



Deutsche Telekom posts strong second quarter and confirms its guidance for 2010

Aug 05, 2010

- Adjusted EBITDA of EUR 9.9 billion half way through the year
- Net profit of EUR 1.2 billion at end of half-year, compared with loss of EUR 0.6 billion in prior year
- Free cash flow up 61 percent to EUR 2.9 billion for the half-year
- Strong growth in mobile data continues: up 28 percent in the first six months
- Business in Germany recorded almost stable revenue in the second quarter coupled with an increase in earnings
- 106,000 net additions to the contract customer base in the United States in the second quarter
- Margin in the Europe segment largely stable
- Systems Solutions: Revenue growing, EBIT margin improved

Deutsche Telekom continued the healthy development of the first quarter of 2010 in the period April to June and confirms its guidance for the full year. Revenue in the Germany operating segment stabilized in the second quarter and, at the same time, adjusted EBITDA increased. T-Mobile USA continued its strong growth in the mobile data sector and recorded an increase in the number of contract customers for the first time after three quarters. The EBITDA margin remained at a high level in the Europe segment despite negative regulatory and economic factors impacting several markets. T-Systems increased revenue generated outside the Deutsche Telekom Group and internationally, and improved its EBIT margin.

"On the basis of these good first six months, we can once again confirm our guidance," said Chief Executive Officer René Obermann at a press conference in Bonn. "We have achieved one of our key goals, that of making our business in Germany competitive again."

Free cash flow increased by 60.9 percent year-on-year to EUR 2.9 billion in the first half of 2010, and by 6.1 percent in the second quarter to EUR 1.5 billion.

The positive development in the first half-year was supported by gross savings of EUR 1.0 billion generated by the Save for Service program. Around EUR 0.5 billion of these savings was reinvested in business operations to improve the Company's market and competitive position.

Business in Germany stabilized

Business in Germany recorded almost stable revenue in the second quarter coupled with an increase in earnings. The Company consolidated its market leadership in service revenues in the mobile communications sector. With attractive smartphones such as the iPhone on offer, the focus remained on high-value growth in the first half of 2010. The fixed-network broadband market share has remained stable at over 46 percent since 2007. The share of broadband net adds in the second quarter was 52 percent. A total of 1.3 million Entertain products had been sold at June 30, 2010. The number of lines

lost fell to 315,000 in the second quarter of 2010, the lowest level in a single quarter since the end of 2005.

The second quarter of 2010 was strong, with revenue at the prior-year level of EUR 6.2 billion. This slowed the decline in revenue considerably, following a decrease of 2.2 percent in the first quarter of 2010. Revenue in the Germany operating segment amounted to EUR 12.4 billion in the first half of 2010, 1.3 percent lower than in the prior-year period.

In a year-on-year comparison of the second quarters, adjusted EBITDA increased by 2.4 percent to EUR 2.4 billion. At EUR 4.7 billion in the first half of 2010, adjusted EBITDA was at the prior-year level.

Fixed-network business recorded a decrease in revenue of 2.9 percent to EUR 4.5 billion in the second quarter of 2010, the smallest decrease since 2008. Adjusted EBITDA fell by 3.3 percent year-on-year in the same period. Taking one-time effects in the second quarter of 2010 into consideration, the decline in revenue was almost offset by effective cost management. Total revenue from domestic mobile communications business increased by 5.5 percent in the second quarter of 2010 to EUR 2.1 billion. The increase in service revenues was particularly high at over 6 percent. Mobile data revenue was also impressive, recording growth of almost 54 percent.

Adjusted EBITDA from mobile communications increased by 14.3 percent to EUR 0.9 billion in the second quarter. The adjusted EBITDA margin was 44.4 percent, an increase of 3.4 percentage points. This was attributable in particular to the positive revenue trend and lower general and administrative expenses.

The number of mobile communications customers decreased by 2.2 million compared with year-end 2009 to 37 million in the first half of 2010. This was mainly attributable to the deregistration, in line with Deutsche Telekom's General Terms and Conditions, of inactive prepay customer cards, reducing the number of customers by 2.5 million to 19.8 million. This did not affect revenue. As the number of contract customers remained virtually constant compared with the end of 2009 at 17.2 million, the deregistration of inactive prepay customers was the main factor in the decline in the number of SIM cards issued.

