

DEUTSCHE TELEKOM AG
ANNUAL FINANCIAL
STATEMENTS
AS OF DECEMBER 31, 2014



LIFE IS FOR SHARING.

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A combined management report has been produced for Deutsche Telekom AG and the Deutsche Telekom Group and is published in our 2014 Annual Report.

Deutsche Telekom AG's single-entity financial statements and the combined management report for the 2014 financial year are published in the electronic Federal Gazette (elektronischer Bundesanzeiger) and can also be accessed on the website of the register of companies.

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BALANCE SHEET

millions of €

	Note	Dec. 31, 2014	Dec. 31, 2013
ASSETS			
NONCURRENT ASSETS			
Intangible assets	1	310	285
Property, plant and equipment		3,594	3,921
Financial assets		85,705	86,215
		89,609	90,421
CURRENT ASSETS			
Inventories	2	5	3
Receivables	3	12,655	10,888
Other assets	4	1,135	1,654
Cash and cash equivalents	5	387	1,122
		14,182	13,667
PREPAID EXPENSES AND DEFERRED CHARGES	6	581	603
DIFFERENCE BETWEEN PLAN ASSETS AND CORRESPONDING LIABILITIES	7	6	7
TOTAL ASSETS		104,378	104,698
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Capital stock	8	11,611	11,395
Less the imputed value of treasury shares	9	(53)	(54)
Issued capital		11,558	11,341
Contingent capital of € 1,100 million			
Additional paid-in capital	10	28,392	27,604
Retained earnings	11	9,547	9,546
Unappropriated net income		4,667	2,877
		54,164	51,368
ACCRUALS			
Pensions and similar obligations	13	1,682	1,879
Tax accruals	14	194	257
Other accruals	15	3,110	2,894
		4,986	5,030
LIABILITIES			
Debt	16	5,977	5,307
Other liabilities		39,037	42,764
		45,014	48,071
DEFERRED INCOME	17	214	229
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		104,378	104,698

STATEMENT OF INCOME

millions of €

	Note	2014	2013
Net revenue	19	3,677	3,765
Other own capitalized costs	20	18	12
TOTAL OPERATING PERFORMANCE		3,695	3,777
Other operating income	21	3,639	3,254
Goods and services purchased	22	(1,372)	(1,405)
Personnel costs	23	(2,836)	(3,062)
Depreciation, amortization and write-downs	24	(434)	(459)
Other operating expenses	25	(3,688)	(4,184)
Financial income (expense), net	26	5,281	5,046
RESULTS FROM ORDINARY BUSINESS ACTIVITIES		4,285	2,967
Extraordinary income (expense)	27	(17)	(17)
Taxes	28	(263)	(113)
INCOME AFTER TAXES		4,005	2,837
Unappropriated net income carried forward from previous year		662	40
UNAPPROPRIATED NET INCOME	29	4,667	2,877

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS ACTIVITIES

Deutsche Telekom AG¹, Bonn, (hereinafter referred to as Deutsche Telekom or the Company) operates as a provider of telecommunications services, information technology (IT), multimedia, information and entertainment, security services, as well as sales and agency services via its subsidiaries. Deutsche Telekom performs its activities both in and outside Germany. The Company has various branch offices in the Federal Republic of Germany.

As the Headquarters of the Deutsche Telekom Group, Deutsche Telekom performs strategic and cross-segment management functions and provides services for other Group companies. These principally comprise services rendered by Telekom Placement Services for providing employees with new employment opportunities as part of the staff restructuring program, the Real Estate Services unit, whose activities include the management of the Company's real estate portfolio, the Products & Innovation unit, which is responsible for products and innovation within the Deutsche Telekom Group, and other Group-wide functions in the area of technology, IT, and mobile communications. The Company also encompasses the International Carrier Sales and Solutions unit, which primarily provides wholesale telecommunications services for Deutsche Telekom's subsidiaries.

Part of the Company's workforce is employed in its subsidiaries. Most of these are civil servants who have been assigned jobs in compliance with the statutory provisions.

DESCRIPTION OF THE RELATIONSHIP WITH THE FEDERAL REPUBLIC OF GERMANY

The Federal Republic's total shareholding in Deutsche Telekom amounted to 31.70 percent at the end of the reporting period, of which 17.44 percent was held by KfW Bankengruppe (KfW) and attributable to the Federal Republic in accordance with § 16 (4) of the German Stock Corporation Act (Aktiengesetz – AktG). Since December 2005, the Federal Ministry of Finance has been responsible for administering the Federal Republic's shareholding and exercising its rights as a shareholder.

In accordance with legal regulations, the Deutsche Bundespost Federal Posts and Telecommunications Agency, Bonn (Federal Agency) assumes coordination and administrative tasks that affect cross-company issues at Deutsche Telekom, Deutsche Post AG, Bonn, and Deutsche Postbank AG, Bonn. These are performed on the basis of agency agreements for the Civil Service Health Insurance Fund (Postbeamtenkrankenkasse – PBeaKK), the recreation service (Erholungswerk), the supplementary retirement pensions institution (Versorgungsanstalt der Deutschen Bundespost – VAP), the welfare service (Betreuungswerk), and the Civil Service Pension Fund (Postbeamtenversorgungskasse), among others.

The Federal Republic sources services from the Company as a customer of Deutsche Telekom. Charges for services provided to the Federal Republic and its departments and agencies are based on Deutsche Telekom's commercial pricing policies. Services provided to any one department or agency do not represent a significant component of Deutsche Telekom's net revenue.

The Federal Network Agency for Electricity, Gas, Telecommunications, Posts, and Railways is a separate higher federal authority within the scope of business of the Federal Ministry of Economics and Technology. One of its tasks is to supervise the telecommunications sector in Germany. In this capacity it regulates the business activities of Deutsche Telekom.

BASIS OF PREPARATION

The annual financial statements and the management report of Deutsche Telekom, which is combined with the Group management report in accordance with § 315 (3) of the German Commercial Code (Handelsgesetzbuch – HGB) in conjunction with § 298 (3) HGB, are prepared in accordance with German GAAP and the German Stock Corporation Act.

The balance sheet and the statement of income are prepared in accordance with the classification requirements of § 266 and § 275 HGB. The statement of income is prepared using the total cost method in accordance with § 275 (2) HGB. Unless otherwise stated, all amounts shown are in millions of euros (millions of €/EUR). The financial year corresponds to the calendar year. Certain items have been aggregated for presentation purposes in the balance sheet and the statement of income in order to make the financial statements clearer. These items are disclosed separately in the notes. Other required disclosures for individual items of the balance sheet and the statement of income are also made in the notes.

ACCOUNTING POLICIES

Purchased **intangible assets** are carried at acquisition cost and are amortized on a straight-line basis over their estimated useful lives. Write-downs to the lower of cost or market value are charged if an impairment of assets is assumed to be permanent.

Deutsche Telekom does not exercise its option to recognize internally generated intangible assets in accordance with § 248 (2) HGB.

As permitted by Postreform II, **property, plant and equipment** transferred to Deutsche Telekom on January 1, 1995 was recorded in the opening balance sheet of Deutsche Telekom at fair market values at that date. However, due to the short period of time that had elapsed since the measurement date for property, plant and equipment acquired since January 1, 1993, their carrying amount as of December 31, 1994 was recognized on a historical cost basis. The remaining useful lives and the depreciation methods applicable to these assets were not changed. The fair market values shown in the opening balance sheet have been carried forward as the acquisition costs.

Other items of property, plant and equipment are carried at acquisition or production cost, less scheduled depreciation. Production cost includes directly attributable costs and an appropriate allocation of indirect material and labor cost. Borrowing costs are not capitalized. Write-downs to the lower of cost or market value are charged if an impairment of assets is assumed to be permanent.

¹ Deutsche Telekom was entered into the commercial register of the Bonn District Court (Amtsgericht – HRB 6794) under the name Deutsche Telekom AG on January 2, 1995.

Depreciation is generally charged using the straight-line method. The standard useful lives used for the calculation are based on a company-specific estimate that takes both technical and commercial devaluation factors into account.

If the reasons for write-downs no longer exist in subsequent years, either in whole or in part, a write-up is made in the amount of the increase in value occurred; this may not, however, exceed the value that would have been recognized if the write-down had not been carried out.

Since the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz – BilMoG) entered into force, write-downs that are only permissible under tax law are generally no longer permitted in the annual financial statements. Deutsche Telekom exercises the option to retain the existing carrying amounts in accordance with Art. 67 (4) sentence 1 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch – EGHGB). Starting on January 1, 2010, residual value as of December 31, 2009 is written down over the remaining useful life using the straight-line method. This method makes it possible to give a picture that more truly reflects the Company's actual financial position and results of operations.

Assets are depreciated over the following useful lives:

	Years
Acquired software	3 to 4
Other rights of use and licenses	As contractually agreed
Buildings	25 to 50
Transmission, switching and radio transmission equipment	3 to 10
International cable systems	3 to 15
Other equipment, plant and office equipment	3 to 23

Additions to real estate and movable items of property, plant and equipment are depreciated ratably from the year of acquisition.

Since January 1, 2008, assets with an acquisition or production cost below EUR 150 have been written down immediately in the year of acquisition. Assets whose acquisition or production cost exceeds EUR 150 but is less than EUR 1,000 are capitalized in annual omnibus items of immaterial significance and depreciated over five years. These assets are presented as disposals in the statement of noncurrent assets when they are written off in full. For purposes of simplification, the tax method used to compile the omnibus items is also applied in the financial accounts.

Noncurrent assets sold or otherwise disposed of are derecognized at their relevant carrying amount (cost less accumulated depreciation). A gain or loss is recognized in income for the difference between the proceeds from the sale and the carrying amount of the asset concerned.

Financial assets are reported at the lower of cost or market value. In the case of financial assets acquired in a foreign currency, the exchange rate at the transaction date is used to determine the acquisition cost; in the case of hedges, the hedging rate for the purchased foreign currency is used, provided an effective hedge was recognized. Loan receivables correspond to the loan amounts less repayments and – if applicable – less any write-downs to the lower fair value. Nonscheduled write-downs are charged only if the impairment of financial assets is assumed to be permanent. The accounting for structured financial instruments is in accordance with standard IDW RS HFA 22 issued by the Institute of Public Auditors in Germany.

As a consequence of the application of IDW ERS HFA 13 note 94 as amended, in the event of the shareholder drawing assets, the reduction in the net carrying amount of the investment is calculated and recognized on the basis "of the ratio of the fair value of the asset drawn to the fair value of the investment." The difference between the reduction in the net carrying amount and the amount of the assets drawn is hence recognized in the statement of income.

Merchandise is recognized at acquisition cost and reduced to the lower of cost or market value at the balance sheet date. Adequate write-downs are charged for inventory risks resulting from obsolescence or impaired marketability.

In accordance with § 240 (4) HGB, items of inventory of a similar nature are aggregated into groups and carried at their moving weighted average value.

Receivables, other assets and **cash and cash equivalents** are carried at their nominal value. Identified individual risks are accounted for through appropriate individual valuation adjustments, and general credit risks through general valuation adjustments of receivables. Low-interest and non-interest-bearing items with more than one year remaining to maturity are discounted.

Receivables and other assets denominated in foreign currencies are translated at the average spot rate at the balance sheet date in accordance with § 256a HGB and measured at acquisition or production cost (§ 253 (1) sentence 1 HGB) applying the realization principle (§ 252 (1) no. 4 half-sentence 2 HGB). Current items with maturities of one year or less are measured at the middle spot rate at the balance sheet date in accordance with § 256a HGB.

In accordance with § 266 (2) letter C HGB, **prepaid expenses and deferred charges** are presented separately and recalculated at each balance sheet date. The discount included under prepaid expenses and deferred charges results from the difference between the settlement amount of a financial liability and the lower principal amount. The discount is amortized over the terms of the financial liabilities by systematic annual charges (§ 250 (3) sentence 2 HGB). Deutsche Telekom does not make use of the option to immediately recognize the difference as an expense.

As part of **stock-based compensation plans**, mid-term incentive plans (MTIP), being what is known as cash-settled plans, are recognized in the statement of income from the time of their implementation. For both cash-settled and equity-settled share-based payment transactions, the fair value is determined using internationally accepted valuation techniques (e.g., the Monte Carlo model). In addition, under the performance-related salary component, Variable I, the Board of Management and the business leader team are also contractually obliged to invest a portion of their annual variable compensation – determined according to the level of achievement of fixed targets set for each individual for the financial year – in shares of Deutsche Telekom, which must be kept for at least four years. Deutsche Telekom will grant one additional share for every share acquired by the beneficiaries (Share Matching Plan), which will be allotted to the beneficiaries of this plan from Deutsche Telekom's holding of treasury shares on expiration of the four-year lock-up period. In addition, the Board of Management, the business leader team and other executives are awarded performance-based compensation based on the level of achievement of long-term targets (Variable II). An accrual is recognized for the expected costs of granting matching shares of Variable I and for Variable II; the associated personnel costs will be spread over the respective minimum duration.

Accruals for pensions and similar obligations are based on obligations to non-civil servants. These accruals are calculated on the basis of actuarial principles, applying the projected unit credit method and using the 2005 G life expectancy tables published by Prof. Klaus Heubeck, which also take expected future salary and benefit increases into account. The interest rate used to determine the present value of the pension obligations corresponds to the average market interest rate for the past seven years published by the Deutsche Bundesbank that results from an assumed remaining maturity of 15 years (§ 253 (2) sentence 2 HGB). Where an addition to pension accruals is required on account of the change in measurement following the entry into force of BilMoG, the amount must aggregate to at least one 15th in each reporting year up to December 31, 2024 at the latest (Art. 67 (1) sentence 1 EGHGB). The Company exercised the option in such a way that the annual addition corresponds to one 15th of the total amount being added.

In the past, Deutsche Telekom concluded **partial retirement arrangements** with varying terms and conditions largely based on what is known as the block model. Two types of obligations, both measured at their present value in accordance with actuarial principles using the 2005 G life expectancy tables published by Prof. Klaus Heubeck, arise and are accounted for separately. These two obligations are outstanding settlement amounts and step-up amounts. Step-up amounts are often hybrid in nature, i.e., although the agreement is often considered a form of compensation for terminating the employment relationship at an earlier date, payments to be made at a later date are subject to the performance of work in the future. Insofar as partial retirement arrangements concluded in previous years were mainly to be considered severance instruments, step-up payments were recognized in full as soon as the obligation arose. In current partial retirement arrangements where the focus is on the future performance of work, the top-up payments are thus recognized over their vesting period.

Long-term **credits** are measured at the present value using actuarial principles.

To hedge claims from partial retirement, long-term credits and pension obligations, securities have been transferred to a trustee under a contractual trust arrangement (CTA). In accordance with § 246 (2) sentence 2 HGB, the accruals for long-term credits and pension obligations, as well as accruals for outstanding settlement amounts relating to obligations from partial retirement, are offset against the corresponding plan assets. The plan assets offset are measured at their fair value in accordance with § 253 (1) sentence 4 HGB. Any resulting excess in plan assets is recognized as an asset and presented under a separate item (§ 266 (2) letter E HGB). In accordance with § 246 (2) sentence 2 HGB, income and expenses from discounting and from the assets to be offset are also offset under financial income/expense. If the fair value of the plan assets exceeds the historical cost, this part is subject to the restriction on distribution in accordance with § 268 (8) HGB.

Tax and other accruals, including those for contingent losses and environmental liabilities, are carried at the settlement amount considered necessary in accordance with prudent commercial practice. Sufficient allowance is made for all identifiable risks when measuring these accruals. Expected increases in prices and costs in the meantime are taken into account.

Accruals with a remaining term of more than one year are discounted at the balance sheet date at the interest rate published by the Deutsche Bundesbank, which is the average market interest rate for the past seven financial years corresponding to their remaining maturity.

Where reversals of accruals became necessary in the 2010 financial year on the basis of the introduction of the BilMoG and the resulting changes in measurement, Deutsche Telekom applied the option to retain the higher carrying amount if the amount being reversed has to be added back before December 31, 2024 (Art. 67 (1) sentence 2 EGHGB).

Liabilities are recognized at the settlement amount. In instances where the settlement amount of a liability is greater than the principal amount, the difference is recorded under prepaid expenses and deferred charges, and distributed over the term of the liability. In accordance with § 256a HGB, liabilities denominated in foreign currencies are translated at the middle spot rate at the balance sheet date and measured using the historical cost convention (§ 253 (1) sentence 1 HGB) and applying the realization principle (§ 252 (1) no. 4 half-sentence 2 HGB). Current items with maturities of one year or less are measured at the middle spot rate at the balance sheet date in accordance with § 256a HGB.

In line with the imparity principle, unrealized losses relating to non-derivative and derivative financial instruments are expensed when incurred. This principle is also applied to derivatives that are embedded in structured financial instruments and that have to be accounted for separately. If financial instruments can be qualified as a valuation unit – hedged item and hedge transaction – the unrealized losses from the hedged risks are not recognized in accordance with § 254 HGB provided there are also unrealized gains in the same amount offsetting the losses (net hedge presentation method). If the offset (netting) of the change in values of the hedged item and the hedge instrument results in a net loss, it is recognized in net income or loss through an accrual for contingent losses in accordance with IDW RS HFA 35, whereas unrealized gains are not recognized until realized.

Financial liabilities denominated in foreign currencies that are part of a hedge are recognized at the middle spot rate at the transaction date.

Unrealized settlement gains and losses from expired hedge transactions for rolling hedging (roll-over gains or losses) are reported separately as other assets or other liabilities.

Net revenue includes all revenues from the rendering of services and the sale of merchandise that are typical for Deutsche Telekom, i.e., revenues from Deutsche Telekom's ordinary business activities. This primarily relates to revenue from the International Carrier Sales & Solutions and Products & Innovation units plus revenue from hiring out employees, renting and leasing out property, and offering training services.

Revenue is recorded net of value-added tax and sales-related reductions. In accordance with the realization principle, revenue is recognized in the accounting period when earned.

Research and development costs are expensed as incurred.

Pension costs include expenditures in connection with the appropriation of accruals for current employees as well as expenditures for ongoing payments to the Federal Agency on behalf of employed civil servants.

Income tax expense includes current payable taxes on income. Deutsche Telekom has not exercised its option to recognize deferred tax assets in accordance with § 274 (1) HGB.

The effects of adjusting accounting in line with BilMoG are shown under **extraordinary income/expense**.

SCOPE OF DISCRETION

The preparation of the annual financial statements requires the Company to make estimates and assumptions that affect the reported carrying amounts of assets and liabilities, the disclosure of risks and uncertainties with regard to the assets and liabilities recognized at the closing date, and the amounts of income and expenses recognized during the reporting period. Actual results may differ from those estimates.

NOTES TO THE BALANCE SHEET

1 NONCURRENT ASSETS

As of December 31, 2014, **intangible assets** amounted to EUR 310 million (December 31, 2013: EUR 285 million) and primarily include rights to use software, licenses and advance payments. EUR 105 million of the additions to intangible assets mainly relates to rights to use software licensed by T-Systems International GmbH, Frankfurt/Main (T-Systems). Disposals from transfers to Group companies principally result from software sales to the Telekom IT unit at T-Systems.

Property, plant and equipment decreased by EUR 327 million to EUR 3.6 billion in the reporting period, largely due to depreciation and amortization in the reporting year amounting to EUR 348 million, of which EUR 275 million relates to depreciation on real estate. Investments in property, plant and equipment in the reporting year totaled EUR 62 million (December 31, 2013: EUR 76 million), of which EUR 31 million related to other equipment, plant and office equipment. The decrease in property, plant and equipment at net carrying amounts mainly related to real estate which accounted for EUR 54 million.

As of the balance sheet date, **financial assets** decreased by EUR 510 million compared with December 31, 2013.

The decrease of EUR 188 million in **investments in subsidiaries** was due in particular to the sale of 70 percent of the shares in Scout24 Holding GmbH, Munich (EUR 142 million) and a preceding capital repayment (EUR 42 million). The remaining 30 percent of the shares in Scout24 Holding GmbH, Munich (EUR 61 million), was contributed to Asa NewCo GmbH, Munich, at fair values. This generated income totaling EUR 1.0 billion in the reporting year. In the 2014 financial year, reported additions to investments in subsidiaries principally comprised the capital increases at Deutsche Telekom Venture Funds GmbH, Bonn (EUR 47 million), and at Lambda Telekommunikationsdienste GmbH, Bonn (EUR 18 million).

Loans to subsidiaries at December 31, 2014 mainly consisted of loans to T-Mobile USA, Inc., Bellevue (EUR 4.3 billion), Telekom Deutschland GmbH, Bonn (Telekom Deutschland) (EUR 3.4 billion), T-Mobile Netherlands B.V., The Hague (EUR 936 million), Magyar Telekom Telecommunications Public Limited Company, Budapest (EUR 578 million), Sireo Immobilienfonds No. 1 GmbH & Co. KG, Heusenstamm (EUR 224 million), the GTS Central Europe group (EUR 184 million), and DeTeFleetServices GmbH, Bonn (EUR 91 million). The decrease of EUR 643 million is mainly attributable to the repayments by Telekom Deutschland of EUR 1.7 billion and by DeTeFleetServices GmbH, Bonn, of EUR 100 million and to the repayment of loans by Scout24 Holding GmbH, Munich, of EUR 322 million. Loans increased on account of new loans to T-Mobile Netherlands B.V., The Hague, of EUR 936 million, Magyar Telekom Telecommunications Public Limited Company, Budapest, of EUR 341 million, and the GTS Central Europe group of EUR 184 million.

The increase of EUR 320 million in **investments in associated and related companies** was due in particular to the contribution of 30 percent of the shares in Scout24 Holding GmbH, Munich, to Asa NewCo GmbH, Munich (EUR 320 million).

Write-downs on financial assets amounted to EUR 17 million in the reporting year and were recorded in net financial income/expense (please refer to Note 26).

For the statement of investment holdings in accordance with § 285 No. 11 HGB, please refer to Note 40.

Statement of noncurrent assets

millions of €

	Acquisition costs								Balance at Dec. 31, 2014
	Balance at Jan. 1, 2014	Additions	Additions from transfers from Group companies	Additions from conversions and similar transactions	Disposals	Disposals from transfers to Group companies	Disposals from conversions and similar transactions	Reclassifica- tions	
I. INTANGIBLE ASSETS									
1. Purchased concessions, industrial property and similar rights and assets, and licenses in such rights and assets	391	105	2	-	(77)	(36)	-	13	398
2. Advance payments	33	41	-	-	(7)	(10)	-	(13)	44
	424	146	2	-	(84)	(46)	-	-	442
II. PROPERTY, PLANT AND EQUIPMENT									
1. Land and equivalent rights and buildings including buildings on land owned by third parties	10,451	7	1	-	(386)	-	-	4	10,077
2. Technical equipment and machinery	506	5	-	-	(17)	(4)	-	-	490
3. Other equipment, plant and office equipment	818	31	1	-	(88)	(6)	-	6	762
4. Advance payments and construction in progress	15	19	-	-	-	-	-	(10)	24
	11,790	62	2	-	(491)	(10)	-	-	11,353
III. FINANCIAL ASSETS									
1. Investments in subsidiaries	79,022	70	-	-	(184)	-	(61)	-	78,847
2. Loans to subsidiaries	10,470	1,696	-	-	(2,340)	-	-	-	9,826
3. Investments in associated and related companies	226	5	-	320	-	-	(1)	-	550
4. Long-term loans to associated and related companies	-	2	-	-	(1)	-	-	-	1
5. Other long-term loans	13	-	-	-	-	-	-	-	13
	89,731	1,773	-	320	(2,525)	-	(62)	-	89,237
NONCURRENT ASSETS	101,945	1,981	4	320	(3,100)	(56)	(62)	-	101,032

Depreciation, amortization and write-downs						Net carrying amounts		
Balance at Jan. 1, 2014	Additions	Additions from transfers from Group companies	Write-ups	Disposals	Disposals from transfers to Group companies	Balance at Dec. 31, 2014	Balance at Dec. 31, 2014	Balance at Dec. 31, 2013
(139)	(86)	-	-	74	19	(132)	266	252
-	-	-	-	-	-	-	44	33
(139)	(86)	-	-	74	19	(132)	310	285
(6,753)	(275)	(1)	16	332	-	(6,681)	3,396	3,698
(450)	(22)	-	-	17	3	(452)	38	56
(666)	(51)	-	-	88	3	(626)	136	152
-	-	-	-	-	-	-	24	15
(7,869)	(348)	(1)	16	437	6	(7,759)	3,594	3,921
(3,409)	(13)	-	-	-	-	(3,422)	75,425	75,613
(5)	-	-	-	1	-	(4)	9,822	10,465
(102)	(4)	-	-	-	-	(106)	444	124
-	-	-	-	-	-	-	1	-
-	-	-	-	-	-	-	13	13
(3,516)	(17)	-	-	1	-	(3,532)	85,705	86,215
(11,524)	(451)	(1)	16	512	25	(11,423)	89,609	90,421

2 INVENTORIES

millions of €		
	Dec. 31, 2014	Dec. 31, 2013
Merchandise	5	3
	5	3

3 RECEIVABLES

millions of €		
	Dec. 31, 2014	Dec. 31, 2013
Trade accounts receivable of which: with a remaining maturity of more than one year € 0 million (Dec. 31, 2013: € 0 million)	170	114
Receivables from subsidiaries of which: with a remaining maturity of more than one year € 27 million (Dec. 31, 2013: € 36 million)	12,452	10,738
Receivables from associated and related companies of which: with a remaining maturity of more than one year € 0 million (Dec. 31, 2013: € 0 million)	33	36
	12,655	10,888

Trade accounts receivable relate in particular to receivables at the International Carrier Sales & Solutions business unit regarding network operator services and network services for international carriers, which increased in the reporting year due to invoice timing factors. This item also includes receivables at the Products & Innovation unit for consumers and business customers.

