGATION.

Claims by partnering publishers of telephone directories. Several publishers that had set up joint ventures with DeTeMedien GmbH, a wholly-owned subsidiary of Deutsche Telekom AG, to edit and publish subscriber directories filed claims against DeTeMedien GmbH and/or Deutsche Telekom AG at the end of 2013. The complainants are claiming damages or refund from DeTeMedien GmbH and to a certain extent from Deutsche Telekom AG as joint and several debtor next to DeTeMedien GmbH. The complainants base their claims on allegedly excessive charges for the provision of subscriber data in the joint ventures. In 2014, further partnering publishers made claims for compensation or refund against DeTeMedien GmbH, totaling around EUR 340 million plus interest.

Claims for damages due to price squeeze. In the proceedings brought by EWE Tel GmbH against Telekom Deutschland GmbH, the Düsseldorf Higher Regional Court, in its ruling dated January 29, 2014, overturned the first-instance ruling of the Cologne Regional Court dated January 17, 2013, particularly with regard to the scale of the claims barred under the statute of limitations, and referred the case back to the Cologne Regional Court without leave to appeal due to the amount of the damages. Both EWE Tel GmbH and Telekom Deutschland GmbH filed complaints against the non-allowance of appeal with the Federal Court of Justice.

Furthermore, Deutsche Telekom intends to defend itself and/or pursue its claims resolutely in each of these court, conciliatory, and arbitration proceedings.

PROCEEDINGS CONCLUDED IN 2014.

MetroPCS. The action filed in the U.S. state of Texas was also withdrawn after a settlement was reached with the plaintiffs on April 16, 2014 on the reimbursement of litigation costs. This means that all reported legal action against the merger of MetroPCS and T-Mobile USA is concluded.

REGULATION.

The draft regulation by the European Commission on the telecommunications single market (2013 Annual Report, page 74) provides for more extensive regulation of **international roaming**, including the abolition of charges to be paid by end-customers for incoming calls, which may lead to revenue losses. In addition, the proposed new regulations could make obsolete investments already made to implement the requirements of the most recent Roaming Regulation, which only took effect on July 1, 2012. The discussion of the Commission's proposal in the legislative process could furthermore lead to an abolition of roaming premiums compared with national prices from 2016. The EU Parliament adopted a corresponding text in its first reading in April 2014. The proposals are currently being deliberated by the European Council.

The draft regulation also provides for rules to **secure Net neutrality**. Depending on what form they take, such regulations could substantially limit our leeway for product design. The rules currently allow special services as well as data traffic management to be offered in certain, defined cases, but prohibit optional rates in mobile communications that restrict access to certain Internet services and applications. In the first reading, the EU Parliament significantly tightened up the proposals of the Commission in this area and also wants to impose extensive restrictions on special services. In mobile communications in particular, there is a risk that, as a result of this, business models that differentiate between services and applications can no longer be legally offered.

ASSESSMENT OF THE AGGREGATE RISK POSITION.

At the time of preparing this report, neither our risk management system nor our management could identify any material risks to the continued existence of Deutsche Telekom AG or a significant Group company as a going concern.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

millions of €

	Mar. 31, 2014	Dec. 31, 2013	Change	Change %	Mar. 31, 2013
ASSETS					
CURRENT ASSETS	22,270	21,963	307	1.4%	15,862
Cash and cash equivalents	7,706	7,970	(264)	(3.3)%	4,540
Trade and other receivables	7,536	7,712	(176)	(2.3)%	6,423
Current recoverable income taxes	146	98	48	49.0%	113
Other financial assets	2,695	2,745	(50)	(1.8)%	1,696
Inventories	1,139	1,062	77	7.3%	1,111
Other assets	1,837	1,343	494	36.8%	1,762
Non-current assets and disposal groups held for sale	1,211	1,033	178	17.2%	217
NON-CURRENT ASSETS	95,073	96,185	(1,112)	(1.2)%	92,975
Intangible assets ^a	45,157	45,967	(810)	(1.8)%	42,811
Property, plant and equipment ^a	37,255	37,427	(172)	(0.5)%	37,135
Investments accounted for using the equity method	6,257	6,167	90	1.5%	6,288
Other financial assets	1,265	1,362	(97)	(7.1)%	1,780
Deferred tax assets	4,841	4,960	(119)	(2.4)%	4,630
Other assets	298	302	(4)	(1.3)%	331
TOTAL ASSETS	117,343	118,148	(805)	(0.7)%	108,837
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES	23,490	22,496	994	4.4%	22,783
Financial liabilities	8,891	7,891	1,000	12.7%	8,919
Trade and other payables	6,696	7,259	(563)	(7.8)%	6,091
Income tax liabilities	295	308	(13)	(4.2)%	441
Other provisions	3,315	3,120	195	6.3%	2,924
Other liabilities	4,293	3,805	488	12.8%	4,361
Liabilities directly associated with non-current assets and disposal groups held for sale	-	113	(113)	n.a.	47
NON-CURRENT LIABILITIES	61,087	63,589	(2,502)	(3.9)%	55,041
Financial liabilities	40,737	43,708	(2,971)	(6.8)%	35,835
Provisions for pensions and other employee benefits	7,285	7,006	279	4.0%	7,113
Other provisions	2,083	2,071	12	0.6%	1,834
Deferred tax liabilities	7,103	6,916	187	2.7%	6,263
Other liabilities	3,879	3,888	(9)	(0.2)%	3,996
LIABILITIES	84,577	86,085	(1,508)	(1.8)%	77,824
SHAREHOLDERS' EQUITY	32,766	32,063	703	2.2%	31,013
Issued capital	11,395	11,395	0	0.0%	11,063
Treasury shares	(54)	(54)	0	0.0%	(6)
	11,341	11,341	0	0.0%	11,057
Capital reserves	50,996	51,428	(432)	(0.8)%	51,506
Retained earnings including carryforwards	(36,670)	(37,437)	767	2.0%	(34,361)
Total other comprehensive income	(2,502)	(2,383)	(119)	(5.0)%	(2,346)
Net profit (loss)	1,817	930	887	95.4%	564
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT	24,982	23,879	1,103	4.6%	26,420
Non-controlling interests	7,784	8,184	(400)	(4.9)%	4,593
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	117,343	118,148	(805)	(0.7)%	108,837

^a Intangible assets and property, plant and equipment at T-Mobile US as of March 31, 2013 were adjusted retrospectively (2013 Annual Report, page 195).

CONSOLIDATED INCOME STATEMENT.

millions of €

	Q1 2014	Q1 2013	Change	Change %	FY 2013
NET REVENUE	14,894	13,785	1,109	8.0%	60,132
Cost of sales	(9,134)	(7,954)	(1,180)	(14.8)%	(36,255)
GROSS PROFIT	5,760	5,831	(71)	(1.2)%	23,877
Selling expenses	(3,301)	(3,145)	(156)	(5.0)%	(13,797)
General and administrative expenses	(970)	(1,156)	186	16.1%	(4,518)
Other operating income	1,957	356	1,601	n.a.	1,326
Other operating expenses	(304)	(194)	(110)	(56.7)%	(1,958)
PROFIT FROM OPERATIONS	3,142	1,692	1,450	85.7%	4,930
Finance costs	(597)	(522)	(75)	(14.4)%	(2,162)
Interest income	75	65	10	15.4%	228
Interest expense	(672)	(587)	(85)	(14.5)%	(2,390)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	(27)	(80)	53	66.3%	(71)
Other financial income (expense)	(117)	(78)	(39)	(50.0)%	(569)
PROFIT (LOSS) FROM FINANCIAL ACTIVITIES	(741)	(680)	(61)	(9.0)%	(2,802)
PROFIT BEFORE INCOME TAXES	2,401	1,012	1,389	n.a.	2,128
Income taxes	(550)	(391)	(159)	(40.7)%	(924)
PROFIT (LOSS)	1,851	621	1,230	n.a.	1,204
PROFIT (LOSS) ATTRIBUTABLE TO					
Owners of the parent (net profit (loss))	1,817	564	1,253	n.a.	930
Non-controlling interests	34	57	(23)	(40.4)%	274
INCLUDED IN CONSOLIDATED INCOME STATEMENT					
Personnel costs	(3,627)	(3,652)	25	0.7%	(15,144)
Depreciation, amortization and impairment losses	(2,496)	(2,387)	(109)	(4.6)%	(10,904)
Of which: amortization and impairment of intangible assets	(893)	(757)	(136)	(18.0)%	(4,176)
Of which: depreciation and impairment of property, plant and equipment	(1,603)	(1,630)	27	1.7%	(6,728)

EARNINGS PER SHARE.

