

INTERIM GROUP MANAGEMENT REPORT

GROUP ORGANIZATION, STRATEGY, AND MANAGEMENT

With regard to our **Group organization, strategy, and management**, please refer to the explanations in the 2018 combined management report (2018 Annual Report, page 31 et seq.). From the Group's perspective, the following changes and/or additions were made to the Group organization and the performance management system:

On December 15, 2017, Deutsche Telekom signed an agreement with the Tele2 Group on the acquisition of 100 percent of the shares in the telecommunications provider **Tele2 Netherlands Holding N.V.** by T-Mobile Netherlands Holding B.V. Tele2 Group received a consideration in the form of a 25 percent stake in T-Mobile Netherlands, along with a provisional cash payment (taking purchase price adjustments into account) of EUR 234 million. After the European Commission issued its approval without conditions on November 27, 2018, the transaction was consummated on January 2, 2019. Tele2 Netherlands has been included in Deutsche Telekom's consolidated financial statements as a fully consolidated subsidiary since the acquisition date. This transaction will establish a stronger, more sustainable provider of convergent fixed-network and mobile services on the Dutch market.

The consummation of our **Business Combination Agreement to merge with Sprint** is subject to approvals by the regulatory and anti-trust authorities and certain other customary closing conditions. We expect to receive federal regulatory approval in the first half of 2019. On June 18, 2018, we filed the Public Interest Statement and applications for approval of our merger with Sprint with the Federal Communications Commission (FCC). The FCC issued a Public Notice formally accepting our applications and establishing a period for public comment. The transaction remains subject to FCC review. The FCC's informal transaction review clock, which has stopped and started several times as T-Mobile US and Sprint have filed additional information, is currently set to expire on June 3, 2019.

Effective January 1, 2019, we created the new **Board of Management department "USA and Group Development."** Deutsche Telekom AG thus has had nine Board departments since the start of 2019. Thorsten Langheim took up the role of head of the newly created Board department. The former Board member responsible for Human Resources (CHRO), Dr. Christian P. Illek, became the new CFO as of January 1, 2019. Birgit Bohle joined the Board of Management on January 1, 2019 as the Board member responsible for Human Resources as successor to Dr. Illek.

The mandatory **first-time application of the new IFRS 16 "Leases"** accounting standard as of January 1, 2019 has a material impact on Deutsche Telekom's consolidated financial statements. The new standard requires payment obligations from existing operating leases to be discounted and recognized as lease liabilities; as financial liabilities, they increase net debt. At the same time, the lessee recognizes a right-of-use asset. Operating expenses previously recognized in connection with operating leases will in future be recognized in depreciation charges on right-of-use assets and in interest expenses for discounted obligations

from operating leases, as appropriate. This will significantly increase EBITDA without any attendant change in the economic circumstances. In the statement of cash flows, the principal repayment portion of the lease payments from existing operating leases will reduce net cash from/used in financing activities and no longer affect net cash from operating activities. The interest portion of the payments will remain in net cash from operating activities and thus also in free cash flow.

Since expenses and cash outflows for leases are substantial elements of our earnings performance and solvency, effective the start of the 2019 financial year we have taken into account the effects of the mandatory first-time application of the IFRS 16 accounting standard when determining our financial performance indicators. We also want to ensure maximum comparability with our previous performance indicators. Our operational performance is now measured on the basis of "EBITDA after leases" (EBITDA AL) (previously EBITDA). EBITDA AL is calculated by adjusting EBITDA for depreciation of the right-of-use assets and for interest expenses on recognized lease liabilities. The "free cash flow" financial performance indicator has been replaced by "free cash flow after leases" (free cash flow AL). Free cash flow AL is determined by adjusting free cash flow for repayments of lease liabilities. To improve comparability of our performance indicators with the EBITDA and free cash flow indicators reported in the financial statements of T-Mobile US in accordance with U.S. GAAP, which continues to differentiate between operating and finance leases, expenses and repayments for finance leases at T-Mobile US will not be taken into account when determining EBITDA AL and free cash flow AL. For more information on the new IFRS 16 accounting standard, please refer to the section "Accounting policies" to the interim consolidated financial statements, page 35 et seq.