Receivables from subsidiaries consist of receivables related to intercompany cash management amounting to EUR 10,686 million (December 31, 2013: EUR 8,917 million), other receivables of EUR 668 million (December 31, 2013: EUR 613 million), intercompany trade accounts receivable amounting to EUR 649 million (December 31, 2013: EUR 610 million), and financial receivables amounting to EUR 449 million (December 31, 2013: EUR 598 million). The increase in receivables from subsidiaries is attributable to higher receivables from cash management, mainly from Telekom Deutschland.

Receivables from associated and related companies primarily relate to receivables from EE Limited, Hatfield. Trade accounts receivable from associated and related companies amounted to EUR 1 million in the reporting year (December 31, 2013: EUR 1 million).

4 OTHER ASSETS

millions of €		
	Dec. 31, 2014	Dec. 31, 2013
TAX RECEIVABLES		
Income tax receivables		
Corporate income tax	2	2
Trade income tax	1	0
Other taxes	1	33
	4	35
Receivables from collateral	527	941
Receivables from reimbursements	271	276
Accrued interest	231	218
Receivables from derivatives	61	130
Receivables from employees	5	6
Miscellaneous other assets	36	48
	1,131	1,619
	1,135	1,654

The decrease in **tax receivables** is primarily a result of receivables for the reimbursement of VAT for prior years in accordance with § 45h of the German Telecommunications Act (Telekommunikationsgesetz – TKG). Income tax receivables relate in particular to the corporate income tax credits recognized pursuant to § 37 of the German Corporation Tax Act (Körperschaftsteuergesetz – KStG) from prior years.

Collateral is used to hedge the credit risk from derivative financial instruments. In this case, Deutsche Telekom transfers collateral in the form of cash to its contracting parties. The decrease in receivables from collateral can be attributed to higher market values of the external derivatives, due in particular to the appreciation of the USD against the EUR and lower USD interest rates than in 2013.

Receivables from reimbursements mainly consist of interoperator discount services in connection with roaming agreements with foreign mobile communications providers. Deutsche Telekom's subsidiaries are entitled to, and will be credited with, the reimbursements received, which are initially bundled by Deutsche Telekom.

Accrued interest was almost exclusively from interest rate derivatives.

Receivables from derivatives mainly relate to unrealized settlement gains and losses from expired hedge transactions for revolving hedging (roll-over gains or losses).

Miscellaneous other assets mainly include receivables from the Federal Agency and from the provision of staff.

Of the receivables reported under other assets, EUR 61 million (December 31, 2013: EUR 133 million) have a remaining maturity of more than one year.

5 CASH AND CASH EQUIVALENTS

millions of €		
	Dec. 31, 2014	Dec. 31, 2013
Cash in hand and cash in banks	387	1,122
	387	1,122

The total time to maturity of **cash and cash equivalents** is less than three months.

6 PREPAID EXPENSES AND DEFERRED CHARGES

millions of €		
	Dec. 31, 2014	Dec. 31, 2013
Personnel costs	480	419
Loan discounts	81	97
Other prepaid expenses	20	87
	581	603

Deferred **personnel costs** in the reporting period mainly comprise prepaid expenses to the Civil Service Pension Fund for 2015 and advance payments.

7 DIFFERENCE BETWEEN PLAN ASSETS AND CORRESPONDING LIABILITIES

millions of €		
	Dec. 31, 2014	Dec. 31, 2013
Settlement amount of the netted liabilities from partial retirement agreements and long-term credits	98	93
Fair value of the CTA assets	104	100
Acquisition costs of the CTA assets	102	102
Netted expenses	4	3
Netted income	5	1
Excess of assets above obligations from outstanding settlement amounts from partial retirement agreements and long-term credits	6	7

The **difference between plan assets and corresponding liabilities** amounting to EUR 6 million relates exclusively to the netting of marketable securities and cash in banks in the amount of EUR 104 million with the outstanding settlement amounts for accruals for partial retirement and long-term credits amounting to EUR 98 million. The marketable securities and cash in banks that were transferred to a trustee serve as security for entitlements from partial retirement agreements and employees' long-term credits under the CTA. The fair value of the CTA assets covers Deutsche Telekom's discounted outstanding settlement amounts relating to obligations from partial retirement and long-term credits at December 31, 2014 in the amount required by law. In addition, the CTA assets cover parts of Deutsche Telekom's discounted outstanding settlement amounts relating to obligations from partial retirement for civil servants on a voluntary basis. The acquisition cost of the CTA assets for partial retirement and long-term credits is lower than their fair value. The resulting difference of approximately EUR 2 million is subject to a restriction on distribution. Income from the assets is generally netted with the corresponding expenses in net interest income/expense.

The CTA assets were valued as of the respective balance sheet date taking into account current prices.

8 SHAREHOLDERS' EQUITY

millions of €		
	Dec. 31, 2014	Dec. 31, 2013
Capital stock	11,611	11,395
Less the imputed value of treasury shares	(53)	(54)
Issued capital	11,558	11,341
Additional paid-in capital	28,392	27,604
	28,392	27,604
Retained earnings		
other retained earnings	9,547	9,546
	9,547	9,546
Unappropriated net income	4,667	2,877
	54,164	51,368

Shareholders' equity increased by EUR 2,796 million year-on-year. The changes are described in detail in the following sections.

9 CAPITAL STOCK

	Authorized and issued capital		Authorized capital (not issued)		Contingent capital (not issued)	
	thousands of shares	thousands of €	thousands of shares	thousands of €	thousands of shares	thousands of €
As of Dec. 31, 2013	4,451,175	11,395,008	865,000	2,214,400	429,688	1,100,000
Use of 2013 authorized capital (capital increase)	84,396	216,054	(84,396)	(216,054)	-	-
Expiration of 2009 authorized capital II	-	-	(15,000)	(38,400)	-	-
Issue of 2014 contingent capital	-	-	-	-	429,688	1,100,000
Annulment of 2010 contingent capital	-	-	-	-	(429,688)	(1,100,000)
AS OF DEC. 31, 2014	4,535,571	11,611,062	765,604	1,959,946	429,688	1,100,000

Deutsche Telekom's **capital stock** at December 31, 2014 totaled EUR 11.6 billion. The capital stock is divided into 4,535,571,247 registered no par value shares. Each share entitles the holder to one vote.

The resolution on the dividend of EUR 0.50 per share for the 2013 financial year gave shareholders the choice between payment in cash or having their dividend entitlement converted into Deutsche Telekom shares. Dividend entitlements of Deutsche Telekom shareholders amounting to EUR 1.0 billion for shares from authorized capital (2013 authorized capital) were contributed in June 2014 and thus did not have an impact on cash flows. Deutsche Telekom carried out an increase in capital stock of EUR 216 million against contribution of dividend entitlements for this purpose in June 2014. Additional paid-in capital increased by EUR 788 million in this context. The number of shares increased by 84,396 thousand.

As of December 31, 2014, the shareholders listed in the following table had shareholdings in Deutsche Telekom subject to reporting requirements in accordance with § 21 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The remaining shares were in free float.

The shareholding of shareholder BlackRock, Inc., New York, NY, United States, which is subject to notification obligations, changed in the course of the year. According to the notification by BlackRock published on December 9, 2014, the stake in Deutsche Telekom fell below the notification threshold of 5 percent of the voting rights to 4.997 percent on December 5, 2014.

	Dec. 31, 2014	
	thousands of shares	%
Federal Republic of Germany	646,575	14.26
KfW Bankengruppe, Frankfurt/Main, Germany	791,176	17.44
BlackRock, Inc., New York, NY, United States [*]	226,636	4.997

^{*} As of voting rights notification dated December 9, 2014.

With the notification dated February 6, 2015, BlackRock, Inc., New York, NY, United States, indicated that the notification threshold of 5 percent of the voting rights had been passed. The stake in Deutsche Telekom thus totaled 5,005 percent of the voting rights or 227,000 thousand shares on February 4, 2015.

Authorized capital

As of December 31, 2014, Deutsche Telekom had the following authorized capital:

	thousands of €	thousands of shares	Purpose	Authorization until
2013 Authorized capital	1,959,946	765,604	Capital increase against cash contribution/ contribution in kind	May 15, 2018

2013 Authorized capital

The shareholders' meeting on May 16, 2013 authorized the Board of Management to increase the capital stock with the approval of the Supervisory Board by up to EUR 2,176,000,000 by issuing up to 850,000,000 no par value registered shares against cash and/or non-cash contributions in the period ending May 15, 2018. The authorization may be exercised in full or on one or more occasions in partial amounts. The Board of Management is authorized, subject to the approval of the Supervisory Board, to exclude residual amounts from shareholders' subscription rights. Furthermore, the Board of Management is authorized, subject to the approval of the Supervisory Board, to disapply shareholders' subscription rights in the event of capital increases against

non-cash contributions when issuing new shares for business combinations or acquisitions of companies, parts thereof or interests in companies, including increasing existing investment holdings, or other assets eligible for contribution for such acquisitions, including receivables from the Company. The Board of Management is also authorized, subject to the approval of the Supervisory Board, to determine the rights accruing to the shares in the future and the conditions for issuing shares. Following the increase in capital stock against contribution of dividend entitlements, the 2013 authorized capital amounted to EUR 1,959,945,871.36. The remaining 2013 authorized capital was entered in the commercial register on June 11, 2014.

Contingent capital

As of December 31, 2014, Deutsche Telekom had the following contingent capital:

	thousands of €	thousands of shares	Purpose
2014 contingent capital	1,100,000	429,688	Servicing convertible bonds and/or bonds with warrants issued on or before May 14, 2019

2014 Contingent capital

The Company's capital stock was contingently increased by up to EUR 1,100,000,000 as of December 31, 2014, composed of up to 429,687,500 no par value shares. The contingent capital increase will be implemented only to the extent that

a) the holders or creditors of bonds with warrants, convertible bonds, profit participation rights and/or participating bonds (or combinations of these instruments) with options or conversion rights, which are issued or guaranteed by Deutsche Telekom or its direct or indirect majority holdings by May 14, 2019, on the basis of the authorization resolution granted by the shareholders' meeting on May 15, 2014, make use of their option and/or conversion rights or

b) those obligated as a result of bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) which are issued or guaranteed by Deutsche Telekom or its direct or indirect majority holdings by May 14, 2019, on the basis of the authorization resolution granted by the shareholders' meeting on May 15, 2014, fulfill their option or conversion obligations

and other forms of fulfillment are not used. The new shares shall participate in profits starting at the beginning of the financial year in which they are issued as the result of the exercise of any option or conversion rights or the fulfillment of any option or conversion obligations. The Supervisory Board is authorized to amend § 5 (3) of the Articles of Incorporation in accordance with the particular usage of the contingent capital and after the expiry of all the option or conversion periods.

Treasury shares

The amount of capital stock assigned to treasury shares was EUR 53.5 million at December 31, 2014. This equates to 0.5 percent of the capital stock. At 20,888,822 shares, the holding of treasury shares breaks down as follows:

	Number
1999 Employee Stock Purchase Plan	5,185,278
Decrease as a result of the 2000 Employee Stock Purchase Plan	(2,988,980)
Decrease as a result of the 2005 Employee Stock Purchase Plan	(314,790)
Share Matching Plan	490,503
Shares deposited with a trustee	18,516,811
	20,888,822

Buy-back of Deutsche Telekom shares and shares allocable to Deutsche Telekom in the same way as treasury shares

The shareholders' meeting resolved on May 24, 2012 to authorize the Board of Management to purchase shares in the Company by May 23, 2017, with the amount of capital stock accounted for by these shares totaling up to EUR 1,106,257,715.20, provided the shares to be purchased on the basis of this authorization in conjunction with the other shares of the Company which the Company has already purchased and still possesses or are to be assigned to it under § 71 d and § 71 e AktG do not at any time account for more than 10 percent of the Company's capital stock. Moreover, the requirements under § 71 (2) sentences 2 and 3 AktG must be complied with. Shares shall not be purchased for the purpose of trading in treasury shares. This authorization may be exercised in full or in part. The purchase can be carried out in partial tranches spread over various purchase dates within the authorization period until the maximum purchase volume is reached. Dependent Group companies of Deutsche Telekom within the meaning of § 17 AktG or third parties acting for the account of Deutsche Telekom or for the account of dependent Group companies of Deutsche Telekom within the meaning of § 17 AktG are also entitled to purchase the shares. The shares are purchased through the stock exchange in adherence to the principle of equal treatment (§ 53a AktG). Shares can instead also be purchased by means of a public purchase or share exchange offer addressed to all shareholders, which, subject to a subsequently approved exclusion of the right to offer shares, must also comply with the principle of equal treatment.

The shares may be used for one or several of the purposes permitted by the authorization granted by the shareholders' meeting on May 24, 2012 under item 7 on the agenda. The shares may also be used for purposes involving an exclusion of subscription rights. They may also be sold on the stock market or by way of an offer to all shareholders, or withdrawn. The shares may also be used to fulfill the rights of Board of Management members to receive shares in Deutsche Telekom, which the Supervisory Board has granted to these members as part of the arrangements governing the compensation of the Board of Management, on the basis of a decision by the Supervisory Board to this effect.

Under the resolution of the shareholders' meeting on May 24, 2012, the Board of Management is also authorized to acquire the shares through the use of equity derivatives.

On the basis of the authorization by the shareholders' meeting on May 24, 2012 described above and a corresponding authorization by the shareholders' meeting on May 12, 2011, 110 thousand shares were acquired in June 2011, 206 thousand shares in September 2011, and 268 thousand shares in January 2013. The total acquisition volume in the 2011 and 2013 financial years was EUR 2,762 thousand and EUR 2,394 thousand, respectively (excluding transaction costs). This increased the number of treasury shares by 316 thousand and 268 thousand, respectively. As part of the Share Matching Plan, a total of 2 thousand shares were transferred free of charge to the depot of eligible participants in both the 2012 and the 2013 financial years.

Furthermore, a total of 90 thousand shares were reallocated in April, June and December 2014 and transferred free of charge to the depots of eligible participants of the Share Matching Plan. As of December 31, 2014, sales of treasury shares resulting from the transfers in the reporting period accounted for less than 0.02 per mill, or EUR 229 thousand, of capital stock. Retained earnings thus increased by EUR 561 thousand.

As part of the acquisition of VoiceStream Wireless Corp., Bellevue, and Powertel Inc., Bellevue, in 2001 Deutsche Telekom issued new shares from authorized capital to a trustee, for the benefit of holders of warrants, options and conversion rights, among others. These options and conversion rights fully expired in the 2013 financial year. As a result, the trustee no longer has any obligation to fulfill any claims in accordance with the purpose of the deposit. The 18,517 thousand deposited shares are accounted for in the same way as treasury shares in accordance with § 272 (1a) HGB. This equates to 0.4 percent, or EUR 48 million, of Deutsche Telekom's capital stock.

10 ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital increased by EUR 788 million in the 2014 financial year. This resulted from the capital increase against the contribution of dividend entitlements.

11 RETAINED EARNINGS

Retained earnings include the transfers from income after taxes from prior years to other retained earnings. The transfers of treasury shares held by Deutsche Telekom to depots of participants in the Share Matching Plan increased retained earnings by EUR 561 thousand.

Restriction on distribution in accordance with § 268 (8) HGB

The amount that is subject to a restriction on distribution in accordance with § 268 (8) sentence 3 HGB is attributable to the measurement of the CTA assets for accruals for pensions and similar obligations at fair value amounting to EUR 171 million, to the measurement of the CTA asset for long-term credits amounting to approximately EUR 1 million, and to the measurement of the CTA asset for partial retirement obligations amounting to approximately EUR 1 million. Deferred tax liabilities account for EUR 53 million of the difference of EUR 173 million, resulting in a net amount of EUR 120 million. After accounting for deferred tax assets, also of EUR 53 million, which are offset against the deferred tax liabilities, the amount that is subject to a restriction on distribution in accordance with § 268 (8) HGB is EUR 173 million. Unappropriated net income can be distributed in full as the amount of EUR 173 million that is subject to a restriction on distribution is covered entirely by freely available reserves.

12 STOCK-BASED COMPENSATION PLANS

Deutsche Telekom AG Mid-Term Incentive Plan (MTIP)

Deutsche Telekom's MTIP is a cash-based plan pegged to two equally weighted, share-based performance parameters – one absolute and one relative. If both performance targets are achieved, then the total amount earmarked as an award to the beneficiaries by the respective employers is paid out; if one performance target is achieved, 50 percent of the amount is paid out, and if neither performance target is achieved, no payment is made.

The absolute performance target is achieved if, at the end of the individual plans, Deutsche Telekom's share price has risen by at least 30 percent compared with its share price at the beginning of the plan. The benchmark for the assessment is the non-weighted average prices of the T-Share (on the basis of the T-Share closing price in Xetra trading) at the Frankfurt Stock Exchange (Deutsche Börse AG) during the last 20 trading days prior to the beginning and end of the plan.

The relative performance target is achieved if the total return of the T-Share has outperformed the Dow Jones EURO STOXX® Total Return Index on a percentage basis during the term of the individual plan. The benchmark is the non-weighted average of the T-Share (on the basis of the T-Share closing price in Xetra trading) plus the value of dividends paid and reinvested in Deutsche Telekom shares, bonus shares etc., and the non-weighted averages of the Dow Jones EURO STOXX® Total Return Index during the last 20 trading days prior to the beginning and end of the plan.

The MTIP was issued for the last time in 2010 and replaced by Variable II. An exception was made for Board of Management members who did not switch to the new compensation system for the Board of Management. For these, a 2011 tranche of the MTIP was issued.

For the 2011 tranche of the MTIP, only the relative plan target was met, resulting in a payment of 50 percent.

Share Matching Plan

Specific executives were contractually obliged to invest a minimum of 10 percent and a maximum of 33.3 percent of their variable short-term remuneration component, which is based on the achievement of targets set for each person for the financial year (Variable I), in Deutsche Telekom AG shares. Deutsche Telekom AG will award one additional share for every share acquired as part of this executive's aforementioned personal investment (Share Matching Plan). These shares will be allotted to the beneficiaries of this plan on expiration of the four-year lock-up period.

Variable II

Deutsche Telekom's MTIP was replaced by Variable II in 2010. The exclusively long-term-oriented Variable II is measured based on the fulfillment of four equally weighted performance parameters (adjusted operational return on capital employed (ROCE), adjusted earnings per share (EPS), customer satisfaction, and employee satisfaction). Each parameter determines a quarter of the award amount. Levels of target achievement exceeding 100 percent are rewarded on a straight-line basis, capped at 150 percent of the award amount. The assessment period is four years, with the assessment being based on average target achievement across the four years planned at the time the tranche was determined.

13 ACCRUALS FOR PENSIONS AND SIMILAR OBLIGATIONS

millions of €

	Dec. 31, 2014	Dec. 31, 2013
Direct pension obligations	1,654	1,852
of which: parallel obligation € 1.2 billion (Dec. 31, 2013: € 1.3 billion)		
Indirect pension obligations	27	25
	1,681	1,877
Obligations in accordance with Article 131 GG	1	2
	1,682	1,879

The decrease in total accruals for pensions is largely attributable to the appropriation of the plan assets amounting to EUR 161 million, which is netted with the settlement amount of the accrual.

The carrying amounts of the **pension obligations** were calculated on the basis of the actuarial reports.

The pension obligations to non-civil servant employees are based on indirect and direct pension commitments. The indirect commitments include the obligations of Versorgungsanstalt der Deutschen Bundespost (VAP) and the special pension fund of Deutsche Telekom Betriebsrenten-Service e.V., Bonn (DTBS).

Deutsche Telekom's direct pension commitments comprise direct commitments with and without VAP parallel obligations. The VAP parallel obligations are based on direct legal claims against Deutsche Telekom which were originally attributable to VAP. VAP's obligations are therefore suspended.

The VAP benefits supplement statutory pension benefits up to the level specified in the Articles of Incorporation and generally depend on the level of employee compensation and the eligible periods of service of the eligible employees. As part of the restructuring of the corporate pension plan in 1997, the employer and the trade unions entered into an agreement stipulating measures for the protection of vested VAP benefits.

Pursuant to this agreement, the benefit obligations due to retirees and employees approaching retirement will remain unchanged. For younger employees with vested benefits, the obligations have been converted into an initial amount based on the number of years of coverage to date, which was then credited to a capital account held by the employer (cash balance plan). Deutsche Telekom credits this account on an annual basis; when the insured event occurs, the account balance is paid out in full or in installments, or can be converted into a life-long pension.

The form of implementation changed as a result of the collective agreement on the restructuring of the corporate pension plan at Deutsche Telekom signed on August 17, 2005. According to this agreement, all corporate pension services for active and inactive employees will henceforth be granted directly and with a legal claim.

Pension accruals are measured using the projected unit credit method since the introduction of BilMoG effective January 1, 2010. The addition resulting from the change in the measurement of pension accruals is spread over 15 years in accordance with transitional provisions (Art. 67 (1) sentence 1 EGHGB) of BilMoG.

Pension accruals not shown in the balance sheet as a consequence of the transitional provisions of BilMoG amounted to EUR 138 million at December 31, 2014 (December 31, 2013: EUR 152 million) for direct pension obligations and EUR 28 million (December 31, 2013: EUR 31 million) for indirect pension obligations.

Calculations at the balance sheet date were based on the following assumptions:

	2014
Notional interest rate	4.54
Projected salary increase	
Pay-scale employees	2.50
Non-pay-scale employees	2.50
Projected pension increase	
General	1.50
According to Articles of Incorporation	1.00
Fluctuation	4.00

When calculating pension obligations, the actuary assumed a discount rate forecast in November 2014 that deviates by just 0.01 percentage points, i.e., not significantly, from the interest rate published by the Deutsche Bundesbank as of December 31, 2014.

Pension obligations were calculated using the biometrics of the 2005 G tables published by Prof. Klaus Heubeck.

Based on the actuarial reports, an accrual for direct pension obligations amounting to EUR 1,654 million is recognized at the balance sheet date (December 31, 2013: EUR 1,852 million).

This figure is the result of the netting of the settlement amount of direct pension obligations at December 31, 2014 of EUR 2,897 million (December 31, 2013: EUR 2,837 million) with the fair value of the plan assets measured at market values of EUR 1,105 million (December 31, 2013: EUR 833 million) and the remaining addition (BilMoG) amounting to EUR 138 million. The acquisition costs of the plan assets totaled EUR 934 million (December 31, 2013: EUR 773 million) and were lower than the fair value. The difference of EUR 171 million by which the fair value exceeds the acquisition cost of the asset is subject to a restriction on distribution. The resulting income from the assets offset of EUR 111 million in the reporting year (2013: EUR 28 million) was netted with expenses amounting to EUR 234 million (2013: EUR 173 million) in net interest expense.

14 TAX ACCRUALS

millions of €		
	Dec. 31, 2014	Dec. 31, 2013
Income taxes	135	132
Other taxes	59	125
	194	257

Income tax accruals result from trade income tax and corporate income tax and related in particular to taxes from prior years. On account of the advance payments already made, only a small share of income tax accruals related to current taxes in the 2014 financial year, which were payable despite loss carry-forwards as a result of minimum taxation.

The majority of other taxes related to value-added tax from prior years.

15 OTHER ACCRUALS

millions of €		
	Dec. 31, 2014	Dec. 31, 2013
EMPLOYEE BENEFITS		
Civil Service Health Insurance Fund	281	234
Partial retirement arrangement	47	36
Early retirement (Civil Service Pension Fund)	-	4
Miscellaneous obligations	215	236
OTHER OBLIGATIONS		
Accruals for collateral promise for pension and partial retirement obligations	1,633	1,542
Loss contingencies from pending transactions	270	295
Outstanding invoices	205	164
Litigation risks	157	71
Loss contingencies from derivatives	53	99
Miscellaneous other accruals	249	213
	3,110	2,894

The **accrual for the Civil Service Health Insurance Fund** (Postbeamten-krankenkasse – PBeaKK) covers the risk of having to make compensation payments to the PBeaKK. The risk of utilization arises if a deficit were to remain after scheduled withdrawal from the fund's assets.

The increase in the **accrual for partial retirement** is mainly attributable to the new partial retirement arrangements made in the current financial year. The accrual for partial retirement of EUR 47 million is essentially related to the step-up amount.

The **accruals for collateral promise for pensions and partial retirement obligations** amounting to EUR 1.6 billion primarily consist of the economic obligations assumed by Deutsche Telekom with respect to the liabilities for pension claims of the service companies (Deutsche Telekom Technischer Service GmbH, Bonn, Deutsche Telekom Technik GmbH, Bonn, and Deutsche Telekom Kundenservice GmbH, Bonn). The increase in the accrual is largely due to the fall in interest rates.

As in the prior year, **accruals for loss contingencies arising from pending transactions** relate primarily to agreements concluded with partners outside the Deutsche Telekom Group with the intention of generating a contribution margin for the expenses resulting from the staff surplus.

Accruals for outstanding invoices included accruals for legal, IT, and consulting services.

The **accruals for litigation risks** mainly include risk accruals for ongoing legal disputes.

Accruals for loss contingencies from derivatives were recognized in the reporting year principally for currency derivatives, interest rate derivatives, and diesel derivatives. The decrease in accruals for loss contingencies of EUR 46 million as of December 31, 2014 comprises a decrease in accruals for loss contingencies for interest rate derivatives of EUR 84 million and an increase in accruals for loss contingencies for currency, diesel, and embedded derivatives of EUR 38 million and is mainly attributable to the performance of the underlying indices.

Miscellaneous other accruals included accruals for transfer premiums in connection with staff restructuring, accruals for interest claims by third parties, accruals for environmental clean-up expenses, accruals for contributions to professorships sponsored by Deutsche Telekom, and accruals for archiving expenses.