	Q1 2014	Q1 2013	Change	Change %	FY 2013
Profit (loss) attributable to the owners of the parent (net profit (loss))	1,817	564	1,253	n.a.	930
Weighted average number of ordinary shares (basic/diluted)	4,430	4,300	130	3.0%	4,370
EARNINGS PER SHARE BASIC/DILUTED	0.41	0.13	0.28	n.a.	0.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.

millions of €

	Q1 2014	Q1 2013	Change	FY 2013
PROFIT (LOSS)	1,851	621	1,230	1,204
Items not reclassified to the income statement retrospectively				
Gain (loss) from the remeasurement of defined benefit plans	(274)	147	(421)	48
Share of profit (loss) of investments accounted for using the equity method	0	(17)	17	(17)
Income taxes relating to components of other comprehensive income	82	(46)	128	(16)
	(192)	84	(276)	15
Items reclassified to the income statement retrospectively, if certain reasons are given				
Exchange differences on translating foreign operations				
Recognition of other comprehensive income in income statement	(3)	0	(3)	0
Change in other comprehensive income (not recognized in income statement)	(61)	(186)	125	(901)
Available-for-sale financial assets				
Recognition of other comprehensive income in income statement	0	0	0	0
Change in other comprehensive income (not recognized in income statement)	(3)	9	(12)	(4)
Gains (losses) from hedging instruments				
Recognition of other comprehensive income in income statement	9	91	(82)	178
Change in other comprehensive income (not recognized in income statement)	(89)	(70)	(19)	(162)
Share of profit (loss) of investments accounted for using the equity method				
Recognition of other comprehensive income in income statement	0	0	0	0
Change in other comprehensive income (not recognized in income statement)	1	(2)	3	(37)
Income taxes relating to components of other comprehensive income	27	(8)	35	(5)
	(119)	(166)	47	(931)
OTHER COMPREHENSIVE INCOME	(311)	(82)	(229)	(916)
TOTAL COMPREHENSIVE INCOME	1,540	539	1,001	288
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	1,524	494	1,030	197
Non-controlling interests	16	45	(29)	91

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

millions of €

	Issued capital and reserves attributable to owners of the parent				
	Equity contributed			Consolidated shareholders' equity generated	
	Issued capital	Treasury shares	Capital reserves	Retained earnings incl. carryforwards	Net profit (loss)
BALANCE AT JANUARY 1, 2013	11,063	(6)	51,506	(29,106)	(5,353)
Changes in the composition of the Group					
Unappropriated profit (loss) carried forward				(5,353)	5,353
Dividends					
Capital increase from share-based payment					
Share buy-back				(2)	
Profit (loss)					564
Other comprehensive income				101	
TOTAL COMPREHENSIVE INCOME					
Transfer to retained earnings				(1)	
BALANCE AT MARCH 31, 2013	11,063	(6)	51,506	(34,361)	564
BALANCE AT JANUARY 1, 2014	11,395	(54)	51,428	(37,437)	930
Changes in the composition of the Group					
Transactions with owners			(475)		
Unappropriated profit (loss) carried forward				930	(930)
Dividends					
Capital increase from share-based payment			43		
Share buy-back					
Profit (loss)					1,817
Other comprehensive income				(188)	
TOTAL COMPREHENSIVE INCOME					
Transfer to retained earnings				25	
BALANCE AT MARCH 31, 2014	11,395	(54)	50,996	(36,670)	1,817

Issued capital and reserves attributable to owners of the parent						Total	Non-controlling interests	Total shareholders' equity
Total other comprehensive income								
Translation of foreign operations	Revaluation surplus	Available-for-sale financial assets	Hedging instruments	Investments accounted for using the equity method	Taxes			
(2,448)	(36)	43	327	42	(104)	25,928	4,603	30,531
						0	2	2
						0		0
						0	(57)	(57)
						0		0
						(2)		(2)
						564	57	621
(174)		9	21	(19)	(8)	(70)	(12)	(82)
						494	45	539
	1					0		0
(2,622)	(35)	52	348	23	(112)	26,420	4,593	31,013
(2,603)	(39)	38	343	(12)	(110)	23,879	8,184	32,063
						0	1	1
11						(464)	(417)	(881)
						0		0
						0	(21)	(21)
						43	21	64
						0		0
						1,817	34	1,851
(50)		(2)	(80)	1	26	(293)	(18)	(311)
						1,524	16	1,540
	(25)					0		0
(2,642)	(64)	36	263	(11)	(84)	24,982	7,784	32,766

CONSOLIDATED STATEMENT OF CASH FLOWS.

millions of €

	Q1 2014	Q1 2013	FY 2013
PROFIT (LOSS)	1,851	621	1,204
Depreciation, amortization and impairment losses	2,496	2,387	10,904
Income tax expense (benefit)	550	391	924
Interest income and interest expense	597	522	2,162
Other financial income (expense)	117	78	569
Share of (profit) loss of associates and joint ventures accounted for using the equity method	27	80	71
(Profit) loss on the disposal of fully consolidated subsidiaries	(1,709)	(55)	(131)
Other non-cash transactions	53	3	101
(Gain) loss from the disposal of intangible assets and property, plant and equipment	(26)	20	138
Change in assets carried as working capital	(496)	(348)	(1,266)
Change in provisions	153	(108)	(195)
Change in other liabilities carried as working capital	188	199	696
Income taxes received (paid)	(178)	(184)	(648)
Dividends received	237	110	273
Net payments from entering into or canceling interest rate derivatives	0	0	290
CASH GENERATED FROM OPERATIONS	3,860	3,716	15,092
Interest paid	(1,134)	(918)	(2,961)
Interest received	236	154	886
NET CASH FROM OPERATING ACTIVITIES	2,962	2,952	13,017
Cash outflows for investments in			
Intangible assets ^a	(822)	(1,440)	(4,498)
Property, plant and equipment ^a	(1,375)	(1,584)	(6,570)
Non-current financial assets	(51)	(170)	(667)
Payments to acquire control of subsidiaries and associates	(60)	(1)	(48)
Proceeds from disposal of			
Intangible assets	2	5	8
Property, plant and equipment	84	73	245
Non-current financial assets	4	2	54
Proceeds from the loss of control of subsidiaries and associates	1,590	31	650
Net change in cash and cash equivalents due to the first-time full consolidation of MetroPCS	-	-	1,641
Net change in short-term investments and marketable securities and receivables	277	301	(701)
Other	3	(46)	(10)
NET CASH USED IN INVESTING ACTIVITIES	(348)	(2,829)	(9,896)
Proceeds from issue of current financial liabilities	1,504	3,227	10,874
Repayment of current financial liabilities	(3,550)	(5,525)	(18,033)
Proceeds from issue of non-current financial liabilities	58	2,969	9,334
Repayment of non-current financial liabilities	(2)	(127)	(129)
Dividends	-	(17)	(2,243)
DTAG share buy-back	-	(2)	(2)
Repayment of lease liabilities	(40)	(43)	(172)
Stock options of other T-Mobile US shareholders (previous MetroPCS programs)	10	-	102
T-Mobile US capital increase	-	-	1,313
Acquisition of the remaining shares in T-Mobile Czech Republic	(828)	-	-
OTE share buy-back	(59)	-	-
Other	1	(1)	(22)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(2,906)	481	1,022
Effect of exchange rate changes on cash and cash equivalents	(4)	7	(167)
Changes in cash and cash equivalents associated with non-current assets and disposal groups held for sale	32	(97)	(32)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(264)	514	3,944
CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE PERIOD	7,970	4,026	4,026
CASH AND CASH EQUIVALENTS, AT THE END OF THE PERIOD	7,706	4,540	7,970

^a Cash outflows for investments in intangible assets and property, plant and equipment at T-Mobile US as of March 31, 2013 were adjusted retrospectively (2013 Annual Report, page 195).