A reconciliation of the definitions of the former financial performance indicators with the new "after leases" indicators can be found in the following table.

millions of €	
	Q1 2019
EBITDA	6,461
Depreciation of right-of-use assets ^a	(763)
Interest expenses on recognized lease liabilities ^a	(198)
EBITDA AL	5,500
Free cash flow	2,370
Repayment of lease liabilities ^a	(813)
FREE CASH FLOW AL	1,557

^a Excluding finance leases at T-Mobile US.

The published prior-year figures have not been adjusted retroactively following the first-time application of IFRS 16. To enable comparability with the new performance indicators, pro-forma comparatives were determined for the prior year. These were reached using approximate calculations of the key effects of IFRS 16 for the prior year, before applying the calculation shown in the table for the current year. Changes to the organizational structure within the Group were also taken into consideration.

THE ECONOMIC ENVIRONMENT

This section provides additional information on, and explains recent changes to, the economic situation as described in the combined management report for the 2018 financial year, focusing on macroeconomic developments in the first three months of 2019, the outlook, the currently prevailing economic risks, and the regulatory environment. The overall economic outlook presupposes there are no major unexpected occurrences in the forecast period.

MACROECONOMIC DEVELOPMENT

In the first three months of 2019, leading institutions and banks revised their growth outlooks downwards. The International Monetary Fund (IMF) lowered its growth forecast for global GDP in 2019 from 3.5 percent to 3.3 percent. Global growth is expected to return to 3.6 percent in 2020 on the back of the pickup anticipated for the second half of 2019. For the German economy, the IMF projects growth in the current year of 0.8 percent. Despite the sharp decline in industrial activity in Germany, domestic consumption and the service sector remain robust. The national economies in our core markets in Europe (excluding Germany) and North America continue to expand.

OUTLOOK

Under the current conditions, we expect to see weaker but still stable economic trends in the economies of our core markets. However, the outlook is negatively affected by the economic slowdown in Europe and China and decelerated growth in global trade, with expansion in 2019 and 2020 now expected to be weaker than previously projected.

OVERALL ECONOMIC RISKS

The economic risks have increased. Trade conflicts, political uncertainty – including with respect to Brexit – and further declines in industrial activity could curb a sustained expansion. Furthermore, geopolitical crises could also have a negative impact on the economies of the countries in which we operate.

REGULATION

Increase of rates for unbundled local loop lines (ULL). According to a draft consultation published by the Federal Network Agency on April 10, 2019, the Agency is planning to increase the regulated rates received by Telekom Deutschland for leasing the “last mile” of its network with effect from July 1, 2019. Specifically, the rate for leasing the line from the customer to the cable distribution box is to increase from EUR 6.77/month to EUR 7.05/month and the charge for the longer section from the customer to the main distribution frame is to increase from EUR 10.02/month to EUR 11.19/month. Although these rates remain below the level we sought in our application, the Agency has at least recognized that the costs of building out the last mile of the network have risen in the three years since the rates were last set. The draft ruling will be subject to consultation at national and European level. Provided the European Commission expresses no serious doubts, the new rates may take effect as of July 1, 2019.

Spectrum auction in Germany. The Federal Network Agency commenced the auction of nationwide frequencies for Germany in the 2.1 GHz and 3.4 to 3.7 GHz bands on March 19, 2019. Telekom Deutschland GmbH was admitted to the auction proceedings along with three other companies: Drillisch Netz AG, Telefónica Germany GmbH & Co. OHG, and Vodafone GmbH. The three existing network operators and six service providers have brought legal action in connection with the auction terms and conditions; however, this has no effect on the auction timing. As such, the auction began as planned on March 19, 2019. Additionally, the Federal Network Agency published basic terms and conditions for the award of spectrum in the 3.7 to 3.8 GHz band, which is reserved for local assignments. The award of this spectrum is to be prepared and implemented after the auction ends and the award rules have been finalized. Latest information on the spectrum auction is being published on the Federal Network Agency’s homepage.