Deutsche Telekom made use of the option to retain the higher carrying amount of accruals under the transitional provisions of BilMoG. If it had waived this option to retain the higher carrying amount, an excess of miscellaneous other accruals of EUR 2 million would have resulted.

16 LIABILITIES

millions of €

	Dec. 31, 2014				Dec. 31, 2013			
	Total	of which			Total	of which		
		Due within 1 year	Due > 1 ≤ 5 years	Due > 5 years		Due within 1 year	Due > 1 ≤ 5 years	Due > 5 years
DEBT								
Bonds and debentures	1,859	-	1,561	298	2,037	265	563	1,209
Liabilities to banks	4,118	2,258	1,623	237	3,270	1,407	1,663	200
	5,977	2,258	3,184	535	5,307	1,672	2,226	1,409
OTHER LIABILITIES								
Advances received	0	0	-	-	0	0	-	-
Trade accounts payable	266	266	-	-	215	215	0	-
Payables to subsidiaries	33,907	14,395	7,162	12,350	37,588	14,583	9,279	13,726
Liabilities to associated and related companies	250	250	-	-	233	233	-	-
Other liabilities	4,614	2,159	1,951	504	4,728	1,936	2,116	676
of which: from taxes	188	188	-	-	225	225	-	-
of which: from social security	16	9	5	2	17	8	7	2
	39,037	17,070	9,113	12,854	42,764	16,967	11,395	14,402
TOTAL LIABILITIES	45,014	19,328	12,297	13,389	48,071	18,639	13,621	15,811

Bonds and debentures relate to treasury notes (EUR 1,296 million) and medium-term notes (EUR 563 million).

The structure of bonds and debentures is as shown below:

millions of €

Due by December 31	up to 3%	up to 4%	bis 6%	up to 7%	up to 8%	Total
2015	-	-	-	-	-	-
2016	300	-	-	-	-	300
2017	-	165	98	-	-	263
2018	-	-	-	-	-	-
2019 to 2020	-	-	-	-	1,296	1,296
	300	165	98	-	1,296	1,859

The increase in **liabilities to banks** of EUR 848 million is largely due to the issue of new commercial paper amounting to EUR 1.6 billion. This was offset by a EUR 0.8 billion repayment of current liabilities to banks.

Trade accounts payable relate in particular to payables at the International Carrier Sales & Solutions business unit regarding network operator services and network services for international carriers, which rose in the reporting year due to invoice timing factors.

Payables to subsidiaries consisted primarily of financial liabilities of EUR 23.2 billion (December 31, 2013: EUR 26.1 billion) and liabilities arising from cash management of EUR 9.8 billion (December 31, 2013: EUR 10.6 billion). Payables to subsidiaries in the reporting year amounted to EUR 439 million (December 31, 2013: EUR 445 million) for trade accounts payable and to EUR 437 million (December 31, 2013: EUR 394 million) for other liabilities. Of payables to subsidiaries, EUR 23.3 billion (December 31, 2013: EUR 26.3 billion)

relates to liabilities to Deutsche Telekom International Finance B.V., Amsterdam. Financial liabilities to subsidiaries decreased by a net EUR 2.9 billion due in particular to loan repayments to subsidiaries, principally to Deutsche Telekom International Finance B.V., Amsterdam, in the amount of EUR 3.0 billion.

Deutsche Telekom International Finance B.V., Amsterdam, issues bonds and medium-term notes that it passes on to Group companies. The resulting liabilities of Deutsche Telekom to Deutsche Telekom International Finance B.V., Amsterdam, are as shown below. In individual cases, the year in which Deutsche Telekom International Finance B.V., Amsterdam, issues financial liabilities outside the Group is not the same as the year in which they are passed on to Deutsche Telekom. No issued bonds or medium-term notes were passed on to Deutsche Telekom in the 2014 financial year. The interest rate of variable-interest liabilities as depicted are assigned in accordance with the most recent interest rate fixing valid at December 31, 2014.

	Nominal amount in currency	Interest rate in %	Term
2003 tranche			
EUR	500,000,000	6.706	2018
EUR	500,000,000	7.580	2033
2005 tranche			
EUR	1,548,801,384*	4.075	2015
2006 tranche			
EUR	390,000,000*	4.825	2016
2008 tranche			
EUR	200,000,000	5.926	2023
2009 tranche			
EUR	1,960,000,000*	6.075	2017
EUR	350,000,000	5.450	2021
GBP	700,000,000	6.575	2022
2010 tranche			
GBP	250,000,000	7.455	2019
EUR	462,246,714	4.375	2020
GBP	300,000,000	7.715	2030
EUR	300,000,000	4.625	2030
2011 tranche			
USD	1,250,000,000	3.250	2016
2012 tranche			
USD	1,000,000,000	2.375	2017
EUR	370,000,000*	2.125	2019
EUR	650,000,000	2.875	2024
USD	1,000,000,000	5.000	2042

* Partial repayment in the 2014 financial year.

2013 tranche	Nominal amount in currency	Interest rate in %	Term
USD	1,904,865,000	2.614**	2015
USD	1,000,000,000	5.825	2016
USD	850,000,000	8.195	2018
USD	750,000,000	6.075	2019
EUR	1,250,000,000	2.255	2021
EUR	1,250,000,000	4.375	2022
EUR	500,000,000	5.000	2025
EUR	750,000,000	3.380	2028
USD	1,815,000,000	8.023	2030
USD	1,685,000,000	6.800	2030
USD	500,000,000	9.330	2032

** Variable interest rate.

Liabilities to associated and related companies include trade accounts payable amounting to EUR 4 million (December 31, 2013: EUR 12 million).

The following table shows the composition of other liabilities:

millions of €	Dec. 31, 2014	Dec. 31, 2013
Liabilities from early retirement arrangements	1,672	2,075
Liabilities from loan notes	994	1,120
Liabilities from interest	576	504
Liabilities from collateral	486	31
Liabilities from interoperator discount services	274	334
Liabilities from derivatives	237	283
Tax liabilities	188	225
Liabilities to employees	63	37
Miscellaneous other liabilities	124	119
	4,614	4,728

Liabilities from early retirement arrangements for civil servants exist vis-à-vis the Civil Service Pension Fund and arise from payment obligations under agreements that had already been concluded. The obligations are payable in up to seven annual installments. Civil servants working at Deutsche Telekom who have reached the age of 55 and fulfill all the criteria set out in the Act on the Staff Structure at the Residual Special Asset of the Federal Railways and the Successor Companies of the Former Deutsche Bundespost enacted in 1993 as amended on November 21, 2012 can apply for early retirement. Deutsche Telekom offsets the resulting reduced retirement pension payments for civil servants by advance payments on account to the Civil Service Pension Fund as well as other expenses. The Act on the Reorganization of the Civil Service Pension Fund (Gesetz zur Neuordnung der Postbeamtenversorgungskasse) extended the provisions for early retirement for civil servants until December 31, 2016. On January 14, 2014, the Board of Management resolved to cover the additional financial burden to a limited extent through exercise of the early retirement provision for the 2014 financial year.

Liabilities from loan notes relate to insurance companies and other institutional investors. These are secured by the Federal Republic of Germany, with the exception of the loans received since 2002 currently totaling EUR 555 million.

Liabilities from interest almost exclusively relate to deferred interest on interest rate derivatives, loan notes, and medium-term notes.

Collateral is used to hedge the credit risk from derivative financial instruments. In this case, Deutsche Telekom receives collateral in the form of cash from its contracting parties. The increase in liabilities from collateral can be attributed to higher market values of the external derivatives, due in particular to the appreciation of the USD against the EUR and lower USD interest rates than in 2013.

Liabilities from interoperator discount services mainly relate to roaming discount business in connection with roaming agreements with foreign mobile communications providers. The obligations are initially bundled by Deutsche Telekom and then passed on to Deutsche Telekom's subsidiaries.

Liabilities from derivatives mainly relate to unrealized settlement gains and losses from expired hedge transactions for revolving hedging (roll-over gains or losses).

Tax liabilities comprised income tax liabilities amounting to EUR 4 million (December 31, 2013: EUR 9 million) and liabilities from other taxes amounting to EUR 184 million (December 31, 2013: EUR 216 million) which in turn consisted primarily of value-added tax still to be paid from ordinary business activities relating to the fiscal entity parent company amounting to EUR 169 million and wage tax liabilities of EUR 15 million.

Liabilities to employees resulted mainly from severance agreements.

Miscellaneous other liabilities consisted in part of liabilities from the recognition of disposal gains on an accrual basis and resulted from the transfer of intangible assets as part of the combination of significant IT units and supporting units within the Group to form the Telekom IT unit at T-Systems, as well as liabilities from the staff restructuring (e.g., transfer premiums for civil servants).

17 DEFERRED INCOME

The year-on-year decline in **deferred income** of EUR 15 million was primarily a result of the amortization of agio on loans from Deutsche Telekom International Finance B.V., Amsterdam.

18 DEFERRED TAXES

Deferred tax assets exceeded deferred tax liabilities in the reporting year. Deutsche Telekom does not exercise the option according to § 274 (1) HGB of recognizing the resulting tax relief as deferred tax assets. Deferred tax assets and liabilities mainly related to differences between carrying amounts for tax purposes and carrying amounts under German GAAP in the balance sheet items property, technical equipment and machinery, as well as accruals, and to loss carryforwards. When determining deferred taxes, an effective tax rate of 30.7 percent was used which covers corporate income tax, the solidarity surcharge, and trade taxes.

NOTES TO THE STATEMENT OF INCOME

19 NET REVENUE

Revenue by area of activity

millions of €		
	2014	2013
Revenue from renting and leasing out property	1,186	1,204
Revenue from hiring out employees	1,146	1,197
Revenue from fixed network	1,143	1,162
Revenue from training services	202	202
	3,677	3,765

Revenues from renting and leasing out property totaled EUR 1.2 billion (2013: EUR 1.2 billion) and were generated under the rent-including-utilities model. Deutsche Telekom leased real estate centrally from GMG Generalmietgesellschaft mbH, Cologne, and then rented it out to its German subsidiaries together with facility management services in the form of standardized facility products.

Revenue from hiring out employees amounted to EUR 1.1 billion (2013: EUR 1.2 billion) and resulted from hiring employees out to other companies. Employees were placed with internal and external employers on loan and temporary work contracts, and civil servants by means of assignment or temporary leave.

Fixed-network revenues amounting to EUR 1.1 billion (2013: EUR 1.2 billion) were mainly generated through wholesale services for international carriers, to which Deutsche Telekom made available, for instance, international voice and data connections. Revenue was also generated in the Products & Innovation unit with the sales of e-readers and with the Internet business areas of Advertising (placing advertisements in portals), Communication (security software, e.g., for companies' internal networks), and Inform & Entertain (e.g., Videoload, electronic delivery of publications for e-readers).

Revenue from training services consisted of training services for junior staff in Germany and overnight stays and conference services.

Revenue by geographic area

millions of €		
	2014	2013
Domestic	3,092	3,136
International	585	629
	3,677	3,765

20 OTHER OWN CAPITALIZED COSTS

millions of €		
	2014	2013
Other own capitalized costs	18	12
	18	12

21 OTHER OPERATING INCOME

millions of €		
	2014	2013
Cost transfers/reimbursements	1,090	1,180
Income from the disposal of noncurrent assets	674	80
Foreign currency transaction gains	394	676
Income from derivatives	350	292
Income from other services	264	361
Income from the reversal of accruals	198	139
Income from write-ups of noncurrent assets	16	60
Other income	653	466
	3,639	3,254

Income from cost transfers/reimbursements includes in particular rental and lease income from renting out property to GMG Generalmietgesellschaft mbH, Cologne, income from the billing of services provided centrally to subsidiaries (cross charging), income from the transfer of costs for brand licenses, and income from the billing of administration costs including to Deutsche Telekom Accounting GmbH, Bonn, and the service companies.

Income from the disposal of noncurrent assets amounting to EUR 674 million comprises proceeds of EUR 603 million from the sale of the Scout24 group and proceeds of EUR 52 million from sales of land and buildings. Income from the disposal of noncurrent assets also includes the derecognition of liabilities as a result of the allocation of disposal gains to different periods (EUR 11 million). The derecognition is shown in profit or loss, over the useful economic life of the intangible assets that were licensed back.

Foreign currency transaction gains mainly included exchange rate effects of EUR 245 million realized upon the maturity of loans granted/taken out in foreign currency. The decrease in foreign currency transaction gains year-on-year is due to a lower volume of disposals of hedge transactions in USD. The measurement of trade accounts receivable and payable (EUR 74 million) and of the intercompany clearing accounts (EUR 32 million) also has an impact on this item.

Income from derivatives resulted in particular from currency derivatives falling due.

Income from other services in the reporting year was mainly generated in connection with Deutsche Telekom's service offering for its subsidiaries, including services provided by HR Business Services, health management, and the legal service, as well as commissions.

Income from the reversal of accruals in the reporting year related, among other things, to income from the reversal of accruals for employee expenses amounting to EUR 24 million (2013: EUR 15 million), accruals for contingent losses amounting to EUR 19 million (2013: EUR 8 million), accruals for outstanding invoices amounting to EUR 15 million (2013: EUR 35 million), accruals for litigation costs amounting to EUR 10 million (2013: EUR 31 million), and accruals for Federal Agency services amounting to EUR 2 million (2013: EUR 8 million).

Other income mainly resulted from the realization of hidden reserves of EUR 437 million in connection with a withdrawal of capital from Scout24 Holding GmbH, Munich, and the contribution of the remaining shares in the Scout24 group to Asa NewCo GmbH, Munich, at fair values.

Pursuant to § 277 (4) HGB, EUR 277 million (2013: EUR 219 million) of income relating to another period are included in other operating income in the reporting year, mainly attributable to income from the reversal of accruals and income from the disposal of noncurrent assets.

22 GOODS AND SERVICES PURCHASED

millions of €		
	2014	2013
GOODS PURCHASED		
Raw materials and supplies	12	1
Goods purchased	73	78
	85	79
SERVICES PURCHASED		
Interconnection rates	741	744
Other services	546	582
	1,287	1,326
	1,372	1,405

Expenditure of EUR 73 million for **goods purchased** in the reporting year related in particular to Tolino products (e.g., e-reader).

Expenses for interconnection rates as a wholesale upstream service for international carriers were incurred in the reporting period in the amount of EUR 741 million.

Other services primarily include EUR 388 million of expenses for upstream services related to renting and leasing out property incurred under the rent-including-utilities model. Other services also include expenses related to upstream services in connection with the Internet business areas of Advertising (e.g., for placing advertisements), Communication (e.g., for security software), and Inform & Entertain (e.g., Videoload) as well as telecommunications services for IT infrastructure operations (e.g., for operating data centers) and expenses for upstream services related to energy and training.

23 PERSONNEL COSTS/AVERAGE NUMBER OF EMPLOYEES

millions of €		
	2014	2013
WAGES AND SALARIES	2,021	2,205
SOCIAL SECURITY CONTRIBUTIONS AND EXPENSES FOR PENSION PLANS AND BENEFITS		
Expenses for pension plans for civil servants	579	590
Social security contributions	109	128
Support allowances	99	116
Expenses for pension plans for non-civil servants	28	23
	815	857
	2,836	3,062

Personnel costs decreased by a total of EUR 226 million year-on-year. In particular, EUR 184 million of this decrease was attributable to a year-on-year decline in expenses for wages and salaries.

The decrease in **expenses for wages and salaries** of EUR 184 million is mainly due to lower expenses for the use of early retirement arrangements.

The Civil Service Pension Fund at the Federal Agency performs the functions described in §§ 14 to 16 of the Act concerning the Legal Provisions for the Former Deutsche Bundespost Staff (Postpersonalrechtsgesetz – PostPersRG) for **pension plans for civil servants** at Deutsche Bundespost and its successor companies. It carries out all transactions for pension and allowance payments in respect of civil servants for Deutsche Post AG, Deutsche Postbank AG, and Deutsche Telekom. In accordance with the provisions of the German Posts and Telecommunications Reorganization Act (Postneuordnungsgesetz – PTNeuOG), the Civil Service Pension Fund makes pension and allowance payments to retired employees and their surviving dependents who are entitled to pension payments as a result of civil-servant status.

Under PTNeuOG, the Federal Republic compensates the special pension fund for differences between the ongoing payment obligations of the Civil Service Pension Fund, amounts received from Deutsche Telekom, and returns on assets, and guarantees that the Civil Service Pension Fund is always in a position to fulfill the obligations it has assumed. The Federal Republic cannot demand reimbursement from Deutsche Telekom of any amounts it pays to the Civil Service Pension Fund in accordance with this provision.

Pursuant to § 16 PostPersRG, Deutsche Telekom is required to make contributions to the federal government, represented by the Civil Service Pension Fund, equal to 33 percent, respectively, of the gross emoluments of active civil servants and the notional pensionable gross emoluments of civil servants on temporary leave from civil servant status; these contributions are recognized as ongoing expenses in the respective year. The announcement by the Federal Ministry of Finance on October 28, 2013 stipulated an advance payment in connection with civil service pensions of EUR 567 million for the contribution for 2014. Deutsche Telekom has already made the payment in full. Only

EUR 552 million (2013: 567 million) of the advance payment was recognized as an expense due to the lower number of active civil servants and civil servants on leave of absence in the reporting year. The year-on-year decline in costs was primarily due to the reduction in the number of active civil servants (departures as a result of reaching retirement age, take-up of early retirement options, and transfer to other authorities). On account of the high burden remaining, Deutsche Telekom applied for a reduction in the payment of contributions where this payment would constitute an unfair burden in consideration of its competitiveness.

The average number of employees (full-time equivalents) developed as follows:

Number		
	2014	2013
Civil servants	20,393	21,282
Non-civil servants	8,933	9,012
	29,326	30,294
Trainees and student interns	8,022	8,095

The decrease in the number of employees is mainly attributable to the use of early retirement arrangements for civil servants.

24 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

millions of €		
	2014	2013
DEPRECIATION AND AMORTIZATION		
Amortization of intangible assets	86	77
Depreciation of property, plant and equipment	287	325
	373	402
WRITE-DOWNS		
in accordance with § 253 (3) sentence 3 HGB	61	57
	434	459

EUR 76 million of the **amortization of intangible assets** related to the amortization of rights to use software (2013: EUR 71 million).

EUR 214 million of the **depreciation of property, plant and equipment** in the reporting year related to buildings (2013: EUR 241 million).

In the reporting year, **write-downs** consisted entirely of write-downs of real estate to the lower of cost or market value, amounting to EUR 61 million (2013: EUR 57 million).

Write-downs on financial assets are recorded in net financial income/expense (please refer to Note 26).

25 OTHER OPERATING EXPENSES

millions of €

	2014	2013
Rental and leasing expenses	1,048	1,041
Foreign currency transaction losses	381	698
Expenses arising from derivatives	344	413
Other employee-related costs	279	207
Marketing expenses	212	206
Legal and consulting fees	173	185
Cleaning, transport and surveillance	111	111
IT support	110	132
Research and development	104	143
Additions to accruals for contingent losses	101	124
Maintenance and repair	91	95
Expenses arising from reimbursements	51	53
Expenses arising from a collateral promise for pension and partial retirement obligations	28	14
Other expenses	655	762
	3,688	4,184

Rental and leasing expenses were incurred in particular under the rent-including-utilities model and comprise almost entirely the proportion of internal use by Deutsche Telekom.

Foreign currency transaction losses included in particular exchange rate effects of EUR 172 million realized upon the maturity of loans granted/taken out in foreign currency. The decrease in foreign currency transaction losses year-on-year is largely due to a lower volume of disposals of noncurrent financial assets in USD. The measurement of trade accounts receivable and payable (EUR 67 million) and of the intercompany clearing accounts (EUR 66 million) also has an impact on this item.

The year-on-year decrease of EUR 69 million in **expenses arising from derivatives** was primarily due to currency derivatives falling due.

Other employee-related costs of EUR 279 million include compensation payments of EUR 87 million related to the placement of civil servants with various federal authorities, expenses of EUR 79 million arising from the allocation of administration costs payable to the Federal Agency, EUR 26 million in staff development costs, and EUR 10 million for conferences.

Marketing expenses in the reporting year relate in particular to expenses for sponsoring, advertising, trade fairs and conferences, as well as other agency fees.

Legal and consulting fees encompass in particular expenses for technical and business consulting, expenses for legal counseling, and expenses for the preparation and audit of annual financial statements.

Expenses for **cleaning, transport and surveillance** were incurred under the rent-including-utilities model and comprise almost entirely the proportion of internal use by Deutsche Telekom.

Expenses for IT support relate to the provision of computing and network services as well as services for workstation systems.

Expenses for research and development mainly comprise expenses for the development of software and expenses for university partnership programs.

Additions to accruals for contingent losses are mainly the result of agreements concluded with partners outside the Deutsche Telekom Group with the intention of generating a contribution margin for the expenses resulting from the staff surplus.

Expenses arising from reimbursements largely comprise expenses relating to the cross-charging of services rendered by subsidiaries.

In the reporting year, **other expenses** consist, among other things, of expenses for risk provisioning relating to ongoing legal disputes, travel expenses, insurance policies, and ad-hoc temporary employment.

Pursuant to § 277 (4) HGB, EUR 17 million (EUR 2013: EUR 76 million) of expenses relating to another period were included in other operating expenses in the reporting year. This relates to losses on accounts receivable and expenses from the disposal of noncurrent assets.

26 FINANCIAL INCOME/EXPENSE, NET

millions of €

	2014	2013
Income related to subsidiaries, associated and related companies	39	152
of which: from subsidiaries € 39 million (2013: € 151 million)		
Income from profit transfer agreements	7,106	6,383
Expenses arising from loss transfers	(686)	(507)
INCOME (LOSS) RELATED TO SUBSIDIARIES, ASSOCIATED AND RELATED COMPANIES	6,459	6,028
Income from long-term loans from noncurrent financial assets	529	582
of which: from subsidiaries € 529 million (2013: € 582 million)		
Other interest and similar income	137	445
of which: from subsidiaries € 91 million (2013: € 142 million)		
of which: from the discounting of accruals € 1 million (2013: € 0 million)		
Interest and similar expenses	(1,827)	(1,867)
of which: to subsidiaries € 1.2 billion (2013: € 1.2 billion)		
of which: from interest added back to accruals € 302 million (2013: € 305 million)		
NET INTEREST EXPENSE	(1,161)	(840)
WRITE-DOWNS OF FINANCIAL ASSETS AND MARKETABLE SECURITIES	(17)	(142)
	5,281	5,046

Income related to subsidiaries, associated and related companies mainly comprised dividends from Sireo Immobilienfonds No.1 GmbH & Co. KG, Heusenstamm, in the amount of EUR 36 million.

Income from profit transfer agreements recognized in the reporting period related primarily to Telekom Deutschland (EUR 4.4 billion), T-Mobile Global Zwischenholding GmbH, Bonn (EUR 2.1 billion), DFMG Holding GmbH, Bonn (EUR 376 million), and PASM Power and Air Condition Solution Management GmbH, Munich (EUR 91 million).

Expenses arising from loss transfers related primarily to T-Systems (EUR 472 million), Lambda Telekommunikationsdienste GmbH, Bonn (EUR 62 million), Vivento Customer Services GmbH, Bonn (EUR 57 million), and Deutsche Telekom Venture Funds GmbH, Bonn (EUR 55 million).

Income from profit transfers and expenses arising from loss transfers were both influenced to a certain extent by one-time effects.

Income from long-term loans from noncurrent financial assets and other interest and similar income from subsidiaries largely related to interest from loans issued to T-Mobile USA, Inc., Bellevue, and interest from loans to Telekom Deutschland. The decline in other interest and similar income mainly results from the fact that in 2013 a higher number of interest rate derivatives had been canceled prematurely than in 2014, with the associated positive effects in the prior year, and from the lower interest on the internal cash management clearing accounts.

Interest expenses to subsidiaries primarily resulted from loan relationships with Deutsche Telekom International Finance B.V., Amsterdam.

In the reporting period, expenses from interest added back to pension accruals as well as accruals for partial retirement agreements and long-term credits totaling EUR 238 million (2013: EUR 176 million) were netted with income from the CTA assets offset of EUR 116 million (2013: EUR 29 million) in net interest expense.

Write-downs of financial assets in the 2014 financial year related mainly to the write-down of the investment in Deutsche Telekom (UK) Limited, Hatfield (EUR 13 million) and in HMM Deutschland GmbH, Moers (EUR 4 million).

27 EXTRAORDINARY INCOME/EXPENSE

millions of €		
	2014	2013
Extraordinary expense from measurement of accruals	(17)	(17)
	(17)	(17)

Extraordinary expenses in the reporting year were a result of the adjustment of the measurement of pension accruals in line with BilMoG. The Company has exercised the option to spread the addition pursuant to Art 67 (1) sentence 1 EGHGB such that the annual addition equals one 15th of the total amount being added.

28 TAXES

millions of €		
	2014	2013
Income taxes	243	93
Other taxes	20	20
	263	113

The majority of **income taxes** related to current taxes in the financial year, which were payable despite loss carryforwards as a result of minimum taxation.

Income tax expense includes expenses relating to other periods amounting to EUR 57 million in accordance with § 277 (4) HGB.

Other taxes mainly comprised real estate tax expenses.

29 RECONCILIATION OF INCOME AFTER TAXES TO UNAPPROPRIATED NET INCOME

Income after taxes generated in the 2014 financial year amounted to EUR 4,005 million. Together with unappropriated net income carried forward from 2013 of EUR 662 million after dividend payments (unappropriated net income from the prior year of EUR 2,877 million less dividend payments totaling EUR 2,215 million), this resulted in **unappropriated net income** of EUR 4,667 million.

