DEUTSCHE TELEKOM AG
Form 6-K
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2009

Commission file number 001-14540

Deutsche Telekom AG
(Translation of Registrant's Name into English)

Friedrich-Ebert-Allee 140,
53113 Bonn,
Germany
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F o

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No x

This report is deemed submitted and not filed pursuant to the rules and regulations of the Securities and Exchange Commission.

Deutsche Telekom at a glance.

		Q3 2009 millions of €	Q3 2008 millions of €	Change %	Q1 - Q3 2009 millions of €	Q1 - Q3 2008 millions of €	Change %	FY 2008 millions of €
Net revenue		16,262	15,454	5.2	48,402	45,557	6.2	61,666
Domestic		7,201	7,158	0.6	20,961	21,596	(2.9)	28,885
International		9,061	8,296	9.2	27,441	23,961	14.5	32,781
EBIT (profit from operations)		2,498	2,313	8.0	4,754	6,479	(26.6)	7,040
Special factors affecting EBITa		(145)	(360)	59.7	(2,064)	(385)	n.a.	(1,780)
Adjusted EBITa		2,643	2,673	(1.1)	6,818	6,864	(0.7)	8,820
Adjusted EBIT margina	(%)	16.3	17.3		14.1	15.1		14,3
Profit (loss) from financial activities		(802)	(679)	(18.1)	(2,559)	(2,332)	(9.7)	(3,588)
Profit before income taxes		1,696	1,634	3.8	2,195	4,147	(47.1)	3,452
Depreciation, amortization and impairment losses		(2,896)	(2,581)	(12.2)	(10,609)	(7,936)	(33.7)	(10,975)
EBITDAb		5,394	4,894	10.2	15,363	14,415	6.6	18,015
Special factors affecting EBITDAa,b		(134)	(360)	62.8	(235)	(375)	37.3	(1,444)
Adjusted EBITDAa,b		5,528	5,254	5.2	15,598	14,790	5.5	19,459
Adjusted EBITDA margina,b	(%)	34.0	34.0		32.2	32.5		31,6
Net profit		959	895	7.2	356	2,213	(83.9)	1,483
Special factorsa		(115)	(287)	59.9	(2,129)	(352)	n.a.	(1,943)
Adjusted net profita		1,074	1,182	(9.1)	2,485	2,565	(3.1)	3,426
Earnings per share/ADSc, basic/diluted	(€)	0.22	0.21	4.8	0.08	0.51	(84.3)	0,34
Cash capexd		(2,131)	(2,137)	0.3	(6,953)	(5,766)	(20.6)	(8,707)
Net cash from operating activities		5,343	4,285	24.7	11,821	11,298	4.6	15,368
Free cash flow (before dividend payments)e		3,286	2,196	49.6	5,106	5,788	(11.8)	7,033
Equity ratiof	(%)	-	-		32.2	34.3		32,3
Net debte		-	-		42,389	39,449	7.5	38,158

Number of employees at balance sheet date.

	Sept. 30, 2009	June 30, 2009	Change Sept. 30, 2009/ June 30, 2009 %	Dec. 31, 2008	Change Sept. 30, 2009/ Dec. 31, 2008 %	Sept. 30, 2008	Change Sept. 30, 2009/ Sept. 30, 2008 %
Deutsche Telekom Group	259,973	261,373	(0.5)	227,747	14.1	230,079	13.0
Non-civil servants	229,377	229,990	(0.3)	195,634	17.2	196,940	16.5
Civil servants (domestic)	30,596	31,383	(2.5)	32,113	(4.7)	33,139	(7.7)

Number of fixed-network and mobile customers.

		Sept. 30, 2009	June 30, 2009	Change Sept. 30, 2009/ June 30, 2009 %	Dec. 31, 2008	Change Sept. 30, 2009/ Dec. 31, 2008 %	Sept. 30, 2008	Change Sept. 30, 2009/ Sept. 30, 2008 %
Fixed-network lines[g,h]	(millions)	38.9	39.6	(1.8)	41.1	(5.4)	42.0	(7.4)
Retail broadband lines[i,h]	(millions)	14.7	14.5	1.4	13.6	8.1	12.9	14.0
Mobile customers[h,j]	(millions)	150.9	149.8	0.7	147.6	2.2	144.7	4.3

a For a detailed explanation of the special factors affecting EBIT, adjusted EBIT, the EBIT margin, and the special factors affecting EBITDA, adjusted EBITDA, the adjusted EBITDA margin and the special factors affecting profit/loss after income taxes and the adjusted net profit, please refer to "Reconciliation of pro forma figures," page 65 et seq.

b Deutsche Telekom defines EBITDA as profit/loss from operations before depreciation, amortization and impairment losses.

c One ADS (American Depositary Share) corresponds to one ordinary share of Deutsche Telekom AG.

d Investments in property, plant and equipment, and intangible assets (excluding goodwill) as shown in the cash flow statement.

e For detailed information and calculations, please refer to "Reconciliation of pro forma figures," page 68 et seq.

f Based on shareholders' equity excluding amounts earmarked for dividend payments, which are treated as current liabilities.

g Lines in operation. Telephone lines (excluding internal use and public telecommunications), including wholesale services and business customers.

h The fixed-network and mobile communications operations of the OTE group, which have been fully included since the beginning of February 2009, are shown in the Southern and Eastern Europe operating segment effective July 1, 2009. Prior-year figures have been adjusted on a pro forma basis.

i Broadband lines in operation.

j Number of customers of the fully consolidated mobile communications companies of the Germany, Europe (including Virgin Mobile), United States, and Southern and Eastern Europe segments. Effective July 1, 2009, the mobile communications business of COSMOTE (entity of the OTE group) in Greece, Romania, Bulgaria and Albania is included in the Southern and Eastern Europe operating segment. Prior-year figures have been adjusted on a pro forma basis.

Developments in the Group.

Net revenue of the Group increased by 6.2 percent year-on-year in the first nine months of 2009 to EUR 48.4 billion.

Domestic net revenue was EUR 21.0 billion, EUR 0.6 billion lower than in the first nine months of 2008. International net revenue increased year-on-year by EUR 3.5 billion to EUR 27.4 billion. The proportion of net revenue generated outside Germany increased from 52.6 percent to 56.7 percent.

Group EBITDA in the first nine months of 2009 rose to EUR 15.4 billion compared with EUR 14.4 billion in the prior-year period. Group EBITDA adjusted for special factors[1] increased from EUR 14.8 billion in the prior-year period to EUR 15.6 billion.

Net profit amounted to EUR 0.4 billion in the first nine months of 2009, compared with a net profit of EUR 2.2 billion in the first three quarters of 2008.

Net profit adjusted for special factors[1] amounted to EUR 2.5 billion, slightly lower than in the first nine months of 2008.

Free cash flow[2] before dividend payments was EUR 5.1 billion compared with EUR 5.8 billion in the first three quarters of 2008.

Net debt[3] increased by EUR 4.2 billion compared with the end of 2008 to EUR 42.4 billion.

1 For a detailed explanation of the special factors affecting EBITDA, adjusted EBITDA, special factors affecting profit/loss after income taxes and adjusted net profit, please refer to “Reconciliation of pro forma figures,” page 65 et seq.

2 For the calculation of free cash flow, please refer to “Reconciliation of pro forma figures,” page 68.

3 For detailed information and calculations, please refer to “Reconciliation of pro forma figures,” page 69.

T-Share price performance.

Performance of the T-Share, Jan. 1 – Sept. 30, 2009.

		Sept. 30, 2009	Sept. 30, 2008	Dec. 31, 2008
Xetra closing prices	(€)			
Exchange price at the balance sheet date		9.33	10.77	10.75
High (in the reporting period)		11.39	15.55	11.87
Low (in the reporting period)		7.93	10.02	9.00
Weighting of the T-Share in major stock indexes				
DAX 30	(%)	5.6	5.8	7.2
Dow Jones Europe STOXX Telecommunications©	(%)	8.8	10.1	10.8
Market capitalization	(billions of €)	40.8	47.0	46.9
Shares issued	(millions)	4,361.32	4,361.32	4,361.32

The equity markets continued to recover in the third quarter of 2009. The various monetary and fiscal policy measures taken to stabilize the global financial system and the economy showed positive results. In the third quarter of 2009, many economic indicators suggested that the global recession may soon be over. Buoyed by the positive economic reports and company announcements, most of the leading international share indexes reached new annual highs in September 2009. Since the start of the year, the DAX has gained 18 percent and the Dow Jones Europe STOXX 50 and S&P 500 around 17 percent, while the Nikkei 225 was trading around 14.4 percent higher at the reporting date.

European telecommunications stocks, which tend to be less sensitive to economic fluctuations than those of other industries, also participated in the upturn on the equity markets. In the third quarter of 2009, the Dow Jones Europe STOXX Telecommunications© sector index gained 14.2 percent, an increase of 6.7 percent since January 1, 2009.