Spectrum auction in Austria. The auction in Austria of key spectrum in the 3.6 GHz range (3.4 to 3.8 GHz) required for the rollout of 5G was held between February 12 and March 8, 2019. The nationwide network operators A1, T-Mobile Austria, and Hutchison, as well as other regional operators, were admitted to the proceedings as participants. Deutsche Telekom’s subsidiary T-Mobile Austria secured continuous nationwide spectrum of 110 MHz (in the 3,690 to 3,800 MHz band), while Hutchison obtained only 100 MHz and A1 received varying regional spectrum packages due to the success of four regional providers.

Spectrum auctions in the United States. The Federal Communications Commission (FCC) held a 28 GHz auction from November 2018 through January 2019. This was the first time that 5G spectrum in such a high-frequency band (known as millimeter wave (mmWave)) had been auctioned in the United States. On March 14, 2019, a second mmWave auction began in which a total of 1.55 GHz of spectrum in the 24 GHz band was being made available. T-Mobile US is participating in this auction and the out-come will be announced after proceedings come to an end. A third auction is due to start on December 10, 2019 for spectrum in the 37 GHz, 39 GHz, and 47 GHz bands. The FCC will announce the details in due course.

AWARDING OF SPECTRUM

The following table provides an overview of the main spectrum awards such as auctions as well as license extensions in Germany and at our international subsidiaries. It also indicates spectrum to be awarded in the near future in various countries.

Main spectrum awards

	Expected start of award procedure	Expected end of award procedure	Frequency ranges (MHz)	Award process	Spectrum acquired (MHz)	Spectrum investment
Germany	Started	Q2 2019	2,100 / 3,400 – 3,700	Auction (SMRA ^a), since Mar. 19, 2019	tbd	tbd
Greece	Q3 2019	Q4 2019	700 / 1,500 / 3,400 – 3,800	Auction (SMRA ^a), expected	tbd	tbd
Greece	Q1 2020	Q2 2020	700 / 1,500	Auction (SMRA ^a), expected	tbd	tbd
Croatia		Completed	2,100 / 2,600	Assignment on application	2x 20 MHz in the 2,600 MHz band	Annual fees, no one-time charge
Croatia	Q2 2019	Q3 2019	3,400 – 3,800	tbd	tbd	tbd
Netherlands	Q1 2020	Q2 2020	700 / 1,500 / 2,100	Auction, details tbd	tbd	tbd
North Macedonia	Q2 2019	Q3 2019	2,100	tbd	2x 15 MHz	tbd
North Macedonia		Completed	1,800	Extension of licenses	2x 10 MHz	No extension fees
North Macedonia	Q2 2019	Q3 2019	700 / 3,400 – 3,800	Auction, details tbd	tbd	tbd
Austria		Completed	3,400 – 3,800	Regional auction (CCA ^b)	1x 110 MHz	€ 57 million
Austria	Q1 2020	Q2 2020	700 / 1,500 / 2,100	Auction (CCA ^b), expected	tbd	tbd
Poland	Q4 2019	Q1 2020	3,600 – 3,800	tbd	tbd	tbd
Poland	Q3 2021	Q4 2022	700 / 3,600 – 3,800	tbd	tbd	tbd
Romania	Q4 2019	Q4 2019	700 / 800 / 1,500 / 2,600 / 3,400 – 3,600	Auction, details tbd	tbd	tbd
Slovakia	Q3 2019	Q4 2019	700 / 1,800	Auction (SMRA ^a), expected	tbd	tbd
Czech Republic	Q3 2019	Q4 2019	700 / 3,400 – 3,600	Auction, details tbd	tbd	tbd
Hungary	Q3 2019	Q3 2019	700 / 2,100 / 2,600 / 3,400 – 3,800	Auction, details tbd	tbd	tbd
United States		Completed	28,000	Auction (SMRA ^a)	Still open ^c	Still open ^c
United States	Started	Q2 2019	24,000	Auction (CCA ^b), since Mar. 14, 2019	tbd	tbd
United States	Q4 2019	Q1 2020	37,000 / 39,000 / 47,000	Auction (CCA ^b)	tbd	tbd

^a Simultaneous electronic multi-round auction with ascending, parallel bids for all available frequency ranges.