United States records strong growth in mobile data business

Indications of stabilization at T-Mobile USA are growing. The number of contract customers rose for the first time since the second quarter of the previous year, rising by 106,000 in the second quarter, compared with a plus of 56,000 in the prior-year quarter. The total number of customers declined by 93,000 compared with the first quarter as a result of the decreases in the prepay segment. At June 30, T-Mobile USA had 33.6 million customers, compared with 33.5 million one year before.

There was a total of 6.5 million 3G smartphones using T-Mobile USA's network at the end of June, 1.3 million more than at the end of the first quarter. The HSPA+ network now covers 85 million people, with major metropolitan areas such as Los Angeles, Las Vegas, and Seattle having been added between April and June. HSPA+ coverage is to be expanded to 185 million people by the end of the year and the number of 3G smartphones using the network is to rise to 8 million.

This trend also contributed to the increase in average data revenue per customer of USD 0.70 in the second quarter to USD 11.60. Total data revenue – including text and multimedia messaging – continued to grow strongly with an increase of 18 percent compared with the second quarter of 2009 to USD 1.17 billion and now accounts for 25.0 percent of monthly revenue per customer, compared with 20.8 percent one year before.

This contributed to the healthy trend in service revenues, which increased by 1.5 percent over the first quarter to USD 4.6 billion. Compared with the prior-year quarter, this represents a decrease of 1.1 percent, meaning the decrease has slowed considerably in comparison with last year, following a decline of 2.5 percent in the first quarter.

In U.S. dollar terms, total revenue remained stable in the second quarter at EUR 5.3 billion. Measured in euros, it increased by 6.9 percent to EUR 4.2 billion.

Adjusted EBITDA increased by 2 percent compared with the first quarter to USD 1.4 billion, Adjusted EBITDA fell by 11.2 percent compared with the prior-year quarter, primarily due to higher customer acquisition costs and the year-on-year decrease in revenue. Measured in euros, adjusted EBITDA amounted to EUR 1.1 billion, which corresponds to a decrease of 4.8 percent.

At the end of July 2010, the market research company J.D. Power awarded T-Mobile USA the best marks of all national mobile carriers for its customer service. This underlines the company's success in its aim of offering customers the best service, the latest handsets, the fastest mobile communications network and attractively priced calling plans.

Europe retains high EBITDA margin

The former segments Southern and Eastern Europe (SEE) and Europe were merged to form a single segment, Europe, as of April 1, 2010. T-Mobile UK was deconsolidated effective the same date after the company had been made part of the mobile communications joint venture Everything Everywhere with France Telecom in the United Kingdom.

Adjusted for the deconsolidation of T-Mobile UK, the companies brought together to create the Europe operating segment succeeded in keeping the segment's EBITDA margin practically stable compared with the prior-year quarter despite the difficult economic environment.

Total revenue of the Europe operating segment decreased by 6.8 percent in the first half-year, in particular as a result of the deconsolidation of T-Mobile UK. Adjusted for this effect, revenue increased by 2.8 percent as the OTE group was fully consolidated for a full half-year for the first time. In addition, cuts in termination charges and intense competition reduced revenue, while positive currency translation effects, in particular in Poland, Hungary, and the Czech Republic, had an offsetting effect. Adjusted for special factors, the segment's EBITDA increased by 2.3 percent. Adjusted for the deconsolidation of T-Mobile UK, EBITDA grew by 7.9 percent, again attributable to the fact that the OTE group was fully consolidated for one month longer in 2010. The EBITDA margin increased by around 2 percentage points.

T-Mobile Netherlands recorded a strong performance with an increase of more than 44 percent in its adjusted EBITDA for the first half-year. The EBITDA margin increased by almost 9 percentage points, both in a comparison of the second quarters and of the first half-years. Operations in Poland and the Czech Republic also continued to report large margins for the first half-year of around 39 and 48 percent, respectively.

