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**Statement
delivered at the press conference
on Deutsche Telekom's Q3 results 2008
November 6, 2008 in Bonn**

**René Obermann
Chairman of the Board of Management
Deutsche Telekom AG**

Good morning, Ladies and Gentlemen,

I too would like to wish you a warm welcome to this press conference.

The positive development of Deutsche Telekom's business has been somewhat overshadowed in recent weeks. I can inform you today that we have been able to continue the positive trend since the start of 2007 in the third quarter of this year. Our business has remained stable despite the current financial and economic crisis and we remain very confident of meeting our targets for the full year 2008.

In the past two years, we have succeeded in halting the previous downward trend in Deutsche Telekom's business and increasing the company's earnings power again.

We have implemented our "Focus, fix and grow" strategy in a disciplined manner.

We have met our targets quarter by quarter since the start of 2007.

With investments in our core business, acquisitions abroad and targeted optimizations to our portfolio, we have pursued a disciplined course and maintained a very healthy balance sheet and capital structure.

Our financial strength and well diversified shareholdings portfolio in the United States and Western and Eastern Europe have put us in a position to systematically continue on this course despite the current economic developments.

The capital market obviously shares our view. Over the past two years, the T-Share has outperformed the market by a clear margin of around 17 percentage points over the EuroStoxx 50. Our share has outperformed the DAX by far since the beginning of the year and has also been better than other major companies in our industry.

That does not mean to say that we should be satisfied with our share price, far from it. We will work to improve it further.

Ladies and Gentlemen, the global economy is facing severe difficulties: The crisis in financial markets has profoundly rocked the banking system in Europe and the United States in particular. I am happy that the intervention of various governments has prevented the situation from getting worse.

The past has shown that the telecommunications sector tends to be relatively resilient to economic developments compared with other sectors. The crisis in financial markets has so far not affected Deutsche Telekom's operations, and of course I hope things will stay that way.

I consider Deutsche Telekom to be well prepared for the challenges ahead in the coming months:

As the market leader in the broadband and mobile business, we are well positioned with our German core business. We are leading the way in the future markets of mobile Internet and Internet TV. We have improved the earnings power in Germany in particular by consistently cutting costs.

We have focused our portfolio and made targeted investments in our growth areas over the past few months. We have reinforced our position in several steps – specifically with SunCom, Orange NL and OTE – in markets where we already operate and in neighboring markets, making it possible to evaluate synergies more reliably and realize them more easily. Deutsche Telekom currently has a diversified structure that concentrates on three regions – Western Europe, Central and Eastern Europe, and the United States – and as such encompasses various economic regions and currencies.

We are in a good position in financial terms, our balance sheet ratios are good, and our short and medium-term financing is on a broad footing. The high level of free cash flow also makes us strong.

Ladies and Gentlemen, this now brings me to the development of Deutsche Telekom in the third quarter and the first nine months of 2008. Karl-Gerhard Eick will then provide the details as always and also come back to the subject of Deutsche Telekom's financial stability.

Let me just pick out the key messages.

- Reported net profit in the first three quarters rose by 67.5 percent to EUR 2.2 billion, and adjusted net profit by 17.1 percent to EUR 2.6 billion.
- Adjusted EBITDA in the first three quarters increased by 0.5 percent to EUR 14.8 billion. In organic terms, that's an increase of 0.9 percent.
- Free cash flow is stable compared with the previous year at EUR 5.8 billion.
- Reported revenue fell by 2.5 percent to EUR 45.6 billion. In organic terms, in other words excluding changes in exchange rates and the composition of the Group, it was at the prior-year level.
- On the operations side, T-Home increased its DSL net add market share in Germany to 49 percent in the third quarter.
- In the United States and Central and Eastern Europe, we again recorded double-digit growth rates in revenue and EBITDA.
- Our "Save for Service" program has cut costs by around EUR 3.5 billion so far, which puts us well on track to meeting our target of saving EUR 4.7 billion by 2010 earlier than planned.
- In the mobile communications sector, we have successfully launched top handsets in the form of the iPhone and, even more recently, the G1, the Google Phone.

