



2011 Third quarter report

- Revenue from continuing operations down by 4.1 percent in the quarter to EUR 11.0 billion
- Successful cost-cutting in the third quarter leads to increase in EBITDA margin by 0.5 percentage points
- Adjusted EBITDA from continuing operations falls 2.7 percent to EUR 3.9 billion
- Net profit up 14.6 percent to EUR 1.1 billion
- High adjusted EBITDA margin in Germany of 41.5 percent

Deutsche Telekom has confirmed its financial targets for the full year 2011 with solid third-quarter figures despite persistently difficult conditions characterized by a weak economy and the negative effects of decisions by governments and regulatory authorities in several countries.

Between July and September 2011, adjusted EBITDA from continuing operations - i.e., excluding the discontinued operation in the United States - totaled EUR 3.9 billion, a decline of 2.7 percent compared with the same period last year. Revenue decreased 4.1 percent in the same period to EUR 11.0 billion. Including U.S. business, adjusted EBITDA fell 2.3 percent and revenue de-clined by 6.0 percent.

Net profit increased by 14.6 percent to EUR 1.1 billion, while adjusted net profit grew by 48.9 percent to EUR 1.3 billion. At EUR 1.7 billion, free cash flow in the third quarter was 9.2 percent below the prior-year figure.

"We have once again demonstrated that we can stand our ground in a difficult environment," said René Obermann, Chairman of the Board of Management of Deutsche Telekom. "We cannot afford to be complacent in our efforts as the challenges will continue to intensify."

The company has further trimmed its operating costs, having already saved EUR 1.5 billion in the first nine months of the year with the Save for Service initiative. This has brought the cost base down by EUR 3.9 billion in total since 2010. Save for Service is targeting savings of EUR 4.2 billion for 2010 through 2012. At EUR 2.1 billion in the third quarter of 2011, 3.8 percent above the prior-year figure, the Group's investments - measured in terms of cash capex - remained at a sustained high level.

Deutsche Telekom has confirmed its guidance for the full year 2011. The Group continues to expect adjusted EBITDA from continuing operations of around EUR 14.9 billion. Adjusted EBITDA of around USD 5.5 billion is anticipated from business in the United States. Free cash flow of the Group is expected to total at least EUR 6.5 billion.

Live stream conference call for analysts

Find the 2011 third quarter report to download as a PDF along with related materials here on November 10, 2011, from 8:00 a.m. CET. The 2011 3Q conference call for analysts will be broadcast live over the Internet from this homepage on

November 10, 2011, from 2 p.m. CET.