SIGNIFICANT EVENTS AND TRANSACTIONS.

ACCOUNTING POLICIES.

In accordance with § 37x (3) of the Securities Trading Act (Wertpapierhandelsgesetz – WpHG), Deutsche Telekom AG's quarterly financial report comprises interim consolidated financial statements and an interim management report for the Group. The interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable to interim financial reporting as adopted by the EU. The interim management report for the Group was prepared in accordance with the WpHG.

STATEMENT OF COMPLIANCE.

The interim consolidated financial statements for the period ended March 31, 2014 are in compliance with International Accounting Standard (IAS) 34. As permitted by IAS 34, it has been decided to publish a condensed version compared to the consolidated financial statements at December 31, 2013. All IFRSs applied by Deutsche Telekom have been adopted by the European Commission for use within the EU.

In the opinion of the Board of Management, the reviewed quarterly financial report includes all standard adjustments to be applied on an ongoing basis that are required to give a true and fair view of the results of operations, financial position and cash flows of the Group. Please refer to the notes to the consolidated financial statements as of December 31, 2013 for the accounting policies applied for the Group's financial reporting (2013 Annual Report, page 168 et seq.).

INITIAL APPLICATION OF NEW STANDARDS, INTERPRETATIONS AS WELL AS AMENDMENTS TO STANDARDS AND INTERPRETATIONS IN THE REPORTING PERIOD RELEVANT FOR THE 2014 FINANCIAL YEAR.

In May 2011, the IASB published three new IFRSs (IFRS 10, IFRS 11, IFRS 12) and one revised standard (IAS 28) that govern the accounting for investments in subsidiaries, joint arrangements, and associates. The European Union endorsed the provisions in December 2012. The provisions are effective for the first time within the European Union for financial years beginning on or after January 1, 2014. The IASB issued further amendments to the consolidation standards IFRS 10, IFRS 12, and IAS 27 in November 2012. The amendments relate to the consolidation of investment companies. The provisions were endorsed by the European Union in November 2013 and are effective for the first time for financial years beginning on or after January 1, 2014. The adoption of the new and amended IFRSs does not have a material impact on Deutsche Telekom's results of operations, financial position, cash flows, or the composition of the Group. The introduction of IFRS 12 results in additional disclosures in Deutsche Telekom's financial statements. The revised IAS 27 does not have an impact on Deutsche Telekom, because this standard now exclusively relates to separate financial statements under IFRS, which in application of § 325 (2a) HGB Deutsche Telekom does not prepare.

- The IASB is introducing a harmonized consolidation model by issuing **IFRS 10 "Consolidated Financial Statements."** This new standard no longer distinguishes between traditional subsidiaries (IAS 27) and special-purpose entities (SIC-12). Control only exists if an investor has the power over the investee, is exposed to variable returns, and is able to use power to affect its amount of variable returns. IFRS 10 replaces SIC-12 "Consolidation – Special Purpose Entities" as well as the requirements relevant to consolidated financial statements in IAS 27 "Consolidated and Separate Financial Statements."

- **IFRS 11 "Joint Arrangements"** replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers." It governs the accounting for joint ventures and joint operations. Proportionate consolidation for joint ventures will no longer be permissible as a result of the discontinuation of IAS 31. The amended **IAS 28 "Interests in Associates and Joint Ventures"** governs the application of the equity method when accounting for investments in both associates and joint ventures. In case of a joint operation, the share of assets, liabilities, expenses, and income is directly recognized in the consolidated financial statements and annual financial statements of the joint operator.
- **IFRS 12 "Disclosure of Interests in Other Entities"** combines all disclosures to be made in the consolidated financial statements regarding subsidiaries, joint arrangements, and associates, as well as unconsolidated structured entities.
- The revised **IAS 27 "Separate Financial Statements"** exclusively governs the accounting for subsidiaries, joint ventures, and associates in the annual financial statements and the corresponding notes (separate financial statements according to § 325 (2a) HGB).
- The revised **IAS 28 "Investments in Associates and Joint Ventures"** governs the accounting of investments in associates and joint ventures using the equity method.

In December 2011, the IASB published amendments to **IAS 32 "Financial Instruments: Presentation"** specifying the requirements for offsetting financial instruments. To meet the new offsetting requirements in IAS 32, an entity's right to set off must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default or insolvency of the entity and all counterparties. It is further specified that a gross settlement mechanism also complies with the offsetting requirements according to IAS 32, provided no major credit liquidity risks remain, and receivables and payables are processed in a single settlement step, making it equivalent to a net settlement. The new requirements were endorsed by the European Union in December 2012 and are effective for the first time retrospectively for financial years beginning on or after January 1, 2014. The amendments do not have a material impact on the presentation of Deutsche Telekom's results of operations, financial position, or cash flows.

In May 2013, the IASB issued **IFRIC Interpretation 21 "Levies."** The core issue in the Interpretation is the question of when to recognize a liability to pay a levy imposed by a government. The IFRIC clarifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the obligation to pay the levy in accordance with the relevant legislation. However, an "economic compulsion" to continue to operate in a future period under the going concern assumption expressly does not constitute an obligating event. The new requirements are applied retrospectively for financial years beginning on or after January 1, 2014. They have not yet been endorsed by the European Union and as such have not yet been applied. Application would not have a material impact on Deutsche Telekom's results of operations, financial position, or cash flows.

In June 2013, the IASB published narrow-scope amendments to IAS 39 “Financial Instruments: Recognition and Measurement.” Entitled “Novation of Derivatives and Continuation of Hedge Accounting,” the amendments set out that a derivative continues to be designated as a hedging instrument in an existing hedging relationship even if the derivative is novated. The term “novation” indicates that the parties to a derivative agree that a central counterparty (CCP) replace their original counterparty to become the new counterparty to each of the parties. A fundamental requirement for this is that a central counterparty be engaged as a result of new laws or regulations. The IASB noted that the urgent changes were prompted by the G20 commitment to improve transparency and regulatory oversight of over-the-counter (OTC) derivatives at international level. As a consequence of this objective, in the future all standardized OTC derivatives will be concluded with a central counterparty. The amendments were endorsed by the European Union in December 2013 and are effective for the first time retrospectively for financial years beginning on or after January 1, 2014. The amendments do not have a material impact on Deutsche Telekom’s results of operations, financial position, or cash flows.

For more information on standards, interpretations, and amendments that have been issued but not yet applied, as well as disclosures on the recognition and measurement of items in the statement of financial position and discretionary decisions and estimation uncertainties, please refer to the section on accounting policies in the notes to the consolidated financial statements on page 168 et seq. of the 2013 Annual Report.

CHANGES IN THE COMPOSITION OF THE GROUP AND TRANSACTIONS WITH OWNERS.

SALE OF SCOUT24 HOLDING GMBH AND SCOUT24 INTERNATIONAL MANAGEMENT AG.

On February 12, 2014, Deutsche Telekom completed the sale of 70 percent of the shares in Scout24 Holding GmbH to Hellman & Friedman LLC (H&F). As a result, the shares in the Scout24 group were deconsolidated and the remaining approximately 30 percent of the shares retained directly and indirectly by Deutsche Telekom were recognized in the consolidated statement of financial position as of the date of first-time inclusion under investments accounted for using the equity method at a fair value of EUR 0.3 billion. In addition, by acquiring 100 percent of the shares in Scout24 International Management AG (now operating under the name Classifieds Business Beteiligungs- und Verwaltungs AG), effective January 24, 2014, Ringier Digital AG took over the 57.6 percent stake in Scout24 Schweiz AG that had been held indirectly by Scout24 Holding GmbH. The two transactions, taking into account the inclusion of the 30 percent of shares in the Scout24 group accounted for using the equity method, gave rise to income from divestitures of EUR 1.7 billion, which was recognized under other operating income. The cash flows from both transactions amounted to EUR 1.6 billion in total. Both entities were part of the Group Headquarters & Group Services segment. The remaining investment in the Scout24 group accounted for using the equity method continues to be part of this segment.