The national company in Greece kept its margin stable in the second quarter of 2010 at 36 percent thanks to strict cost discipline. In Hungary the adjusted EBITDA margin increased by 2 percentage points in the second quarter to 43 percent.

The broadband market of the Europe operating segment continued to grow in the second quarter of 2010. The total number of retail broadband lines increased year-on-year by 14 percent to 4.1 million. Another pleasing development was IPTV business. The number of customers for Internet-based TV increased by 76 percent compared to the first half of the prior year to approximately 515,000.

The number of mobile contract customers served by the Europe operating segment increased by a total of 285,000 in the second quarter.

T-Mobile CZ improved its contract customer base by 5 percent in a comparison of the second quarters and recorded an extremely low churn rate of 0.4 percent in this customer segment at the end of the half-year.

Systems Solutions – Revenue growth and improved earnings

T-Systems' business developed encouragingly overall in the first half of 2010 and saw continued revenue growth and a clear improvement in its earnings in the second quarter.

Total revenue increased by just under 3 percent in the second quarter to EUR 2.2 billion. Revenue generated outside the Group increased to a far greater extent, by 7.2 percent, and international revenue by 7.9 percent.

Despite the fact that the global economy has not yet fully recovered, the level of new orders was 2.9 percent higher at the end of the first half-year than in the prior-year period. New big deals include those with Deka-Bank, TUI-Travel, the federal state of Hesse and Deutsche Post DHL.

The substantial improvement in profitability was reflected in the significant increase in adjusted EBIT, which, at EUR 123 million at the end of the first half-year, was up 34 percent on the prior-year period. The growth rate was also very high in the second quarter at 31 percent. This demonstrates once more that the Save for Service efficiency enhancement program is taking effect. The adjusted EBIT margin totaled 3.4 percent, up from 2.7 percent the prior-year quarter.

T-Systems also made progress in the field of connected work with unique ICT solutions. Many customers are increasingly opting for cloud services and T-Systems' customers already get two thirds of all SAP services from the cloud. That means they receive services as they need them and pay only for what they have used. The operating segment also offers attractive systems integration services, with one in five of the world's largest international airports with 25 million or more passengers annually using airport solutions and services provided by T-Systems.

Pro forma figures for the second quarter (adjusted for the deconsolidation of T-Mobile UK effective April 1, 2010)

In the United Kingdom, the former T-Mobile UK became part of the joint venture with France Telecom called Everything Everywhere effective April 1. In the following tables, revenue, adjusted EBITDA, and adjusted and unadjusted net profit in the second quarters are presented both including and excluding T-Mobile UK to improve the transparency of the development of operations in the second quarter of both years.

This presentation is a supplement to the table showing the actual figures for both quarters (please refer to page 10).

Pro forma figures taking into consideration the impact of the deconsolidation of T-Mobile UK effective April 1, 2010*:

	Reported		Pro forma		Change %
	Q2 2010 millions of EUR	Q2 2009 millions of EUR	Q2 2010 millions of EUR	Q2 2009 millions of EUR	
Net revenue	15,531	16,238	15,531	15,386	0.9
Adjusted EBITDA	5,012	5,258	5,012	5,107	(1.9)
Net profit	475	521	722	599	20.5
Adjusted net profit	814	756	836	831	0.6

*Unaudited

Comments on the table:

The second quarter of 2009 has been fully adjusted to exclude the revenue and earnings contribution of T-Mobile UK to adjusted EBITDA, net profit, and adjusted net profit.

The second quarter of 2010 has been adjusted for the deconsolidation effect of T-Mobile UK and the joint venture's contribution to earnings.

On a like-for-like basis – i.e., excluding the revenue and earnings contributions of T-Mobile UK – net revenue increased by 0.9 percent in the second quarter of 2010. Total revenue in the Europe segment decreased by 3.6 percent from EUR 4.18 billion to EUR 4.03 billion.

Adjusted EBITDA amounted to EUR 5.0 billion, comparable with the prior-year figure of EUR 5.1 billion which has been adjusted to exclude the adjusted EBITDA of EUR 151 million generated by T-Mobile UK in the second quarter of 2009. The reduction in the Europe segment was 6.6 percent, from EUR 1.53 billion to EUR 1.43 billion.