Over the third quarter of 2009, the T-Share recovered from the lows of the previous quarter, appreciating by 11.1 percent. Compared with January 1, 2009, Deutsche Telekom's share price was down 13.2 percent after payment of the dividend.

Corporate governance.

The Supervisory Board and Board of Management of Deutsche Telekom AG declared on August 28, 2009 that, in the period since submission of the most recent declaration of conformity pursuant to § 161 of the German Stock Corporation Act on December 4, 2008, Deutsche Telekom AG has complied with the recommendations of the Government Commission of the German Corporate Governance Code, published by the Federal Ministry of Justice on August 8, 2008 in the official section of the electronic Federal Gazette (Bundesanzeiger), without exception.

The Supervisory Board and Board of Management of Deutsche Telekom AG declared further on August 28, 2009 that Deutsche Telekom AG complies with the recommendations of the Government Commission of the German Corporate Governance Code, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette

(Bundesanzeiger) on August 5, 2009, without exception.

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.

Deutsche Telekom AG shares are listed as American Depositary Shares (ADSs) on the New York Stock Exchange (NYSE). As a result, Deutsche Telekom is subject to NYSE listing rules as well as to U.S. capital market legislation, in particular the Sarbanes-Oxley Act of 2002 and associated regulations of the Securities and Exchange Commission (SEC) for listed foreign entities. A general summary of the main differences between German corporate governance rules and those of the NYSE that apply to listed companies is included in Deutsche Telekom's Annual Report on Form 20-F for the 2008 financial year, which is available on the Deutsche Telekom website (www.telekom.com) under Investor Relations in the Publications section. This summary can also be found on the Deutsche Telekom website (www.telekom.com) under Investor Relations in the Corporate Governance section.

Interim Group management report.

Highlights.

Events in the third quarter of 2009.

Group.

Deutsche Telekom and France Télécom plan to merge T-Mobile UK and Orange UK to create a new mobile champion in the United Kingdom.

On September 8, 2009, Deutsche Telekom AG and France Télécom SA announced that they had entered into exclusive negotiations to merge T-Mobile UK and Orange UK into a joint venture which is to become the largest mobile carrier in the United Kingdom. By integrating Orange Broadband, the joint venture will also have the capability to offer convergence solutions to its customers.

The board of directors and the management of the new joint venture company will have balanced representation from Deutsche Telekom and France Télécom. The T-Mobile UK and Orange UK brands will be maintained for 18 months after the completion of the transaction. Prior to the signing, both Deutsche Telekom and France Télécom will undertake confirmatory due diligence and the definitive documentation will be drawn up. The entire transaction is subject to approval by the relevant competition authorities in particular.

Save for Service target exceeded again.

The Save for Service cost-cutting program announced in 2006 which aims to realize potential savings of between EUR 4.2 and EUR 4.7 billion until 2010 exceeded the cumulative savings of EUR 4.9 billion recorded effective June 30, 2009 once again by EUR 0.5 billion, bringing cumulative savings up to EUR 5.4 billion effective September 30, 2009.

Issuances in the third quarter of 2009.

Deutsche Telekom AG has made a private placement in the amount of EUR 350 million with a 12-year term via its financing subsidiary, Deutsche Telekom International Finance B.V.

Competitive workforce: Cutbacks, reorganization and development.

In the Group’s domestic operations, socially responsible measures were used for further staff reduction in the third quarter of 2009, essentially by means of voluntary redundancies, partial and early retirement, and employment opportunities for civil servants and employees offered by Vivento, especially in the public sector.

On September 1, 2009, some 3,600 young people started their vocational training with Deutsche Telekom AG. Deutsche Telekom is currently training around 11,000 young people, including several hundred students in cooperative degree programs. This year, the number of first semester places has doubled to 400, further expanding the foundation for recruiting junior professionals.

Furthermore, around 3,300 staff have already been recruited as part of the approximately 3,500 planned new hires for 2009 – around 1,100 of which are professionals and approximately 2,200 junior staff.

Deutsche Telekom launches new sustainability drive. Top ranking in sustainability indexes.

Deutsche Telekom launched a new campaign under the motto “Big changes start small!” for the protection of the environment and society on September 5, 2009. The focus of this campaign is on presenting Deutsche Telekom products and services which help customers to act responsibly and to make their lives easier at the same time. The topics covered by the campaign include online billing, child protection software, cell phone return, energy-efficient telephones, fair procurement, smart metering, and environmentally friendly download portals.

In the company evaluation carried out by the Zurich-based agency SAM Research AG, Deutsche Telekom has qualified once again for the most renowned sustainability indexes, the Dow Jones Sustainability Index World and Dow Jones Sustainability STOXX. This year, Deutsche Telekom was evaluated for the first time in the mobile communications sector and was immediately awarded the coveted title of sector leader. In 2009, Deutsche Telekom came in second in the sustainability performance evaluation in the overall telecommunications sector (mobile communications and fixed network).

Germany.

Deutsche Telekom expands cooperation with municipalities.

Deutsche Telekom is substantially expanding its cooperation with municipal authorities for broadband roll-out. The Company has decided to conclude a significantly greater number of publicly tendered contracts/cooperation agreements this year than previously planned. Deutsche Telekom is thus supporting the German government’s aim to push ahead with broadband expansion in Germany and to roll out modern telecommunications infrastructure in rural areas. Around 750 cooperation agreements are scheduled to be concluded with municipalities.

Continuous expansion of the terminal portfolio and new, innovative applications.

T-Mobile was the first European license holder to launch the latest generation of mobile mailboxes at the beginning of August 2009. Mobilbox Pro allows users to have voice messages displayed and save time by choosing the order of message retrieval. It was also at the beginning of August 2009 that T-Mobile introduced the follow-up model of the successful T-Mobile G1 – the Mobile G2 Touch. In addition, the T-Mobile Pulse is exclusively available from T-Mobile.

Since August 2009, T-Mobile has been the only network operator in Germany to transmit the 1st and 2nd Bundesliga soccer matches live on cell phones with LIGA total! In addition, the T-Mobile TV service has been improved and extended to include new channels.

Specially tailored rate plans and network access services enable T-Mobile to strengthen its position in the machine-to-machine (M2M) technology area. The T-Energy smart metering platform developed by Deutsche Telekom will support energy utilities with implementing the German Energy Management Act (Energiewirtschaftsgesetz).

United States.
Roll-out of 3G network.

T-Mobile USA continues to invest in the UMTS/HSDPA (3G) network, which covered 167 million people as of the end of September 2009, up from 113 million at the end of June. The 3G network remains on track to cover approximately 200 million people nationwide by the end of 2009, and will be enabled for 7.2 Mbit/s. An HSPA+ network trial with a top data speed of 21 Mbit/s was launched in Philadelphia in September 2009.

Strong improvements in 3G converged devices line-up.

With the launches in the third quarter of 2009 of the myTouch 3G, Dash 3G, and HTC Touch Pro 2, T-Mobile USA continues to significantly increase its 3G converged device line-up in 2009.

RadioShack distribution commenced.

In August 2009 T-Mobile USA's products and services started being offered in more than 4,000 RadioShack stores across the United States and Puerto Rico, almost doubling T-Mobile USA's national retail distribution network.

Continued independent recognition of T-Mobile USA's industry-leading customer service.

In the third quarter of 2009 T-Mobile USA achieved the highest ranking in a tie with Verizon Wireless for the J.D. Power and Associates 2009 Wireless Customer Care Performance Study – Volume 2. Since 2004, T-Mobile USA has received the highest ranking, including two ties, in nine of the last 10 Customer Care Performance Studies conducted by J.D. Power and Associates.

T-Mobile USA received the highest ranking in the third quarter of 2009 among national wireless carriers in the J.D. Power and Associates 2009 Wireless Retail Sales Satisfaction Study – Volume 2.

Europe.

Strategic partnerships safeguard Deutsche Telekom's status as the leading provider for connected life and work.

T-Mobile and Sierra Wireless have agreed to cooperate in the area of machine-to-machine (M2M) communication to develop portfolios of solutions for the growing M2M market in Europe.

T-Mobile and NAVIGON are intensifying their strategic partnership. Following the joint introduction of innovative navigation solutions for the iPhone as well as for Android and Windows Mobile-based smartphones, the two companies have developed a M2M telematic solution that enables customers to retrieve comprehensive information, tips, and advice about routes and destinations across Europe. T-Mobile exclusively markets this navigation solution on a Europe-wide basis in cooperation with NAVIGON.

Modernization and continued expansion of network infrastructure.

T-Mobile Austria has implemented the world's first test of mobile multi-user broadband services on an LTE-based next generation mobile network (NGMN) in the city of Innsbruck. Implemented in cooperation with Huawei, the project is the largest European test network covering 60 radio cells that have been in operation since the beginning of July 2009. In the trials, new NGMN mobile handsets were used that reached speeds of up to 50 Mbit/s per device.

In the Netherlands, the mobile virtual network operator (MVNO) Tele2 took first steps to switch its host network over to T-Mobile Netherlands. On September 1, 2009, Tele2 started migrating its customers to T-Mobile's mobile communications network. Tele2 customers now have access to mobile broadband services for the first time.