PRESENTATION OF THE QUANTITATIVE EFFECTS ON THE COMPOSITION OF THE GROUP IN THE FIRST QUARTER OF 2014.

Deutsche Telekom acquired and disposed of entities in the current and prior financial years. This imposes certain limits on the comparability of the interim consolidated financial statements and the disclosures under segment reporting.

In the prior year, this primarily included MetroPCS Communications, Inc., Dallas/United States, acquired as of May 1, 2013 in the United States operating segment. Furthermore, in the Europe operating segment, the entities Cosmo Bulgaria Mobile EAD (Globul) and Germanos Telecom Bulgaria AD (Germanos) were sold in the prior year as of July 31, 2013 and the shares in Hellas Sat S.A. as of March 31, 2013.

In the first quarter of 2014, Deutsche Telekom sold Euronet Communications B.V., The Hague/Netherlands, which up to then had been part of the Europe operating segment, effective January 2, 2014. The gain from the disposal and income from divestitures were not material.

The presented effects in the Group Headquarters & Group Services segment result from the sale of the shares in the Scout24 group.

The following table shows the effect of changes in the composition of the Group on the consolidated income statement and segment reporting for the first quarter of 2014.

millions of €

	Germany	United States	Europe	Systems Solutions	Group Headquarters & Group Services	Reconciliation	Total
Net revenue	(8)	951	(97)	(26)	(58)	0	762
Cost of sales	5	(628)	57	36	10	0	(520)
GROSS PROFIT (LOSS)	(3)	323	(40)	10	(48)	0	242
Selling expenses	0	(207)	37	1	29	0	(140)
General and administrative expenses	1	(18)	6	4	8	0	1
Other operating income	0	2	(61)	0	0	0	(59)
Other operating expenses	5	0	(1)	0	0	0	4
PROFIT (LOSS) FROM OPERATIONS	3	100	(59)	15	(11)	0	48
Finance costs	0	(58)	4	0	0	0	(54)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	0	0	0	0	0	0	0
Other financial income (expense)	25	40	38	0	6	0	109
PROFIT (LOSS) FROM FINANCIAL ACTIVITIES	25	(18)	42	0	6	0	55
PROFIT (LOSS) BEFORE INCOME TAXES	28	82	(17)	15	(5)	0	103
Income taxes	0	0	4	0	1	0	5
PROFIT (LOSS)	28	82	(13)	15	(4)	0	108

FIRST-TIME CONSOLIDATION OF FOUR STRUCTURED LEASING SPECIAL-PURPOSE ENTITIES (SPEs).

As of March 25, 2014, Deutsche Telekom consolidated for the first time four leasing SPEs for real estate as well as operating and office equipment at two sites for the operation of data centers in Germany. The two data centers were built under the management of an external leasing company and are operated by T-Systems International GmbH. Assets totaling EUR 0.2 billion (real estate of EUR 0.1 billion and other equipment, operating and office equipment of EUR 0.1 billion) and liabilities to banks totaling EUR 0.2 billion were recognized in Deutsche Telekom's consolidated statement of financial position in this context. Apart from the contractual obligations to make lease payments to the leasing SPEs, Deutsche Telekom has no obligation to give them further financial support.

ACQUISITION OF THE REMAINING SHARES IN T-MOBILE CZECH REPUBLIC.

On February 25, 2014, Deutsche Telekom acquired the 39.23-percent stake in T-Mobile Czech Republic that it did not previously hold for a purchase price of EUR 0.8 billion. The acquisition of these remaining shares make it possible to simplify the financial and governance structure at T-Mobile Czech Republic. In addition, the transaction results in reduced dividend payments to non-controlling interests. For the effects on shareholders' equity, please refer to the section "Shareholders' equity," page 40.

SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE.

The increase in non-current assets and disposal groups held for sale compared with December 31, 2013 is primarily attributable to two effects: A transaction agreed in January 2014 to exchange mobile licenses with Verizon Communications, Inc. to improve T-Mobile US' network coverage

had an increasing effect of EUR 0.6 billion. The transaction agreed is expected to result in a non-cash gain. The sale of the Scout24 group in the Group Headquarters & Group Services segment completed in February 2014 had an offsetting effect of EUR 0.3 billion.

EUR 0.6 billion attributable to another transaction at T-Mobile US agreed with Verizon back in the 2013 financial year for an exchange of mobile licenses is also still included under non-current assets and disposal groups held for sale as of March 31, 2014.

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT.

Intangible assets decreased by EUR 0.8 billion, mainly due to the recognition of amortization of EUR 0.9 billion and reclassifications of EUR 0.6 billion for mobile licenses of T-Mobile US to non-current assets and disposal groups held for sale. This decrease was offset by capital expenditure of EUR 0.7 billion.

Property, plant and equipment decreased by EUR 0.2 billion year-on-year to EUR 37.3 billion. Depreciation charges reduced the carrying amount by EUR 1.6 billion. Capital expenditure had an increasing effect of EUR 1.4 billion on the carrying amount.

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD.

The carrying amount of investments accounted for using the equity method increased by EUR 0.1 billion to EUR 6.3 billion in the first quarter of 2014. On the one hand, the carrying amount for the investments decreased by EUR 0.2 billion as a result of a dividend payment received from the EE joint venture; on the other, the recognition of the remaining stake in the Scout24 group as an investment accounted for using the equity method had an increasing effect of EUR 0.3 billion.

FINANCIAL LIABILITIES.

Financial liabilities decreased by EUR 2.0 billion to a total of EUR 49.6 billion compared with the end of 2013.

The following table shows the composition and maturity structure of financial liabilities as of March 31, 2014:

millions of €				
	Mar. 31, 2014	Due within 1 year	Due > 1 ≤ 5 years	Due > 5 years
Bonds and other securitized liabilities	40,101	5,473	10,997	23,631
Liabilities to banks	3,234	981	1,914	339
Finance lease liabilities	1,415	162	542	711
Liabilities to non-banks from promissory notes	1,037	89	685	263
Other interest-bearing liabilities	725	413	210	102
Other non-interest-bearing liabilities	1,751	1,663	85	3
Derivative financial liabilities	1,365	110	452	803
FINANCIAL LIABILITIES	49,628	8,891	14,885	25,852

SHAREHOLDERS' EQUITY.

The amounts shown under transactions with owners primarily result from the acquisition of the remaining shares in T-Mobile Czech Republic.

millions of €			
	Issued capital and reserves attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Transactions with owners	(464)	(417)	(881)
Acquisition of the remaining shares in T-Mobile Czech Republic	(455)	(373)	(828)
Other effects	(9)	(44)	(53)

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT.**OTHER OPERATING INCOME.**

millions of €		
	Q1 2014	Q1 2013
Income from reimbursements	99	158
Income from the reversal of impairment losses on non-current financial assets in accordance with IFRS 5	-	1
Income from the disposal of non-current assets	46	25
Income from insurance compensation	12	19
Income from divestitures	1,709	60
Miscellaneous other operating income	91	93
	1,957	356

Income from divestitures increased year-on-year by EUR 1.6 billion, due to the sale of the Scout24 group totaling EUR 1.7 billion. The portion of income attributable to the recognition of the shares remaining at Deutsche Telekom at their fair value at the date when control is lost, amounts to EUR 0.5 billion. In the prior-year period, other operating income had included gains of EUR 0.1 billion from the sale of Hellas Sat. Miscellaneous other operating income includes a large number of smaller individual items.

OTHER OPERATING EXPENSES.

millions of €		
	Q1 2014	Q1 2013
Losses on disposal of non-current assets	(21)	(45)
Impairment losses	(1)	(25)
Losses from divestitures	-	(5)
Miscellaneous other operating expenses	(282)	(119)
	(304)	(194)

Miscellaneous other operating expenses include a large number of individual items accounting for marginal amounts.

PROFIT/LOSS FROM FINANCIAL ACTIVITIES.

Loss from financial activities totaling EUR 0.7 billion increased only marginally compared with the prior-year period. This development was attributable to the inclusion of MetroPCS and local financing conditions for T-Mobile US.