OTHER DISCLOSURES

30 GUARANTEES AND COMMITMENTS AND TRANSACTIONS NOT INCLUDED IN THE BALANCE SHEET IN ACCORDANCE WITH § 285 NO. 3 HGB, AND REASONS UNDERLYING THE EVALUATION OF THE RISK OF UTILIZATION OF GUARANTEES AND COMMITMENTS IN ACCORDANCE WITH § 285 NO. 27 HGB

millions of €	Dec. 31, 2014	Dec. 31, 2013
Liabilities from guarantees	678	995
Liabilities arising from warranty agreements of which: to subsidiaries € 47 million (Dec. 31, 2013: € 0 million)	5,174	5,179
	5,852	6,174

Guarantees include litigation and security deposit guarantees, and warranties. Liabilities arising from warranty agreements relate to third parties and in most cases were incurred for subsidiaries.

Liabilities arising from **warranty agreements** include guarantees and comfort letters and relate primarily to Telekom Deutschland (EUR 958 million), EE Limited, Hatfield (EUR 871 million), T-Mobile USA, Inc., Bellevue (EUR 412 million), and T-Systems (EUR 328 million). Guarantees relate to loan collateral guarantees in particular. Deutsche Telekom guarantees the liabilities of Deutsche Telekom International Finance B.V., Amsterdam, to external third parties – mostly originating from bonds and medium-term notes. In cases where the funds are not passed on to Deutsche Telekom and therefore recognized as a liability, an obligation arising from warranty agreements has to be recorded; such an obligation to Deutsche Telekom International Finance B.V., Amsterdam, was recorded as of December 31, 2014 in the amount of EUR 822 million.

Deutsche Telekom signed a framework purchasing agreement with STRABAG Property and Facility Services GmbH, Münster, in 2008. Deutsche Telekom was thus able to establish a long-term contractual relationship with a highly specialized service provider for real estate management and maintenance of technical installations. Under the terms of this agreement, Deutsche Telekom guarantees to purchase from STRABAG Property and Facility Services GmbH, Münster, services to be used either by Deutsche Telekom directly or by its domestic subsidiaries until the end of 2018. Deutsche Telekom takes over the risk of an unconditional payment obligation if the equivalent value of the services ordered falls short of the equivalent value of the agreed minimum purchase quantity. In this case, Deutsche Telekom may assert claims against its domestic subsidiaries, to the extent they are responsible for this shortfall. The equivalent value of the agreed minimum purchase quantity, which is currently still EUR 1.0 billion, is reported under liabilities arising from warranty agreements.

The principal members of the Toll Collect consortium are Daimler Financial Services AG, Stuttgart, and Deutsche Telekom. In the arbitration proceedings between the principal shareholders and the consortium company Toll Collect

GbR, Berlin, on one side and the Federal Republic of Germany on the other concerning disputes relating to the truck toll collection system, Deutsche Telekom received the Federal Republic's statement of claim on August 2, 2005. In this statement, the Federal Republic claimed to have lost toll revenues of approximately EUR 3.51 billion plus interest owing to a delay in the commencement of operations. The total claims for contractual penalties amount to EUR 1.65 billion plus interest; these claims are based on alleged violations of the operator agreement: alleged lack of consent to subcontracting, allegedly delayed provision of on-board units and monitoring equipment. In a letter dated May 16, 2008, the Federal Republic recalculated its claim for damages for lost toll revenues and reduced it by EUR 169 million. The claim is now approximately EUR 3.33 billion plus interest. The main claims by the Federal Republic – including contractual penalties – thus amount to around EUR 4.98 billion plus interest. Further hearings took place in spring and fall 2014. In connection with the hearing in spring 2014, the proceedings and the share of the risk borne by Deutsche Telekom were reexamined and, as a result, appropriate provisions for risk were recognized in the balance sheet. Deutsche Telekom believes that a claim arising from the joint and several liability is unlikely to be made in excess of Deutsche Telekom's share of the risk.

Bank loans guarantee. Deutsche Telekom guarantees to third parties bank loans of up to a maximum amount of EUR 100 million granted to Toll Collect GmbH, Berlin. These guarantees for bank loans will expire on October 15, 2015.

Equity maintenance undertaking. The consortium partners have the obligation, on a joint and several basis, to provide Toll Collect GmbH, Berlin, with additional equity in order to ensure a minimum equity ratio of 15 percent (in the single-entity financial statements prepared in accordance with German GAAP) (equity maintenance undertaking). This obligation ends when the operating agreement expires on August 31, 2018, or earlier if the operating agreement is terminated prematurely. The amount of a potential settlement attributable to the equity maintenance undertaking cannot be estimated because of uncertainties.

In June 2006, the Federal Republic of Germany began to partially offset its monthly advance payments for operating fees to Toll Collect GmbH, Berlin, of EUR 8 million against the contractual penalty claims that are already subject of the aforementioned arbitration proceedings. As a result, it may become necessary for the consortium members to provide Toll Collect GmbH, Berlin, with further liquidity.

The risks and obligations of Compagnie Financière et Industrielle des Autoroutes S.A., Sèvres Cedex (Cofiroute, which holds a 10-percent stake in Toll Collect) are limited to EUR 70 million. Deutsche Telekom and Daimler Financial Services AG, Berlin, have the obligation, on a joint and several basis, to indemnify Cofiroute against further claims.

Guarantees to the benefit of subsidiaries and contingent liabilities arising from warranty agreements entered into with third parties are not recognized as liabilities as the underlying obligations can be fulfilled by the Company's subsidiaries, meaning utilization is unlikely.

Follow-up liability in accordance with § 133 UmwG

In accordance with § 133 UmwG, Deutsche Telekom is jointly and severally liable for the obligations of the T-Home business unit that was spun off with economic effect as of January 1, 2010. The joint and several liability applies to obligations that were established prior to the spin-off. It ends five years after the announcement of the entry of the spin-off in the commercial register, which occurred on March 30, 2010. The spin-off agreement specified that Deutsche Telekom and Telekom Deutschland release each other from any and all legally prescribed co-responsibility for obligations for which they are the principally liable party under the terms of the spin-off agreement.

Transactions not included in the balance sheet

The aforementioned guarantees and commitments are among the transactions not included in the balance sheet.

31 OTHER FINANCIAL OBLIGATIONS

millions of €

	Dec. 31, 2014			Dec. 31, 2013		
	Total	of which due		Total	of which due	
		in the following financial year	from the second financial year after the balance sheet date		in the following financial year	from the second financial year after the balance sheet date
Present value of payments to the Civil Service Pension Fund	4,391	545	3,846	4,552	540	4,012
Obligations under rental and lease agreements of which: to subsidiaries € 9 billion (Dec. 31, 2013: € 9.4 billion)	9,092	1,553	7,539	9,529	1,618	7,911
Purchase commitments arising from future expenditure and investments of which: to subsidiaries € 446 million (Dec. 31, 2013: € 473 million)	634	418	216	749	504	245
Commitments arising from unpaid contributions and from pending transactions of which: to subsidiaries € 938 million (Dec. 31, 2013: € 486 million)	963	938	25	1,059	1,032	27
	15,080	3,454	11,626	15,889	3,694	12,195

The **present value** of payments that Deutsche Telekom is required to make in accordance with PTNeuOG to the Civil Service Pension Fund on the basis of the 2005 G tables published by Prof. Klaus Heubeck amounted to EUR 4.4 billion as of December 31, 2014. The year-on-year decrease is attributable to the reduction in the number of active civil servants, in particular as a result of early retirement.

Obligations under rental and lease agreements include obligations to subsidiaries in the amount of EUR 9.0 billion. These consist in particular of EUR 8.9 billion to GMG Generalmietgesellschaft mbH, Cologne, and EUR 83 million to DeTeFleetServices GmbH, Bonn.

Purchase commitments arising from future expenditure and investments were largely composed of commitments for non-capital expenditure of EUR 508 million. The decline in purchase commitments was largely a result of the reduction in the orders for IT services that Deutsche Telekom placed with T-Systems.

Unpaid and uncalled contributions relate in particular to Vivento Customer Services GmbH, Bonn (EUR 96 million).

Commitments arising from pending transactions with affiliated companies relate mainly to profit and loss transfers from T-Systems (EUR 273 million), Vivento Customer Services GmbH, Bonn (EUR 100 million), Deutsche Telekom Venture Funds GmbH, Bonn (EUR 34 million), and ClickandBuy Holding GmbH, Darmstadt (EUR 21 million). Additionally, there are obligations of EUR 396 million under a loan agreement concluded in the reporting period with Satellic NV, Groot-Bijgaarden, in which Deutsche Telekom indirectly holds a 76 percent share through its subsidiary T-Systems.

Deutsche Telekom is a party to a number of lawsuits and other proceedings and issues arising from the general conduct of its business. Fees for legal counseling and forecasted costs in connection with a negative outcome of proceedings were included in the accruals for litigation risks and/or in miscellaneous other operating expenses.

32 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments not included under valuation units as of the reporting date were as follows:

millions of €

	Nominal amounts ²	Fair values
	Dec. 31, 2014	Dec. 31, 2014
INTEREST-RELATED INSTRUMENTS		
Interest rate swaps	3,938	(44)
Embedded derivatives ¹	4,609	(4)
	8,547	(48)
CURRENCY INSTRUMENTS		
Future exchange transactions	185	(2)
	185	(2)
OTHER INSTRUMENTS		
Diesel derivatives	51	(15)
	51	(15)
	8,783	(65)

¹ Repricing element that is not closely related to the economic characteristics and risks of the host contract.

² The figures shown are absolute amounts.

The fair values shown above were determined using discounted cash flow models and option pricing models, which use the relevant market data as input parameters for calculation as of December 31, 2014.

Receivables, liabilities and accruals for derivatives were reported under the following balance sheet items:

millions of €

	Dec. 31, 2014
Receivables from subsidiaries	101
Other assets	231
Other accruals	(53)
Payables to subsidiaries	(345)
Other liabilities	(457)
	(523)

The Company uses derivatives for the purpose of hedging exposures to interest rate, currency and raw material price risks that arise from its ongoing business operations. The top priority in all cases in which derivatives are used is to limit the risk of the underlyings. Derivative financial instruments may therefore only be used to eliminate risk exposures, and may never be used to enter into new risks for speculative reasons.

Derivatives are designed to offset changes in the fair values and cash flow risks associated with the financial assets and liabilities to which they are allocated. Such derivatives are reviewed regularly for their effectiveness as hedge instruments. Derivative financial instruments are subject to internal controls.

As a rule, the nominal amounts of the derivative financial instruments are merely the basis for determining the interest payment (nominal amounts only represent a receivable or liability in the case of interest rate and cross currency swaps). The nominal amounts are generally not material to the value of a derivative. In contrast, the main material influences on the market value of derivatives are changes in interest rates, exchange rates and other conditions.

Interest rate swaps are entered into to transform the coupons on bonds, and the interest rates on loans, in accordance with a mix of fixed and floating rate interest instruments that is fixed once a year.

The Company uses foreign currency forward contracts and non-deliverable forwards to hedge exchange rates, and cross-currency and interest rate swaps to eliminate currency and, if relevant, interest rate risks, as well as risks related to financing.

Foreign currency forward contracts and hedged items are assigned to foreign currency hedge valuation units categorized by foreign currency type and marked to market as of the balance sheet date. Foreign currency forward contracts are valued at the forward exchange rate on the balance sheet date; cross-currency and interest rate swaps are recognized at the present value of future payments. Measurement gains and losses are netted valuation unit for valuation unit. An accrual for loss contingencies from pending transactions is established for each valuation unit for the amount of the excess loss. Net gains are not recognized.

The cross-currency and interest rate swaps are primarily used to transform the original currencies of bonds, drawings on medium-term notes, and loan notes into Deutsche Telekom's target currencies (EUR and USD). In addition, various cross-currency and interest rate swaps are used to hedge currency risks in the financing of subsidiaries.

Diesel derivatives are used to hedge the price risk resulting from the purchase of diesel fuel for Deutsche Telekom's vehicle fleet.

Hedging risk through valuation units:

Type of hedged item	Type of hedged risk	Value of the hedged item (carrying amount, expected value) millions of €
ASSETS		
	Currency risk	6,423
	Interest rate/currency risk	270
LIABILITIES		
	Interest rate risk	(12,975)
	Interest rate/currency risk	(7,568)
	Currency risk	(6,207)
HIGHLY PROBABLE FORECASTED TRANSACTIONS		
	Interest rate risk	(3,793)
PENDING TRANSACTIONS		
	Interest rate risk	-
		(23,850)

The valuation units always took the form of micro hedges.

In all cases, the hedging relationships were extremely effective, as the main risk-determining parameters matched for the hedged item and hedge transaction.

The risks hedged with valuation units amounted to (averted need for accrual for contingent losses, deferred write-up of foreign currency liabilities, and deferred write-downs on foreign currency receivables):

millions of €	Dec. 31, 2014
Interest rate risk	1,169
Interest rate/currency risk	322
Currency risk	1,333
	2,824

The offsetting changes in value and cash flows are expected to largely cancel each other out by March 6, 2042, in terms of both interest rate and currency hedges.

The effectiveness of the hedge relationships in terms of the hedged risk at the balance sheet date was determined using the critical terms match method. In the case of revolving hedges, effectiveness was measured using an analysis of changes in fair value based on spot price components (dollar offset method). In these cases, the ineffective portion of the change in value calculated in this way was recorded directly in the statement of income in line with the imparity principle.

The hedged items with interest rate risk recognized under liabilities and amounting to EUR 13.0 billion break down into underlyings of EUR 2.9 billion for cash flow hedges and EUR 10.1 billion for fair value hedges.

Highly probable forecasted transactions of EUR 3.8 billion relate to planned financing measures in 2015 and 2016. The values underlying the hedge were determined based on the Group's planning, hence their occurrence is highly probable.

33 EXCHANGE RATES

€	Annual average rate		Rate at the reporting date	
	2014	2013	Dec. 31, 2014	Dec. 31, 2013
100 Swiss francs (CHF)	82.32630	81.23780	83.17990	81.49130
100 Czech korunas (CZK)	3.63124	3.85018	3.60844	3.64929
1 Pound sterling (GBP)	1.24035	1.17714	1.28428	1.20086
100 Hong Kong dollars (HKD)	9.70276	9.70653	10.61282	9.36264
100 Croatian kuna (HRK)	13.09950	13.19720	13.06000	13.12490
100 Hungarian forints (HUF)	0.32394	0.33677	0.31715	0.33659
100 Japanese yen (JPY)	0.71265	0.77181	0.68899	0.69150
100 Polish zlotys (PLN)	23.89430	23.82270	23.35810	24.08060
100 Singapore dollars (SGD)	59.43490	60.16870	62.28090	57.46090
1 U.S. dollar (USD)	0.75241	0.75289	0.82300	0.72597

34 AUDITOR'S FEES AND SERVICES

The total fees charged by the external auditor for the reporting period as defined in § 285 No. 17 HGB are detailed in the relevant note in the consolidated financial statements.

35 MEMBERS OF THE BOARD OF MANAGEMENT OF DEUTSCHE TELEKOM AG IN 2014

Timotheus Höttges

Chairman of the Board of Management since January 1, 2014

Seats on the supervisory bodies of other companies:

- FC Bayern München AG, Munich (since 2/2010)

Member of the supervisory boards of the following subsidiaries, associated and related companies:

- T-Mobile US, Inc., Bellevue, United States,
Chairman of the Board of Directors (since 5/2013)
- EE Limited, Hatfield, United Kingdom,
Member of the Board of Directors (from 4/2012 to 1/2014)
- Telekom Deutschland GmbH, Bonn (since 4/2005),
Chairman of the Supervisory Board (since 7/2009)

Reinhard Clemens

Board member responsible for T-Systems since December 1, 2007
– no other seats –

Niek Jan van Damme

Board member responsible for Germany since July 1, 2009

Member of the supervisory boards of the following subsidiaries, associated and related companies:

- Deutsche Telekom Kundenservice GmbH, Bonn (since 8/2009)
- Deutsche Telekom Technischer Service GmbH, Bonn (since 9/2009),
Chairman of the Supervisory Board (since 12/2009)
- Telekom Shop Vertriebsgesellschaft mbH, Bonn (since 8/2009),
Chairman of the Supervisory Board (since 9/2009)
- T-Mobile Netherlands Holding B.V., The Hague, Netherlands,
Chairman of the Supervisory Board (since 4/2014)

Thomas Dannenfeldt

Board member responsible for Finance since January 1, 2014

Member of the supervisory boards of the following subsidiaries, associated and related companies:

- BUYIN S.A., Brussels, Belgium,
Member of the Board of Directors (since 2/2014)
- EE Limited, Hatfield, United Kingdom,
Member of the Board of Directors (since 2/2014)
- T-Mobile US, Inc., Bellevue, United States,
Member of the Board of Directors (since 11/2013)
- T-Systems International GmbH, Frankfurt/Main,
Chairman of the Supervisory Board (since 1/2014)

Dr. Thomas Kremer

Board member responsible for Data Privacy, Legal Affairs and Compliance since June 1, 2012, and acting Board member responsible for Human Resources since January 2014, and interim Board member responsible for Human Resources since May 1, 2014 – no other seats –

Claudia Nemat

Board member responsible for Europe and Technology since January 1, 2012
Board member responsible for Europe since October 1, 2011

Seats on the supervisory bodies of other companies:

- Lanxess AG, Leverkusen (since 7/2013)

Member of the supervisory boards of the following subsidiaries, associated and related companies:

- BUYIN S.A., Brussels, Belgium (since 10/2011),
Chairwoman of the Board of Directors (since 1/2015)
- EE Limited, Hatfield, United Kingdom (from 10/2011 to 2/2014)
- HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE S.A.),
Maroussi, Athens, Greece (since 10/2011)

Board members who left during 2014:

Prof. Dr. Marion Schick

Board member responsible for Human Resources from May 3, 2012 to April 30, 2014

Member of the supervisory boards of the following subsidiaries, associated and related companies:

- T-Systems International GmbH, Frankfurt/Main (from 5/2012 to 4/2014)
- Telekom Deutschland GmbH, Bonn (from 5/2012 to 4/2014)

36 MEMBERS OF THE SUPERVISORY BOARD OF DEUTSCHE TELEKOM AG IN 2014

Prof. Dr. Ulrich Lehner

Member of the Supervisory Board since April 17, 2008
Chairman of the Supervisory Board since April 25, 2008
Member of the Shareholders' Committee of Henkel AG & Co. KGaA, Düsseldorf

Seats on the supervisory bodies of other companies:

- Porsche Automobil Holding SE, Stuttgart (since 11/2007)
- E.ON SE, Düsseldorf (since 4/2003)
- ThyssenKrupp AG, Duisburg and Essen (since 1/2008),
Chairman of the Supervisory Board (since 3/2013)

Member of comparable supervisory bodies of companies in Germany or abroad:

- Dr. August Oetker KG, Bielefeld, Member of the Advisory Board (from 3/2000 to 4/2014)
- Novartis AG, Basle, Switzerland, Member of the Board of Directors (from 3/2002 to 2/2015)

Lothar Schröder

Member of the Supervisory Board since June 22, 2006
Deputy Chairman of the Supervisory Board since June 29, 2006
Member of the ver.di National Executive Board, Berlin

Seats on the supervisory bodies of other companies:

- Vereinigte Postversicherung VVaG, Stuttgart (since 6/2011)

Member of the supervisory boards of the following subsidiaries, associated and related companies:

- Telekom Deutschland GmbH, Bonn (since 8/2003),
Deputy Chairman of the Supervisory Board (since 9/2003)

Sari Baldauf

Member of the Supervisory Board since November 1, 2012
Non-Executive Director and Chairwoman of the Board of Directors of Fortum Oyj, Espoo, Finland

Seats on the supervisory bodies of other companies:

- Akzo Nobel N.V., Amsterdam, Netherlands (since 4/2012)
- Daimler AG, Stuttgart (since 2/2008)

Member of comparable supervisory bodies of companies in Germany or abroad:

- F-Secure Oyj, Helsinki, Finland, Member of the Board of Directors (from 3/2005 to 3/2014)

Josef Bednarski

Member of the Supervisory Board since November 26, 2013
Deputy Chairman of the Group Works Council at Deutsche Telekom AG, Bonn, and Chairman of the Central Works Council at Deutsche Telekom Kundenservice GmbH, Bonn

Seats on the supervisory bodies of other companies:

- Deutsche Telekom Kundenservice GmbH, Bonn (since 11/2007)

Dr. Wulf H. Bernotat

Member of the Supervisory Board since January 1, 2010
 Managing Director and shareholder of Bernotat & Cie. GmbH, Essen
 Former Chairman of the Board of Management of E.ON AG, Düsseldorf

Seats on the supervisory bodies of other companies:

- Allianz SE, Munich (since 4/2003)
- Bertelsmann SE & Co. KGaA, Gütersloh (since 5/2006)
- Bertelsmann Management SE, Gütersloh (since 5/2012)
- Deutsche Annington Immobilien SE, Düsseldorf,
 Chairman of the Supervisory Board (since 6/2013)
- Metro AG, Düsseldorf (since 5/2003)

Monika Brandl

Member of the Supervisory Board since November 6, 2002
 Chairwoman of the Central Works Council at Deutsche Telekom AG, Bonn
 – no other seats –

Johannes Geismann

Member of the Supervisory Board since February 6, 2014
 State Secretary, Federal Ministry of Finance, Berlin

Seats on the supervisory bodies of other companies:

- KfW IPEX-Bank GmbH, Frankfurt/Main (since 2/2014)

Dr. Hubertus von Grünberg

Member of the Supervisory Board since May 25, 2000
 Chairman of the Board of Directors of ABB Ltd., Zurich, Switzerland

Member of comparable supervisory bodies of companies in Germany or abroad:

- ABB Ltd., Zurich, Switzerland,
 Chairman of the Board of Directors (since 5/2007)
- Schindler Holding AG, Hergiswil, Switzerland,
 Member of the Board of Directors (since 5/1999)
- Sapinda Holding B.V., Schiphol, Netherlands,
 Chairman of the Advisory Board (from 2/2011 to 4/2014),
 Chairman of the Supervisory Board (since 4/2014)

Klaus-Dieter Hanas

Member of the Supervisory Board since June 1, 2012
 Chairman of the Works Council at Deutsche Telekom Kundenservice GmbH,
 Central-Eastern District, Bonn

Seats on the supervisory bodies of other companies:

- PSD-Bank Braunschweig eG, Braunschweig (since 11/1999),
 Deputy Chairman of the Supervisory Board (since 7/2011)

Sylvia Hauke

Member of the Supervisory Board since May 3, 2007
 Chairwoman of the Central Works Council at Telekom Deutschland GmbH,
 Bonn (since 6/2014)

Member of the supervisory boards of the following subsidiaries, associated and related companies:

- Telekom Deutschland GmbH, Bonn (since 1/2011)

Lars Hinrichs

Member of the Supervisory Board since October 1, 2013
 CEO of Cinco Capital GmbH, Hamburg
 – no other seats –

Hans-Jürgen Kallmeier

Member of the Supervisory Board since October 15, 2008
 Chairman of the Central Works Council at T-Systems International GmbH,
 Frankfurt/Main

Member of the supervisory boards of the following subsidiaries, associated and related companies:

- T-Systems International GmbH, Frankfurt/Main (since 12/2010)

Dagmar P. Kollmann

Member of the Supervisory Board since May 24, 2012
 Entrepreneur, Deputy Chairwoman of the Supervisory Board,
 Hypo Real Estate Holding AG, Unterschleißheim
 Former CEO of Morgan Stanley Bank, Frankfurt/Main
 Former Member of the Board of Directors, Morgan Stanley Bank
 International Limited, London, United Kingdom

Seats on the supervisory bodies of other companies:

- Hypo Real Estate Holding AG, Unterschleißheim,
 Deputy Chairwoman of the Supervisory Board (since 8/2009)
- Deutsche Pfandbriefbank AG, Unterschleißheim,
 Deputy Chairwoman of the Supervisory Board (since 8/2009)
- KfW IPEX-Bank GmbH, Frankfurt/Main (since 5/2012)
- Unibail-Rodamco SE, Paris, France (since 5/2014)

Member of comparable supervisory bodies of companies in Germany or abroad:

- Bank Gutmann Aktiengesellschaft, Vienna, Austria,
 Member of the Supervisory Board (since 9/2010)
- Landeskreditbank Baden-Württemberg – Förderbank (L-Bank)
 (regional state bank/development bank of Baden-Württemberg), Karlsruhe,
 agency under public law (not a commercial enterprise within the meaning
 of § 100 (2), Sentence 1, no. 1 AktG), Member of the Advisory Board,
 purely advisory body (since 7/2004)
- Member of the Monopolies Commission (since 1/2012)

Ines Kolmsee

Member of the Supervisory Board since January 31, 2015
 Entrepreneur at Smart Hydro Power GmbH, Feldafing

Seats on the supervisory boards of other companies:

- Fuchs Petrolub SE, Mannheim (from 5/2011 to 5/2015)

Member of comparable supervisory bodies of companies in Germany or abroad:

- Umicore SA, Brussels, Belgium (since 4/2011)
- Suez Environnement S.A., Paris, France (since 5/2014)

Petra Steffi Kreusel

Member of the Supervisory Board since January 1, 2013
Head of Executive Programs and Support at T-Systems International GmbH, Frankfurt/Main
Deputy Chairwoman of the Group Executive Staff Representation Committee of Deutsche Telekom AG, Bonn
Deputy Chairwoman of the Executive Staff Representation Committee of T-Systems International GmbH, Frankfurt/Main

Member of the supervisory boards of the following subsidiaries, associated and related companies:

- T-Systems International GmbH, Frankfurt/Main (since 12/2010)

Waltraud Litzenberger

Member of the Supervisory Board since June 1, 1999
Chairwoman of the Group Works Council at Deutsche Telekom AG, Bonn
– no other seats –

Dr. Ulrich Schröder

Member of the Supervisory Board since October 1, 2008
Chairman of the Board of Managing Directors, KfW Bankengruppe, Frankfurt/Main

Seats on the supervisory bodies of other companies:

- DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne* (since 10/2009)
- Deutsche Post AG, Bonn (since 9/2008)
- 2020 European Fund for Energy, Climate Change and Infrastructure (Fonds Marguerite), Luxembourg, Luxembourg (since 11/2009)

Michael Sommer

Member of the Supervisory Board since April 15, 2000
Trade Union Secretary, former Chairman of the German Confederation of Trade Unions (DGB), Berlin

Member of comparable supervisory bodies of companies in Germany or abroad:

- KfW, Frankfurt/Main, Member of the Board of Directors (from 1/2003 to 6/2014)

Sibylle Spoo

Member of the Supervisory Board since May 4, 2010
Lawyer, Trade Union Secretary at the ver.di Federal Administration, Berlin
– no other seats –

Karl-Heinz Streibich

Member of the Supervisory Board since October 1, 2013
CEO of Software AG, Darmstadt

Seats on the supervisory bodies of other companies:

- Deutsche Messe AG, Hanover (since 1/2013)
- Dürr AG, Bietigheim-Bissingen (since 5/2011)
- MANN+HUMMEL GMBH, Ludwigsburg (from 6/2013 to 4/2014)**
- MANN+HUMMEL HOLDING GMBH, Ludwigsburg (from 6/2013 to 4/2014)**

Supervisory Board members who left in 2014:

Dr. Hans Bernhard Beus

Member of the Supervisory Board from December 15, 2011 to February 5, 2014
State Secretary, Federal Ministry of Finance, Berlin, until January 8, 2014

Seats on the supervisory bodies of other companies:

- Deutsche Bahn AG, Berlin (from 3/2010 to 1/2014)
- Deutsche Bahn Mobility Logistics AG, Berlin (from 3/2010 to 1/2014)
- Gesellschaft für Entwicklung, Beschaffung und Betrieb mbH, Cologne (from 8/2012 to 1/2014)
- KfW IPEX-Bank GmbH, Frankfurt/Main (from 3/2010 to 1/2014)

Member of comparable supervisory bodies of companies in Germany or abroad:

- Bundesanstalt für Immobilienaufgaben (Institute for Federal Real Estate), Bonn, agency under public law (not a commercial enterprise within the meaning of § 100 (2), Sentence 1, no. 1 AktG, Chairman of the Administrative Board, purely advisory body (from 5/2011 to 1/2014)

Supervisory Board members who left in 2015:

Dr. h.c. Bernhard Walter

Member of the Supervisory Board from May 27, 1999 to January 11, 2015 (†)
Former Chairman of the Board of Managing Directors, Dresdner Bank AG, Frankfurt/Main

Seats on the supervisory bodies of other companies:

- Bilfinger Berger SE, Mannheim (from 7/1998 to 11/2014), Chairman of the Supervisory Board (from 5/2006 to 11/2014)
- Daimler AG, Stuttgart (from 5/1998 to 4/2014)

* Supervisory board seats in companies that are part of the same group, as defined in § 100 (2), Sentence 2 AktG (German Stock Corporation Act).