In August 2009, T-Mobile CZ and Nokia Siemens Networks signed an agreement on the roll-out of a 3G network. The HDSPA-based network is scheduled to be launched in Prague at the end of 2009.

Southern and Eastern Europe.

Expansion of IPTV and TV services in Greece.

On July 31, 2009, Hellas Sat (part of the OTE group) and Greece signed a license agreement for satellite TV services. This license enables the OTE group to offer pay TV services via the Hellas Sat 2 satellites, expanding its

TV offering for customers in Greece.

Conn-x TV, OTE's IPTV service, has been available in more than 40 Greek towns and cities since September 2009. With Conn-x TV, subscribers can enjoy 40 thematic television channels, video on demand, and three exclusive sports channels.

Magyar Telekom reaches agreement with trade unions.

In September 2009, Magyar Telekom reached an agreement with the trade unions on wage development, headcount reduction, and lowering additional employee allowances for 2010. The agreement also includes arrangements for future additional severance payments which are gradually to be reduced to one third of the current level in the period from 2011 to 2014. By the end of 2010, total severance expenses related to the headcount reduction will reach HUF 7 billion (EUR 26 million as of the reporting date), the majority of which will be incurred before the end of 2009.

Systems Solutions.

Deutsche Telekom acquires hosting business of SAP AG in Europe.

T-Systems will take over SAP's hosting customers in Europe, as recently agreed between Deutsche Telekom's corporate customer arm and the software company. In the future, T-Systems will support the software applications of almost 90 SAP customers in its data centers.

Nobel Biocare relies on T-Systems for global telecommunications.

Nobel Biocare Holding AG has entrusted T-Systems with setting up and operating its international corporate network, helping the global market leader in innovative restorative and aesthetic dental solutions to enhance its transnational telecommunications at 40 locations, thus controlling its production capacity.

Course set for further staff restructuring at T-Systems.

At the end of 2008 the management of T-Systems adopted a workforce restructuring program. In August 2009, the company reached an agreement with the central works council and employee representatives on the joint steps to be taken. T-Systems will shed just under 3,000 jobs in 2009 and 2010. Essentially, this will affect the business areas of Systems Integration (development and maintenance of software applications) and ICT Operations (operation of networks as well as data centers and storage systems). The goal is to make the transition as socially compatible as possible. Protection from compulsory redundancy up to mid-2012 has been agreed for the employees of T-Systems. At Systems Integration and ICT Operations, this protection will not become effective before completion of the restructuring measures required in these two units. The restructuring program will start at Systems Integration. T-Systems will have evaluated by the end of 2009 to what extent the employees in this unit made use of voluntary offers. If staff who are affected by the changes have not found alternative employment by then, they will be able – for a limited period – to move to a transitional company which T-Systems will be setting up together with Vivento, Deutsche Telekom's personnel service provider, in line with the legally prescribed procedure. Employees who transfer to this transitional company will have their contracts with T-Systems terminated and will receive support from Vivento in their search for new jobs. A similar approach will be taken at ICT Operations after the end of the first quarter of 2010.

Overall economic situation/industry situation/regulation.

Global economic development.

As a result of the stabilization of the financial and capital markets, the global economic recession might have bottomed out by the end of the third quarter of 2009. In its 2009 Fall Report for the Federal Ministry of Economics and Technology, the Joint Diagnosis project group reported that the global economy is on the road to recovery, as suggested by various economic indicators: New orders, industrial production, and international trade have risen again, albeit at different levels in different countries. In some industrialized nations, the stabilizing effect of private consumption already lifted gross domestic product (GDP) again slightly in the second quarter of 2009, while the slowdown decreased considerably. In Germany, the economy stabilized at a lower level of production. Above all in Asia – with the exception of Japan – macroeconomic production has been markedly rising once more since the beginning of the second half of 2009.

Outlook.

Leading economic research institutes are forecasting that the global economy will gain little momentum next year despite having picked up speed in the third quarter of 2009 on the back of economic stimulus packages and a rebound in international trade. Due to the lack of new economic recovery programs, indications that energy prices will rise, high risk premiums, further possible write-downs on the loan portfolios of the financial institutions, and a further drop in employment caused by the slump in production, the industrialized countries, in particular, may not see production surge next year following this year’s sharp decline.

Overall economic risks.

The key risks to the global economy still include developments on the financial and equity markets. While markets have calmed and in some cases experienced considerable growth, they could suffer a setback at any time owing to the still precarious situation of banks in the United States and Western Europe. Abandoning the current expansionary trend in monetary and financial policy at the wrong time could also drag down the global economy. Were a neutral monetary policy to be re-adopted for the coming years and were governments forced to focus their financial policy on a sustainable consolidation course on account of the high budget deficits, inflation expectations could increase and capital market interest rates could rise quickly, impacting economic recovery again.

Telecommunications market.

In the third quarter of 2009, the BITKOM sector index recorded growth in the IT and telecommunications sector for the first time since the onset of the financial and economic crisis. The BITKOM sector index rose by 18 points in the third quarter of 2009 and now, at minus 7 points, is slightly higher than the Ifo index for the economy as a whole, the highest increase in five years.

The results of the international delphi study, which surveyed 551 decision-makers from politics, industry, and science on key developments in their sectors, also show that the IT and telecommunication sector is emerging from the crisis with renewed strength. 58 percent of German industry observers firmly believe that the German IT sector will emerge from the current economic crisis stronger than before. 37 percent of respondents are of the opinion that the importance of the telecommunications sector will increase after the economic crisis. U.S. experts hold a similar view. Of those surveyed in the United States,70 percent expect the IT sector to emerge from the crisis with renewed strength and 74 percent say the same of the telecommunications sector.

Regulatory situation.

Rates regulation for IP-Bitstream Access.

On September 14, 2009, the Federal Network Agency set new rates for the IP-Bitstream Access wholesale product. The Stand Alone version, for which end customers no longer need a separate telephone line in addition to their DSL line, was priced at EUR 18.32 per month with retroactive effect as of July 1, 2009. As of this date, Deutsche Telekom had already voluntarily offered IP-BSA customers a discounted price of EUR 18.62 per month for the provision of an IP-BSA Stand Alone line. The approval will expire on November 30, 2010. Before that date, the Federal Network Agency will conduct a new market analysis and then issue a new regulatory order for IP-Bitstream Access.

Terms and conditions for the award of new spectrum.

The Federal Network Agency published the terms and conditions and the auction rules governing the award of spectrum in the 800 MHz, 1.8 GHz, 2 GHz, and 2.6 GHz bands in the Official Gazette and invited public comments. The commenting phase has since closed. Consultation with the Advisory Council of the Federal Network Agency took place on October 12, 2009. The final terms and conditions and the auction rules were published in the Official Gazette on October 21, 2009. The registration period for the auction will end January 21, 2010.

Market analysis and regulatory order on bitstream access.

According to the key elements of the draft market analysis and regulatory order on bitstream access published on October 21, 2009, the Federal Network Agency intends to rely on ex-post regulation, to allocate the new VDSL wholesale services to the regulated market for bitstream access, and to maintain the delineation of markets on a national basis. The draft requires the Wholesale Internet Access-Gate product also to be subjected to (ex post) regulation. The final version will be published and will enter into force in late 2009 or early 2010.

Group organization.

Since July 1, 2009, Deutsche Telekom’s organizational structure has reflected the realigned management structure approved by the Supervisory Board on April 29, 2009. The new structure increases regional market responsibility in the combined fixed-network and mobile communications business. The realignment also resulted in a change to the structure of the operating segments from July 1, 2009. Since July 1, 2009, Deutsche Telekom has reported on the five operating segments Germany, United States, Europe, Southern and Eastern Europe, and Systems Solutions as well as on Group Headquarters & Shared Services.

The business activities in four of these five operating segments are assigned by regions and in the fifth by customers and products.

The Germany operating segment comprises all fixed-network and mobile activities in Germany. In addition, the operating segment provides wholesale telecommunications services for the Group’s other operating segments. The United States operating segment combines all mobile activities in the U.S. market. The Europe operating segment covers all activities of the mobile communications companies in the United Kingdom, Poland, the Netherlands, the Czech Republic and Austria, as well as the International Carrier Sales and Services unit, which provides wholesale telecommunications services for the Group’s other operating segments. The Southern and Eastern Europe operating segment comprises all fixed-network and mobile communications operations of the national companies in Hungary, Croatia, Slovakia, Greece, Romania, Bulgaria, Albania, Macedonia, and Montenegro.

Fixed-network business includes all voice and data communications activities based on fixed-network and broadband technology. This includes the sale of terminal equipment and other hardware, as well as the sale of services to resellers.

The mobile communications business offers mobile voice and data services to consumers and business customers. Mobile terminals and other hardware are sold in connection with the services offered. In addition, T-Mobile services are sold to resellers and to companies that buy network services and market them independently to third parties (MVNOs).