INCOME TAXES.

A tax expense of EUR 0.6 billion was recorded in the first quarter of 2014. The comparatively low tax rate is a consequence of the low tax burden with regard to the income from the sale of the shares in the Scout24 group to be taken account of in interim reporting.

OTHER DISCLOSURES.**DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES.**

Depreciation, amortization and impairment losses increased by EUR 0.1 billion to EUR 2.5 billion compared with the prior-year period. This increase was due to depreciation and amortization attributable to the inclusion of MetroPCS since May last year and the roll-out of the LTE network as part of T-Mobile US' network modernization program.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS.**Net cash from operating activities.**

A dividend payment received from the EE joint venture, which was EUR 0.1 billion higher than in the prior year, had a positive effect on net cash from operating activities. During the reporting period, factoring agreements were concluded concerning the monthly revolving sales of current trade receivables. This resulted in a positive effect on net cash from operating activities of EUR 0.4 billion. A EUR 0.1 billion increase in net interest payments and higher market investments in the United States operating segment, by contrast, decreased net cash from operating activities.

Net cash used in investing activities.

millions of €	Q1 2014	Q1 2013
Cash capex		
Germany operating segment	(705)	(594)
United States operating segment	(690)	(852)
Europe operating segment	(585)	(1,384)
Systems Solutions operating segment	(253)	(209)
Group Headquarters & Group Services	(65)	(77)
Reconciliation	101	92
Sale of the Scout24 group	1,576	-
Net cash flows for collateral deposited for hedging transactions	198	77
Acquisition of government bonds (net)	7	(52)
Other	68	170
	(348)	(2,829)

Cash capex was reduced by EUR 0.8 billion to EUR 2.2 billion. The year-on-year decrease was mainly a result of the mobile licenses acquired in the Netherlands for EUR 0.9 billion in 2013. The decrease was partially offset by mobile spectrum acquired in the first quarter of 2014 totaling EUR 0.1 billion (primarily in the Czech Republic).

Net cash used in/from financing activities.

millions of €	Q1 2014	Q1 2013
Promissory notes (net)	(1,043)	(99)
Acquisition of the remaining shares in T-Mobile Czech Republic	(828)	-
Repayment of bonds	(496)	(775)
Net repayment of cash deposits from the EE joint venture	(199)	(407)
Repayment of financial liabilities from financed capex	(184)	-
OTE share buy-back	(59)	-
Net cash flows for collateral deposited for hedging transactions	50	(250)
Repayment of financial liabilities to Sireo	-	(534)
Repayment of credit line by OTE	-	(400)
Repayment of EIB loans	-	(32)
Repayment of medium-term notes	-	(29)
Issuance of bonds	-	2,843
Issuance of medium-term notes	-	100
Other	(147)	64
	(2,906)	481

Non-cash transactions in the consolidated statement of cash flows.

In the first quarter of 2014, Deutsche Telekom chose financing options totaling EUR 0.1 billion which extended the period of payment for trade payables by involving banks in the process. These liabilities are now shown under financial liabilities in the statement of financial position. As soon as the payments have been made, they are disclosed under net cash used in/from financing activities.

SEGMENT REPORTING.

The following table gives an overall summary of Deutsche Telekom's operating segments and the Group Headquarters & Group Services segment for the first quarters of 2014 and 2013.

The segments structure was changed as follows in the first quarter of 2014:

The ICSS/GNF business of the local business units (LBUs), which had been organizationally assigned to the Systems Solutions operating segment until December 31, 2013, was brought together as of January 1, 2014 and is now reported under the Europe operating segment. These are units in and outside of Europe (excluding Germany) that predominantly perform wholesale telecommunications services for ICSS (International Carrier Sales & Solutions) as part of the Europe operating segment and for third parties. In addition, as of January 1, 2014, the local business customer units of T-Systems Czech Republic, which had previously been managed under the Systems Solutions operating segment, were merged with T-Mobile Czech Republic. In addition to mobile and fixed-network business activities, the company will now also offer ICT solutions for business customers and public administrations. The

activities will be disclosed under the Europe operating segment. Reporting was changed to improve the way in which these units can be managed.

The EE joint venture in the United Kingdom, which had previously been assigned to the Europe operating segment, was transferred to the Group Headquarters & Group Services segment as of January 1, 2014. Since then, it has been reported under the Finance board department due to the new definition of the management model of our EE joint venture.

Comparative figures have been adjusted retrospectively.

A reconciliation for the changes in the disclosure of key figures can be found in the section "Additional information," page 50 et seq., of this Interim Group Report.

For details on the development of operations in the operating segments and at Group Headquarters & Group Services, please refer to the section "Development of business in the operating segments" in the interim Group management report, page 15 et seq.

Segment information in the first quarter.

millions of €

		Net revenue	Intersegment revenue	Total revenue	Profit (loss) from operations (EBIT)	Depreciation and amortization	Impairment losses	Segment assets ^a	Segment liabilities ^a	Investments accounted for using the equity method ^a
Germany	Q1 2014	5,146	337	5,483	1,249	(956)	0	28,733	21,271	18
	Q1 2013	5,216	350	5,566	1,152	(966)	0	30,738	23,200	17
United States	Q1 2014	5,073	1	5,074	154	(641)	0	39,094	27,156	200
	Q1 2013	3,540	1	3,541	458	(396)	0	38,830	26,888	198
Europe	Q1 2014	3,018	107	3,125	401	(611)	0	29,655	12,260	52
	Q1 2013	3,212	131	3,343	438	(700)	(1)	29,976	12,695	59
Systems Solutions	Q1 2014	1,466	586	2,052	(59)	(140)	0	8,590	5,515	22
	Q1 2013	1,567	659	2,226	(69)	(163)	(14)	8,428	5,279	24
Group Headquarters & Group Services	Q1 2014	191	431	622	1,395	(148)	(1)	79,938	45,744	5,966
	Q1 2013	250	441	691	(284)	(152)	(12)	83,596	51,219	5,869
TOTAL	Q1 2014	14,894	1,462	16,356	3,140	(2,496)	(1)	186,010	111,946	6,258
	Q1 2013	13,785	1,582	15,367	1,695	(2,377)	(27)	191,568	119,281	6,167
Reconciliation	Q1 2014	-	(1,462)	(1,462)	2	1	0	(68,667)	(27,369)	(1)
	Q1 2013	-	(1,582)	(1,582)	(3)	15	2	(73,420)	(33,196)	-
GROUP	Q1 2014	14,894	-	14,894	3,142	(2,495)	(1)	117,343	84,577	6,257
	Q1 2013	13,785	-	13,785	1,692	(2,362)	(25)	118,148	86,085	6,167

^a Figures relate to the reporting dates of March 31, 2014 and December 31, 2013, respectively.

CONTINGENT LIABILITIES.

This section provides additional information and explains recent changes in the contingent liabilities as described in the consolidated financial statements for the 2013 financial year.

Claims by partnering publishers of telephone directories. Several publishers that had set up joint ventures with DeTeMedien GmbH, a wholly-owned subsidiary of Deutsche Telekom AG, to edit and publish subscriber directories filed claims against DeTeMedien GmbH and/or Deutsche Telekom AG at the end of 2013. The complainants are claiming damages or refund from DeTeMedien GmbH and to a certain extent from Deutsche Telekom AG as joint and several debtor next to DeTeMedien GmbH. The complainants base their claims on allegedly excessive charges for the provision of subscriber data in the joint ventures. In 2014, further partnering publishers made claims for compensation or refund against DeTeMedien GmbH, totaling around EUR 340 million plus interest. As a result of a reexamination of the case, Deutsche Telekom no longer discloses the contingent liabilities reported in the 2013 Annual Report.

FUTURE OBLIGATIONS FROM OPERATING LEASES AND OTHER FINANCIAL OBLIGATIONS.