^b Combinatorial clock auction, three-stage, multi-round auction for spectrum from all available frequency ranges.

^c Auction completed. Outcome to be announced once the subsequent 24 GHz auction is concluded.

DEVELOPMENT OF BUSINESS IN THE GROUP

The new IFRS 16 “Leases” accounting standard has been applied since January 1, 2019. The presentation of the **financial position of the Group** and the **results of operations of the Group** are materially influenced by the application of this standard. Since the start of the 2019 financial year, we have taken the effects of the mandatory first-time application into account when determining our financial performance indicators. For further information on the first-time application of the accounting standard, please refer to the section “Group organization, strategy, and management,” page 8, and in the interim consolidated financial statements in the section “Accounting policies,” page 35 et seq.

RESULTS OF OPERATIONS OF THE GROUP

NET REVENUE

In the first quarter of 2019, we generated net revenue of EUR 19.5 billion, which was up EUR 1.6 billion or 8.7 percent year-on-year. Even adjusted for positive net exchange rate effects of EUR 0.7 billion – mainly from the translation of U.S. dollars into euros – as well as positive effects of changes in the composition of the Group in the amount of EUR 0.2 billion resulting from the acquisitions of UPC Austria and Tele2 Netherlands, revenue increased by EUR 0.7 billion or 3.5 percent.

Our United States operating segment in particular contributed to the positive revenue trend with an increase of 15.9 percent – or, adjusted for exchange rate effects, of a substantial 7.0 percent. This increase was due primarily to higher service revenues from the rise in the average branded customer base, triggered in particular by the continued growth in existing and greenfield markets, the growing success in new customer segments, along with low customer churn. Revenue in our home market of Germany was up slightly on the prior-year level, due in particular to the strong performance in mobile business and higher IT and broadband revenues from fixed-network business. In our Europe operating segment, revenue was up by 2.8 percent year-on-year; adjusted for exchange rate effects and without the inclusion of UPC Austria, it increased marginally by 0.4 percent. Higher revenue from business customers had a positive effect, and even fixed-network revenues in the core business were slightly higher than in the prior-year period. In the Systems Solutions operating segment, revenue came in below the figure for the prior-year period. While revenues in our growth areas developed positively, revenues in the traditional IT and telecommunications businesses declined as expected. Revenue in our Group Development operating segment increased significantly year-on-year, mainly due to the revenue contributions from Tele2 Netherlands taken into account since the beginning of 2019.

For detailed information on revenue development in our segments, please refer to the section “Development of business in the operating segments,” page 16 et seq.

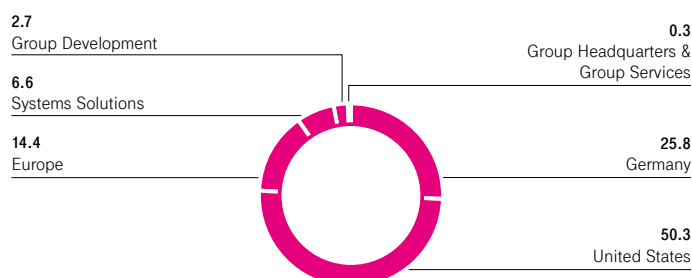
Contribution of the segments to net revenue

millions of €

	Q1 2019	Q1 2018	Change	Change %	FY 2018
NET REVENUE	19,488	17,924	1,564	8.7	75,656
Germany	5,357	5,325	32	0.6	21,700
United States	9,796	8,455	1,341	15.9	36,522
Europe	2,891	2,811	80	2.8	11,885
Systems Solutions	1,630	1,665	(35)	(2.1)	6,936
Group Development	682	528	154	29.2	2,185
Group Headquarters & Group Services	651	651	0	0.0	2,735
Intersegment revenue	(1,520)	(1,511)	(9)	(0.6)	(6,307)