I would now like to go into our individual strategic thrusts in more detail.

First, I would like to talk about strengthening our competitiveness in Germany and our Fixed Network business in Central and Eastern Europe.

The revenue decline of 5.9 percent posted for T-Home's domestic business to EUR 4.7 billion in the third quarter remains in line with our expectations of a decline between 4 and 6 percent.

Adjusted EBITDA has also performed in line with expectations, decreasing 5.4 percent to EUR 1.6 billion. T-Home's net adjusted EBITDA for the first nine months was down just 1.6 percent year-on-year. We are therefore well on track to achieving the better end of our full-year guidance for an EBITDA decline of between 5 and 8 percent.

This positive development is mainly attributable to our sustained success in the growth area of broadband Internet lines.

In the German DSL market, we have now posted a net add market share of at least 40 percent eight quarters running – and an impressive 49 percent in the quarter just closed. This allowed us to stabilize our customer share at 46 percent.

What is particularly pleasing this year is that we are winning customers back from our competitors. The 344,000 new DSL customers we gained in the third quarter include 47,000 returning to Deutsche Telekom from competitors. We have won back a total of 150,000 customers since the start of this year, a number which clearly demonstrates that we have good product bundles in the market and offer improved service, something which is reflected in the current assessment of Stiftung Warentest, the German consumer testing organization, in which T-Home was the only provider to be ranked as 'good'.

Our Entertain offers are recording similar success. Sales of Entertain packages in the third quarter have accelerated significantly.

We told you we expected to lose between 2.5 and 3.0 million lines in total this year. In the third quarter, line losses of 574,000 were at the lowest level in the current year, bringing the total since the start of the year to around 1.8 million.

We were very conservative in our planning and may actually close the year slightly below the lower end of our original range.

One of the main factors contributing to the stabilization of business at T-Home is that our "Save for Service" program has once again led to further cost cutting at T-Home. In the first three quarters, the additional cost reductions added up to around EUR 0.7 billion. Key drivers included reduced personnel costs following the agreements reached on T-Service last year and savings in the area of IT/Billing. In total, we reduced our cost base by EUR 3.5 billion by the end of September 2008 compared with 2005, our basis for comparison, thanks to the "Save for Service" program.

Just to remind you: Our aim is to achieve savings of at least EUR4.2 to 4.7 billion by 2010. We are confident that we will reach the higher figure – and earlier than originally anticipated.

Our Fixed Network companies in Central and Eastern Europe are also doing well.

Total revenue of EUR 1.8 billion after nine months declined around 3.8 percent year-on-year after the prior-year figure was adjusted for the disposal of Ya.Com and Club Internet.

Adjusted EBITDA even increased slightly in the three quarters by 1.1 percent to EUR 755 million. With revenue in the third quarter of EUR 0.6 billion and adjusted EBITDA of EUR 0.27 billion, the EBITDA margin in the current year continued to rise to an outstanding 43.2 percent.

And now I would like to turn to our Mobile Communications business in Germany.

Revenue decreased by 2.8 percent to around EUR 2 billion in the third quarter.

Adjusted EBITDA, on the other hand, rose by 12.6 percent to EUR 0.9 billion during the quarter, and increased by 6.0 percent to EUR 2.3 billion in the first nine months. These figures include a one-time effect from the sale of an intangible asset worth around EUR 0.1 billion in the third quarter of 2008.

T-Mobile Deutschland posted an EBITDA margin of 43.6 percent including this effect, around 6 percentage points higher than in the third quarter of 2007. Excluding this effect, adjusted EBITDA remained stable. The margin for the three quarters improved year-on-year from 36.8 percent to 38.0 percent.

T-Mobile Deutschland has increased the number of contract customers by 7 percent year-on-year to 16.7 million. In the third quarter alone, the number of new contract customers increased in Germany by 270,000, compared with 149,000 in the same period last year.

That brings me to the second cornerstone of our strategy: Growing abroad with mobile communications.