The following table provides an overview of Deutsche Telekom's obligations from operating leases and other financial obligations as of March 31, 2014:

millions of €	
	Mar. 31, 2014
Future obligations from operating leases	17,108
Purchase commitments regarding property, plant and equipment	1,314
Purchase commitments regarding intangible assets	2,252
Firm purchase commitments for inventories	6,296
Other purchase commitments and similar obligations	7,922
Payment obligations to the civil service pension fund	4,450
Purchase commitments for interests in other companies	589
Miscellaneous other obligations	1,648
	41,579

DISCLOSURES ON FINANCIAL INSTRUMENTS.

Carrying amounts, amounts recognized, and fair values by class and measurement category.

millions of €

	Category in accordance with IAS 39	Carrying amounts Mar. 31, 2014	Amounts recognized in the statement of financial position according to IAS 39			
			Amortized cost	Cost	Fair value recognized in equity	Fair value recognized in profit or loss
ASSETS						
Cash and cash equivalents	LaR	7,706	7,706			
Trade receivables	LaR	7,364	7,364			
Originated loans and receivables	LaR/n.a.	2,574	2,387			
Of which: collateral paid	LaR	800	800			
Other non-derivative financial assets						
Held-to-maturity investments	HtM	12	12			
Financial assets available for sale	AFS	727		356	371	
Derivative financial assets						
Derivatives without a hedging relationship	FAHFT	516				516
Of which: termination rights embedded in bonds issued	FAHFT	115				115
Derivatives with a hedging relationship	n.a.	131			89	42
LIABILITIES AND SHAREHOLDERS' EQUITY						
Trade payables	FLAC	6,675	6,675			
Bonds and other securitized liabilities	FLAC	40,101	40,101			
Liabilities to banks	FLAC	3,234	3,234			
Liabilities to non-banks from promissory notes	FLAC	1,037	1,037			
Other interest-bearing liabilities	FLAC	725	725			
Of which: collateral received	FLAC	77	77			
Other non-interest-bearing liabilities	FLAC	1,751	1,751			
Finance lease liabilities	n.a.	1,415				
Derivative financial liabilities						
Derivatives without a hedging relationship	FLHFT	404				404
Derivatives with a hedging relationship	n.a.	961			780	181
Of which: aggregated by category in accordance with IAS 39						
Loans and receivables	LaR	17,457	17,457			
Held-to-maturity investments	HtM	12	12			
Available-for-sale financial assets	AFS	727		356	371	
Financial assets held for trading	FAHFT	516				516
Financial liabilities measured at amortized cost	FLAC	53,523	53,523			
Financial liabilities held for trading	FLHFT	404				404

^a The exemption provisions under IFRS 7.29a were applied for information on specific fair values.

Trade receivables include non-current receivables amounting to EUR 1.1 billion (December 31, 2013: EUR 1.0 billion) due in more than one year. The fair value generally equates to the carrying amount.

Amounts recognized in the statement of financial position according to IAS 17	Fair value Mar. 31, 2014 ^a	Amounts recognized in the statement of financial position according to IAS 39						Amounts recognized in the statement of financial position according to IAS 17	Fair value Dec. 31, 2013 ^a
		Category in accordance with IAS 39	Carrying amounts Dec. 31, 2013	Amortized cost	Cost	Fair value recognized in equity	Fair value recognized in profit or loss		
-	-	LaR	7,970	7,970				-	
-	-	LaR	7,580	7,580				-	
187	-	LaR/n.a.	2,672	2,469			203	-	
-	-	LaR	941	941				-	
-	-	HIM	12	12				-	
371	371	AfS	652		280	372		372	
516	516	FAHIT	596				596	596	
115	115	FAHIT	158				158	158	
131	131	n.a.	175			113	62	175	
-	-	FLAC	7,231	7,231				-	
44,706	44,706	FLAC	40,535	40,535				44,631	
3,346	3,346	FLAC	4,105	4,105				4,219	
1,196	1,196	FLAC	1,072	1,072				1,230	
761	761	FLAC	891	891				881	
-	-	FLAC	40	40				-	
-	-	FLAC	1,967	1,967				-	
1,415	1,745	n.a.	1,446				1,446	1,768	
404	404	FLHIT	581				581	581	
961	961	n.a.	1,002			726	276	1,002	
-	-	LaR	18,019	18,019				-	
-	-	HIM	12	12				-	
371	371	AfS	652		280	372		372	
516	516	FAHIT	596				596	596	
50,009	50,009	FLAC	55,801	55,801				50,961	
404	404	FLHIT	581				581	581	

Financial instruments measured at fair value.

millions of €

	Mar. 31, 2014				Dec. 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS								
Available-for-sale financial assets (AFS)	361	10		371	365	7		372
Financial assets held for trading (FAHFT)		516		516		596		596
Derivative financial assets with a hedging relationship		131		131		175		175
LIABILITIES AND SHAREHOLDERS' EQUITY								
Financial liabilities held for trading (FLHFT)		404		404		581		581
Derivative financial liabilities with a hedging relationship		961		961		1,002		1,002

Of the available-for-sale financial assets (AFS) carried under other non-derivative financial assets, the instruments presented in Level 1 and Level 2 constitute separate classes. In Level 1, EUR 361 million (December 31, 2013: EUR 365 million) is recognized, the majority of which relates to listed government bonds, the fair values of which are the price quotations at the reporting date.

The listed bonds and other securitized liabilities are assigned to Level 1 or Level 2 on the basis of the amount of the trading volume for the relevant instrument. Issues denominated in EUR or USD with relatively large nominal amounts are routinely to be classified as Level 1, the rest routinely as Level 2. The fair values of the instruments assigned to Level 1 equal the nominal amounts multiplied by the price quotations at the reporting date. The fair values of the instruments assigned to Level 2 are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and Deutsche Telekom's credit spread curve for specific currencies.

The fair values of liabilities to banks, liabilities to non-banks from promissory notes, other interest-bearing liabilities, and finance lease liabilities are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and Deutsche Telekom's credit spread curve for specific currencies.

Since there are no market prices available for the derivative financial instruments held in the portfolio due to the fact that they are not listed on the market, the fair values are calculated using standard financial valuation models, based entirely on observable inputs. The fair value of derivatives is the value that Deutsche Telekom would receive or have to pay if the financial instrument were transferred at the reporting date. Interest rates of contractual partners relevant as of the reporting date are used in this respect. The middle rates applicable as of the reporting date are used as exchange rates. Current market volatilities are used in option pricing models.

In the case of interest-bearing derivatives, a distinction is made between the clean price and the dirty price. In contrast to the clean price, the dirty price also includes the interest accrued. The fair values carried correspond to the full fair value or the dirty price.

Disclosures on credit risk. In line with the contractual provisions, in the event of insolvency all derivatives with a positive or negative fair value that exist with the respective counterparty are offset against each other, leaving a net receivable or liability. When the netting of the positive and negative fair values of all derivatives was positive from Deutsche Telekom's perspective, Deutsche Telekom received unrestricted cash collateral from counterparties pursuant to collateral contracts in the amount of EUR 77 million (December 31, 2013: EUR 40 million), which further reduced the credit risk. On the basis of these contracts, derivatives with a positive fair value and a total carrying amount of EUR 647 million as of the reporting date (December 31, 2013: EUR 771 million) had a maximum credit risk of EUR 2 million (December 31, 2013: EUR 3 million) as of March 31, 2014. There is no danger of default on the derivatives held.

When the netting of the positive and negative fair values of all derivatives was negative from Deutsche Telekom's perspective, Deutsche Telekom provided cash collateral to counterparties pursuant to collateral contracts. The corresponding receivables of EUR 800 million (December 31, 2013: EUR 941 million) were thus not exposed to any credit risks as of the reporting date. No other significant agreements reducing the maximum exposure to the credit risks of financial assets existed. The maximum exposure to credit risk of the other financial assets thus corresponds to their carrying amounts. The collateral paid, which is reported under originated loans and receivables within other financial assets, is not subject to a credit risk and therefore constitutes a separate class of financial assets. Likewise, the collateral received, which is reported under financial liabilities, constitutes a separate class of financial liabilities on account of its connection to the corresponding derivatives.

RELATED-PARTY DISCLOSURES.

There were no significant changes at March 31, 2014 to the related-party disclosures reported in the consolidated financial statements as of December 31, 2013, with the exception of the following matter.