On a like-for-like basis, net profit increased by 20.5 percent between April and June. Pro forma net profit for the second quarter of 2010 has been adjusted for the negative deconsolidation effect on net profit of EUR 0.2 billion. This includes an effect from the derecognition in profit or loss of accumulated foreign currency translations of items in the statement of financial position relating to the UK or balance-sheet figures relating to the UK.

The Deutsche Telekom Group at a glance*:

T-Mobile UK no longer fully consolidated since April 1, 2010

	Q2 2010 millions of EUR	Q2 2009 millions of EUR	Change %	H1 2010 millions of EUR	H1 2009 millions of EUR	Change %	FY 2009 millions of EUR
Net revenue	15,531	16,238	(4.4)	31,343	32,140	(2.5)	64,602
Of which: domestic	6,761	6,817	(0.8)	13,500	13,760	(1.9)	28,033
Of which: international	8,770	9,421	(6.9)	17,843	18,380	(2.9)	36,569
Profit (loss) from operations (EBIT)	1,711	2,012	(15.0)	3,740	2,256	65.8	6,012
Adjusted EBIT	2,247	2,258	(0.5)	4,477	4,175	7.2	9,158
EBITDA	4,479	5,027	(10.9)	9,169	9,969	(8.0)	19,906

	Q2 2010 millions of EUR	Q2 2009 millions of EUR	Change %	H1 2010 millions of EUR	H1 2009 millions of EUR	Change %	FY 2009 millions of EUR
Adjusted EBITDA	5,012	5,258	(4.7)	9,902	10,070	(1.7)	20,668
Adjusted EBITDA margin	32.3%	32.4%	(0.1)%p	31.6%	31.3%	0.3%p	32.0%
Net profit (loss)	475	521	(8.8)	1,242	(603)	n.a.	353
Adjusted net profit	814	756	7.7	1,705	1,411	20.8	3,390
Free cash flow (before dividend payments and spectrum investment)	1,489	1,404	6.1	2,928	1,820	60.9	6,969
Net cash from operating activities	2,142	3,512	(39.0)	5,413	6,478	(16.4)	15,795
Cash outflows for investments in property, plant and equipment, and intangible assets (excluding goodwill)	2,041	2,211	(7.7)	3,975	4,822	(17.6)	9,202
Net debt at reporting date	-	-	-	46,250	44,966	2.9	40,911
Number of employees at reporting date	-	-	-	251,258	261,373	(3.9)	259,920

Germany operating segment*:

	Q2 2010 millions of EUR	Q2 2009 millions of EUR	Change %	H1 2010 millions of EUR	H1 2009 millions of EUR	Change %	FY 2009 millions of EUR
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Total revenue	6,197	6,220	(0.4)	12,386	12,551	(1.3)	25,423
Of which: fixed network	4,496	4,628	(2.9)	9,026	9,352	(3.5)	18,736
Of which: mobile communications	2,054	1,947	5.5	4,054	3,899	4.0	8,109
Net revenue	5,806	5,851	(0.8)	11,610	11,820	(1.8)	23,813
Profit (loss) from operations (EBIT)	1,327	1,274	4.2	2,498	2,599	(3.9)	5,062
Adjusted EBIT	1,408	1,303	8.1	2,693	2,650	1.6	5,418
EBITDA	2,357	2,359	(0.1)	4,542	4,700	(3.4)	9,258
Adjusted EBITDA	2,438	2,381	2.4	4,737	4,744	(0.1)	9,607
Of which: fixed network	1,530	1,582	(3.3)	2,998	3,191	(6.0)	6,247
Of which: mobile communications	912	798	14.3	1,740	1,559	11.6	3,373
Adjusted EBITDA margin	39.3%	38.3%	1.0%p	38.2%	37.8%	0.4%p	37.7%
Number of employees (average)	79,729	85,142	(6.4)	80,229	85,615	(6.3)	84,584

Comments on the table:

The contributions of the Fixed Network and Mobile Communications segments generally show the unconsolidated view and do not take consolidation effects at operating segment level into consideration.