The Systems Solutions operating segment bundles business with ICT products and solutions for large multinational corporations under the T-Systems brand. The operating segment offers its customers information and communication technology (ICT) from a single source. It develops and operates infrastructure and industry solutions for multinational corporations and public institutions. The products and services offered range from standard products and IP-based high-performance networks through to complete ICT solutions.

Group Headquarters & Shared Services comprises Service Headquarters and those subsidiaries of Deutsche Telekom AG that are not allocated to the operating segments.

The around 160,000 business customers of the Systems Solutions operating segment (called the Business Customers operating segment until December 31, 2008), which were transferred to the Broadband/Fixed Network operating segment as of January 1, 2009, have been included in the Germany operating segment since July 1, 2009.

All of the information presented here has been incorporated into the following tables, and prior-year and comparative figures have been adjusted accordingly.

Development of business in the Group.

Net revenue.

In the first nine months of the 2009 financial year, Deutsche Telekom generated a year-on-year revenue increase of EUR 2.8 billion or 6.2 percent. The first-time full consolidation of the OTE group was the primary driver behind the rise, contributing EUR 3.9 billion. Adjusted for the effects of changes in the consolidated group (EUR 4.0 billion) and positive exchange rate effects (EUR 0.2 billion), net revenue was down on the prior-year level.

Revenue in Deutsche Telekom's operating segments developed as follows:

The Germany operating segment recorded a 3.9-percent decrease in revenue year-on-year to EUR 19.0 billion, mainly due to line losses resulting from increased competition in the fixed network and regulatory pricing measures relating to fixed-network and mobile communications.

The EUR 1.2 billion revenue increase in the United States operating segment in the first nine months of the financial year was primarily the result of positive exchange rate effects from the translation of U.S. dollars to euros. Adjusted for exchange rate effects revenue decreased slightly, due in particular to lower revenue per customer.

Revenue from the Europe operating segment declined by EUR 1.0 billion or 11.7 percent year-on-year to EUR 7.6 billion. EUR 0.8 billion of this decline was caused by exchange rate effects from the translation of pounds sterling, Polish zlotys and Czech korunas to euros. The strained macroeconomic situation and strong competitive pressure continue to impact negatively on revenue.

Revenue in the Southern and Eastern Europe operating segment increased by EUR 3.6 billion year-on-year as a result of the first-time full consolidation of OTE. By contrast, revenue in Hungary decreased by EUR 0.3 billion, EUR 0.2 billion of which was due to negative exchange rate effects.

The Systems Solutions operating segment recorded a revenue decrease of EUR 0.3 billion or 5.0 percent, largely due to lower revenues in the Systems Integration and Telecommunications units as a result of tougher competition.

	Q1 2009 millions of €	Q2 2009 millions of €	Q3 2009 millions of €	Q3 2008 millions of €	Change %	Q1 - Q3 2009 millions of €	Q1 - Q3 2008 millions of €	Change %	FY 2008 millions of €
Net revenue	15,902	16,238	16,262	15,454	5.2	48,402	45,557	6.2	61,666
Germanya	6,331	6,220	6,471	6,601	(2.0)	19,022	19,792	(3.9)	26,400
United Statesa	4,137	3,918	3,758	3,657	2.8	11,813	10,616	11.3	14,957
Europea	2,436	2,573	2,552	2,940	(13.2)	7,561	8,559	(11.7)	11,354
Southern and Eastern Europe a	1,964	2,516	2,616	1,265	n.a.	7,096	3,499	n.a.	4,645
Systems Solutionsa	2,106	2,179	2,125	2,293	(7.3)	6,410	6,744	(5.0)	9,343
	618	612	593	748	(20.7)	1,823	2,179	(16.3)	2,781

Group Headquarters & Shared Services[a]									
Intersegment revenue[b]	(1,690)	(1,780)	(1,853)	(2,050)	9.6	(5,323)	(5,832)	8.7	(7,814)

a Total revenue (including revenue between operating segments).
b Elimination of revenue between operating segments.

Contribution of the operating segments to net revenue (after elimination of revenue between segments).

	Q1 - Q3 2009 millions of €	Proportion of net revenue of the Group %	Q1 - Q3 2008 millions of €	Proportion of net revenue of the Group %	Change millions of €	Change %	FY 2008 millions of €
Net revenue	48,402	100.0	45,557	100.0	2,845	6.2	61,666
Germany	17,828	36.8	18,583	40.8	(755)	(4.1)	24,754
United States	11,802	24.4	10,606	23.3	1,196	11.3	14,942
Europe	7,145	14.8	8,142	17.9	(997)	(12.2)	10,798
Southern and Eastern Europe	6,965	14.4	3,382	7.4	3,583	n.a.	4,497
Systems Solutions	4,465	9.2	4,595	10.1	(130)	(2.8)	6,368
Group Headquarters & Shared Services	197	0.4	249	0.5	(52)	(20.9)	307

With 36.8 percent, the Germany operating segment provided the largest contribution to the net revenue of the Group in the first nine months of 2009. The Southern and Eastern Europe operating segment's share of net revenue increased considerably due to the first-time full consolidation of OTE. The increase in the contribution of the United States operating segment was due to positive exchange rate effects. The contribution of the Europe and Systems Solutions operating segments to net revenue decreased year-on-year in the first nine months of 2009. This was the result of both lower revenue and, in the Europe operating segment, negative exchange rate effects.

Breakdown of revenue by region.

The proportion of net revenue generated outside Germany in the first nine months of 2009 increased by 4.1 percentage points compared with the prior-year period to reach 56.7 percent, largely due to revenue growth in the regions of Europe and North America. In the Europe region, revenue increased mainly due to the full consolidation of OTE. In North America, revenue was positively impacted by exchange rate effects.

	Q1 2009 millions of €	Q2 2009 millions of €	Q3 2009 millions of €	Q3 2008 millions of €	Change %	Q1 - Q3 2009 millions of €	Q1 - Q3 2008 millions of €	Change %	FY 2008 millions of €
Net revenue	15,902	16,238	16,262	15,454	5.2	48,402	45,557	6.2	61,666

Domestic		6,943	6,817	7,201	7,158	0.6	20,961	21,596	(2.9)	28,885
International		8,959	9,421	9,061	8,296	9.2	27,441	23,961	14.5	32,781
Proportion generated internationally	(%)	56.3	58.0	55.7	53.7		56.7	52.6		53.2
Europe (excluding Germany)		4,684	5,363	5,188	4,510	15.0	15,235	12,972	17.4	17,324
North America		4,148	3,928	3,780	3,642	3.8	11,856	10,599	11.9	14,931
Other		127	130	93	144	(35.4)	350	390	(10.3)	526

EBIT.

EBIT of the Deutsche Telekom Group decreased by EUR 1.7 billion year-on-year to EUR 4.8 billion due to an impairment loss recognized in the first quarter of 2009 on goodwill of the cash generating unit T-Mobile UK in the former operating segment Mobile Communications Europe. While EBIT in the Europe and Systems Solutions operating segments in particular decreased, the United States and Southern and Eastern Europe operating segments both reported a year-on-year increase. OTE contributed EUR 0.4 billion to Group EBIT in the first nine months of 2009.

The Germany operating segment recorded a 0.8-percent decrease in EBIT compared with the prior-year period. The reduction in revenues was largely compensated by cost savings.

EBIT increased slightly in the United States operating segment. Adjusted for exchange rate effects, EBIT decreased primarily as a result of the decline in revenues per customer.

An impairment loss of EUR 1.8 billion was recognized on goodwill of the cash generating unit T-Mobile UK in the Europe operating segment in the first quarter of 2009, mainly as a consequence of the significant economic slowdown, tough competition, and regulatory decisions in the United Kingdom.

Furthermore, revenue decreases at T-Mobile UK and T-Mobile CZ and exchange rate effects of EUR 0.2 billion had a negative impact on EBIT.

EBIT generated in the Systems Solutions operating segment in the prior-year period was impacted in particular by the gain on the disposal of Media&Broadcast.

	Q1 2009 millions of €	Q2 2009 millions of €	Q3 2009 millions of €	Q3 2008 millions of €	Change %	Q1 - Q3 2009 millions of €	Q1 - Q3 2008 millions of €	Change %	FY 2008 millions of €
EBITa in the Group	244	2,012	2,498	2,313	8.0	4,754	6,479	(26.6)	7,040
Germany	1,325	1,274	1,409	1,528	(7.8)	4,008	4,040	(0.8)	4,624
United States	530	654	595	570	4.4	1,779	1,656	7.4	2,299
Europe	(1,786)	226	349	201	73.6	(1,211)	486	n.a.	496
Southern and Eastern Europe	504	237	462	371	24.5	1,203	920	30.8	915
	11	27	16	(11)	n.a.	54	407	(86.7)	81

Systems Solutions									
Group Headquarters & Shared Services	(309)	(344)	(311)	(319)	2.5	(964)	(900)	(7.1)	(1,266)
Reconciliation	(31)	(62)	(22)	(27)	18.5	(115)	(130)	11.5	(109)

a EBIT is profit/loss from operations as shown in the income statement.