Net funds of EUR 0.2 billion that had been invested by the EE joint venture were repaid to the company by Deutsche Telekom effective March 31, 2014.

EXECUTIVE BODIES.**Changes in the composition of the Board of Management.**

On May 15, 2013, the Supervisory Board appointed Timotheus Höttges as René Obermann's successor as Chairman of Board of Management effective January 1, 2014. In addition, Thomas Dannenfeldt was appointed as successor to Timotheus Höttges in the role of Chief Financial Officer effective January 1, 2014.

Prof. Marion Schick, Chief Human Resources Officer and Labor Director of Deutsche Telekom AG, left the Company effective midnight April 30, 2014 for health reasons. In addition to his own duties, Dr. Thomas Kremer covered Prof. Marion Schick's portfolio on an interim basis from January 2014, and has been officially responsible for the Human Resources board department on an acting basis since her departure.

Changes in the composition of the Supervisory Board.

Dr. Hans Bernhard Beus, State Secretary in the Federal Ministry of Finance (retired), resigned his position as member of the Deutsche Telekom AG Supervisory Board effective midnight February 5, 2014. Johannes Geismann, State Secretary in the Federal Ministry of Finance, was appointed as a new member of the Supervisory Board effective February 6, 2014 by the Bonn District Court (Amtsgericht). The appointment only applies until the Company's shareholders' meeting on May 15, 2014, where Johannes Geismann will be proposed to the shareholders for election.

EVENTS AFTER THE REPORTING PERIOD (MARCH 31, 2014).

Agreed acquisition of the GTS Central Europe group. On April 15, 2014, Deutsche Telekom received approval from the European Commission for the takeover of GTS without conditions. The acquisition was announced in November 2013. The transaction is expected to be closed in May 2014.

Collective agreements for Group Headquarters and Telekom Deutschland.

On April 9, 2014, Deutsche Telekom and the ver.di union agreed the terms for a collective agreement for Group Headquarters and Telekom Deutschland. The new collective agreement provides for the salaries of the some 55,000 employees covered by the agreement to increase in two steps – by at least 2.5 percent as of April 1, 2014 and by a further 2.1 percent as of February 1, 2015. The new agreement takes effect on February 1, 2014 and has a term of 24 months.

Collective agreement for T-Systems in Germany. On April 30, 2014, T-Systems and the ver.di union agreed the terms for a collective agreement for the some 20,000 T-Systems employees in Germany covered by the agreement. Among other provisions, the new collective agreement provides for the salaries of the employees to increase in two steps – by 1.5 percent as of June 1, 2014 and by a further 2.0 percent as of April 1, 2015. The agreement takes effect retrospectively from April 2014 and has a term of two years.

Agreed sale of Individual Desktop Solutions (IDS). In April 2014, Deutsche Telekom agreed with the Aurelius group on the sale of IDS, which belongs to the Systems Solutions operating segment. The transaction is still subject to approval by the relevant authorities and is expected to be closed in mid-2014. The sale price and income from divestiture is not expected to be material.

Agreements on the acquisition and exchange of mobile licenses in the United States. In January 2014, T-Mobile US entered into agreements with Verizon Wireless for the acquisition of 700 MHz A-Block spectrum licenses for cash and the transfer of certain AWS spectrum and PCS spectrum. In addition, in November 2013, the company entered into an agreement with Verizon Wireless to exchange certain AWS spectrum and PCS spectrum. The closing for the acquisition of 700 MHz A-Block spectrum licenses was completed on April 30, 2014. The closing for the exchange of AWS spectrum and PCS spectrum was completed on April 29, 2014.

RESPONSIBILITY STATEMENT.

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with German accepted accounting principles, and the interim management report of the Group includes a fair

review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bonn, May 8, 2014

Deutsche Telekom AG
Board of Management

Timotheus Höttges

Reinhard Clemens

Niek Jan van Damme

Thomas Dannenfeldt

Dr. Thomas Kremer

Claudia Nemat

REVIEW REPORT.

To Deutsche Telekom AG, Bonn.

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, the income statement and statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and selected explanatory notes – and the interim Group management report of Deutsche Telekom AG, Bonn, for the period from January 1 to March 31, 2014, which are part of the quarterly financial report pursuant to § 37x (3) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to the interim financial reporting as adopted by the EU and to the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent company's board of management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standards on Review Engagements, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU nor that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt/Main, May 8, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Harald Kayser
Wirtschaftsprüfer

Uwe Schwalm
Wirtschaftsprüfer

ADDITIONAL INFORMATION.

RECONCILIATION OF PRO FORMA FIGURES.

SPECIAL FACTORS.

The following table presents a reconciliation of EBITDA, EBIT, and net profit/loss to the respective figures adjusted for special factors. Reconciliations are presented for the reporting period, the prior-year period, and the full 2013 financial year:

millions of €	EBITDA Q1 2014	EBIT Q1 2014	EBITDA Q1 2013	EBIT Q1 2013	EBITDA FY 2013	EBIT FY 2013
EBITDA/EBIT	5,638	3,142	4,079	1,692	15,834	4,930
GERMANY	(25)	(25)	(137)	(137)	(535)	(540)
Staff-related measures	(23)	(23)	(123)	(123)	(506)	(506)
Non-staff-related restructuring	0	0	(1)	(1)	(16)	(16)
Effects of deconsolidations, disposals and acquisitions	0	0	(10)	(10)	(23)	(23)
Other	(2)	(2)	(3)	(3)	10	5
UNITED STATES	(49)	(49)	(34)	(34)	(232)	(329)
Staff-related measures	(46)	(46)	(23)	(23)	(179)	(179)
Non-staff-related restructuring	0	0	(1)	(1)	(1)	(1)
Effects of deconsolidations, disposals and acquisitions	(3)	(3)	(10)	(10)	(52)	(52)
Impairment losses	-	0	-	0	-	(97)
Other	0	0	0	0	0	0
EUROPE	(15)	(15)	42	42	(179)	(793)
Staff-related measures	(15)	(15)	(17)	(17)	(327)	(327)
Non-staff-related restructuring	1	1	0	0	3	3
Effects of deconsolidations, disposals and acquisitions	0	0	59	59	183	183
Impairment losses	-	0	-	0	-	(614)
Other	(1)	(1)	0	0	(38)	(38)
SYSTEMS SOLUTIONS	(57)	(57)	(60)	(74)	(416)	(431)
Staff-related measures	(28)	(28)	(30)	(30)	(212)	(212)
Non-staff-related restructuring	(28)	(28)	(29)	(43)	(128)	(130)
Effects of deconsolidations, disposals and acquisitions	0	0	0	0	(71)	(84)
Other	(1)	(1)	(1)	(1)	(5)	(5)
GROUP HEADQUARTERS & GROUP SERVICES	1,662	1,662	(21)	(21)	(228)	(228)
Staff-related measures	(14)	(14)	(22)	(22)	(226)	(226)
Non-staff-related restructuring	(1)	(1)	(2)	(2)	(34)	(34)
Effects of deconsolidations, disposals and acquisitions	1,705	1,705	0	0	40	40
Other	(28)	(28)	3	3	(8)	(8)
GROUP RECONCILIATION	1	1	1	1	0	0
Staff-related measures	0	0	0	0	(1)	(1)
Non-staff-related restructuring	0	0	0	0	0	0
Effects of deconsolidations, disposals and acquisitions	0	0	1	1	1	1
Other	1	1	0	0	0	0
TOTAL SPECIAL FACTORS	1,517	1,517	(209)	(223)	(1,590)	(2,321)
EBITDA/EBIT (ADJUSTED FOR SPECIAL FACTORS)	4,121	1,625	4,288	1,915	17,424	7,251
Profit (loss) from financial activities (adjusted for special factors)		(686)		(677)		(2,772)
PROFIT (LOSS) BEFORE INCOME TAXES (ADJUSTED FOR SPECIAL FACTORS)		939		1,238		4,479
Income taxes (adjusted for special factors)		(304)		(443)		(1,364)
PROFIT (LOSS) (ADJUSTED FOR SPECIAL FACTORS)		635		795		3,115
PROFIT (LOSS) (ADJUSTED FOR SPECIAL FACTORS) ATTRIBUTABLE TO						
Owners of the parent (net profit (loss)) (adjusted for special factors)		587		767		2,755
Non-controlling interests (adjusted for special factors)		48		28		360

GROSS AND NET DEBT.