** Committees with identical memberships which convene in the same meeting.

37 COMPENSATION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

Compensation of the Board of Management

The following disclosures on Board of Management compensation are in accordance with § 285 of the German Commercial Code (Handelsgesetzbuch – HGB) and German Accounting Standard No. 17 (GAS 17).

Changes in the composition of the Board of Management and contract extensions

On January 1, 2014, Timotheus Höttges succeeded René Obermann as Chairman of the Board of Management of Deutsche Telekom. Also at the start of the year, Thomas Dannenfeldt took over the post of Chief Financial Officer from Timotheus Höttges. The Supervisory Board had approved both changes on May 15, 2013. Prof. Marion Schick, Member of the Board of Management responsible for Human Resources and Labor Director, left the Group with effect from April 30, 2014 for health reasons. Dr. Thomas Kremer had been acting as deputy of Prof. Schick since January 2014, and since her departure he has been interim Member of the Board of Management responsible for Human Resources in addition to fulfilling his own duties as Member of the Board of Management responsible for Data Privacy, Legal Affairs and Compliance.

Composition of the Board of Management as of December 31, 2014:

Members of the Board of Management	Department
Reinhard Clemens	T-Systems
Niek Jan van Damme	Germany
Thomas Dannenfeldt (since January 1, 2014)	Finance (CFO)
Timotheus Höttges (CEO since January 1, 2014)	Chairman of the Board of Management (CEO)
Dr. Thomas Kremer	Data Privacy, Legal Affairs and Compliance
Claudia Nemat	Europe & Technology
Prof. Marion Schick (until April 30, 2014)	Human Resources

Basis of Board of Management compensation

On February 24, 2010, the Supervisory Board resolved on a new system for the compensation of the Board of Management members, taking into account the provisions specified in the German Act on the Appropriateness of Management Board Remuneration (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG) that has been in effect since August 5, 2009. The shareholders' meeting of Deutsche Telekom on May 3, 2010 approved this new system. The compensation of Board of Management members comprises various components. Under the terms of their service contracts, members of the Board of Management are entitled to an annual fixed remuneration and annual variable performance-based remuneration, a long-term variable remuneration component, as well as fringe benefits and deferred benefits based on a company pension entitlement. The Supervisory Board defines the structure of the compensation system for the Board of Management and reviews this structure and the appropriateness of compensation at regular intervals.

The fixed annual remuneration is determined for all Board of Management members based on market conditions in accordance with the requirements of stock corporation law. It is ensured that Board of Management compensation is oriented toward the sustained development of the Company and that there is a multi-year measurement base for the variable components.

At its discretion and after due consideration, the Supervisory Board may also reward extraordinary performance by individual or all Board of Management members in the form of a special bonus.

In accordance with market-oriented and corporate standards, the Company grants all members of the Board of Management additional benefits under the terms of their service contracts, some of which are viewed as non-cash benefits and taxed accordingly. This mainly includes being furnished with a company car and accident and liability insurance and reimbursements in connection with maintaining a second household.

Sideline employment generally requires prior approval. Generally, no additional compensation is paid for being a member of the management or supervisory board of other Group entities.

In the event of temporary incapacity for work caused by illness, accident, or any other reason for which the respective Board of Management member is not responsible, the fixed basic remuneration continues to be paid for a maximum of three months following the end of the month in which the Board of Management member's permanent incapacity for work is established.

Variable performance-based remuneration

The variable remuneration of the members of the Board of Management is divided into Variables I and II. Variable I contains both short-term and long-term components consisting of the realization of budget figures for specific performance indicators, the implementation of strategy and adherence to the Group's Guiding Principles. Variable II is oriented solely toward the long term. This ensures that the variable remuneration is oriented toward the sustained development of the Company and that there is a predominantly long-term incentive effect.

Variable I

The annual variable remuneration of Board of Management members is based on the achievement of targets set by the Supervisory Board of Deutsche Telekom for each member of the Board of Management at the beginning of the financial year. The set of targets is composed of corporate targets (50 percent) related to revenue, EBITDA adjusted for special factors and free cash flow, as well as personal targets for the individual members of the Board of Management. The personal targets consist of targets oriented toward the sustained success of the Company concerning the implementation of strategy (30 percent) and adherence to the Guiding Principles, which accounts for 20 percent. The agreement on targets and the level of target achievement for the respective financial year are determined by the plenary session of the Supervisory Board. Levels of target achievement exceeding 100 percent are rewarded on a straight-line basis, capped at 150 percent of the award amount. Any higher levels of target achievement will not be taken into consideration. To further ensure the long-term incentive effect and orientation toward the sustained development of the Company, a third of the variable remuneration set by the plenary session of the Supervisory Board must be invested in shares of Deutsche Telekom; these shares must be held by the respective Board member for a period of at least four years.

Variable II

The exclusively long-term-oriented Variable II is measured based on the fulfillment of four equally weighted performance parameters (adjusted operational return on capital employed (ROCE), adjusted earnings per share (EPS), customer satisfaction, and employee satisfaction). Each parameter determines a quarter of the award amount. Levels of target achievement exceeding 100 percent are rewarded on a straight-line basis, capped at 150 percent of the award amount. The assessment period is four years, with the assessment being based on average target achievement across the four years planned at the time the tranche was

determined. The award amount is decoupled from other remuneration components and is set for each member of the Board of Management individually.

In the 2014 financial year, the following absolute nominal amounts were pledged to the Board of Management members for their participation in the 2014 tranche of Variable II in the event of 100-percent target achievement.

		Nominal amount of Variable II (on the basis of 100-percent target achievement)
Reinhard Clemens	2014 tranche	650,000
	2013 tranche	650,000
Niek Jan van Damme	2014 tranche	640,083
	2013 tranche	550,000
Thomas Dannenfeldt (since January 1, 2014)	2014 tranche	550,000
	2013 tranche	0
Timotheus Höttges	2014 tranche	1,092,000
	2013 tranche	760,500
Dr. Thomas Kremer	2014 tranche	550,000
	2013 tranche	550,000
Claudia Nemat	2014 tranche	675,000
	2013 tranche	675,000
Prof. Marion Schick (until April 30, 2014)	2014 tranche	0 ¹
	2013 tranche	550,000

¹ Prof. Marion Schick did not receive any further tranche of Variable II for the 2014 financial year due to her departure.

Information on the Share Matching Plan

In the 2014 financial year, the Board of Management members, as described above, were contractually obliged to invest a third of Variable I in shares of Deutsche Telekom. Deutsche Telekom will grant one additional share for every share purchased as part of the aforementioned personal investment by the Board of Management (Share Matching Plan) that will be allotted to the beneficiaries of this plan on expiration of the four-year lock-up period. GAS 17 requires disclosure not only of the total expense related to share-based payment from matching shares in the 2014 financial year and the fair value of the matched shares at their grant date, but also of the number of entitlements to matching shares and their development in the current financial year. The fair value of the matching shares at grant date shown in the following table does not represent a component of remuneration for the Board of Management members in 2014. It is an imputed value of the entitlements to matching shares determined on the basis of relevant accounting policies. Here, the fair value equates to the share price at grant date less an expected dividend markdown. The following table is based on expected target achievement for the 2014 financial year and thus on the estimated amount of the personal investment to be made by the respective Board of Management member to establish his or her entitlements to matching shares. The final number of entitlements to matching shares identified for the 2014 financial year may be higher or lower than the amounts estimated here. The total share-based payment expense for matching shares to be recognized for the financial years 2010 through 2013 and 2014 is included in the two last columns of the table below.

	Number of entitlements granted to matching shares since 2010 at the beginning of the financial year	Number of new entitlements to matching shares granted in 2014	Number of shares transferred in 2014 as part of the Share Matching Plan	Fair value of the matching shares at grant date €	Cumulative total share-based payment expense in 2014 for matching shares for the years 2010 through 2014 €	Cumulative total share-based payment expense in 2013 for matching shares for the years 2010 through 2013 €
Reinhard Clemens	113,192	18,003	22,001	186,512	186,836	166,907
Niek Jan van Damme	103,500	17,403	18,914	180,295	169,408	153,160
Thomas Dannenfeldt (since January 1, 2014)	0	15,233	0	157,817	54,916	0
Timotheus Höttges	138,639	30,245	25,741	313,339	222,952	202,328
Dr. Thomas Kremer	29,791	15,233	0	157,817	57,619	38,270
Claudia Nemat	54,821	18,695	0	193,685	97,441	79,415
Prof. Marion Schick (until April 30, 2014)	44,532	0	22,862	0	72,535	56,276

By December 31, 2014, Deutsche Telekom had acquired 363,857 shares for the purpose of awarding matching shares to Board of Management members as part of the Share Matching Plan. In 2014, matching shares were transferred to individual members of the Board of Management for the first time. A total of 89,518 shares were transferred to Board of Management members in 2014 including 22,862 shares transferred to Prof. Marion Schick in accordance with the provisions of the termination agreement. Prof. Marion Schick has no further entitlements to matching shares.

Arrangements in the event of termination of a position on the Board of Management

Service contracts for members of the Board of Management concluded since the 2009 financial year include a severance cap in case of premature termination without good cause allowing a compensation payment which, in line with the recommendations of the German Corporate Governance Code, is limited to a maximum of two years' remuneration (severance cap) and may not exceed the remuneration due for the remaining term of the service contract.

The service contracts for members of the Board of Management at Deutsche Telekom do not include any benefits in the event of the termination of a position on the Board of Management as a result of a change of control.

Board of Management member service contracts generally stipulate a post-contractual prohibition of competition. Pursuant to these provisions, members of the Board of Management are prohibited from rendering services to or on behalf of a competitor for the duration of one year following their departure. As compensation for this restricted period, they receive either a payment of 50 percent of the last fixed annual remuneration and 50 percent of the most recent Variable I on the basis of 100-percent target achievement, or 100 percent of the last fixed annual remuneration.

Company pension plan

Company pension plan (existing entitlement)

The members of the Board of Management are entitled to a company pension. Benefits from the company pension plan are in direct relation to the beneficiary's annual salary. The Board of Management members receive company pension benefits based on a fixed percentage of their last fixed annual salary for each year of service rendered prior to their date of retirement. The pension payments may be in the form of a life-long retirement pension upon reaching the age of 62 or in the form of an early retirement pension upon reaching the age of 60. Opting for the early retirement pension scheme entails actuarial deductions, however. The company pension is calculated by multiplying a basic percentage rate of 5 percent by the number of years of service as a member of the Board of Management. After ten years of service, the maximum pension level of 50 percent of the last fixed annual remuneration will be attained.

The pension payments to be made increase dynamically, at a rate of 1 percent. In addition, the pension agreements include arrangements for pensions for surviving dependents in the form of entitlements for widows and orphans. In specifically provided exceptional cases, entitlement to a widow's pension is excluded. The standard criteria for eligibility in the pension arrangements are in line with market conditions. In the event of a permanent inability to work (invalidity), the respective period of service through the scheduled end of the current period of appointment serves as the basis for the period of service eligible for calculating the pension.

Company pension plan (new entitlement)

A plan with a contribution-based promise in the form of a one-time capital payment upon retirement is set up for all Board of Management members with a new entitlement to a company pension. A contribution is paid into the Board member's pension account for each year of service at an interest rate corresponding to market levels. Annual additions to the pension account have no effect on cash or cash equivalents. The cash outflow is only effective upon the Board member's retirement. As a rule, the date of retirement is the beneficiary's 62nd birthday. For pension agreements signed before December 31, 2011, Board of Management members can also opt to draw early retirement benefits from their 60th birthday, subject to corresponding actuarial deductions. The amount to be provided annually is individualized and decoupled from other remuneration components. The exact definition of the contribution is based on a comparison with peer companies which are suitable for benchmarking and also offer plans with contribution-based promises.

In addition, the pension agreements include arrangements for pensions for surviving dependents in the form of entitlements for widows and orphans. In the event of a permanent inability to work (invalidity), the beneficiary is also entitled to the pension fund.

Changes in the pension accrual for each member of the Board of Management are shown in the following table:

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Development of pension accruals for current members of the Board of Management				
	Additions to pension accruals 2014	Present value of the defined benefit obligation Dec. 31, 2014	Additions to pension accruals 2013	Present value of the defined benefit obligation Dec. 31, 2013
Reinhard Clemens	601,292	3,157,137	511,542	2,556,718
Niek Jan van Damme	363,048	1,758,282	319,244	1,394,562
Thomas Dannenfeldt (since January 1, 2014)	211,420	211,420	0	0
Timotheus Höttges	854,073	4,757,086	2,005,084	3,909,233
Dr. Thomas Kremer	254,685	622,773	233,668	368,088
Claudia Nemat	253,287	728,659	213,310	475,372
Prof. Marion Schick (until April 30, 2014)	0	0	227,737	446,148

An annual contribution of EUR 290,000 was allocated to Niek Jan van Damme in accordance with the provisions of the new company pension plan. The respective amounts for Thomas Dannenfeldt, Dr. Thomas Kremer, Claudia Nemat, and Prof. Marion Schick total EUR 250,000 for each year of service. As of December 31, 2014, Prof. Marion Schick had no Board of Management pension entitlement because at the time of her departure from the Company, the legal vesting requirements had not been fulfilled.

The expensed additions to pension accruals for active members of the Board of Management amounted to EUR 2,537,805 in the reporting year (2013: EUR 8,022,432).

Board of Management compensation for the reporting year

In reliance on legal requirements and other guidelines, a total of EUR 13.9 million (2013: EUR 15.6 million) is reported in the following table as total compensation for the 2014 financial year for the members of the Board of Management.

The Board of Management compensation comprises the fixed annual remuneration as well as other benefits, non-cash benefits and remuneration in kind, short-term variable remuneration (Variable I), a special bonus for extraordinary performance if applicable, fully earned tranches of long-term variable remuneration (Variable II), and the fair value of the matching shares. This was calculated on the basis of the estimated amount of Variable I at the grant date and the resulting number of entitlements to matching shares.

The fixed annual remuneration and other remuneration are totally unrelated to performance.

Total compensation

The compensation of the Board of Management is shown in detail in the following table:

		Non-performance-based compensation		Performance-based compensation			Total compensation
		Fixed annual remuneration	Other remuneration	Short-term variable remuneration	Long-term variable performance-based remuneration (Variable II)	Long-term variable performance-based remuneration (fair value of matching shares)	
Reinhard Clemens	2014	840,000	17,350	714,350	429,000	186,512	2,187,212
	2013	840,000	22,366	755,950	390,000	174,153	2,182,469
Niek Jan van Damme	2014	850,000	26,758	708,760	363,000	180,295	2,128,813
	2013	794,355	24,555	647,900	330,000	147,360	1,944,170
Thomas Dannenfeldt (since January 1, 2014)	2014	700,000	22,433	641,300	–	157,817	1,521,550
	2013	–	–	–	–	–	–
Timotheus Höttges (CEO since January 1, 2014)	2014	1,450,000	22,359	1,307,124	429,000	313,339	3,521,822
	2013	1,037,500	23,972	953,667	390,000	203,759	2,608,898
Dr. Thomas Kremer	2014 ¹	700,000	60,983	856,650	234,438	157,817	2,009,888
	2013	700,000	60,508	627,000	130,625	147,360	1,665,493
Claudia Nemat	2014	900,000	65,900	764,775	361,969	193,685	2,286,329
	2013	900,000	49,602	722,925	227,813	180,851	2,081,191
Prof. Marion Schick (until April 30, 2014)	2014	233,333	5,743	–	–	–	239,076
	2013 ²	700,000	23,272	568,150	137,500	147,360	1,576,282
	2014	5,673,333	221,526	4,992,959	1,817,407	1,189,465	13,894,690
	2013 ³	4,971,855	204,275	4,275,592	1,605,938	1,000,843	12,058,503

¹ The Supervisory Board resolved to give Dr. Thomas Kremer a special bonus for extraordinary performance for 2014. The amount of EUR 856,650 therefore includes a figure of EUR 250,000. With this payment, the Supervisory Board rewards the extraordinary performance of Dr. Thomas Kremer who, as a result of the departure of Prof. Marion Schick for health reasons, assumed responsibility for the Board department for Human Resources for the full 2014 financial year in addition to his own duties in the area of Data Privacy, Legal Affairs and Compliance.

² On account of Prof. Marion Schick falling ill during 2014, the Supervisory Board exercised its right to reduce her entitlement to variable remuneration components. The fixed short-term variable remuneration for Prof. Marion Schick in the line for the previous year was therefore reduced by EUR 40,471 at the payment date. Of the long-term variable remuneration, EUR 4,800 less was paid than shown in the line for the previous year.

³ Remuneration relating to Board of Management members who left the Company in the course of 2013 is no longer included in the table.

The amounts shown in the “Long-term variable performance-based remuneration (Variable II)” column were pledged to the eligible Board of Management members in the 2011 financial year. As they joined the Company after the commencement of the current plan tranches of Variable II, pro-rata pledges were granted to Claudia Nemat in 2011 and to Dr. Thomas Kremer in 2012.

The details of René Obermann’s termination agreement were disclosed as part of the prior-year publication requirements. In this context, the payment of a fixed annual salary as compensation for the period of prohibition of competition was announced for 2014. However, due to agreed provisions for the allowance of other remuneration of René Obermann, Deutsche Telekom was not required to pay him any compensation in 2014.

The service contract between the Company and the Board of Management member Prof. Marion Schick was ended by mutual agreement effective midnight April 30, 2014. The termination agreement between Prof. Marion Schick and the Company contains the components described below. The Company will pay Prof. Marion Schick a final settlement of EUR 2.7 million for early termination of her service contract. Prof. Marion Schick had been transferred 22,862 shares of Deutsche Telekom AG as part of the Share Matching Plan but has no other entitlements to matching shares. Prof. Marion Schick will lose her Board of Management pension entitlement because the legal vesting requirements are not fulfilled. In connection with the prohibition of competition, Prof. Marion Schick will receive compensation of EUR 234,375 for the period May to September. These payments are disclosed as part of the disclosures for former Board of Management members and Board of Management members who left

the Company during the reporting period. On account of Prof. Marion Schick’s ongoing illness, no more variable remuneration entitlements arose for 2014.

No member of the Board of Management received benefits or corresponding commitments from a third party for his or her activity as a Board of Management member during the past financial year.

Former members of the Board of Management and those who left in the reporting year

A total of EUR 9.2 million (2013: EUR 7.2 million) was paid out for payments to and entitlements for former members of the Board of Management and those who left in the reporting year as well as any surviving dependents.

Accruals totaling EUR 123.8 million (2013: EUR 104.4 million) were recognized for current pensions and vested rights to pensions for this group of persons and their surviving dependents. Pension accruals not shown in the balance sheet for this group of persons as a consequence of the transitional provisions of BilMoG amounted to EUR 6.1 million at the balance sheet date (2013: EUR 6.8 million).

Several former Board of Management members are entitled to a civil servant pension from the Civil Service Pension Fund. In the reporting year, there was no expense incurred in this regard. The present value of the estimated pensions of these Board of Management members amounts to EUR 3.2 million as of December 31, 2014 (2013: EUR 3.2 million).

Other

The Company has not granted any advances or loans to current or former Board of Management members, nor were any other financial obligations to the benefit of this group of people entered into.

Compensation of the Supervisory Board

The compensation received by the members of the Supervisory Board is specified under § 13 of the Articles of Incorporation of Deutsche Telekom. Under the new compensation system that came into effect on January 1, 2013, members of the Supervisory Board receive fixed annual compensation of EUR 70,000.00.

The Chairman of the Supervisory Board receives a further EUR 70,000.00 and the Deputy Chairman EUR 35,000.00. Members of the Supervisory Board also receive compensation as follows for activities on Supervisory Board committees:

- a) The Chairman of the Audit Committee receives EUR 80,000.00, ordinary members of the Audit Committee EUR 40,000.00.
- b) The Chairman of the General Committee receives EUR 35,000.00, ordinary members of the General Committee EUR 25,000.00.
- c) The Chairman of any other committee receives EUR 30,000.00, ordinary members of any other committee EUR 20,000.00.

Chairmanship and membership of the Nomination Committee and the Mediation Committee are not remunerated. Members of the Supervisory Board receive an attendance fee amounting to EUR 1,000.00 for each meeting of the Supervisory Board or its committees that they have attended. The Company reimburses value-added tax payable on remuneration and expenses.

Under the old compensation system in place until December 31, 2012, members of the Supervisory Board are entitled to variable, performance-related remuneration for the 2012 financial year depending on the development of net profit per no par value share. The performance-related annual remuneration with long-term incentive effect amounts to EUR 1,000.00 for every EUR 0.02 by which the net income per no par value share in the second financial year following the financial year in question (reference year) exceeds the net income per no par value share in the financial year preceding the financial year in question. The performance-related annual remuneration as a long-term incentive is limited to a maximum of EUR 40,000.00.

Since the aforementioned condition for the payment of the performance-based variable remuneration was met as of December 31, 2014, the performance-related remuneration for the 2012 financial year is paid out.

The total compensation of the members of the Supervisory Board in 2014 amounted to EUR 3,160,791.65 (plus VAT).

For former members of the Supervisory Board, the performance-based variable remuneration for the 2012 financial year totaled EUR 226,562.50 (plus VAT).

The Company has not granted any advances or loans to current or former Supervisory Board members, nor were any other financial obligations to the benefit of this group of people entered into. The compensation of the individual members of the Supervisory Board for 2014 is as follows:

Member of the Supervisory Board	Fixed remuneration	Meeting attendance fee	Performance-related remuneration for 2012	Total
Baldauf, Sari	90,000.00	9,000.00	4,250.00	103,250.00
Bednarski, Josef	103,333.33	13,000.00	0.00	116,333.33
Dr. Bernotat, Wulf	103,333.33	12,000.00	40,000.00	155,333.33
Dr. Beus, Hans Bernhard (until February 5, 2014)	22,500.00	2,000.00	40,000.00	64,500.00
Brandl, Monika	90,000.00	10,000.00	40,000.00	140,000.00
Geismann, Johannes (since February 6, 2014)	123,750.00	24,000.00	0.00	147,750.00
Dr. von Grünberg, Hubertus	100,000.00	11,000.00	40,000.00	151,000.00
Hanas, Klaus-Dieter	70,000.00	7,000.00	14,875.00	91,875.00
Hauke, Sylvia ^a	103,333.33	11,000.00	25,500.00	139,833.33
Hinrichs, Lars	90,000.00	11,000.00	0.00	101,000.00
Kallmeier, Hans-Jürgen ^b	130,000.00	15,000.00	40,000.00	185,000.00
Kollmann, Dagmar P.	130,000.00	20,000.00	40,000.00	190,000.00
Kreusel, Petra Steffi ^c	110,000.00	13,000.00	0.00	123,000.00
Prof. Lehner, Ulrich (Chairman)	215,000.00	31,000.00	40,000.00	286,000.00
Litzenberger, Waltraud	155,000.00	25,000.00	40,000.00	220,000.00
Schröder, Lothar (Deputy Chairman) ^d	193,333.33	26,000.00	40,000.00	259,333.33
Dr. Schröder, Ulrich	113,333.33	12,000.00	38,250.00	163,583.33
Sommer, Michael	90,000.00	7,000.00	25,500.00	122,500.00
Spoö, Sibylle	70,000.00	7,000.00	25,500.00	102,500.00
Streibich, Karl-Heinz	90,000.00	11,000.00	0.00	101,000.00
Dr. h.c. Walter, Bernhard (until January 11, 2015 †)	150,000.00	7,000.00	40,000.00	197,000.00
	2,342,916.65	284,000.00	533,875.00	3,160,791.65

^a In addition to remuneration for her activities as a member of the Supervisory Board of Deutsche Telekom, Sylvia Hauke also received other remuneration amounting to EUR 14,000.00 (including meeting attendance fees) in the 2014 financial year (for her mandate as member of the supervisory board of Telekom Deutschland GmbH).