Profit/loss before income taxes.

Profit before income taxes for the first nine months of 2009 was EUR 2.2 billion, down EUR 2.0 billion on the prior-year period. Profit before income taxes was impacted in particular by the impairment loss recognized on goodwill at the cash generating unit T-Mobile UK amounting to EUR 1.8 billion which was reflected in the EBIT of the former operating segment Mobile Communications Europe.

Net profit/loss.

Deutsche Telekom generated a net profit of EUR 0.4 billion in the first nine months of 2009, compared with a net profit of EUR 2.2 billion in the prior-year period due to the aforementioned effects.

EBITDA.

In the first nine months of 2009, Deutsche Telekom generated EBITDA of EUR 15.4 billion (prior year: EUR 14.4 billion). OTE's contribution to Group EBITDA amounted to EUR 1.5 billion.

Adjusted EBITDA.

EBITDA in the first nine months of 2009 was negatively affected by special factors totaling EUR 0.2 billion. These special factors primarily consisted of staff-related and other restructuring measures in the Germany and Systems Solutions operating segments. In the prior-year period, EBITDA was negatively affected by special factors totaling EUR 0.4 billion. Expenses incurred in connection with staff-related and other restructuring measures as well as with the sale of DeTeImmobilien were partially offset by the gains on the disposal of Media&Broadcast.

EBITDA for the first nine months of 2009, adjusted for the aforementioned special factors, was EUR 15.6 billion compared with EUR 14.8 billion in the prior-year period. OTE, which was fully consolidated for the first time, contributed EUR 1.5 billion to adjusted Group EBITDA in the reporting period.

In the first nine months of 2009, adjusted EBITDA in the Germany operating segment decreased due to the decline in revenue, which was only partially offset by savings in the fixed network.

In the United States operating segment, adjusted EBITDA increased, largely due to positive exchange rate effects. Despite the decrease in revenue, adjusted EBITDA, excluding exchange rate effects, only decreased slightly as a result of cost cutting measures.

In the Europe operating segment, exchange rate effects of EUR 0.2 billion from the translation of pounds sterling, Polish zlotys, and Czech korunas to euros had a negative impact. The decrease in adjusted EBITDA at T-Mobile UK and PTC was attributable to lower revenue, which was not offset by cost savings.

• The increase in adjusted EBITDA in the Southern and Eastern Europe operating segment resulted primarily from the first-time full consolidation of OTE in February 2009. By contrast, adjusted EBITDA decreased at Magyar Telekom and T-Hrvatski Telekom.

In the Systems Solutions operating segment, the increase in adjusted EBITDA was attributable to efficiency measures, which more than offset the decline in revenue.

	Q1 2009 millions of €	Q2 2009 millions of €	Q3 2009 millions of €	Q3 2008 millions of €	Change %	Q1 - Q3 2009 millions of €	Q1 - Q3 2008 millions of €	Change %	FY 2008 millions of €
Adjusted EBITDA[a] in the Group	4,812	5,258	5,528	5,254	5.2	15,598	14,790	5.5	19,459
Germany	2,363	2,381	2,523	2,610	(3.3)	7,267	7,495	(3.0)	9,764
United States	1,061	1,176	1,089	1,038	4.9	3,326	3,034	9.6	4,240
Europe	467	683	745	765	(2.6)	1,895	2,231	(15.1)	2,939
Southern and Eastern Europe	799	1,002	1,089	593	83.6	2,890	1,603	80.3	2,014
Systems Solutions	211	231	231	203	13.8	673	595	13.1	826
Group Headquarters & Shared Services	(50)	(142)	(112)	74	n.a.	(304)	(40)	n.a.	(181)
Reconciliation	(39)	(73)	(37)	(29)	(27.6)	(149)	(128)	(16.4)	(143)

a Deutsche Telekom defines EBITDA as profit/loss from operations before depreciation, amortization and impairment losses. For a detailed explanation of the special factors affecting EBITDA, adjusted EBITDA, and the adjusted EBITDA margin, please refer to “Reconciliation of pro forma figures,” page 65 et seq.

Free cash flow.

Free cash flow decreased in the first nine months of 2009 from EUR 5.8 billion in the prior-year period to EUR 5.1 billion.

Net cash from operating activities amounted to EUR 11.8 billion in the reporting period, an increase of EUR 0.5 billion over the prior-year period. While cash generated from operations improved by EUR 0.8 billion, net interest paid increased by EUR 0.3 billion. The increase in cash generated from operations is the result of several factors, some of which offset each other. The Group’s EBITDA increased by EUR 0.9 billion year-on-year. Taking into consideration the effects of the disposal of fully consolidated companies in 2008 and 2009, this figure is EUR 0.4 billion higher. The change in assets carried as working capital increased by EUR 0.9 billion, mainly as a result of inflows of EUR 0.8 billion from the sale of receivables (factoring). By contrast, the changes in provisions and other liabilities carried as working capital decreased by EUR 1.2 billion year-on-year, mainly due to higher cash outflows for restructuring measures and increased utilization of provisions for personnel costs and provisions for litigation risks and dealers’ commissions. In addition, income tax payments increased by EUR 0.4 billion year-on-year, in particular as a result of the first-time full consolidation of OTE from February 2009. The increase in net interest paid is also largely attributable to this effect.

Cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment increased by EUR 1.2 billion, primarily as a result of the network roll-out in the United States and, to a lesser extent, the United Kingdom.

	Q1 2009 millions of €a	Q2 2009 millions of €	Q3 2009 millions of €	Q3 2008 millions of €	Change %	Q1 - Q3 2009 millions of €	Q1 - Q3 2008 millions of €	Change %	FY 2008 millions of €
Cash generated from operations	3,596	4,215	6,029	4,883	23.5	13,840	13,026	6.2	17,625
Interest received (paid)	(630)	(703)	(686)	(598)	(14.7)	(2,019)	(1,728)	(16.8)	(2,257)
Net cash from operating activities	2,966	3,512	5,343	4,285	24.7	11,821	11,298	4.6	15,368
Cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment	(2,611)	(2,211)	(2,131)	(2,137)	0.3	(6,953)	(5,766)	(20.6)	(8,707)
Free cash flow before proceeds from disposal of intangible assets (excluding goodwill) and property, plant and equipment	355	1,301	3,212	2,148	49.5	4,868	5,532	(12.0)	6,661
Proceeds from disposal of intangible assets (excluding goodwill) and property, plant and equipment	61	103	74	48	54.2	238	256	(7.0)	372
Free cash flow before dividend paymentsb	416	1,404	3,286	2,196	49.6	5,106	5,788	(11.8)	7,033

a Figures for the first quarter of 2009 have been adjusted. For explanations, please refer to “Selected explanatory notes /Accounting policies.”

b For detailed information and calculations, please refer to “Reconciliation of pro forma figures,” page 68.

Net debt.

Net debt increased by EUR 4.2 billion compared with the end of 2008 to EUR 42.4 billion.

The first-time full consolidation of OTE in February 2009 and the exercise of Hellenic Republic’s put option I for a further 5 percent of the shares in OTE effective July 31, 2009 contributed EUR 5.0 billion to the increase in net debt. Dividend payments totaling EUR 4.3 billion were a further factor. The positive free cash flow of EUR 5.1 billion had an offsetting effect.

Net debt was EUR 2.6 billion lower at the reporting date than at June 30, 2009, primarily as a result of the positive free cash flow.

	Sept. 30, 2009 millions of €	June 30, 2009 millions of €	Change Sept. 30, 2009/ June 30, 2009 %	Dec. 31, 2008 millions of €	Change Sept. 30, 2009/ Dec. 31, 2008 %	Sept. 30, 2008 millions of €	Change Sept. 30, 2009/ Sept. 30, 2008 %
Bonds	40,572	43,157	(6.0)	34,302	18.3	35,691	13.7
Liabilities to banks	4,617	4,806	(3.9)	4,222	9.4	4,409	4.7
Liabilities to non-banks from promissory notes	1,037	1,029	0.8	887	16.9	848	22.3
Derivative financial liabilities	1,066	752	41.8	1,053	1.2	862	23.7
Lease liabilities	1,943	1,965	(1.1)	2,009	(3.3)	2,029	(4.2)
Other financial liabilities	1,238	1,075	15.2	974	27.1	585	n.a.
Gross debt	50,473	52,784	(4.4)	43,447	16.2	44,424	13.6
Cash and cash equivalents	6,080	5,836	4.2	3,026	n.a.	3,111	95.4
Available-for-sale/ held-for-trading financial assets	249	562	(55.7)	101	n.a.	138	80.4
Derivative financial assets	1,192	937	27.2	1,598	(25.4)	461	n.a.
Other financial assets	563	483	16.6	564	(0.2)	1,265	(55.5)
Net debt[a]	42,389	44,966	(5.7)	38,158	11.1	39,449	7.5

a For detailed information and calculations, please refer to “Reconciliation of pro forma figures,” page 69.

Development of business in the operating segments.

Germany.