Europe operating segment*:

	Q2 2010 millions of EUR	Q2 2009 millions of EUR	Change %	H1 2010 millions of EUR	H1 2009 millions of EUR	Change %	FY 2009 millions of EUR
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Total revenue	4,030	5,065	(20.4)	8,804	9,448	(6.8)	19,607
Of which: Greece	963	1,058	(9.0)	1,960	1,713	14.4	3,899
Of which: Romania	293	295	(0.7)	584	499	17.0	1,104
Of which: Hungary	402	412	(2.4)	804	803	0.1	1,682
Of which: Poland	451	440	2.5	892	856	4.2	1,757
Of which: Czech Republic	291	310	(6.1)	570	585	(2.6)	1,191
Of which: Croatia	289	292	(1.0)	556	570	(2.5)	1,161
Of which: Netherlands	448	465	(3.7)	890	909	(2.1)	1,807
Of which: Slovakia	233	246	(5.3)	463	490	(5.5)	974
Of which: Austria	243	255	(4.7)	491	522	(5.9)	1,038
Of which: Bulgaria	105	104	1.0	209	185	(13.0)	423
Of which: United Kingdom^a	n.a.	886	n.a.	783	1,722	n.a.	3,390
Of which: Other^b	376	372	1.1	734	713	2.9	1,462
Net revenue	3,869	4,905	(21.1)	8,482	9,141	(7.2)	18,996
Profit (loss) from operations (EBIT)^c	166	464	(64.2)	841	(819)	n.a.	140
Adjusted EBIT	542	638	(15.0)	1,270	983	29.2	2,583

EBITDA	1,058	1,520	(30.4)	2,592	2,960	(12.4)	6,297
Adjusted EBITDA	1,431	1,686	(15.1)	3,018	2,951	2.3	6,390
Of which: Greece	346	383	(9.7)	722	622	16.1	1,447
Of which: Romania	71	72	(1.4)	143	139	2.9	293
Of which: Hungary	171	169	1.2	333	333	0.0	675
Of which: Poland	176	170	3.5	345	280	23.2	616
Of which: Czech Republic	139	181	(23.2)	274	308	(11.0)	614
Of which: Croatia	124	133	(6.8)	237	261	(9.2)	525
Of which: Netherlands	139	103	35.0	241	167	44.3	430
Of which: Slovakia	105	120	(12.5)	212	232	(8.6)	439
Of which: Austria	61	70	(12.9)	144	123	17.1	283
Of which: Bulgaria	41	47	(12.8)	81	74	9.5	167
Of which: United Kingdom	-	153	n.a.	167	266	n.a.	611
Of which: Other^b	74	79	(6.3)	140	144	(2.8)	279
Adjusted EBITDA margin	35.5%	33.3%	2.2%p	34.3%	31.2%	3.1%p	32.6%
Number of employees (average)	64,359	72,597	(11.3)	67,242	67,111	0.2	69,277

Comments on the table:

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

a Deconsolidation of T-Mobile UK effective April 1, 2010.

b Other: national companies of Albania, the F.Y.R.O. Macedonia, and Montenegro, as well as ICSS, Europe Headquarters, and T-Mobile International UK up to and including May 2010.

c Including an impairment loss of EUR 1.8 billion recognized on the goodwill of the cash-generating unit T-Mobile UK in the first quarter of 2009.

United States operating segment:

	Q2 2010 millions of EUR	Q2 2009 millions of EUR	Change %	H1 2010 millions of EUR	H1 2009 millions of EUR	Change %	FY 2009 millions of EUR
Total revenue	4,188	3,918	6.9	8,002	8,055	(0.7)	15,471
Net revenue	4,185	3,914	6.9	7,995	8,047	(0.6)	15,457
Profit (loss) from operations (EBIT)	600	654	(8.3)	1,144	1,184	(3.4)	2,233
Adjusted EBIT	600	654	(8.3)	1,144	1,184	(3.4)	2,233
EBITDA	1,120	1,176	(4.8)	2,128	2,237	(4.9)	4,261
Adjusted EBITDA	1,120	1,176	(4.8)	2,128	2,237	(4.9)	4,261
Adjusted EBITDA margin	26.7%	30.0%	(3.3)%p	26.6%	27.8%	(1.2)%p	27.5%
Number of employees (average)	37,612	37,863	(0.7)	38,138	37,791	0.9	38,231