^b In addition to remuneration for his activities as a member of the Supervisory Board of Deutsche Telekom, Hans-Jürgen Kallmeier also received other remuneration amounting to EUR 16,000.00 (including meeting attendance fees) in the 2014 financial year (for his mandate as member of the supervisory board of T-Systems International GmbH).

^c In addition to remuneration for her activities as a member of the Supervisory Board of Deutsche Telekom, Petra Steffi Kreusel also received other remuneration amounting to EUR 15,500.00 (including meeting attendance fees) in the 2014 financial year (for her mandate as member of the supervisory board of T-Systems International GmbH).

^d In addition to remuneration for his activities as a member of the Supervisory Board of Deutsche Telekom, Lothar Schröder also received other remuneration amounting to EUR 29,000.00 (including meeting attendance fees) in the 2014 financial year (EUR 20,000.00 for his mandate as member of the supervisory board of Telekom Deutschland GmbH and EUR 9,000.00 as Chairman of the Data Privacy Advisory Council).

38 DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH § 161 AKTG

In accordance with § 161 AktG, the Board of Management and the Supervisory Board of Deutsche Telekom have submitted the mandatory declaration of conformity and made it available to shareholders on Deutsche Telekom's website. The full text of the Declaration of Conformity can be found on the Deutsche Telekom website (www.telekom.com) under Investor Relations in the Corporate Governance section.

39 PROPOSAL FOR THE APPROPRIATION OF NET INCOME

The Board of Management of Deutsche Telekom proposes to the shareholders' meeting that a dividend of EUR 0.50 per no par value share carrying dividend rights be paid from the unappropriated net income amounting to EUR 4,667 million, and that the remaining balance be carried forward.

The final amount of the total dividend payment depends on the number of no par value shares carrying dividend rights as of the date of the resolution on the appropriation of net income as adopted on the day of the shareholders' meeting.

The amount that is subject to a restriction on distribution in accordance with § 268 (8) sentence 3 HGB is attributable to the measurement of the CTA assets for accruals for pensions and similar obligations at fair value amounting to EUR 171 million, to the measurement of the CTA asset for long-term credits amounting to approximately EUR 1 million, and to the measurement of the CTA asset for partial retirement obligations amounting to approximately EUR 1 million. Deferred tax liabilities account for EUR 53 million of the difference of EUR 173 million, resulting in a net amount of EUR 120 million. After accounting for deferred tax assets, also of EUR 53 million, which are offset against the deferred tax liabilities, the amount that is subject to a restriction on distribution in accordance with § 268 (8) HGB is EUR 173 million. Unappropriated net income can be distributed in full as the amount of EUR 173 million that is subject to a restriction on distribution is covered entirely by freely available reserves.

40 STATEMENT OF INVESTMENT HOLDINGS IN ACCORDANCE WITH § 285 NO.11 HGB

1. Subsidiaries

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Reporting currency	Note
1.	3.T-Venture Beteiligungsgesellschaft mbH (3. TVB), Bonn	1.77.	100.00		25,000	EUR	5,679,362	(465,934)	EUR	h)
2.	Accumio Finance Services GmbH, Heidelberg	1.316.	100.00		2,001,000	EUR	9,696,656	0	EUR	h) a)
3.	Albanian Mobile Communications Sh.A, Tirana	1.19.	14.76		813,821,916	ALL	71,136,473,000	4,123,920,000	ALL	h) b)
3.	Albanian Mobile Communications Sh.A, Tirana	1.29.	85.00		813,821,916	ALL	71,136,473,000	4,123,920,000	ALL	h) b)
4.	Antel Germany GmbH, Karben	1.90.	100.00		25,000	EUR	(65,859)	(26,254)	EUR	c) b)
5.	Ariviakom (Proprietary) Limited i.L., Midrand	1.296.	100.00		1	ZAR	-	-	-	c)
6.	Assessment Point (Proprietary) Limited, Johannesburg	1.112.	100.00		100	ZAR	(219,850)	3,630	EUR	c)
7.	Atrada Trading Network AG, Nuremberg			100.00	146,302	EUR	2,321,519	140,542	EUR	h)
8.	Atrada Trading Network Limited, Manchester	1.7.	100.00		1	GBP	1	0	GBP	c)
9.	BENOCs GmbH, Bonn	1.318.	100.00		25,000	EUR	158,990	(700,623)	EUR	c)
10.	BERCOS Gesellschaft für Kommunikationstechniken mbH, Bonn	1.47.	100.00		400,000	DEM	233,840	(1,000)	EUR	c)
11.	CA INTERNET d.o.o., Zagreb	1.116.	100.00		20,000	HRK	158,625	97,785	HRK	h)
12.	CBS GmbH, Cologne	1.22.	100.00		838,710	EUR	18,054,711	0	EUR	h) a)
13.	CE Colo Czech, s.r.o., Prague	1.90.	99.00		617,000	CZK	(246,308,558)	66,348,688	CZK	c) b)
13.	CE Colo Czech, s.r.o., Prague	1.20.	1.00		617,000	CZK	(246,308,558)	66,348,688	CZK	c) b)
14.	CMobil B.V., Maastricht	1.63.	100.00		67,006	EUR	9,633,711,606	139,648,905	EUR	h)
15.	COMBIS - IT Usluge d.o.o., Belgrade	1.17.	100.00		49,136	RSD	(94,412,626)	(95,324,909)	EUR	h)
16.	COMBIS d.o.o. Sarajevo, Sarajevo	1.17.	100.00		2,000	BAM	3,760,670	1,117,359	BAM	h)
17.	COMBIS, usluge integracija informatickih tehnologija, d.o.o., Zagreb	1.102.	100.00		48,710,900	HRK	103,726,381	17,456,819	HRK	h) b)
18.	COSMO-ONE HELLAS MARKET SITE SOCIETE ANONYME OF ELECTRONIC COMMERCE SERVICES, Athens	1.100.	30.87		5,391,100	EUR	978,804	113,708	EUR	h) b)
18.	COSMO-ONE HELLAS MARKET SITE SOCIETE ANONYME OF ELECTRONIC COMMERCE SERVICES, Athens	1.19.	30.87		5,391,100	EUR	978,804	113,708	EUR	h) b)
19.	COSMOTE Mobile Telecommunications S.A., Maroussi, Athens	1.100.	100.00		157,899,931	EUR	2,377,094,000	404,847,000	EUR	h) b)
20.	Carduelis B.V. (Netherlands), The Hague	1.91.	100.00		18,000	EUR	(181,485)	(17,431)	EUR	c) b)
21.	Click & Buy Services India Private Limited, Hyderabad	1.87.	99.62		1,609,920	INR	26,619,219	5,243,856	INR	j)
22.	ClickandBuy Holding GmbH, Darmstadt			100.00	25,000	EUR	33,025,000	0	EUR	h) a)
23.	ClickandBuy International Limited, London	1.22.	100.00		1,301,007	GBP	9,177,595	(7,296,430)	EUR	h) b)
24.	Com.unique Telekomunikációs Szolgáltató Kft., Budapest	1.127.	100.00		25,000,000	HUF	100,864,000	27,028,000	HUF	h)
25.	Combridge S.R.L., Sfântu Gheorghe	1.127.	100.00		29,801,490	RON	36,038,295	4,990,359	RON	h)
26.	Compendo GmbH, Nuremberg	1.7.	100.00		25,000	EUR	27,024	(218)	EUR	c)
27.	Consortium 1 S.à r.l., Luxembourg	1.14.	100.00		2,423,526	EUR	2,423,526	(42,419,223)	EUR	h)
28.	Consortium 2 S.à r.l., Luxembourg	1.27.	100.00		2,395,668	EUR	1,698,889	(134,134)	EUR	c) b)
29.	Cosmo Holding Albania Societe Anonyme, Maroussi, Athens	1.19.	100.00		64,722,000	EUR	102,099,000	(20,000)	EUR	h) b)
30.	Cosmoholding International B.V., Amsterdam	1.19.	99.00		1,600,000	EUR	-	-	EUR	
30.	Cosmoholding International B.V., Amsterdam	1.97.	1.00		1,600,000	EUR	-	-	EUR	
31.	Cosmoholding Romania Ltd., Limassol	1.19.	100.00		30,000	EUR	99,048,435	5,374,950	EUR	h) b)
32.	Crnogorski Telekom a.d. Podgorica, Podgorica	1.127.	76.53		123,857,700	EUR	165,819,715	18,844,531	EUR	h) b)
33.	Cronon AG, Berlin	1.182.	100.00		51,129	EUR	56,242	0	EUR	h) a)
34.	DFMG Deutsche Funkturm GmbH, Münster	1.316.	16.67		30,000	EUR	7,726,925	0	EUR	h) a)
34.	DFMG Deutsche Funkturm GmbH, Münster	1.35.	83.33		30,000	EUR	7,726,925	0	EUR	h) a)
35.	DFMG Holding GmbH, Bonn			100.00	26,000	EUR	53,751	0	EUR	l) a)
36.	DIERGASIA Interim Employment S.A., Athens	1.160.	100.00		67,500	EUR	(17,190)	(20,356)	EUR	h) b)
37.	DIGI SLOVAKIA, s.r.o., Bratislava	1.190.	100.00		5,152,230	EUR	917,244	(3,247,260)	EUR	h)
38.	Dataware Szolgáltató Kft. i.L., Budapest	1.106.	100.00		80,000,000	HUF	303,630	3,410	EUR	c)
39.	DeTeAsia Holding GmbH, Bonn			100.00	50,000	DEM	49,378	0	EUR	h) a)
40.	DeTeAssekuranz - Deutsche Telekom Assekuranz-Vermittlungsgesellschaft mbH, Cologne			100.00	1,000,000	EUR	1,000,000	0	EUR	h) a)
41.	DeTeFleetServices GmbH, Bonn			100.00	5,000,000	EUR	129,262,852	0	EUR	h) a)
42.	DeTeMedien, Deutsche Telekom Medien GmbH, Frankfurt/Main			100.00	23,008,135	EUR	24,572,258	0	EUR	h) a)
43.	Detecon (Schweiz) AG, Zurich	1.47.	100.00		1,000,000	CHF	6,323,470	345,150	EUR	c)
44.	Detecon Asia-Pacific Ltd., Bangkok	1.47.	100.00		49,000,000	THB	1,607,600	500,410	EUR	c)
45.	Detecon Consulting Austria GmbH, Vienna	1.43.	100.00		72,673	EUR	341,000	246,000	EUR	c)
46.	Detecon Consulting FZLLC, Dubai	1.47.	100.00		500,000	AED	250,730	61,360	EUR	c)
47.	Detecon International GmbH, Cologne	1.277.	100.00		8,700,000	EUR	8,812,000	2,663,000	EUR	c)
48.	Detecon Vezetési Tanácsadó Kft., Budapest	1.47.	100.00		4,600,000	HUF	28,000	12,000	EUR	c)
49.	Detecon, Inc., Wilmington, DE	1.47.	100.00		1,872,850	USD	930	(62,450)	EUR	c)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Reporting currency	Note
50.	Deutsche TELEKOM Asia Pte Ltd., Singapore			100.00	137,777,793	SGD	4,562,564	819,055	SGD	c)
51.	Deutsche TELEKOM Ltd., London			100.00	240,000	GBP	2,137,490	(11,904)	GBP	h)
52.	Deutsche Telekom (UK) Limited, Hatfield			100.00	30,100,000	GBP	35,087,000	2,748,000	GBP	h)
53.	Deutsche Telekom Accounting GmbH, Bonn			100.00	100,000	EUR	100,000	0	EUR	h) a)
54.	Deutsche Telekom BK-Holding GmbH, Bonn			100.00	25,000	EUR	275,000	0	EUR	h) a)
55.	Deutsche Telekom Business Development & Venturing Ltd., Herzliya			100.00	10	NIS	-	-	-	-
56.	Deutsche Telekom Business Services S.R.L., Bucharest			100.00	13,198,200	RON	13,183,953	14,247	RON	h)
57.	Deutsche Telekom Capital Partners Fund GmbH, Hamburg	1.58.	100.00		25,000	EUR	-	-	-	-
58.	Deutsche Telekom Capital Partners Management GmbH, Hamburg			100.00	25,000	EUR	-	-	-	-
59.	Deutsche Telekom Capital Partners Portfolio Fund Co-Invest I GmbH & Co. KG, Hamburg	1.58.	100.00		1	EUR	-	-	-	-
60.	Deutsche Telekom Capital Partners Portfolio Fund GmbH & Co. KG, Hamburg	1.58.	100.00		1	EUR	-	-	-	-
61.	Deutsche Telekom Capital Partners Venture Fund GmbH & Co. KG, Hamburg	1.58.	100.00		1	EUR	-	-	-	-
62.	Deutsche Telekom Clinical Solutions GmbH, Bonn	1.66.	100.00		25,000	EUR	2,029,000	3,341	EUR	c) a)
63.	Deutsche Telekom Europe Holding B.V., Maastricht	1.217.	100.00		25,002	EUR	25,000	0	EUR	h)
64.	Deutsche Telekom Glasfaser Service GmbH, Bonn	1.316.	100.00		25,000	EUR	31,000	0	EUR	h) a)
65.	Deutsche Telekom Healthcare Solutions Netherlands B.V., Bunnik (Utrecht)	1.277.	100.00		18,000	EUR	1,649,000	866,000	EUR	c)
66.	Deutsche Telekom Healthcare and Security Solutions GmbH, Bonn	1.277.	100.00		511,300	EUR	2,160,800	0	EUR	c) a)
67.	Deutsche Telekom Holding B.V., Maastricht	1.216.	100.00		20,500	EUR	8,830,274,631	(16,168)	EUR	h)
68.	Deutsche Telekom Hosted Business Services, Inc., Wilmington, DE	1.123.	99.81		5,306	USD	7,762,717	(16,227,113)	USD	h)
68.	Deutsche Telekom Hosted Business Services, Inc., Wilmington, DE	1.77.	0.19		5,306	USD	7,762,717	(16,227,113)	USD	h)
69.	Deutsche Telekom International Finance B.V., Amsterdam			100.00	453,780	EUR	321,172,000	(110,093,000)	EUR	h) b)
70.	Deutsche Telekom Kundenservice GmbH, Bonn	1.316.	100.00		25,000	EUR	19,110,240	0	EUR	h) a)
71.	Deutsche Telekom North America Inc., Wilmington, DE	1.287.	100.00		30	USD	15,386,000	6,416,000	EUR	c)
72.	Deutsche Telekom Regional Services and Solutions GmbH, Frankfurt/Main	1.316.	100.00		25,000	EUR	406,362	(8,908)	EUR	h) a)
73.	Deutsche Telekom Shared Services s.r.o., Bratislava	1.258.	0.01		6,520,000	EUR	1,864,643	(2,231,500)	EUR	h)
73.	Deutsche Telekom Shared Services s.r.o., Bratislava	1.53.	99.99		6,520,000	EUR	1,864,643	(2,231,500)	EUR	h)
74.	Deutsche Telekom Technik GmbH, Bonn	1.316.	100.00		27,000	EUR	29,651,556	0	EUR	h) a)
75.	Deutsche Telekom Technischer Service GmbH, Bonn	1.316.	100.00		27,000	EUR	56,964,589	0	EUR	h) a)
76.	Deutsche Telekom Training GmbH, Bonn			100.00	102,300	EUR	124,988	0	EUR	h) a)
77.	Deutsche Telekom Venture Funds GmbH, Bonn			100.00	25,000	EUR	256,863,053	0	EUR	h) a)
78.	Deutsche Telekom, Inc., New York, NY			100.00	100	USD	7,709,048	557,655	USD	h)
79.	Digital Media Audience Products GmbH, Bonn	1.318.	100.00		25,000	EUR	25,838	(1,162)	EUR	h)
80.	E-Tours d.o.o., Zagreb	1.102.	100.00		20,000	HRK	3,211,440	532,880	HRK	h) b)
81.	E-Value Collection Ltd., Agios Stefanos	1.83.	100.00		350,010	EUR	2,144,000	215,000	EUR	h) b)
82.	E-Value International S.A., Bucharest	1.83.	0.01		6,700,000	RON	-	-	-	-
82.	E-Value International S.A., Bucharest	1.30.	99.99		6,700,000	RON	-	-	-	-
83.	E-Value Societe Anonyme of Direct Marketing and Customer Support Services, Agios Stefanos	1.97.	100.00		5,105,062	EUR	4,907,000	1,441,000	EUR	h) b)
84.	Erste DFMG Deutsche Funkturm Vermögens-GmbH, Bonn			100.00	100,000	EUR	170,272,893	0	EUR	h) a)
85.	Eutelis Consult GmbH i.L., Ratingen	1.47.	60.00		1,360,000	DEM	-	-	EUR	c)
86.	Fal Dete Telecommunications S.A.L., Furr El Chebbak	1.47.	51.00		150,000,000	LBP	-	-	EUR	c)
87.	Firstgate Holding AG, Baar	1.22.	100.00		100,000	CHF	1,819,414	252,784	CHF	c)
88.	GEMAPPS Gesellschaft für mobile Lösungen mbH, Hamburg	1.277.	100.00		25,000	EUR	208,000	0	EUR	c)
89.	GMG Generalmietgesellschaft mbH, Cologne			100.00	51,130,000	EUR	51,423,214	0	EUR	h) a)
90.	GTS Central European Holding B.V. (Netherlands), Amsterdam	1.91.	99.46		18,500	EUR	33,573,847	(22,920,483)	EUR	c) b)
90.	GTS Central European Holding B.V. (Netherlands), Amsterdam	1.20.	0.54		18,500	EUR	33,573,847	(22,920,483)	EUR	c) b)
91.	GTS Central European Holdings Limited (Cyprus), Luxembourg	1.28.	100.00		171,000	EUR	37,514,779	2,306	EUR	c) b)
92.	GTS Czech s.r.o., Prague	1.90.	99.00		1,300,400,000	CZK	1,557,996,977	188,693,890	CZK	c) b)
92.	GTS Czech s.r.o., Prague	1.20.	1.00		1,300,400,000	CZK	1,557,996,977	188,693,890	CZK	c) b)
93.	GTS Hungary Távközlési Kft, Budaörs	1.90.	100.00		2,043,270,000	HUF	6,468,266,270	645,888,097	HUF	c) b)
94.	GTS Poland Sp. z o.o. (Poland), Warsaw	1.90.	100.00		207,844,000	PLN	220,127,494	32,740,652	PLN	c) b)
95.	GTS Telecom S.R.L., Bucharest	1.91.	52.56		7,368,415	RON	28,994,525	5,576,658	RON	c) b)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Reporting currency	Note
95.	GTS Telecom S.R.L., Bucharest	1.90.	47.44		7,368,415	RON	28,994,525	5,576,658	RON	c) b)
96.	GTS Ukraine L.L.C., Kiev	1.90.	100.00		1,150,000	UAH	(46,305,070)	(12,130,222)	UAH	c) b)
97.	Germanos Industrial and Commercial Company of Electronic Telecommunication materials and supply of Services Societe Anonyme, Agios Stefanos	1.19.	100.00		29,600,892	EUR	228,048,000	(2,667,000)	EUR	h) b)
98.	Germanos Telecom Romania S.A., Bucharest	1.97.	99.99		77,100,310	RON	(145,875,915)	(34,193,632)	RON	h) b)
99.	HATWAVE Hellenic-American Telecommunications Wave Ltd., Donetsk	1.100.	52.67		100	CYP	-	-	-	
100.	Hellenic Telecommunications Organization S.A. (OTE), Athens			40.00	1,171,459,430	EUR	2,616,800,000	(138,000,000)	EUR	h) b)
101.	HfTL Trägersgesellschaft mbH, Bonn			100.00	25,000	EUR	37,074	11,063	EUR	h)
102.	Hrvatski Telekom d.d., Zagreb	1.14.	51.00		8,882,853,500	HRK	10,820,394,389	1,431,245,824	HRK	h) b)
103.	HÄVG Rechenzentrum GmbH, Cologne	1.66.	25.00		100,000	EUR	1,790,800	(767,800)	EUR	c)
104.	I.T.E.N.O.S. International Telecom Network Operation Services GmbH, Bonn	1.277.	100.00		3,000,000	EUR	6,410,000	0	EUR	c) a)
105.	IBSV LLC, Bellevue	1.249.	100.00		0	USD	0	0	USD	h)
106.	IT Services Hungary Szolgáltató Kft., Budapest	1.277.	100.00		150,100,000	HUF	33,508,340	2,753,260	EUR	c)
107.	ImmoCom Verwaltungs GmbH, Heusenstamm	1.89.	100.00		50,000	DEM	(5,629,041)	83,078	EUR	h)
108.	Infovan (Proprietary) Limited, Midrand	1.296.	100.00		2,000	ZAR	7,725,720	152,000	EUR	c)
109.	InteractiveMedia CCSP GmbH, Darmstadt			100.00	901,000	EUR	2,484,000	0	EUR	c) a)
110.	International System House Kereskedelmi és Szoftverfejlesztő Kft., Budapest	1.127.	100.00		3,000,000	HUF	21,192,000	(2,513,000)	HUF	h)
111.	Intersolve Health Informatics (Proprietary) Limited i.L., Midrand	1.5.	100.00		100	ZAR	-	-	-	c)
112.	Intervate Holdings (Proprietary) Limited, Johannesburg	1.296.	100.00		2,091	ZAR	1,052,900	(221,670)	EUR	c)
113.	Intervate Project Services (Proprietary) Limited, Johannesburg	1.114.	100.00		300	ZAR	264,390	162,860	EUR	c)
114.	Intervate Solutions (Proprietary) Limited, Johannesburg	1.112.	100.00		1,070	ZAR	(45,820)	(51,600)	EUR	c)
115.	Investel Magyar Távközlési Befektetési ZRt., Budapest	1.127.	100.00		1,113,000,000	HUF	1,316,185,000	14,765,000	HUF	h)
116.	Iskon Internet d.d., Zagreb	1.102.	100.00		272,902,200	HRK	42,745,574	5,170,152	HRK	h)
117.	KIBU Innováció Nonprofit Kft., Budapest	1.127.	99.20		40,000,000	HUF	67,049,000	(8,113,000)	HUF	h)
117.	KIBU Innováció Nonprofit Kft., Budapest	1.115.	0.80		40,000,000	HUF	67,049,000	(8,113,000)	HUF	h)
118.	Kabelsko distributivni sustav d.o.o., Cakovec	1.102.	100.00		1,229,600	HRK	2,853,830	65,442	HRK	h)
119.	KalászNet Kft., Budapest	1.127.	100.00		200,000,000	HUF	1,112,257,000	(40,033,000)	HUF	h)
120.	Kolga Telekommunikationsdienste GmbH, Bonn	1.318.	100.00		25,000	EUR	27,000	0	EUR	c) a)
121.	Kristall Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	25,774	(219)	EUR	h)
122.	Kumukan GmbH, Bonn	1.318.	100.00		25,000	EUR	26,149	(851)	EUR	h)
123.	Lambda Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	44,356,678	0	EUR	h) a)
124.	Lite Elements GmbH, Bonn	1.318.	100.00		25,000	EUR	72,486	(854,003)	EUR	e)
125.	Loki Telekommunikationsdienste GmbH, Bonn	1.318.	100.00		25,000	EUR	27,000	0	EUR	c) a)
126.	MAGYARCOM SZOLGÁLTATÓ KOMMUNIKÁCIÓS Kft., Budapest			100.00	50,000,000	HUF	803,415,000	96,931,000	HUF	h)
127.	Magyar Telekom Telecommunications Public Limited Company, Budapest	1.14.	59.23		104,274,254,300	HUF	355,529,000,000	32,133,000,000	HUF	h)
128.	Makedonski Telekom A.D. Skopje, Skopje	1.194.	56.67		9,583,887,760	MKD	16,445,964,000	2,202,832,000	MKD	h) b)
129.	Med-RZ Medizinisches Rechenzentrum GmbH, Cologne	1.66.	50.00		25,000	EUR	31,000	(16,000)	EUR	c)
130.	MetroPCS California, LLC, Bellevue	1.249.	100.00		1	USD	252,395,967	304,337,037	USD	h)
131.	MetroPCS Florida, LLC, Bellevue	1.249.	100.00		1	USD	353,774,288	441,747,959	USD	h)
132.	MetroPCS Georgia, LLC, Bellevue	1.249.	100.00		1	USD	44,432,798	40,549,486	USD	h)
133.	MetroPCS Massachusetts, LLC, Bellevue	1.249.	100.00		1	USD	(38,754,561)	(89,171,351)	USD	h)
134.	MetroPCS Michigan, LLC, Bellevue	1.249.	100.00		0	USD	29,246,357	25,305,311	USD	h)
135.	MetroPCS Networks California, LLC, Bellevue	1.249.	100.00		1	USD	(28,662,330)	(36,240,667)	USD	h)
136.	MetroPCS Networks Florida, LLC, Bellevue	1.249.	100.00		1	USD	(3,611,862)	(5,917,095)	USD	h)
137.	MetroPCS Nevada, LLC, Bellevue	1.249.	100.00		1	USD	(3,381,969)	(15,863,188)	USD	h)
138.	MetroPCS New York, LLC, Bellevue	1.249.	100.00		1	USD	1,733,972	(30,371,678)	USD	h)
139.	MetroPCS Pennsylvania, LLC, Bellevue	1.249.	100.00		1	USD	(17,899,167)	(43,442,781)	USD	h)
140.	MetroPCS Texas, LLC, Bellevue	1.249.	100.00		1	USD	(6,058,608)	19,394,271	USD	h)
141.	Minerva Telekommunikationsdienste GmbH, Bonn	1.318.	100.00		25,000	EUR	27,000	0	EUR	c)
142.	Mobilbeep Telecommunications One Person Limited Liability, Maroussi, Athens	1.19.	100.00		620,100	EUR	37,159	(201,600)	EUR	h) b)
143.	Motionlogic GmbH, Bonn	1.318.	100.00		25,000	EUR	178,128	(2,136,071)	EUR	c)
144.	Neptun Telekommunikationsdienste GmbH, Bonn	1.318.	100.00		25,000	EUR	27,000	0	EUR	c)
145.	NextGen Communications S.R.L., Bucharest	1.307.	100.00		227,824,020	RON	98,267,020	(13,018,647)	RON	h) b)
146.	Novatel EOOD, Sofia	1.127.	100.00		5,190,000	BGN	5,966,000	(761,000)	BGN	h)
147.	Novatel Ukraine Ltd. i.L., Kiev	1.127.	99.94		1,656,900	UAH	-	-	-	
147.	Novatel Ukraine Ltd. i.L., Kiev	1.115.	0.06		1,656,900	UAH	-	-	-	