Germany: Customer development and selected KPIs.

	Sept. 30, 2009 millions	June 30, 2009 millions	Change Sept. 30, 2009/ June 30, 2009 %	Dec. 31, 2008 millions	Change Sept. 30, 2009/ Dec. 31, 2008 %	Sept. 30, 2008 millions	Change Sept. 30, 2009/ Sept. 30, 2008 %
Fixed network							
Fixed-network lines[a]	26.7	27.2	(1.8)	28.3	(5.7)	29.0	(7.9)
Retail broadband lines[a]	11.3	11.2	0.9	10.6	6.6	10.2	10.8
Resale/IP-BSA[b]	1.8	2.0	(10.0)	2.5	(28.0)	2.9	(37.9)
ULL[c]	8.9	8.7	2.3	8.3	7.2	7.9	12.7
IP-BSA SA[d]	0.5	0.4	25.0	0.2	n.a.	n.a.	n.a.
Mobile communications							
Mobile customers[e,f]	39.3	39.1	0.5	39.1	0.5	38.8	1.3

Totals were calculated on the basis of precise figures and rounded to millions. Percentages are calculated on the basis of figures shown. The Business Customers unit was transferred from the Systems Solutions segment into the former Broadband/Fixed Network segment effective January 1, 2009 and has been reported under the Germany operating segment since July 1, 2009. All prior-quarter and prior-year figures have been adjusted for better comparability.

a Lines in operation excluding internal use and public telecommunications systems, including IP-based lines and congstar.

b Resale: Sale of broadband lines based on DSL technology to alternative providers outside Deutsche Telekom, including bundled IP-BSA. In the case of IP-Bitstream Access (IP-BSA), Deutsche Telekom leases DSL lines to the competitor and transports the datastream carried over the lines.

c Unbundled local loop line: Deutsche Telekom wholesale service that can be leased by alternative telecommunications operators without upstream technical equipment in order to offer their own customers a telephone or DSL line.

d IP-BSA Stand Alone: wholesale service not bundled with a PSTN line. Allows competitors to offer an all-IP product range.

e One mobile communications card corresponds to one customer.

f Due to various rulings on the expiry of prepaid credit and the limited validity of prepaid cards, T-Mobile Deutschland changed its terms of contract and therefore its deactivation policy in the first quarter of 2007 in favor of its prepay customers. These customers can now use their prepaid credit longer than before. As a result of the change in the terms of contract, prepaid contracts no longer end automatically, but run for an unlimited duration and can be terminated by the customer at any time and by T-Mobile with one month's notice. T-Mobile Deutschland reserves the right to make use of this right of termination and to deactivate cards in the system.

Fixed network. In a more slowly growing broadband market in Germany, the number of retail broadband lines operated by Deutsche Telekom increased by 1.1 million year-on-year to a total of 11.3 million as of September 30, 2009. Since 2007, Deutsche Telekom's broadband customer market share has remained stable at around 46 percent despite increasingly fierce competition. Broadband net add growth slowed in the third quarter of 2009 due to the expiry of the 24-month contracts for the complete packages marketed very successfully in 2007.

The number of Entertain lines increased to 678,000 by the end of the third quarter of 2009. By that point in time, approximately 885,000 Entertain lines had been sold.

Fixed-network line losses in Germany totaled 573,000 in the third quarter of 2009, roughly the same as in the same prior-year period. The line losses include fixed-network lines previously operated by Deutsche Telekom but now run as IP-based lines by other providers on the basis of the unbundled local loop line (ULL). Other line losses are mainly attributable to customers switching to alternative cable, local network, and mobile operators.

Growth in ULLs slowed down compared with the previous year. In the third quarter of 2009, the number of ULLs rose by 172,000 to 8.9 million. The decrease of 200,000 in resale/IP-BSA lines in the third quarter of 2009 to 1.8 million has partially been offset by the growth in IP-BSA Stand Alone (SA) lines, which were introduced over a year ago and reached a total of 517,000 by the end of the third quarter of 2009.

Mobile communications. The total number of customers in Germany rose to 39.3 million, an increase of 1.3 percent compared with the end of the prior-year quarter.

The higher-value contract customer business developed positively in the third quarter of 2009. Compared with the prior-year quarter, the number of customers increased by 2.4 percent to 17.1 million. The share of contract customers increased year-on-year to 44 percent of the total customer base.

The focus on sustainable growth can clearly be seen in the higher number of high-value calling plans, along with stabilized average revenue and increased usage per customer.

Germany: Development of operations.

		Q1 2009 millions of €	Q2 2009 millions of €	Q3 2009 millions of €	Q3 2008 millions of €	Change %	Q1 - Q3 2009 millions of €	Q1 - Q3 2008 millions of €	Change %	FY 2008 millions of €
Total revenue		6,331	6,220	6,471	6,601	(2.0)	19,022	19,792	(3.9)	26,400
Of which: fixed network		4,724	4,628	4,711	4,884	(3.5)	14,063	14,795	(4.9)	19,782
Of which: mobile communications		1,952	1,947	2,109	2,079	1.4	6,008	6,062	(0.9)	8,069
EBIT (profit from operations)		1,325	1,274	1,409	1,528	(7.8)	4,008	4,040	(0.8)	4,624
EBIT margin	(%)	20.9	20.5	21.8	23.1		21.1	20.4		17.5
Depreciation, amortization and impairment losses		(1,016)	(1,085)	(1,037)	(1,019)	(1.8)	(3,138)	(3,121)	(0.5)	(4,180)
EBITDAa		2,341	2,359	2,446	2,547	(4.0)	7,146	7,161	(0.2)	8,804
Special factors affecting EBITDAa		(22)	(22)	(77)	(63)	(22.2)	(121)	(334)	63.8	(960)
Adjusted EBITDAa		2,363	2,381	2,523	2,610	(3.3)	7,267	7,495	(3.0)	9,764
Of which: fixed network		1,609	1,582	1,604	1,647	(2.6)	4,795	4,901	(2.2)	6,400
Of which: mobile communications		761	798	920	964	(4.6)	2,479	2,593	(4.4)	3,364
Adjusted EBITDA margin	(%)	37.3	38.3	39.0	39.5		38.2	37.9		37.0
Of which: fixed network		34.1	34.2	34.0	33.7		34.1	33.1		32.4
Of which: mobile communications		39.0	41.0	43.6	46.4		41.3	42.8		41.7
Cash capexb		(800)	(684)	(771)	(684)	(12.7)	(2,255)	(1,843)	(22.4)	(3,038)
Number of employeesc		86,086	85,142	84,369	89,215	(5.4)	85,199	90,888	(6.3)	89,961
Of which: fixed network		80,075	79,064	78,251	83,167	(5.9)	79,130	84,854	(6.7)	83,932
Of which: mobile communications		6,011	6,078	6,118	6,048	1.2	6,069	6,034	0.6	6,029

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

Totals were calculated on the basis of precise figures and rounded to millions. Percentages are calculated on the basis of figures shown.

a Deutsche Telekom defines EBITDA as profit/loss from operations excluding depreciation, amortization and impairment losses. For a detailed explanation of the special factors affecting EBITDA, adjusted EBITDA, and the adjusted EBITDA margin, please refer to “Reconciliation of pro forma figures” in the interim report, page 65 et seq.

b Investments in property, plant and equipment, and intangible assets (excluding goodwill) as shown in the cash flow statement.
c Average number of employees.

In addition to changes to the Germany operating segment already described, Deutsche Telekom's reorganization effective July 1, 2009 and the associated changes in the presentation of operating segments also required a number of reallocations within the Group. Power and Air Condition Solution Management GmbH & Co. KG (PASM) is now shown as part of the fixed-network business. The International Carrier Sales and Services business has been transferred to the Europe operating segment. The figures for the mobile communications operations include T-Mobile Deutschland (TMD) and also Deutsche Funkturm GmbH (DFMG). Global Network operations and the share of Deutsche Telekom AG in the Product House have been moved to Group Headquarters & Shared Services. All prior-quarter and prior-year figures have been adjusted for better comparability.

Germany: Revenue.

Total revenue in the Germany operating segment in the first three quarters of 2009 decreased by 3.9 percent year-on-year to EUR 19.0 billion. This decline was mainly caused by the continuing losses of fixed-network lines due to competition and by regulatory pricing measures in fixed-network and mobile communications.

Fixed network. Total fixed-network revenue in the first three quarters of 2009 decreased 4.9 percent year-on-year to EUR 14.1 billion. This decline is primarily attributable to continuing line losses resulting from increased competition, the increased sales of complete packages (telephony and Internet) with a flat-rate component, and falling usage-related charges. Other factors included decreases in revenue from resale and network services, and interconnection. Volume growth in complete packages in the broadband business and in unbundled local loop lines only partially offset the decline in revenue.

Mobile communications. In the first three quarters of 2009, total mobile communications revenue (TMD and DFMG) decreased by EUR 54 million or 0.9 percent to EUR 6.0 billion. The decrease in revenue at TMD is also attributable to lower national roaming revenues with O2. Furthermore, the more restrictive regulatory environment, in particular lower termination charges from April 1, 2009, and intense competition contributed to this decline.