Systems Solutions operating segment*:

	Q2 2010 millions of EUR	Q2 2009 millions of EUR	Change %	H1 2010 millions of EUR	H1 2009 millions of EUR	Change %	FY 2009 millions of EUR
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Total revenue	2,242	2,179	2.9	4,373	4,285	2.1	8,798
Of which: Computing Services	777	707	9.8	1,527	1,395	9.5	2,925
Of which: Desktop Services	361	346	4.3	705	672	4.9	1,404
Of which: Systems Integration	437	428	2.2	863	860	0.3	1,741
Of which: Telecommunications	748	783	(4.4)	1,493	1,563	(4.5)	3,225
Of which: Other^a	(80)	(85)	4.9	(214)	(205)	(4.4)	(497)
Net revenue	1,610	1,502	7.2	3,142	2,998	4.8	6,083
New orders	2,293	2,315	(0.9)	4,450	4,325	2.9	9,305
Profit (loss) from operations (EBIT)	56	27	n.a.	74	38	94.7	(11)
Adjusted EBIT	76	58	31.0	123	92	33.7	229
EBITDA	211	200	5.5	379	388	(2.3)	710
Adjusted EBITDA	231	231	n.a.	427	442	(3.4)	923
Adjusted EBITDA margin	10.3	10.6	(0.3)%p	9.8%	10.3%	(0.5)%p	10.5%
Number of employees (average)	47,480	44,863	5.8	47,463	44,656	6.3	45,328

Comments on the table:

The 160,000 or so business customers transferred from the Systems Solutions operating segment effective January 1, 2009 are shown as part of the fixed-network operations in the Germany operating segment. All prior-quarter and prior-year figures have been adjusted for better comparability.

a Non-core activities and consolidation

Group Headquarters & Shared Services*:

	Q2 2010 millions of EUR	Q2 2009 millions of EUR	Change %	H1 2010 millions of EUR	H1 2009 millions of EUR	Change %	FY 2009 millions of EUR
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Total revenue	583	612	(4.7)	1,148	1,230	(6.7)	2,410
Net revenue	61	66	(7.6)	114	134	(14.9)	253
Profit (loss) from operations (EBIT)	(426)	(344)	(23.8)	(791)	(653)	(21.1)	(1,249)
Adjusted EBIT	(363)	(332)	(9.3)	(723)	(641)	(12.8)	(1,148)
EBITDA	(245)	(154)	(59.1)	(422)	(204)	n.a.	(416)
Adjusted EBITDA	(182)	(142)	(28.2)	(354)	(192)	(84.4)	(315)
Number of employees (average)	22,399	19,915	12.5	22,234	19,680	13.0	20,181

*Deutsche Telekom defines EBITDA as profit/loss from operations before depreciation, amortization and impairment losses. For a detailed explanation of non-GAAP performance measures, special factors affecting EBITDA, adjusted EBITDA, the adjusted EBITDA margin as well as special factors affecting profit or loss and the adjusted net profit, please refer to "Reconciliation to pro forma figures" that is posted on Deutsche Telekom's Investor Relations website at www.telekom.com.

Development of customer numbers in the second quarter of 2010.

Germany operating segment:

	June 30, 2010	June 30, 2009	Change	Change
	thousands	thousands	thousands	%
Fixed network				
Fixed-network lines	25,549	27,226	(1,677)	(6.2)
Broadband lines	13,872	13,606	266	2.0
Retail	11,795	11,229	566	5.0
Wholesale bundled lines	1,354	1,952	(598)	(30.6)

	June 30, 2010	June 30, 2009	Change	Change
	thousands	thousands	thousands	%
ULLs	9,293	8,742	551	6.3
Wholesale unbundled lines	723	425	298	70.1
Mobile communications				
Mobile customers^a	36,976	39,103	(2,127)	(5.4)

Comments on the table:

a Deactivation of inactive prepay customers' cards: 2009 full year (4.4 million); Q1 2010 (1.5 million). On April 1, 2010, Telekom Deutschland GmbH began to automatically terminate prepaid cards that have not been topped up for two years and have not been active for three months.