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Reporting currency	Note
148.	ORBIT Gesellschaft für Applikations- und Informationssysteme mbH, Bonn	1.47.	100.00		128,000	EUR	1,737,640	377,000	EUR	c)
149.	OT-Optima Telekom d.d., Zagreb	1.102.	19.11		632,659,190	HRK	(602,675,992)	(40,123,898)	HRK	h) b)
150.	OT-Optima Telekom d.o.o., Koper	1.149.	100.00		8,763	EUR	262,362	76,961	EUR	h)
151.	OTE Academy S.A., Maroussi, Athens	1.100.	100.00		1,761,030	EUR	(654,128)	122,395	EUR	h) b)
151.	OTE Academy S.A., Maroussi, Athens	1.186.	0.00		1,761,030	EUR	(654,128)	122,395	EUR	h) b)
152.	OTE Estate S.A., Athens	1.100.	100.00		455,987,091	EUR	972,672,073	(83,987,207)	EUR	h) b)
152.	OTE Estate S.A., Athens	1.160.	0.00		455,987,091	EUR	972,672,073	(83,987,207)	EUR	h) b)
153.	OTE Insurance Agency S.A., Athens	1.100.	99.90		86,000	EUR	717,921	141,562	EUR	h) b)
153.	OTE Insurance Agency S.A., Athens	1.160.	0.10		86,000	EUR	717,921	141,562	EUR	h) b)
154.	OTE International Investments Limited, Limassol	1.100.	100.00		477,366,811	EUR	493,051,333	272,985	EUR	h) b)
155.	OTE International Solutions S.A., Maroussi, Athens	1.100.	100.00		163,879,541	EUR	188,010,741	13,721,251	EUR	h) b)
155.	OTE International Solutions S.A., Maroussi, Athens	1.186.	0.00		163,879,541	EUR	188,010,741	13,721,251	EUR	h) b)
156.	OTE Investment Services S.A., Maroussi, Athens	1.154.	100.00		3,400,000	EUR	3,112,971	(7,006)	EUR	h) b)
157.	OTE Plc., London	1.100.	100.00		50,000	GBP	28,947,289	802,039	EUR	h) b)
158.	OTE Rural North SPV, Maroussi, Athens	1.100.	100.00		1,775,112	EUR	-	-	-	-
159.	OTE Rural South SPV, Maroussi, Athens	1.100.	100.00		2,255,520	EUR	-	-	-	-
160.	OTEplus Technical & Business Solutions S.A., Athens	1.100.	100.00		4,714,408	EUR	10,510,356	(1,900,535)	EUR	h) b)
161.	Omikron Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	0	EUR	h) a)
162.	One2One Limited, Hatfield	1.222.	100.00		2	GBP	2	0	GBP	h)
163.	One2One Personal Communications Ltd., Hatfield	1.222.	100.00		1	GBP	1	0	GBP	h)
164.	Optima Telekom za upravljanje nekretninama i savjetovanje d.o.o., Zagreb	1.149.	100.00		20,000	HRK	0	0	HRK	h) b)
165.	Optima direct d.o.o., Buje	1.149.	100.00		19,216,000	HRK	(9,313,163)	125,611	HRK	h) b)
166.	Origo Média és Kommunikációs Szolgáltató ZRt., Budapest	1.127.	100.00		300,331,000	HUF	335,931,000	(420,779,000)	HUF	h)
167.	P & I Holding GmbH, Darmstadt			100.00	30,000	EUR	85,351	0	EUR	h) a)
168.	PASM Power and Air Condition Solution Management Beteiligungs GmbH, Bonn			100.00	25,000	EUR	37,955	(487)	EUR	h)
169.	PASM Power and Air Condition Solution Management GmbH, Munich			100.00	10,025,000	EUR	137,787,476	0	EUR	h) a)
170.	Pamona Telekommunikationsdienste GmbH, Bonn	1.318.	100.00		25,000	EUR	27,000	0	EUR	c)
171.	Pan-Infom Kutatás-Fejlesztési és Innovációs Kft., Balatonfüred	1.281.	20.00		500,000	HUF	(89,239,000)	(66,591,000)	HUF	h)
172.	Pelsoft Informatika Kft., Balatonfüred	1.281.	16.67		600,000	HUF	(92,181,000)	(101,416,000)	HUF	h)
173.	PosAm spol. s.r.o., Bratislava	1.190.	51.00		170,000	EUR	9,618,976	2,339,652	EUR	h)
174.	Powertel Memphis Licenses, Inc., Bellevue	1.175.	100.00		1	USD	178,572,703	(2,084,425)	USD	h)
175.	Powertel/Memphis, Inc., Bellevue	1.249.	100.00		32,262	USD	146,000,000	(75,000,000)	USD	h)
176.	PreHCM Services GmbH, Miltenberg	1.277.	100.00		25,000	EUR	800,600	341,000	EUR	c)
177.	Qingdao DETECON Consulting Co. Ltd., Beijing	1.47.	100.00		2,000,000	USD	181,170	109,360	EUR	c)
178.	REGICA.NET d.o.o., Zagreb	1.116.	100.00		28,000	HRK	388,139	186,190	HRK	h)
179.	Residenzpost GmbH & Co. Liegenschafts KG, Heusenstamm			100.00	1	EUR	1	461,739	EUR	h)
180.	Rho Telekommunikationsdienste GmbH, Bonn	1.316.	100.00		25,000	EUR	26,306	(327)	EUR	h)
181.	SCS Personalberatung GmbH, Düsseldorf			100.00	100,000	DEM	51,129	0	EUR	c) a)
182.	STRATO AG, Berlin	1.235.	100.00		6,033,345	EUR	9,716,049	0	EUR	h) a)
183.	Sallust Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	27,000	0	EUR	h) a)
184.	Saphir Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	25,791	219	EUR	h)
185.	Satellit NV, Groot-Bijgaarden	1.277.	76.00		10,000,000	EUR	10,000,000	0	EUR	c)
186.	Satellite and Maritime Telecommunications S.A., Athens	1.100.	94.08		5,463,750	EUR	8,879,731	472,342	EUR	h) b)
186.	Satellite and Maritime Telecommunications S.A., Athens	1.160.	0.01		5,463,750	EUR	8,879,731	472,342	EUR	h) b)
187.	Sigma Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	0	EUR	h) a)
188.	Sireo Immobilienfonds No. 1 Verwaltungsgesellschaft mbH, Heusenstamm	1.189.	100.00		25,000	EUR	43,669	2,717	EUR	c)
189.	Sireo Immobilienfonds No.1 GmbH & Co. KG, Heusenstamm			94.90	6,858,242	EUR	3,809,465	20,021,482	EUR	c)
190.	Slovak Telekom, a.s., Bratislava	1.14.	51.00		864,113,000	EUR	1,586,847,000	47,686,000	EUR	h) b)
191.	Software Daten Service Gesellschaft m.b.H., Vienna	1.277.	100.00		290,691	EUR	23,306,000	4,149,000	EUR	c)
192.	Soluciones y Proyectos Consulting, S.L., Barcelona	1.274.	100.00		3,006	EUR	159,130	(4,620)	EUR	c)
193.	SoundCall GmbH, Bonn	1.318.	100.00		25,000	EUR	211,558	(440,947)	EUR	c)
194.	Stonebridge Communication A.D., Skopje	1.127.	100.00		16,383,228,786	MKD	27,480,228,000	2,033,934,000	MKD	h) b)
195.	SunCom Wireless Holdings Inc., Bellevue	1.249.	100.00		1	USD	1,054,575,557	49,020,028	USD	h)
196.	SunCom Wireless Investment Co., LLC, Bellevue	1.195.	100.00		1	USD	2,250,412,174	0	USD	h)
197.	SunCom Wireless License Co., LLC, Bellevue	1.330.	100.00		1	USD	23,216,091	0	USD	h)
198.	SunCom Wireless Management Co., Inc, Bellevue	1.201.	100.00		1	USD	(26,779,558)	1	USD	h)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Reporting currency	Note
199.	SunCom Wireless Operating Co., LLC, Bellevue	1.330.	100.00		1	USD	-	-	USD	
200.	SunCom Wireless Property Co., LLC, Bellevue	1.330.	100.00		1	USD	-	-	USD	
201.	SunCom Wireless, Inc., Bellevue	1.196.	100.00		1	USD	2,225,092,053	(223,761)	USD	h)
202.	Sunlight Romania – Filiala Bucuresti S.R.L., Bucharest	1.98.	100.00		12,700,000	RON	(14,373,334)	(1,581,028)	RON	h)
203.	SureNow situationally intelligent solutions GmbH, Bonn	1.318.	100.00		25,000	EUR	15,598	(10,954)	EUR	f)
204.	T SYSTEMS TELEKOMÜNİKASYON LIMITED SIRKETI, Istanbul	1.258.	0.60		385,600	TRY	2,938,000	471,000	EUR	c)
204.	T SYSTEMS TELEKOMÜNİKASYON LIMITED SIRKETI, Istanbul	1.277.	99.40		385,600	TRY	2,938,000	471,000	EUR	c)
205.	T-Infrastruktur Holding GmbH, Vienna	1.211.	100.00		35,000	EUR	38,788	(3,212)	EUR	h)
206.	T-Infrastruktur Services GmbH, Vienna	1.205.	100.00		35,000	EUR	32,008	(2,992)	EUR	h)
207.	T-Mobile (UK Properties), Inc., Denver, CO	1.222.	100.00		1	USD	-	-	-	
208.	T-Mobile (UK) Ltd., Hatfield	1.222.	100.00		1	GBP	1	0	GBP	h)
209.	T-Mobile (UK) Retail Limited, Hatfield	1.222.	100.00		105	GBP	0	0	GBP	h)
210.	T-Mobile Airtime Funding LLC, Bellevue	1.239.	100.00		1	USD	-	-	-	
211.	T-Mobile Austria GmbH, Vienna	1.212.	100.00		60,000,000	EUR	580,781,500	52,743,404	EUR	c)
212.	T-Mobile Austria Holding GmbH, Vienna	1.14.	100.00		15,000,000	EUR	1,001,574,493	(548,597,958)	EUR	h)
213.	T-Mobile Central LLC, Bellevue	1.249.	100.00		1	USD	8,341,000,000	676,000,000	USD	h)
214.	T-Mobile Czech Republic a.s., Prague	1.14.	100.00		520,000,000	CZK	26,772,000,000	7,161,000,000	CZK	h)
215.	T-Mobile Financial LLC, Wilmington, DE	1.249.	100.00		100,000	USD	-	-	-	
216.	T-Mobile Global Holding GmbH, Bonn	1.221.	100.00		50,000	EUR	15,897,724,576	0	EUR	h) a)
217.	T-Mobile Global Holding Nr. 2 GmbH, Bonn			100.00	30,000	EUR	11,649,419,665	0	EUR	h) a)
218.	T-Mobile Global Holding Nr. 3 GmbH, Bonn			100.00	25,000	EUR	14,177	(383)	EUR	h)
219.	T-Mobile Global Holding Nr. 4 GmbH, Bonn			100.00	25,000	EUR	14,885	(579)	EUR	h)
220.	T-Mobile Global Holding Nr. 5 GmbH, Bonn			100.00	25,000	EUR	14,491	(382)	EUR	h)
221.	T-Mobile Global Zwischenholding GmbH, Bonn			100.00	26,000	EUR	21,069,847,754	0	EUR	h) a)
222.	T-Mobile Holdings Limited, Hatfield	1.216.	100.00		706,540,268	GBP	4,903,161,000	228,953,000	EUR	h)
223.	T-Mobile HotSpot GmbH, Bonn			100.00	26,000	EUR	5,969,771	0	EUR	c) a)
224.	T-Mobile International Austria GmbH, Vienna	1.211.	100.00		37,000	EUR	1,179,592	(34,999)	EUR	c)
225.	T-Mobile International Limited, Hatfield	1.222.	100.00		1	GBP	1	0	GBP	h)
226.	T-Mobile International UK Pension Trustee Limited, Hatfield	1.52.	100.00		1	GBP	1	0	GBP	g)
227.	T-Mobile License LLC, Bellevue	1.249.	100.00		1	USD	9,242,282,992	1,628,332	USD	h)
228.	T-Mobile Ltd., Hatfield	1.222.	100.00		1	GBP	1	0	GBP	h)
229.	T-Mobile Macedonia A.D. Skopje, Skopje	1.128.	100.00		2,344,377,000	MKD	8,223,865,000	2,257,507,000	MKD	h) b)
230.	T-Mobile Netherlands B.V., The Hague	1.231.	100.00		1,250,628	EUR	2,312,072,000	99,547,000	EUR	h)
231.	T-Mobile Netherlands Holding B.V., The Hague	1.14.	100.00		90,756,042	EUR	1,126,047,000	70,037,000	EUR	h) n)
232.	T-Mobile Netherlands Klantenservice B.V., The Hague	1.230.	100.00		1,116,950	EUR	(335,881,916)	(36,922,455)	EUR	h)
233.	T-Mobile Netherlands Retail B.V., The Hague	1.230.	100.00		18,000	EUR	(361,101,486)	(132,680,187)	EUR	h)
234.	T-Mobile Newco Nr. 3 GmbH, Bonn			100.00	25,000	EUR	25,000	0	EUR	h) a)
235.	T-Mobile Newco Nr. 4 GmbH, Bonn			100.00	25,000	EUR	27,000	0	EUR	h) a)
236.	T-Mobile No. 1 Limited, Hatfield	1.222.	100.00		1	GBP	-	-	GBP	
237.	T-Mobile No. 5 Limited, Hatfield	1.222.	100.00		1	GBP	-	-	GBP	
238.	T-Mobile Northeast LLC, Bellevue	1.249.	100.00		1	USD	7,303,000,000	383,000,000	USD	h)
239.	T-Mobile PCS Holdings, LLC, Bellevue	1.249.	100.00		1	USD	(8,290,000,000)	(2,166,000,000)	USD	h)
240.	T-Mobile Poland Sp. z o.o., Warsaw	1.241.	100.00		5,000	PLN	(97,235)	(46,283)	PLN	h)
241.	T-Mobile Polska S.A., Warsaw	1.14.	100.00		471,000,000	PLN	3,053,333	1,142,827	PLN	h) b)
242.	T-Mobile Puerto Rico Holdings LLC, Bellevue	1.330.	100.00		1	USD	-	-	USD	
243.	T-Mobile Puerto Rico LLC, Bellevue	1.242.	100.00		1	USD	748,572,065	18,322,729	USD	h)
244.	T-Mobile Resources Corporation, Bellevue	1.239.	100.00		1	USD	5,256,105	(2,771,242)	USD	h)
245.	T-Mobile Service GmbH, Vienna	1.217.	100.00		35,000	EUR	69,412	1,185	EUR	h)
246.	T-Mobile South LLC, Bellevue	1.249.	100.00		1	USD	3,413,090,273	201,761,234	USD	h)
247.	T-Mobile Subsidiary IV Corporation, Bellevue	1.249.	100.00		1	USD	0	0	USD	h)
248.	T-Mobile US, Inc., Bellevue	1.67.	66.29		8,075	USD	6,115,000	(104,000)	USD	h)
249.	T-Mobile USA, Inc., Bellevue	1.248.	100.00		293	USD	(20,548,398,652)	(184,831,523)	USD	h)
250.	T-Mobile West LLC, Bellevue	1.249.	100.00		1,000	USD	9,746,401,679	1,026,832,119	USD	h)
251.	T-Mobile Worldwide Holding GmbH, Bonn			100.00	25,000	EUR	1,977,990,187	0	EUR	h) a)
252.	T-Online Beteteiligungs GmbH, Darmstadt			100.00	25,000	EUR	23,062	(1,581)	EUR	h)
253.	T-Online Travel GmbH, Darmstadt			100.00	4,000,000	EUR	(4,899,375)	959,506	EUR	h)
254.	T-Online Verwaltungs GmbH, Darmstadt			100.00	25,000	EUR	23,597	(1,582)	EUR	h)
255.	T-Systems Argentina S.A., Buenos Aires	1.258.	2.00		2,424,250	ARS	197,000	76,000	EUR	c)
255.	T-Systems Argentina S.A., Buenos Aires	1.277.	98.00		2,424,250	ARS	197,000	76,000	EUR	c)
256.	T-Systems Austria GesmbH, Vienna	1.277.	100.00		185,000	EUR	40,299,000	1,026,000	EUR	c)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Reporting currency	Note
257.	T-Systems Belgium N.V., Groot-Bijgaarden	1.285.	0.65		172,125	EUR	1,275,570	(1,226,880)	EUR	c)
257.	T-Systems Belgium N.V., Groot-Bijgaarden	1.277.	99.35		172,125	EUR	1,275,570	(1,226,880)	EUR	c)
258.	T-Systems Beteiligungsverwaltungsgesellschaft mbH, Frankfurt/Main	1.277.	100.00		25,600	EUR	27,000	0	EUR	c)
259.	T-Systems Bulgaria EOOD i.L., Sofia	1.277.	100.00		5,000	BGN	176,000	(57,000)	EUR	c)
260.	T-Systems CIS, Moscow	1.277.	100.00		4,630,728	RUB	3,034,000	(894,000)	EUR	c)
261.	T-Systems Canada, Inc., Saint John	1.287.	100.00		2,031,554	CAD	8,298,000	1,494,610	EUR	c)
262.	T-Systems China Limited, Hong Kong	1.277.	100.00		24,000,000	HKD	4,186,000	784,000	EUR	c)
263.	T-Systems DDM GmbH, Weingarten	1.277.	100.00		154,400	EUR	3,788,752	0	EUR	c) a)
264.	T-Systems Data Migration Consulting AG, Kreuzlingen	1.291.	100.00		100,000	CHF	2,048,310	(4,748,640)	EUR	c)
265.	T-Systems Eltec, S.L., Barcelona	1.274.	100.00		667,400	EUR	2,210,240	(4,325,110)	EUR	c)
266.	T-Systems France S.A.S., Saint Denis	1.277.	100.00		2,000,000	EUR	5,232,260	(10,107,890)	EUR	c)
267.	T-Systems GEI GmbH, Aachen	1.277.	100.00		11,301,600	EUR	14,605,566	0	EUR	c) a)
268.	T-Systems ICT Romania S.R.L., Bucharest	1.258.	5.00		200	RON	372,000	22,000	EUR	c)
268.	T-Systems ICT Romania S.R.L., Bucharest	1.277.	95.00		200	RON	372,000	22,000	EUR	c)
269.	T-Systems IT Epsilon GmbH, Bonn	1.277.	100.00		25,000	EUR	25,000	0	EUR	c) a)
270.	T-Systems IT Eta GmbH, Bonn	1.277.	100.00		25,000	EUR	25,000	0	EUR	c) a)
271.	T-Systems IT Gamma GmbH, Bonn	1.277.	100.00		25,000	EUR	25,000	0	EUR	c) a)
272.	T-Systems IT Theta GmbH, Bonn	1.277.	100.00		25,000	EUR	23,000	0	EUR	c)
273.	T-Systems IT Zeta GmbH, Bonn	1.277.	100.00		25,000	EUR	25,000	0	EUR	c) a)
274.	T-Systems ITC Iberia, S.A., Barcelona	1.277.	100.00		1,245,100	EUR	16,456,910	(206,690)	EUR	c)
275.	T-Systems Information and Communication Technology E.P.E., Athens	1.258.	1.00		18,000	EUR	616,000	106,000	EUR	c)
275.	T-Systems Information and Communication Technology E.P.E., Athens	1.277.	99.00		18,000	EUR	616,000	106,000	EUR	c)
276.	T-Systems Information and Communication Technology India Private Limited, Pune	1.258.	0.00		34,500,000	INR	373,186	144,188	EUR	c)
276.	T-Systems Information and Communication Technology India Private Limited, Pune	1.277.	100.00		34,500,000	INR	373,186	144,188	EUR	c)
277.	T-Systems International GmbH, Frankfurt/Main			100.00	154,441,900	EUR	1,343,000	0	EUR	h) a)
278.	T-Systems Japan K.K., Tokyo	1.277.	100.00		495,000,000	JPY	205,340	(2,963,120)	EUR	c)
279.	T-Systems Limited, London	1.277.	100.00		550,001	GBP	13,356,000	(15,374,000)	EUR	c)
280.	T-Systems Luxembourg S.A., Münsbach	1.258.	0.02		1,500,000	EUR	5,837,000	632,000	EUR	c)
280.	T-Systems Luxembourg S.A., Münsbach	1.277.	99.98		1,500,000	EUR	5,837,000	632,000	EUR	c)
281.	T-Systems Magyarország ZRt., Budapest	1.127.	100.00		2,002,000,000	HUF	18,484,893,000	463,172,000	HUF	h)
282.	T-Systems Malaysia Sdn. Bhd., Kuala Lumpur	1.277.	100.00		4,000,000	MYR	12,130,649	2,264,475	EUR	c)
283.	T-Systems Mexico, S.A. de C.V., Puebla	1.277.	100.00		32,000,000	MXN	9,028,980	5,186,750	EUR	c)
284.	T-Systems Multimedia Solutions GmbH, Dresden	1.277.	100.00		4,090,400	EUR	4,106,430	0	EUR	c) a)
285.	T-Systems Nederland B.V., Vianen (Utrecht)	1.277.	100.00		908,000	EUR	68,118,000	8,056,000	EUR	c)
286.	T-Systems Nordic A/S, Ballerup	1.277.	100.00		5,500,000	DKK	2,171,512	(4,787,020)	EUR	c)
287.	T-Systems North America, Inc., Wilmington, DE	1.277.	100.00		34	USD	14,075,000	(678,000)	EUR	c)
288.	T-Systems P.R. China Ltd., Beijing	1.277.	100.00		31,500,000	EUR	(920,000)	(3,982,000)	EUR	c)
289.	T-Systems Polska Sp. z o.o., Wroclaw	1.277.	100.00		8,327,000	PLN	7,472,000	304,000	EUR	c)
290.	T-Systems RUS OOO, Moscow	1.260.	99.00		10,000	RUB	2,851,200	2,454,000	EUR	c)
290.	T-Systems RUS OOO, Moscow	1.277.	1.00		10,000	RUB	2,851,200	2,454,000	EUR	c)
291.	T-Systems Schweiz AG, Münchenbuchsee	1.277.	100.00		13,000,000	CHF	28,052,000	5,750,000	EUR	c)
292.	T-Systems Singapore Pte. Ltd., Singapore	1.277.	100.00		38,905,000	SGD	37,366,660	(617,100)	EUR	c)
293.	T-Systems Slovakia s.r.o., Kosice	1.258.	2.50		258,581	EUR	35,531,000	8,774,000	EUR	c)
293.	T-Systems Slovakia s.r.o., Kosice	1.277.	97.50		258,581	EUR	35,531,000	8,774,000	EUR	c)
294.	T-Systems Solutions (Proprietary) Limited i.L., Midrand	1.296.	100.00		1	ZAR	-	-	-	c)
295.	T-Systems Solutions for Research GmbH, Weßling	1.277.	100.00		5,000,000	EUR	5,427,260	0	EUR	c) a)
296.	T-Systems South Africa (Proprietary) Limited, Midrand	1.297.	70.00		6,000	ZAR	27,660,680	8,106,150	EUR	c)
297.	T-Systems South Africa Holdings (Proprietary) Limited, Midrand	1.277.	100.00		4,100,085	ZAR	55,021,670	67,000	EUR	c)
298.	T-Systems Spring Italia S.R.L., Rozzano	1.277.	100.00		594,000	EUR	2,372,000	1,472,000	EUR	c)
299.	T-Systems TMT Limited, Milton Keynes	1.279.	100.00		500,000	GBP	642,000	0	EUR	c)
300.	T-Systems Telecomunicacoes e Servicos Ltda., Sao Paulo	1.301.	100.00		4,182,560	BRL	2,558,283	(124,450)	EUR	c)
300.	T-Systems Telecomunicacoes e Servicos Ltda., Sao Paulo	1.258.	0.00		4,182,560	BRL	2,558,283	(124,450)	EUR	c)
301.	T-Systems do Brasil Ltda., Sao Paulo	1.258.	0.01		15,000,000	BRL	42,564,000	3,337,000	EUR	c)
301.	T-Systems do Brasil Ltda., Sao Paulo	1.277.	99.99		15,000,000	BRL	42,564,000	3,337,000	EUR	c)
302.	T-Systems on site services GmbH, Berlin	1.277.	100.00		154,000	EUR	154,000	0	EUR	c) a)
303.	T-Systems, informacijski sistemi, d.o.o., Ljubljana	1.277.	100.00		8,763	EUR	463,000	44,000	EUR	c)
304.	T-Venture Holding GmbH, Bonn			100.00	10,225,900	EUR	19,027,284	3,656,280	EUR	h)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Reporting currency	Note
305.	T-Venture of America, Inc., San Francisco, CA	1.304.	100.00		100	USD	670,428	42,777	USD	c)
306.	TAMBURO Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	51,662	(354)	EUR	h)
307.	TELEKOM ROMANIA COMMUNICATIONS S.A., Bucharest	1.154.	54.01		5,975,037,351	RON	3,618,721,000	59,181,000	RON	h) b)
308.	TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A., Bucharest	1.19.	70.00		1,593,747,500	RON	(427,546,133)	(24,365,550)	RON	h)
308.	TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A., Bucharest	1.307.	30.00		1,593,747,500	RON	(427,546,133)	(24,365,550)	RON	h)
309.	TMUS Assurance Corporation, Honolulu	1.249.	100.00		10	USD	138,444,000	49,668,000	USD	h)
310.	TOB T-Systems Ukraine, Kiev	1.258.	0.10		35,000	UAH	105,000	(61,000)	EUR	c)
310.	TOB T-Systems Ukraine, Kiev	1.277.	99.90		35,000	UAH	105,000	(61,000)	EUR	c)
311.	Tau Telekommunikationsdienste GmbH, Bonn	1.316.	100.00		25,000	EUR	26,306	(328)	EUR	h)
312.	Tel-Team Inwestycje Sp. z o.o., Zielonka	1.94.	100.00		15,000,000	PLN	21,441,021	79,472	PLN	c) b)
313.	Tele Haus Krakow Sp. z o.o., Tarnowo Podgórze	1.94.	100.00		4,002,850	PLN	2,726,529	20,476	PLN	c) b)
314.	Tele Haus Polska Sp. z o.o. (Poland), Tarnowo Podgórze	1.94.	100.00		1,164,840	PLN	8,266,236	1,469,543	PLN	c) b)
315.	Tele-Data Távközlési Adatfeldolgozó és Hirdetésszervező Kft., Budaörs	1.127.	50.99		510,000	HUF	(134,000)	(87,161,000)	HUF	h)
316.	Telekom Deutschland GmbH, Bonn			100.00	1,515,000,000	EUR	2,103,000,000	0	EUR	h) a)
317.	Telekom Deutschland Multibrand GmbH, Bonn	1.316.	100.00		25,000	EUR	26,857	0	EUR	h) a)
318.	Telekom Innovation Pool GmbH, Bonn			100.00	26,000	EUR	16,332,592	0	EUR	h) a)
319.	Telekom New Media ZRt., Budapest	1.127.	100.00		669,930,000	HUF	669,930,000	0	HUF	h)
320.	Telekom Sec, s.r.o., Bratislava	1.190.	100.00		11,639	EUR	624	(3,017)	EUR	c)
321.	Telekom Shop Vertriebsgesellschaft mbH, Bonn	1.316.	100.00		10,000,000	EUR	44,258,116	0	EUR	h) a)
322.	Telemacedonia A.D. i.L., Skopje	1.127.	100.00		621,300	MKD	9,954,000	(1,649,000)	MKD	h) b)
323.	Telemobil S.A., Bucharest	1.31.	100.00		360,090,000	RON	(559,040,900)	(95,274,926)	RON	h)
324.	Tellus Telekommunikationsdienste GmbH, Bonn	1.318.	100.00		25,000	EUR	27,000	0	EUR	c)
325.	The Digitale GmbH, Bonn	1.318.	100.00		25,000	EUR	26,149	(851)	EUR	h)
326.	Theta Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	0	EUR	h) a)
327.	Thor Telekommunikationsdienste GmbH, Bonn	1.318.	100.00		25,000	EUR	27,000	0	EUR	c) a)
328.	Tibull Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	27,000	0	EUR	h) a)
329.	Triton PCS Finance Co., Inc., Bellevue	1.201.	100.00		1	USD	1,524,761,391	28,776,024	USD	h)
330.	Triton PCS Holdings Company, LLC, Bellevue	1.201.	100.00		1	USD	(49,124,599)	2,145,035	USD	h)
331.	Trust2Core GmbH, Berlin	1.318.	100.00		25,000	EUR	1,002,898	(2,500,917)	EUR	f)
332.	Tulip 2 B.V., The Hague	1.231.	100.00		124,105	EUR	124,105	0	EUR	h)
333.	Türkis Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	25,791	(219)	EUR	h)
334.	VIOLA Kabelgesellschaft (Deutschland) mbH, Bonn	1.35.	100.00		1,000,000	EUR	989,125	(6,216)	EUR	l)
335.	VOICENET Limited Company Telecommunications Services & Infrastructures S.A., Athens	1.100.	100.00		5,650,050	EUR	2,009,027	(216,633)	EUR	h) b)
336.	Vesta Telekommunikationsdienste GmbH, Bonn	1.318.	100.00		25,000	EUR	27,000	0	EUR	c)
337.	Vidanet ZRt., Győr	1.127.	67.50		2,000,000,000	HUF	6,393,788,000	1,087,735,000	HUF	h)
337.	Vidanet ZRt., Győr	1.115.	22.50		2,000,000,000	HUF	6,393,788,000	1,087,735,000	HUF	h)
338.	Vivento Customer Services GmbH, Bonn			100.00	100,000	EUR	97,173,009	0	EUR	h) a)
339.	VoiceStream PCS I Iowa Corporation, Bellevue	1.249.	100.00		1	USD	33,120,675	(2,790,584)	USD	h)
340.	VoiceStream Pittsburgh General Partner, Inc., Bellevue	1.249.	100.00		100	USD	166,511,134	(1,753,631)	USD	h)
341.	VoiceStream Pittsburgh, LP, Bellevue	1.340.	54.00		1	USD	167,117,490	3,682,849	USD	h)
341.	VoiceStream Pittsburgh, LP, Bellevue	1.238.	46.00		1	USD	167,117,490	3,682,849	USD	h)
342.	Vulcanus Telekommunikationsdienste GmbH, Bonn	1.318.	100.00		25,000	EUR	27,000	0	EUR	c)
343.	ZODIAC Telekommunikationsdienste GmbH, Bonn			100.00	25,600	EUR	27,137	(219)	EUR	h)
344.	Zoznam Mobile, s.r.o., Bratislava	1.190.	100.00		6,639	EUR	487,035	29,198	EUR	c)
345.	Zoznam, s.r.o., Bratislava	1.190.	100.00		6,639	EUR	2,193,186	79,594	EUR	h)
346.	Zweite DFMG Deutsche Funkturm Vermögens-GmbH, Bonn	1.316.	100.00		100,000	EUR	37,124,753	0	EUR	h) a)
347.	bodyconcept GmbH, Bonn	1.318.	80.00		100,001	EUR	1,539,435	(110,565)	EUR	h)
348.	brightONE IT Solutions Private Limited, Pune	1.258.	0.00		2,146,070	INR	547,000	218,000	EUR	c)
348.	brightONE IT Solutions Private Limited, Pune	1.277.	100.00		2,146,070	INR	547,000	218,000	EUR	c)
349.	congstar GmbH, Cologne	1.316.	100.00		250,000	EUR	3,747,047	0	EUR	h) a)
350.	congstar Services GmbH, Cologne	1.349.	100.00		30,000	EUR	4,091,854	0	EUR	h) a)
351.	d-Core NETWORK IBERIA, S.L., Tarragona	1.274.	100.00		3,010	EUR	219,640	(86,060)	EUR	c)
352.	operational services Beteiligungs-GmbH, Frankfurt/Main	1.353.	100.00		25,000	EUR	35,950	870	EUR	c)
353.	operational services GmbH & Co. KG, Frankfurt/Main	1.277.	50.00		250,000	EUR	17,510,310	5,159,000	EUR	c)
354.	rola Security Solutions GmbH, Cologne	1.277.	100.00		800,000	EUR	11,602,000	7,405,450	EUR	c)
355.	xplosion interactive GmbH, Bonn	1.109.	100.00		100,000	EUR	(1,981,125)	(3,324,624)	EUR	c)