In addition, continued growth in non-voice revenue had a positive effect. Data revenue alone in the first three quarters of 2009 increased by 51 percent year-on-year.

Germany: Adjusted EBITDA, EBITDA.

Adjusted EBITDA in Germany in the first three quarters of 2009 totaled EUR 7.3 billion. The decrease of EUR 0.2 billion was caused by a reduction in fixed-network revenue, which was not fully offset despite systematic cost cutting. The decrease in adjusted EBITDA from mobile communications is also due to the one-time effect of the disposal of an intangible asset in the previous year.

In the fixed network, adjusted EBITDA of EUR 4.8 billion was generated in the first three quarters of 2009. The adjusted EBITDA margin rose 1.0 percentage point year-on-year to 34.1 percent. Lower revenue-driven costs and reduced costs in particular for rental and personnel made up for a major part of the decrease in revenue in the traditional fixed-network business.

Adjusted EBITDA from mobile communications (TMD und DFMG) in the first three quarters of 2009 totaled EUR 2.5 billion. The adjusted EBITDA margin decreased 1.5 percentage points to 41.3 percent in the same period. These developments are primarily attributable to TMD and are strongly affected by the disposal of an intangible asset in the third quarter of the prior year (which generated a positive EBITDA effect of EUR 0.1 billion). Excluding this sale, both adjusted EBITDA and the EBITDA margin increased. Regulatory factors and the continuing high level of competition in Germany also had a negative impact on EBITDA.

Germany: Cash capex.

Cash capex for the first three quarters of 2009 increased by EUR 0.4 billion year-on-year to EUR 2.3 billion. This increase is attributable to expenditures on the fixed network (approximately EUR 0.36 billion), stemming mainly from investments in the IP transport platform, broadband roll-out, and IT systems, and to TMD (EUR 0.07 billion).
Germany: Personnel.

The average headcount decreased by 6.3 percent in the first three quarters of 2009 to 85,199 employees. In the fixed network area, the average number of employees was down by 6.7 percent as a result of workforce reduction measures. The average number of employees in mobile communications remained at the prior-year level.

United States.

United States: Customer development and selected KPIs.

	Sept. 30, 2009	June 30, 2009	Change Sept. 30, 2009/ June 30, 2009/	Dec. 31, 2008	Change Sept. 30, 2009/ Dec. 31, 2008	Sept. 30, 2008	Change Sept. 30, 2009/ Sept. 30, 2008
	millions	millions	%	millions	%	millions	%
United States							
Mobile communications							
Mobile customers[a]	33.4	33.5	(0.3)	32.8	1.8	32.1	4.0

a One mobile communications card corresponds to one customer. The total was calculated on the basis of precise figures and rounded to millions. Percentages are calculated on the basis of the figures shown.

The United States operating segment lost 77,000 net customers in the third quarter of 2009, compared with net customer additions of 670,000 in the third quarter of 2008 and 325,000 in the second quarter of 2009. The drivers for fewer customers in the third quarter of 2009 came from higher churn and a decrease year-on-year in contract gross customer additions. Both of these are the result of competitive intensity, including handset innovation. Contract customers, which in addition to traditional postpay include FlexPay contract and machine-to-machine customers, accounted for 80 percent of the customer base in the third quarter of 2009, compared to 83 percent in the third quarter of 2008 and 81 percent in the second quarter of 2009. The decrease in contract customers as a percentage of the customer base sequentially and year-on-year was due to growth of wholesale customers, which are included in prepay customers.

United States: Development of operations.

		Q1 2009 millions of €	Q2 2009 millions of €	Q3 2009 millions of €	Q3 2008 millions of €	Change %	Q1 - Q3 2009 millions of €	Q1 - Q3 2008 millions of €	Change %	FY 2008 millions of €
Total revenue		4,137	3,918	3,758	3,657	2.8	11,813	10,616	11.3	14,957
EBIT (profit from operations)		530	654	595	570	4.4	1,779	1,656	7.4	2,299
EBIT margin	(%)	12.8	16.7	15.8	15.6		15.1	15.6		15.4
Depreciation, amortization and impairment losses		(531)	(522)	(494)	(447)	(10.5)	(1,547)	(1,337)	(15.7)	(1,884)
EBITDAa		1,061	1,176	1,089	1,017	7.1	3,326	2,993	11.1	4,183
Special factors affecting EBITDAa		-	-	-	(21)	n.a.	-	(41)	n.a.	(57)
Adjusted EBITDAa		1,061	1,176	1,089	1,038	4.9	3,326	3,034	9.6	4,240
Adjusted EBITDA margina	(%)	25.6	30.0	29.0	28.4		28.2	28.6		28.3
Cash capexb		(865)	(785)	(552)	(656)	15.9	(2,202)	(1,797)	(22.5)	(2,540)
Number of employeesc		37,720	37,863	37,996	36,636	3.7	37,859	35,641	6.2	36,076

Including first-time consolidation of SunCom from February 22, 2008.

a Deutsche Telekom defines EBITDA as profit/loss from operations excluding depreciation, amortization and impairment losses. For a detailed explanation of the special factors affecting EBITDA, adjusted EBITDA, and the adjusted EBITDA margin, please refer to "Reconciliation of pro forma figures," page 65 et seq.

b Investments in property, plant and equipment, and intangible assets (excluding goodwill) as shown in the cash flow statement.

c Average number of employees.

United States: Total revenue.

Due to the strength of the dollar against the euro, revenue for the United States operating segment grew by 11.3 percent year-on-year in the first three quarters of 2009 to EUR 11.8 billion. In U.S. dollars the operating segment revenue decreased slightly year-on-year due to the fall in average revenue per user (ARPU), which was partially offset by the full nine-month consolidation benefit of the SunCom acquisition. The fall in ARPU year-on-year is primarily related to fewer higher-ARPU customers and lower voice usage revenues, including roaming revenues, both of which were partially offset by data revenue growth.

United States: EBIT, adjusted EBITDA.

EBIT (profit from operations) and adjusted EBITDA grew in euros year-on-year by 7.4 percent and 9.6 percent, respectively. Currency fluctuations increased total revenues year-on-year. Expenses also increased year-on-year due to currency fluctuations and higher cost of sales related to the 3G network. This increase was partially offset by lower commission costs related to fewer higher-ARPU customer additions and cost saving initiatives. In U.S. dollars, adjusted EBITDA declined slightly year-on-year. The adjusted EBITDA margin remained broadly stable at 28.2 percent in the first nine months of 2009 compared to 28.6 percent in the first nine months of 2008 as a decrease in ARPU was offset by lower costs related to volumes and cost containment.

United States: Cash capex.

The continued focus on the improvement of network quality and coverage as well as the roll-out of the UMTS/HSDPA network caused total incurred capex to remain stable year-on-year. Cash capex increased year-on-year from EUR 1.8 billion to EUR 2.2 billion in the first nine months of 2009 due to currency fluctuations and cash payment timing differences. Cash payment timing differences increased 2009 cash capex by USD 400 million over 2008's cash capex.

United States: Personnel.

The average number of employees rose year-on-year, which is attributed primarily to retail distribution growth.

Europe.

Europe: Customer development and selected KPIs.

	Sept. 30, 2009 millions	June 30, 2009 millions	Change Sept. 30, 2009/ June 30, 2009/ %	Dec. 31, 2008 millions	Change Sept. 30, 2009/ Dec. 31, 2008 %	Sept. 30, 2008 millions	Change Sept. 30, 2009/ Sept. 30, 2008 %
Europea	44.4	44.3	0.2	44.2	0.5	43.9	1.1
Of which: T-Mobile UKb	16.6	16.6	0.0	16.8	(1.2)	16.8	(1.2)
Of which: T-Mobile Netherlands (NL)c	5.5	5.4	1.9	5.3	3.8	5.3	3.8
Of which: PTC (Poland)	13.5	13.4	0.7	13.3	1.5	13.0	3.8
Of which: T-Mobile CZ	5.5	5.4	1.9	5.4	1.9	5.4	1.9
Of which: T-Mobile Austria (A)	3.4	3.4	0.0	3.4	0.0	3.3	3.0

a One mobile communications card corresponds to one customer. The total was calculated on the basis of precise figures and rounded to millions. Percentages are calculated on the basis of figures shown. For a detailed explanation of "SIM card," please refer to the "Glossary," page 72.
b Including Virgin Mobile.
c The consolidation of Online (formerly Orange Nederland Breedband B.V.) in the second quarter of 2008 has no effect on the number of customers of the T-Mobile Netherlands group, as only mobile communications customers are shown.

The number of customers in the Europe segment had increased slightly to 44.4 million by the end of the third quarter of 2009, representing growth of 0.5 percent in total customer numbers compared with the end of 2008. Apart from T-Mobile UK, all mobile communications operations in the Europe segment contributed to this positive result, either consolidating or slightly expanding their customer base. T-Mobile Netherlands recorded a growth rate of just under 4 percent, the highest since the end of 2008 among all operations in the Europe segment.