Europeoperating segment:

	June 30, 2010	June 30, 2009	Change	Change
	thousands	thousands	thousands	%
Europetotal^a				
Fixed-network lines	11,736	12,689	(953)	(7.5)
Retail broadband lines	4,078	3,579	499	13.9
Wholesale bundled lines	202	263	(61)	(23.2)
ULLs	1,310	903	407	45.1
Wholesale unbundled lines	36	28	8	28.6
Mobile customers^a	60,507	60,650	(143)	(0.2)
Greece				
Fixed-network lines	3,970	4,407	(437)	(9.9)

	June 30, 2010	June 30, 2009	Change	Change
	thousands	thousands	thousands	%
Broadband lines	1,139	1,035	104	10.0
Mobile customers	8,509	8,793	(284)	(3.2)
Romania^b				
Fixed-network lines	2,666	2,896	(230)	(7.9)
Broadband lines	840	725	115	15.9
Mobile customers	7,087	6,330	757	12.0
Hungary				
Fixed-network lines	1,729	1,918	(189)	(9.9)
Broadband lines	798	776	22	2.8
Mobile customers	5,131	5,256	(125)	(2.4)
Poland				
Mobile customers	13,276	13,409	(133)	(1.0)
Czech Republic				
Fixed-network lines	49	-	n.a.	n.a.
Broadband lines	49	-	n.a.	n.a.
Mobile customers	5,464	5,433	31	0.6
Croatia				
Fixed-network lines	1,446	1,513	(67)	(4.4)
Broadband lines	584	510	74	14.5
Mobile customers	2,779	2,867	(88)	(3.1)

	June 30, 2010	June 30, 2009	Change	Change
	thousands	thousands	thousands	%
Netherlands				
Fixed-network lines	288	301	(13)	(4.3)
Broadband lines	288	301	(13)	(4.3)
Mobile customers	4,382	5,423	(1,041)	(19.2)
Slovakia				
Fixed-network lines	1,084	1,114	(30)	(2.7)
Broadband lines	418	364	54	14.8
Mobile customers	2,412	2,323	89	3.8
Austria				
Mobile customers	3,653	3,402	251	7.4
Bulgaria				
Mobilecustomers	3,954	4,008	(54)	(1.3)
Other^c				
Fixed-network lines	504	541	(37)	(6.8)
Broadband lines	200	159	41	25.8
Mobile customers	3,861	3,406	455	13.4

Comments on the table:

a For better comparability, the customers of T-Mobile UK, who were transferred to the Everything Everywhere joint venture as of April 1, 2010 following the merger of T-Mobile UK and Orange UK, were subtracted from all historical customer figures.

b Including the Romanian company Zapp since November 1, 2009.

c Other: national companies of Albania, the F.Y.R.O. Macedonia, and Montenegro.

United States operating segment:

	June 30, 2010	June 30, 2009	Change	Change
	thousands	thousands	thousands	%
Mobile customers^a	33,620	33,497	123	0.4

Comments on the table:

a One mobile communications card corresponds to one customer.

Net additions in the second quarter of 2010.**Germany operating segment:**

	Q2 2010	Q2 2009	Change	Change
	thousands	thousands	thousands	%
Fixed network				
Fixed-network lines	(315)	(473)	158	33.4
Broadband lines	23	97	(74)	(76.3)
Retail	130	246	(116)	(47.2)
Wholesale bundled lines	(169)	(257)	88	34.2
ULLs	51	137	(86)	(62.8)
Wholesale unbundled lines	62	108	(46)	(42.6)
Mobile communications				
Mobile customers^a	(1,568)	119	(1,687)	n.a.