2. Associated and other related companies

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Reporting currency	Note
1.	Asa NewCo GmbH, Munich			28.24	2,000,000	EUR	1,052,428,302	(51,062,664)	EUR	g)
2.	BUYIN S.A., Brussels			50.00	123,000	EUR	126,389	1,086	EUR	h)
3.	Blinks Labs GmbH, Berlin	1.77.	20.30		33,256	EUR	358,882	(346,764)	EUR	k)
4.	BodyTel Europe GmbH, Bad Wildungen	1.77.	30.71		361,163	EUR	(731,360)	(1,578,037)	EUR	k)
5.	CTDI GmbH, Malsch	1.316.	49.00		2,500,000	EUR	40,536,574	3,284,607	EUR	h)
6.	Callahan Nordrhein-Westfalen GmbH, Cologne	1.334.	45.00		2,595,000	EUR	-	-	-	-
7.	Central Georgian Communications Co. Ltd., Roustavi	1.160.	25.00		280,000	GEL	-	-	-	-
8.	Cittadino GmbH, Düsseldorf	1.77.	46.95		52,034	EUR	(274,000)	25,824	EUR	h)
9.	Clipkit GmbH, Berlin	1.77.	29.56		97,832	EUR	(469,800)	(2,610,500)	EUR	h)
10.	Content Fleet GmbH, Hamburg	1.77.	22.75		74,458	EUR	315,179	(1,581,511)	EUR	l)
11.	CoreMedia AG, Hamburg	1.77.	26.23		3,942,106	EUR	6,502,387	951,568	EUR	i)
12.	Cost Xpert AG, Gersthofen	1.77.	46.00		71,429	EUR	718,618	(2,252,933)	EUR	h)
13.	DETECON AL SAUDIA Co. Ltd., Riyadh	1.47.	46.50		4,000,000	SAR	33,704,640	8,506,430	EUR	c)
14.	Das Telefonbuch-Servicegesellschaft mbH, Frankfurt/Main	1.42.	25.10		500,000	EUR	544,996	15,559	EUR	h)
15.	Das Örtliche Service- und Marketing GmbH, Frankfurt/Main	1.42.	25.10		500,000	EUR	735,915	17,202	EUR	h)
16.	Devas Multimedia Private Limited, Bangalore	1.50.	20.73		177,313	INR	2,778,540,445	(432,676,816)	INR	g)
17.	Donbass Telecom Ltd., Donetsk	1.160.	49.00		342,700	UAH	-	-	-	-
18.	EE Limited, Hatfield	1.222.	50.00		22,050,306	GBP	9,733,047,062	(75,630,010)	GBP	h)
19.	Electrocyling Anlagen GmbH, Goslar	1.316.	25.00		9,000,000	DEM	6,601,513	817,520	EUR	h)
20.	Electrocyling GmbH, Goslar	1.316.	25.50		1,500,000	EUR	12,616,980	1,964,555	EUR	h)
21.	Gelbe Seiten Marketing Gesellschaft mbH, Frankfurt/Main	1.42.	25.10		500,000	EUR	498,932	(117,303)	EUR	h)
22.	Gini GmbH, Munich	1.77.	40.08		41,408	EUR	(332,710)	(859,647)	EUR	k)
23.	HMM Deutschland GmbH, Moers			38.46	197,758	EUR	18,750,153	(60,439)	EUR	k)
23.	HMM Deutschland GmbH, Moers	1.77.	10.97		197,758	EUR	18,750,153	(60,439)	EUR	k)
24.	HWW – Höchstleistungsrechner für Wissenschaft und Wirtschaft GmbH, Stuttgart	1.277.	20.00		50,000	EUR	894,000	55,000	EUR	c)
24.	HWW – Höchstleistungsrechner für Wissenschaft und Wirtschaft GmbH, Stuttgart	1.295.	20.00		50,000	EUR	894,000	55,000	EUR	c)
25.	HiProCall, Inc., Wilmington, DE	1.77.	44.10		554	USD	(6,155,338)	(816,677)	USD	h)
26.	Hrvatska posta d.o.o., Mostar	1.102.	30.29		26,335,069	BAM	22,256,404	(1,351,439)	BAM	h) b)
27.	Hrvatske telekomunikacije d.d. Mostar, Mostar	1.102.	39.10		315,863,250	BAM	339,632,374	14,441,423	BAM	h) b)
28.	Iowa Wireless Services LLC, Bellevue	1.339.	44.68		64,751,961	USD	80,709,504	1,134,074	USD	d)
29.	JVL Ventures, LLC, Little Rock	1.249.	20.00		515,499,999	USD	27,024,004	(186,646,207)	USD	d)
30.	Közbringa Kft., Budapest	1.281.	25.00		20,000,000	HUF	96,723,000	76,723,000	HUF	h)
31.	LOCANIS AG, Unterföhring	1.77.	25.93		1,172,787	EUR	3,789,120	751,209	EUR	h)
32.	MGRID B.V., Amsterdam	1.77.	21.05		22,800	EUR	219,106	(5,995)	EUR	k)
33.	MNP Deutschland GbR, Düsseldorf	1.316.	16.67		0	EUR	453,604	(4,215)	EUR	h)
34.	MedInvest Inc., Wilmington, DE	1.77.	20.00		5,688	USD	834,847	(201,997)	USD	k)
35.	Metasonic AG, Pfaffenhofen-Hettenshausen	1.77.	49.75		541,924	EUR	(1,614,166)	(5,045,297)	EUR	k)
36.	Mobile Telephony Companies Association, Maroussi, Athens	1.19.	33.33		5,000,699	EUR	910,296	(660,142)	EUR	h) b)
37.	Moviepilot GmbH, Berlin	1.77.	28.90		95,812	EUR	2,479,623	(1,332,575)	EUR	h)
38.	NetWorkSI Sp. z o.o., Warsaw	1.241.	50.00		30,000,000	PLN	52,692,605	9,715,836	PLN	h) b)
39.	Pie Digital, Inc., Newark	1.77.	49.99		57	USD	(3,034,135)	(7,219,389)	USD	m)
40.	Portavita B.V., Amsterdam	1.77.	21.05		22,800	EUR	1,605,421	76,276	EUR	k)
41.	SEARCHTEQ GmbH, Frankfurt/Main	1.42.	25.10		7,239,000	EUR	4,668,881	41,515	EUR	h)
42.	Scortel-FMS Ltd., Sofia	1.160.	44.00		55,000	BGN	-	-	-	-
43.	Scout Lux Management Equity Co S.à.r.l., Luxembourg			30.00	12,500	EUR	12,949,710	(75,290)	EUR	c)
44.	Smarmarkets Ltd., London	1.77.	24.47		13,318	GBP	608,572	(704,959)	GBP	h)
45.	Sones GmbH i.L., Leipzig	1.77.	23.14		48,640	EUR	2,030,363	(820,996)	EUR	m)
46.	Streetlight Data, Inc., San Francisco, CA	1.77.	25.19		4,900	USD	(2,314,698)	(1,610,005)	USD	h)
47.	T-Mobile USA Tower LLC, Wilmington, DE	1.249.	100.00		1	USD	(647,184,259)	(16,454,299)	USD	h)
48.	T-Mobile West Tower LLC, Wilmington, DE	1.250.	100.00		1	USD	(812,680,340)	(88,166,510)	USD	h)
49.	TVG Telefonbuch- und Verzeichnisverlag GmbH & Co. KG, Frankfurt/Main	1.42.	25.10		2,501,000	EUR	4,668,616	224,246	EUR	h)
50.	Tehnoloski centar Split d.o.o., Split	1.102.	29.76		3,900,000	HRK	1,908,488	9,329	HRK	h)
51.	Tele-Auskunft Online GmbH, Frankfurt/Main	1.42.	25.32		250,000	EUR	2,864,860	325,360	EUR	h)
52.	TeleOp Gesellschaft mit beschränkter Haftung, Oberpfaffenhofen	1.277.	32.40		25,000	EUR	190,000	19,000	EUR	c)
53.	TelesensKSCL AG i.L., Cologne	1.304.	24.09		23,588,222	EUR	-	-	EUR	-

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Reporting currency	Note
54.	Teqcycle Solutions GmbH, Munich	1.77.	20.00		39,222	EUR	25,100	(129,244)	EUR	h)
55.	Toll Collect GbR, Berlin			45.00	0	EUR	25,039	2,111	EUR	h) b)
56.	Toll Collect GmbH, Berlin			45.00	5,000,000	EUR	25,039	2,111	EUR	h) b)
57.	Trans Jordan For Communication Services Company Ltd., Amman	1.100.	40.00		3,500,000	JOD	-	-	-	
57.	Trans Jordan For Communication Services Company Ltd., Amman	1.160.	10.00		3,500,000	JOD	-	-	-	
58.	VeliQ B.V., Barendrecht	1.77.	0.01		1,019,148	EUR	5,085,360	(1,686,882)	EUR	h)
59.	VibeSec Ltd., Haifa	1.77.	27.04		5,535	ILS	220,000	(1,513,000)	ILS	k)
60.	Vivento Interim Services GmbH, Bonn			49.02	51,000	EUR	808,450	755,063	EUR	h)
61.	Yemen Public Payphone Company Ltd., Sana'a	1.100.	10.00		2,960,000	USD	-	-	-	
61.	Yemen Public Payphone Company Ltd., Sana'a	1.160.	15.00		2,960,000	USD	-	-	-	
62.	iesy Holdings GmbH, Oberursel (Taunus)	1.334.	35.00		1,000,000	EUR	-	-	-	
63.	myON-ID Media GmbH, Munich	1.77.	39.89		98,380	EUR	581,508	(1,166,446)	EUR	k)
64.	qLearning Applications GmbH, Berlin	1.77.	23.41		34,516	EUR	29,167	(79,693)	EUR	h)
65.	solute holding GmbH & Co. KG, Hanover	1.42.	25.10		1,000,000	EUR	13,000,000	274,266	EUR	h)

^{a)} Net income/loss taking into account profit and loss transfer agreements

^{b)} Shareholders' equity and net income/loss as under IFRS

^{c)} Shareholders' equity and net income/loss as of Dec. 31, 2014

^{d)} Shareholders' equity and net income/loss as of Sept. 30, 2014

^{e)} Shareholders' equity and net income/loss as of Sept. 29, 2014

^{f)} Shareholders' equity and net income/loss as of Oct. 8, 2014

^{g)} Shareholders' equity and net income/loss as of Mar. 31, 2014

^{h)} Shareholders' equity and net income/loss as of Dec. 31, 2013

ⁱ⁾ Shareholders' equity and net income/loss as of June 30, 2013

^{j)} Shareholders' equity and net income/loss as of Mar. 31, 2013

^{k)} Shareholders' equity and net income/loss as of Dec. 31, 2012

^{l)} Shareholders' equity and net income/loss as of Dec. 31, 2011

^{m)} Shareholders' equity and net income/loss as of Dec. 31, 2010

ⁿ⁾ Shareholders' equity and net income/loss, consolidated figures

RESPONSIBILITY STATEMENT

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report of Deutsche Telekom AG, which is combined with the Group management

report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Bonn, February 10, 2015

Deutsche Telekom AG
Board of Management

Timotheus Höttges

Reinhard Clemens

Niek Jan van Damme

Thomas Dannenfeldt

Dr. Thomas Kremer

Claudia Nemat

INDEPENDENT AUDITOR'S REPORT

To Deutsche Telekom AG, Bonn

Report on the annual financial statements

We have audited the accompanying annual financial statements of Deutsche Telekom AG, Bonn, which comprise the balance sheet, the statement of income and the notes to the financial statements, together with the bookkeeping system, for the financial year from January 1 to December 31, 2014.

Board of Management's responsibility for the financial statements. The Board of Management of Deutsche Telekom AG, Bonn, is responsible for the maintenance of the books and records and the preparation of these annual financial statements. This responsibility includes that these annual financial statements are prepared in accordance with German commercial law and supplementary provisions of the Articles of Incorporation and that these annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The Board of Management is also responsible for the internal controls as the Board of Management determines are necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility. Our responsibility is to express an opinion on these annual financial statements, together with the bookkeeping system, based on our audit. We conducted our audit in accordance with § (Article) 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW), and additionally observed the International Standards on Auditing (ISA). Accordingly, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The selection of audit procedures depends on the auditor's professional judgment. This includes the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In assessing those risks, the auditor considers the internal control system relevant to the Company's preparation of annual financial statements that give a true and fair view. The aim of this is to plan and perform audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the annual financial statements.

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

Audit opinion. According to § 322 (3) sentence 1 HGB, we state that our audit of the annual financial statements has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply, in all material respects, with the legal requirements and supplementary provisions of the Articles of Incorporation and give a true and fair view of the net assets and financial position of the Company as at December 31, 2014 as well as the results of operations for the business year then ended, in accordance with (German) principles of proper accounting.

Report on the management report

We have audited the accompanying management report of Deutsche Telekom AG, Bonn, which is combined with the group management report, for the financial year from January 1 to December 31, 2014. The Board of Management is responsible for the preparation of the combined management report in accordance with the legal requirements. We conducted our audit in accordance with § 317 (2) HGB and German generally accepted standards for the audit of the combined management report promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Accordingly, we are required to plan and perform the audit of the combined management report to obtain reasonable assurance about whether the combined management report is consistent with the annual financial statements and the audit findings, as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

According to § 322 (3) sentence 1 HGB, we state that our audit of the combined management report has not led to any reservations.

In our opinion based on the findings of our audit of the annual financial statements and combined management report, the combined management report is consistent with the annual financial statements, as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, February 10, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Harald Kayser Verena Heineke
Wirtschaftsprüfer Wirtschaftsprüferin

FURTHER INFORMATION

- 58 List of abbreviations
- 60 Contacts

LIST OF ABBREVIATIONS

AG	Aktiengesellschaft (stock corporation under German law)	HGB	Handelsgesetzbuch (German Commercial Code)
AktG	Aktiengesetz (German Stock Corporation Act)	HR	Human Resources
Art.	Article	HRB	Handelsregister, Abteilung B (Commercial register, section B)
BilMoG	Bilanzrechtsmodernisierungsgesetz (German Accounting Law Modernization Act)	i.L.	in liquidation
CEO	Chief Executive Officer	IDW ERS HFA	Accounting standard (draft) prepared by the Expert Committee of the Institute of Public Auditors in Germany (IDW)
CFO	Chief Financial Officer	IDW RS HFA	Accounting standard prepared by the Expert Committee of the Institute of Public Auditors in Germany (IDW)
Cofiroute	Compagnie Financière et Industrielle des Autoroutes S.A., Sèvres Cedex	i.e.	id est (that is)
CTA	Contractual Trust Arrangement	IFRS	International Financial Reporting Standard
DTBS	Deutsche Telekom Betriebsrenten-Service e.V., Bonn	Inc.	Incorporated
e.g.	for example	IT	Information technology
e.V.	eingetragener Verein (registered association under German law)	KfW	KfW Bankengruppe, Frankfurt/Main
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization	KG	Kommanditgesellschaft (limited partnership under German law)
eG	eingetragene Genossenschaft (registered cooperative under German law)	KGaA	Kommanditgesellschaft auf Aktien (limited partnership under German law)
EGHGB	Einführungsgesetz zum Handelsgesetzbuch (Introductory Act of the German Commercial Code)	KStG	Körperschaftsteuergesetz (German Corporate Income Tax Act)
EPS	Earnings per share	Ltd.	Limited
etc.	et cetera	mbH	mit beschränkter Haftung (limited liability)
EUR	Euro	MTIP	Mid-Term Incentive Plan
Federal Agency	Bundesanstalt für Post und Telekommunikation Deutsche Bundespost (Federal Posts and Telecommunications Agency)	No.	Number
GAAP	Generally accepted accounting principles	NY	New York
GAS	German Accounting Standards	PBeaKK	Postbeamtenkrankenkasse (Civil Service Health Insurance Fund)
GBP	Pound sterling	PostPersRG	Postpersonalrechtsgesetz (German Act on the Legal Provisions for the Former Deutsche Bundespost Staff)
GbR	Gesellschaft bürgerlichen Rechts (non-trading partnership under German law)	PTNeuOG	Postneuordnungsgesetz (German Posts and Telecommunications Reorganization Act)
GG	Grundgesetz (German Basic Law)		
GmbH	Gesellschaft mit beschränkter Haftung (limited liability company under German law)		
GmbH & Co. KG	Gesellschaft mit beschränkter Haftung & Compagnie Kommanditgesellschaft (limited company under German law)		

ROCE	Return on capital employed
SE	Societas Europea
T-Share	Deutsche Telekom share
T-Systems	T-Systems International GmbH, Frankfurt/Main
Telekom Deutschland	Telekom Deutschland GmbH, Bonn
TKG	Telekommunikationsgesetz (German Telecommunications Act)
UK	United Kingdom
UmwG	Umwandlungsgesetz (German Reorganization and Transformation Act)
USA	United States of America
USD	U.S. dollar
VAP	Versorgungsanstalt der Deutschen Bundespost (special pension fund of Deutsche Bundespost)
ver.di	Vereinte Dienstleistungsgewerkschaft (service industry trade union)
VorstAG	Gesetz zur Angemessenheit der Vorstandsvergütung (German Act on the Appropriateness of Management Board Remuneration)
VVaG	Versicherungsverein auf Gegenseitigkeit (mutual insurance association)
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)
Xetra-Handel	Xetra trading at Deutsche Börse AG, Frankfurt/Main

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Further information on Deutsche Telekom
is available at: www.telekom.com

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

KNr. 642 200 258A – German
KNr. 642 200 249A – English



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