When broken down into prepay and postpay customers, customer numbers exhibited differing trends in the first nine months of 2009. T-Mobile Netherlands increased both prepay and postpay customer figures, with growth in the high-value contract segment accounting for the larger portion of the rise. The contract customer business also developed successfully at T-Mobile CZ, PTC and T-Mobile Austria, although the prepay customer base decreased slightly.

At T-Mobile UK, the slight decline in the total customer base compared to the end of 2008 is mainly due to the reduction in Virgin customers. However, compared to the second quarter of 2009, the decrease in Virgin customers was compensated for by higher numbers of T-Mobile UK's own customers. Virgin customers are assigned to the prepay segment at T-Mobile UK.

Overall, the high-value contract customer business was the growth driver for the total customer base in the first nine months of 2009. All mobile communications companies contributed to contract customer growth in both absolute and relative terms, i.e., as a proportion of the total customer base. The percentage of contract customers in the total customer base for the Europe segment rose by around one percentage point compared with the end of 2008, to 40.4 percent (including Virgin).

This positive development is due to the focused customer acquisition strategy which appeals to high-value contract customers with calling plans with minute buckets, flat-rate plans, and new hardware offered in conjunction with a fixed-term contract. In addition, innovative mobile Internet services installed on high-performance cell phones and introduced as part of the connected life and work strategy successfully attracted new groups of customers. The launch of the T-Mobile G1/G2 and the Apple iPhone 3G S contributed to considerable success in the contract customer business. T-Mobile expects the market launch of the T-Mobile Pulse, the third Android-based smartphone, to be a further milestone in the product portfolio to build on the previous successes.

Europe: Development of operations.

		Q1 2009 millions of €	Q2 2009 millions of €	Q3 2009 millions of €	Q3 2008 millions of €	Change %	Q1 - Q3 2009 millions of €	Q1 - Q3 2008 millions of €	Change %	FY 2008 millions of €
Total revenue		2,436	2,573	2,552	2,940	(13.2)	7,561	8,559	(11.7)	11,354
Of which: T-Mobile UK		836	886	853	999	(14.6)	2,575	3,073	(16.2)	4,051
Of which: T-Mobile NL		444	465	452	477	(5.2)	1,361	1,340	1.6	1,806
Of which: PTC		416	440	450	618	(27.2)	1,306	1,722	(24.2)	2,260
Of which: T-Mobile CZ		275	310	313	357	(12.3)	898	1,000	(10.2)	1,329
Of which: T-Mobile A		267	255	260	271	(4.1)	782	815	(4.0)	1,085
Of which: Othera		216	231	238	236	0.8	685	663	3.3	896
EBIT (profit (loss) from operations)		(1,786)	226	349	201	73.6	(1,211)	486	n.a.	496
EBIT margin	(%)	(73.3)	8.8	13.7	6.8		(16.0)	5.7		4,4
Depreciation, amortization and impairment losses		(2,247)	(449)	(389)	(548)	29.0	(3,085)	(1,718)	(79.6)	(2,357)
EBITDAb		461	675	738	749	(1.5)	1,874	2,204	(15.0)	2,853
Special factors affecting EBITDAb		(6)	(8)	(7)	(16)	56.3	(21)	(27)	22.2	(86)
Adjusted EBITDAb		467	683	745	765	(2.6)	1,895	2,231	(15.1)	2,939
Of which: T-Mobile UK		113	153	181	220	(17.7)	447	646	(30.8)	888
Of which: T-Mobile NL		64	103	128	91	40.7	295	267	10.5	352
Of which: PTC		110	170	175	222	(21.2)	455	620	(26.6)	785
Of which: T-Mobile CZ		127	181	165	175	(5.7)	473	491	(3.7)	634
Of which: T-Mobile A		53	70	82	64	28.1	205	205	-	285
Of which: Otherc		0	5	14	(10)	n.a.	19	(6)	n.a.	(12)
Adjusted EBITDA marginb	(%)	19.2	26.5	29.2	26.0		25.1	26.1		25,9
Cash capexd		(368)	(142)	(149)	(242)	38.4	(659)	(714)	7.7	(1,152)
Number of employeese		18,277	18,355	18,114	17,867	1.4	18,248	17,876	2.1	17,945

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

a “Other”: primarily International Carrier Sales and Services (ICSS).

b Deutsche Telekom defines EBITDA as profit/loss from operations excluding depreciation, amortization and impairment losses. For a detailed explanation of the special factors affecting EBITDA, adjusted EBITDA, and the adjusted EBITDA margin, please refer to “Reconciliation of pro forma figures,” page 65 et seq.

c “Other”: primarily ICSS, European Headquarters, T-Mobile International UK.
d Investments in property, plant and equipment, and intangible assets (excluding goodwill) as shown in the cash flow statement.
e Average number of employees.

Europe: Total revenue.

Total revenue in the Europe operating segment decreased year-on-year by EUR 1.0 billion or 11.7 percent in the first nine months of 2009. The main reasons for this downward trend in revenue were negative exchange rate effects, which had a strong adverse impact regarding the pound sterling, the Polish zloty and the Czech koruna. Revenue generated by the Europe segment in the first three quarters of 2009 was also negatively affected by the strained economic situation, continuing high competitive pressure and regulatory factors.

PTC did not quite reach its prior-year revenue figure adjusted for exchange rate effects, which was primarily attributable to regulatory conditions. The reduction in revenue at T-Mobile UK was largely related to the prepay business. Regulatory decisions and continued fierce competition additionally impacted T-Mobile UK’s revenue. At T-Mobile CZ and T-Mobile Austria, regulatory decisions also had a negative effect on revenue. At T-Mobile Netherlands revenue growth mainly resulted from revenue generated at Online (broadband/fixed-network business), which has been consolidated within T-Mobile Netherland’s results since mid-2008. The year-on-year increase in non-voice revenue from all mobile network operations in the Europe segment partially offset the revenue decrease from voice telephony.

Europe: Adjusted EBITDA, EBITDA.

In the first nine months of 2009, adjusted EBITDA in the Europe operating segment decreased year-on-year by EUR 0.3 billion or 15.1 percent. Negative exchange rate effects for the pound sterling, the Polish zloty and the Czech koruna were the main reasons for the decrease. The year-on-year decrease in EBITDA adjusted for exchange rate effects is mainly attributable to the trends recorded at T-Mobile UK and PTC.

The year-on-year reduction in EBITDA adjusted for exchange rate effects at T-Mobile UK in the first nine months of 2009 primarily resulted from lower service revenues, the negative effects of which were not fully offset by reductions in customer acquisition costs and overheads. At PTC, the main factor driving the decline in EBITDA adjusted for exchange rate effects was the year-on-year decrease in service revenues, in turn triggered by a regulation-induced reduction in revenues from termination charges. This effect was only partially offset by cost savings. Adjusted for exchange rate effects, T-Mobile CZ recorded a positive trend in EBITDA compared with the first nine months of the prior year. This satisfactory result is due in particular to reductions in direct costs. T-Mobile Austria’s strict cost management compensated for the negative impact of the year-on-year decline in revenue on EBITDA.

Europe: EBIT.

EBIT (profit/loss from operations) in the Europe operating segment declined by EUR 1.7 billion year-on-year in the first nine months of 2009. This includes the 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. EBIT was also reduced by the overall negative development of EBITDA. On the other hand, lower depreciation, amortization and impairment losses, particularly at PTC, T-Mobile Netherlands and T-Mobile Austria, had an offsetting effect on the EBIT decline.

Europe: Cash capex.

Cash capex in the Europe operating segment decreased by EUR 55 million year-on-year to EUR 659 million, mainly down to significantly lower capital expenditures in the Netherlands and Poland, which were only partially offset by slightly increased capex levels in the United Kingdom, Austria and the Czech Republic.

Europe: Personnel.

The number of employees in the Europe segment remained almost constant in the first three quarters of 2009 compared with the prior-year figure. PTC recorded growth in its headcount due to an increase in staff levels in the third and fourth quarters of 2008 to account for the strategic focus on direct sales channels and the associated roll-out of additional shops. The workforce also increased at T-Mobile CZ back in the second quarter of 2009 due to the transfer of temporary customer care staff to permanent contracts. At T-Mobile Netherlands, the year-on-year headcount increase was mainly attributable to technical integration projects associated with the acquisition of Orange. By contrast, the number of employees at T-Mobile UK declined both at the call centers and in the technology area as a result of outsourcing measures.

Southern and Eastern Europe.

Southern and Eastern Europe: Customer development and selected KPIs.

	Sept. 30, 2009 millions	June 30, 2009 millions	Change Sept. 30, 2009/ June 30, 2009 %	Dec. 31, 2008 millions	Change Sept. 30, 2009/ Dec. 31, 2008 %	Sept. 30, 2008 millions	Change Sept. 30, 2009/ Sept. 30, 2008 %
Southern and Eastern Europe (total)							
Fixed-network							