The number of new international mobile subscribers amounted to 1.3 million in the third quarter. This brings the number of mobile subscribers internationally to 87.9 million. The contract customer segment accounted for just under 1.0 million new customers.

Total revenue from Mobile Communications companies outside Germany increased by 3.1 percent to EUR 7.1 billion in the third quarter; organically, revenue increased by 4.2 percent.

Adjusted EBITDA declined by 1.0 percent to EUR 2.2 billion in the third quarter; by contrast, in organic terms it increased by 0.5 percent.

T-Mobile USA remained the growth engine, posting double-digit growth figures for revenue and EBITDA on a dollar basis.

The Mobile Communications companies in Central and Eastern Europe overall also posted double-digit increases in revenue and earnings.

As for our Mobile Communications business in the USA: Growth in this area continues to develop positively. For instance, revenue in the quarter increased by around 12.5 percent to USD 5.5 billion; an increase of 13.7 percent to USD 16.2 billion was posted for the nine-month period. Adjusted EBITDA increased by 10.6 percent to USD 1.6 billion, growth amounted to 14.8 percent in the first nine months year-on-year to USD 4.6 billion.

The EBITDA margin decreased by 0.5 percentage points to 28.4 percent for the period July to September. This is attributable to a slight rise in network costs in connection with the expansion of the 3G network and to increased investment in the market.

As in the first six months, the weak dollar continued to have a strong effect on the euro figures for T-Mobile USA. The dollar exchange rate only started any considerable increase in late September.

The number of new customers in the third quarter totaled 670,000, compared with 668,000 in the second quarter. The year-on-year decline reflects the expiry of two-year contracts that T-Mobile USA launched in mid 2006 and that are now leading to a higher churn rate. This does not, however, equate to a downturn in the U.S. Mobile Communications business: The number of gross adds among contract customers increased 13.4 percent in the third quarter year-on-year.

By the end of November, we will have rolled out a 3G network in the United States that includes more than 120 major cities and will be able to serve a population of around 100 million.

Mobile Communications business in Central and Eastern Europe also remains on a growth course. The number of contract customers in Central and Eastern Europe rose by 479,000 in the third quarter to 13 million.

Revenue from these companies increased by 14.8 percent in the third quarter, while adjusted EBITDA increased by 18.9 percent in the same period. As a result, the margin increased year-on-year by 1.5 percentage points to 43.6 percent.

In the first nine months, these companies contributed EUR 2 billion to EBITDA. Revenue and EBITDA growth rates continue in the double-digit range.

In our third strategic focus, mobile data business, we again posted strong growth rates. Data revenue excluding messaging increased by 28.3 percent year-on-year to EUR 639 million in the third quarter. Europe saw growth of 45.3 percent to EUR 379 million, with growth in the U.S. of 19.9 percent to USD 391 million. Including messaging, revenue in the U.S. in the third quarter was USD 833 million, an increase of 27.6 percent. In the third quarter, we sold a total of around 1.6 million Internet-enabled mobile devices in Europe.

This increase was, of course, driven by the new iPhone 3G, which went on sale in Germany in mid July.

What is more, with an ARPU of around EUR 70, iPhone customers generate substantially higher monthly revenue than the average customer.

On October 22, we initially launched the G1 exclusively in the U.S. The so-called Google Phone is the first mobile handset to be powered by the Android operating system. We saw a great deal of customer interest, even before the launch, both in the U.S. and in the UK, where sales of the G1 began last week. I am sure we have a first-class product with the G1, which will also boost the trend towards mobile Internet.

Now at 4.7 million, the number of web'n'walk customers has continued to climb in Europe. This is an increase of more than two thirds compared with the same period last year. This, incidentally, only includes customers who have taken out a web'n'walk option. The number of customers who use the service, i.e. those without the monthly add-on option, totals more than 13 million.

The success of our community product, MyFaves, continues unabated in the United States, with the number of customers almost doubling within a year to 7.0 million.

This brings us to our business customer segment, the fourth strategic focus of our "Focus, fix and grow" strategy.