Deutsche Telekom considers net debt to be a key financial figure for investors, analysts, and rating agencies.

millions of €

	Mar. 31, 2014	Dec. 31, 2013	Change	Change %	Mar. 31, 2013
Financial liabilities (current)	8,891	7,891	1,000	12.7%	8,919
Financial liabilities (non-current)	40,737	43,708	(2,971)	(6.8)%	35,835
FINANCIAL LIABILITIES	49,628	51,599	(1,971)	(3.8)%	44,754
Accrued interest	(893)	(1,091)	198	18.1%	(816)
Other	(917)	(881)	(36)	(4.1)%	(725)
GROSS DEBT	47,818	49,627	(1,809)	(3.6)%	43,213
Cash and cash equivalents	7,706	7,970	(264)	(3.3)%	4,540
Available-for-sale/held-for-trading financial assets	299	310	(11)	(3.5)%	15
Derivative financial assets	647	771	(124)	(16.1)%	982
Other financial assets	1,202	1,483	(281)	(18.9)%	557
NET DEBT	37,964	39,093	(1,129)	(2.9)%	37,119

**RECONCILIATION FOR THE CHANGE IN DISCLOSURE OF KEY FIGURES
FOR THE PRIOR-YEAR COMPARATIVE PERIOD IN THE FIRST QUARTER
OF 2014.**

millions of €

	Total revenue	Profit (loss) from operations (EBIT)	EBITDA	Adjusted EBITDA	Depreciation and amortization	Impairment losses	Segment assets ^a	Segment liabilities ^a
Q1 2013/MARCH 31, 2013								
PRESENTATION AS OF MARCH 31, 2013 – AS REPORTED								
Germany	5,566	1,152	2,118	2,255	(966)	-	30,738	23,200
United States	3,541	458	854	888	(396)	-	38,830	26,888
Europe	3,327	435	1,131	1,089	(696)	-	35,552	12,601
Systems Solutions	2,319	(66)	115	175	(168)	(13)	8,705	5,381
Group Headquarters & Group Services	691	(284)	(120)	(99)	(152)	(12)	91,594	51,218
TOTAL	15,444	1,695	4,098	4,308	(2,378)	(25)	205,419	119,288
Reconciliation	(1,659)	(3)	(19)	(20)	16	-	(87,271)	(33,203)
GROUP	13,785	1,692	4,079	4,288	(2,362)	(25)	118,148	86,085
Q1 2013/MARCH 31, 2013								
+/- CHANGE IN DISCLOSURE OF LOCAL BUSINESS UNITS								
AS OF JANUARY 1, 2014								
Germany	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
Europe	16	3	8	8	(4)	(1)	268	94
Systems Solutions	(93)	(3)	(7)	(7)	5	(1)	(277)	(102)
Group Headquarters & Group Services	-	-	-	-	-	-	-	-
TOTAL	(77)	-	1	1	1	(2)	(9)	(8)
Reconciliation	77	-	(1)	(1)	(1)	2	9	8
GROUP	-	-	-	-	-	-	-	-
Q1 2013/MARCH 31, 2013								
+/- CHANGE IN DISCLOSURE OF EE JOINT VENTURE								
AS OF JANUARY 1, 2014								
Germany	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	(5,844)	-
Systems Solutions	-	-	-	-	-	-	-	-
Group Headquarters & Group Services	-	-	-	-	-	-	(7,998)	1
TOTAL	-	-	-	-	-	-	(13,842)	1
Reconciliation	-	-	-	-	-	-	13,842	(1)
GROUP	-	-	-	-	-	-	-	-
Q1 2013/MARCH 31, 2013								
= PRESENTATION AS OF MARCH 31, 2014								
Germany	5,566	1,152	2,118	2,255	(966)	-	30,738	23,200
United States	3,541	458	854	888	(396)	-	38,830	26,888
Europe	3,343	438	1,139	1,097	(700)	(1)	29,976	12,695
Systems Solutions	2,226	(69)	108	168	(163)	(14)	8,428	5,279
Group Headquarters & Group Services	691	(284)	(120)	(99)	(152)	(12)	83,596	51,219
TOTAL	15,367	1,695	4,099	4,309	(2,377)	(27)	191,568	119,281
Reconciliation	(1,582)	(3)	(20)	(21)	15	2	(73,420)	(33,196)
GROUP	13,785	1,692	4,079	4,288	(2,362)	(25)	118,148	86,085

^a Figures relate to the reporting date December 31, 2013.

GLOSSARY.

For further definitions, please refer to the 2013 Annual Report and the glossary therein (page 257 et seq.).

Fiber-optic lines. Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH).

FTTx. This includes the three options for fiber-optic roll-out: FTTB – fiber to the building, FTTC – fiber to the curb, and FTTH – fiber to the home.

DISCLAIMER.

This Report (particularly the section "Forecast") contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. They are generally identified by the words "expect," "anticipate," "believe," "intend," "estimate," "aim," "goal," "plan," "will," "seek," "outlook" or similar expressions and include generally any information that relates to expectations or targets for revenue, adjusted EBITDA or other performance measures. Forward-looking statements are based on current plans, estimates and projections. You should consider them with caution.

Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom's control. They include, for instance, the progress of Deutsche Telekom's workforce reduction initiative and the impact of other significant strategic or business initiatives, including acquisitions, dispositions, and business combinations. In addition, movements in exchange rates and interest rates, regulatory rulings, stronger than expected competition, technological change, litigation and regulatory developments, among other factors, may have a material

adverse effect on costs and revenue development. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, Deutsche Telekom's actual results may be materially different from those expressed or implied by such statements. Deutsche Telekom can offer no assurance that its expectations or targets will be achieved. Without prejudice to existing obligations under capital market law, Deutsche Telekom does not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

In addition to figures prepared in accordance with IFRS, Deutsche Telekom presents non-GAAP financial performance measures, e.g., EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted EBIT margin, adjusted net profit, free cash flow, gross debt, and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.

FINANCIAL CALENDAR.^a

May 8, 2014	May 15, 2014	June 11, 2014	August 7, 2014
Publication of the Interim Group Report as of March 31, 2014	2014 Shareholders' meeting	Dividend payment ^b	Publication of the Interim Group Report as of June 30, 2014
November 6, 2014	February 26, 2015	May 13, 2015	
Publication of the Interim Group Report as of September 30, 2014	Publication of the 2014 Annual Report	Publication of the Interim Group Report as of March 31, 2015	

^a For more dates, an updated schedule, and information on webcasts, please go to www.telekom.com.

^b Deutsche Telekom is considering paying out the dividend either in cash or in the form of shares again. The cash dividend is expected to be paid out on June 11, 2014. Subject to approval by the relevant bodies and the fulfillment of other legal provisions.

CONTACTS.

Deutsche Telekom AG
Corporate Communications
53262 Bonn, Germany

Phone +49 (0) 228 181 4949
Fax +49 (0) 228 181 94004
E-mail media@telekom.de
www.telekom.com

Please refer all questions relating to the T-Share to:

Phone +49 (0) 228 181 88880
Fax +49 (0) 228 181 88899
E-mail investor.relations@telekom.de

This Interim Group Report can be downloaded from the Investor Relations site on the Internet at: www.telekom.com/investor-relations

Our Annual Report is available online at:
www.telekom.com/geschaeftsbericht2013
www.telekom.com/annualreport2013

The English version of the Interim Group Report for January 1 to March 31, 2014 is a translation of the German version of the Interim Group Report. The German version is legally binding.

This Interim Group Report is a publication of Deutsche Telekom AG.

KNr. 642 200 245A (German)
KNr. 642 200 246A (English)

Printed on chlorine-free bleached paper using mineral oil-free inks.

If your mobile phone has QR recognition software you can directly access our Investor Relations website by scanning this code.