Comments on the table:

a Deactivation of inactive prepay customers' cards: 2009 full year (4.4 million); Q1 2010 (1.5 million). On April 1, 2010, Telekom Deutschland GmbH began to automatically terminate prepaid cards that have not been topped up for two years and have not been active for three months.

Europeoperating segment:

	Q2 2010	Q2 2009	Change	Change
	thousands	thousands	thousands	%
Europe total^a				
Fixed-network lines	(254)	(248)	(6)	(0.2)
Retail broadband lines	68	101	(33)	(32.7)
Wholesale bundled lines	(11)	(19)	8	42.1
ULLs	100	106	(6)	(5.7)
Wholesale unbundled lines	1	2	(1)	(50.0)
Mobile customers^a	(304)	1,038	(1,342)	n.a.
Greece				
Fixed-network lines	(125)	(83)	(42)	(50.6)
Broadband lines	(1)	21	(22)	n.a.
Mobile customers	(305)	381	(686)	n.a.
Romania^b				
Fixed-network lines	(55)	(75)	20	26.7
Broadband lines	32	24	8	33.3
Mobile customers	(68)	224	(292)	n.a.

	Q2 2010	Q2 2009	Change	Change
	thousands	thousands	thousands	%
Hungary				
Fixed-network lines	(42)	(48)	6	12.5
Broadband lines	0	2	(2)	n.a.
Mobile customers	11	(91)	102	n.a.
Poland				
Mobile customers	(86)	122	(208)	n.a.
Czech Republic				
Fixed-network lines	3	-	n.a.	n.a.
Broadband lines	3	-	n.a.	n.a.
Mobile customers	16	22	(6)	(27.3)
Croatia				
Fixed-network lines	(16)	(18)	2	11.1
Broadband lines	11	17	(6)	(35.3)
Mobile customers	(19)	86	(105)	n.a.
Netherlands				
Fixed-network lines	(2)	(1)	1	(83.3)
Broadband lines	(2)	(1)	(1)	(100)
Mobile customers	(9)	188	(197)	n.a.
Slovakia				
Fixed-network lines	(9)	(9)	0	0

	Q2 2010	Q2 2009	Change	Change
	thousands	thousands	thousands	%
Broadband lines	10	8	2	25.0
Mobile customers	13	(8)	21	n.a.
Austria				
Mobile customers	26	(16)	42	n.a.
Bulgaria				
Mobile customers	109	(4)	113	n.a.
Other^c				
Fixed-network lines	(8)	(15)	7	(46.7)
Broadband lines	(5)	12	(7)	(58.3)
Mobile customers	9	135	(126)	(93.3)

Comments on the table:

a For better comparability, the customers of T-Mobile UK, who were transferred to the Everything Everywhere joint venture as of April 1, 2010 following the merger of T-Mobile UK and Orange UK, were subtracted from all historical customer figures.

b Including the Romanian company Zapp since November 1, 2009.

c Other: national companies of Albania, the F.Y.R.O. Macedonia, and Montenegro.

United States operating segment:

	Q2 2010	Q2 2009	Change	Change
	thousands	thousands	thousands	%
Mobile customers^a	(93)	325	(417)	n.a.

Comments on the table:

a One mobile communications card corresponds to one customer.

This press release contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These also include statements on market potential, statements on finance guidance, as well as on the dividend outlook. They are generally identified by the terms "expect," "anticipate," "believe," "intend," "estimate," "aim for," "goal," "plan," "will," "strive for," "outlook," or similar expressions and often include information that relates to net revenue expectations or targets for adjusted EBITDA, profit or loss, earnings performance, and other indicators, as well as personnel-related measures and workforce adjustments. Forward-looking statements are based on current plans, estimates and projections. They should therefore be considered with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond

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In addition to figures prepared in accordance with IFRS, Deutsche Telekom presents non-GAAP financial performance measures, including EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBT, adjusted net profit, free cash flow, gross debt and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. For further information relevant to the interpretation of these terms, please refer to the chapter "Reconciliation of pro forma figures" posted on Deutsche Telekom's website (www.telekom.com) under the link "Investor Relations."