I would like to begin with the current figures at T-Systems, which can only be compared with the prior year to a limited degree as the Media & Broadcast unit has been sold and Active Billing transferred to T-Home. Revenue was down 6.9 percent in the third quarter to EUR 2.7 billion. In a nine-month comparison, we posted a decrease of 9.1 percent to around EUR 8 billion. EBITDA decreased in a quarterly and nine-month comparison by over 26 percent. Reasons include those just mentioned and the ongoing price erosion in the telecommunications and IT business.

In contrast, revenue only declined 2.2 percent in the three quarters on a comparable basis, i.e. not including the deconsolidation effects stated. Measured in

the same way, the decrease in adjusted EBITDA of 7.9 percent was much less pronounced.

New orders also need to be viewed on a differentiated basis: They fell by 3.6 percent year-on-year in the first nine months, but when adjusted for changes in the composition of the Group, the figure is up 12.9 percent on last year. This positive development on a like-for-like basis underlines the fact that T-Systems is on the right track with its new sales and marketing approach and its ability to provide ICT and telecommunications services worldwide.

A good example of this is our partnership with BMW. Three major contracts worth hundreds of millions of euros were acquired in the face of stiff competition, underlining T-Systems' strength in the ICT field.

But concentrating on international outsourcing agreements such as with Royal Dutch Shell, the 'big wins' from Siemens, the South African insurer Old Mutual Group or Alcatel Lucent, also helps ensure that T-Systems continues to grow internationally.

Our cooperation with Cognizant is also developing encouragingly. We have already set up a joint sales and production unit.

Ladies and Gentlemen, as we informed you yesterday, we are planning a major change in the Business Customer segment. T-Systems will focus on its core competencies in future, and that is ICT business with corporate customers. This is an important component of the strategic realignment initiated by Reinhard Clemens. I am delighted that the Supervisory Board approved this important initiative two days ago.

This means that T-Systems will in future focus on business with our some 400 national and international corporate customers and will also be the first port of call for customers from the public sector and the healthcare area.

Business with all other business customers will be transferred to Sales & Service at T-Home. These some 160,000 small and medium-sized enterprises mainly require standardized telecommunication and business products.

The background to this transfer is therefore the complete integration of the single-source customer approach with a competitive and customer-centric portfolio structure.

This represents another important step in the realignment of T-Systems following the partnership with Cognizant and was, incidentally, taken in close consultation with employee representatives.

We believe that this will put us in a position to serve both market segments more effectively – corporate customers on the one hand and business customers on the other.

That concludes my snapshot of current business developments. We are making good progress. This is due in part to the recent disposal of DeTelImmobilien, which has allowed us to largely complete our deconsolidation program.

We must continue to make changes to the Group and adjust to new conditions. The planned concentration of call centers needs to be seen against this backdrop as well. We have not yet reached agreement with the employee representatives on this. I am, however, confident that we will – as we have always done in the past – manage to reach a constructive agreement that reflects the inter-

ests of employees and the company in equal measure. There is no getting around this as there is, unfortunately, no alternative.

Competition in our sector remains intense.

Ladies and Gentlemen, let me conclude by reiterating what I said earlier: We are on track in the 2008 financial year and can confirm our guidance for the full year.

This means that we intend to achieve adjusted EBITDA of around EUR 19.3 billion and free cash flow of approximately EUR 6.6 billion. And we remain committed to our policy of paying an attractive dividend.

The Supervisory Board has not yet approved the Group's financial planning for the coming year, which means I cannot give you any official forecast right now. All expert forecasts expected to see us facing extremely difficult economic conditions a year ago.

On the other hand, we believe that our efficiency, portfolio and restructuring measures as well as our innovative products put us in a good position overall to successfully make it through the difficult times ahead.

Based on our current structure, i.e. before consolidation of OTE, we expect EBITDA in the coming year to remain stable or increase slightly. We expect free cash flow to remain at the 2008 level.

On this basis, we intend to continue the policy of paying attractive dividends.