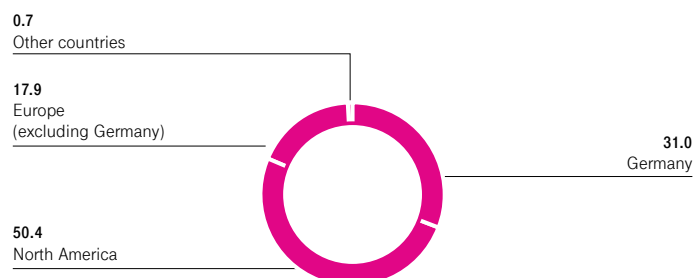
Contribution of the segments to net revenue^a

%



Breakdown of revenue by region

%



^a For more information on net revenue, please refer to the disclosures under segment reporting in the interim consolidated financial statements, pages 44 and 45.

At 50.3 percent, our United States operating segment again provided the largest contribution to net revenue of the Group and was up 3.1 percentage points above the level in the prior-year period. The proportion of net revenue generated internationally increased from 66.6 percent to 69.0 percent.

EBITDA AL, ADJUSTED EBITDA AL

Excluding special factors, adjusted EBITDA AL increased year-on-year by EUR 0.5 billion or 8.3 percent to EUR 5.9 billion in the first quarter of 2019; this increase was attributable to positive net exchange rate effects of EUR 0.2 billion and slightly positive effects of changes in the composition of the Group. Excluding these effects, adjusted EBITDA AL increased by EUR 0.2 billion or 3.9 percent. All operating segments made a positive contribution to this development: Adjusted EBITDA AL of our United States operating segment had a noticeably positive effect on the back of the higher revenue. Our Germany operating segment contributed to this result thanks to slightly higher revenues and the successful implementation of further efficiency and digitalization measures with a 2.4 percent increase in adjusted EBITDA AL. Adjusted EBITDA AL in our Europe operating segment increased by 5.2 percent;

even excluding UPC Austria and assuming constant exchange rates, an increase of 1.5 percent was recorded. Successfully implemented efficiency enhancement measures are taking effect in our Systems Solutions operating segment in the form of significantly higher adjusted EBITDA AL. The increase in adjusted EBITDA AL in our Group Development operating segment was driven by revenue growth as well as by the earnings contributions from Tele2 Netherlands, acquired in early 2019.

EBITDA AL increased by EUR 0.3 billion or 5.6 percent year-on-year to EUR 5.5 billion, with special factors decreasing from EUR -0.3 billion to EUR -0.4 billion. At EUR 0.3 billion, expenses incurred in connection with staff-related measures and non-staff-related restructuring expenses were more or less level with the prior-year figure. In addition, expenses incurred in connection with the agreement on the business combination of T-Mobile US and Sprint were recorded as special factors.

For detailed information on the development of EBITDA AL/adjusted EBITDA AL in our segments, please refer to the section "Development of business in the operating segments," page 16 et seq.

Contribution of the segments to adjusted Group EBITDA AL

millions of €

	Q1 2019	Q1 2018	Change	Change %	FY 2018
EBITDA AL (ADJUSTED FOR SPECIAL FACTORS) IN THE GROUP^a	5,940	5,487	453	8.3	23,074
Germany	2,108	2,058	50	2.4	8,516
United States	2,679	2,331	348	14.9	10,084
Europe	945	898	47	5.2	3,813
Systems Solutions	92	60	32	53.3	442
Group Development	255	225	30	13.3	892
Group Headquarters & Group Services	(137)	(92)	(45)	(48.9)	(601)
Reconciliation	(2)	7	(9)	n.a.	(72)

^a Prior-year comparatives were calculated on a pro-forma basis for the redefined key performance indicators resulting from the introduction of the IFRS 16 accounting standard.

EBIT

Group EBIT stood at EUR 2.3 billion, up EUR 0.1 billion or 4.0 percent against the prior-year period. This increase is partly due to the effects described under EBITDA AL. At EUR 4.2 billion, depreciation, amortization and impairment losses were EUR 1.1 billion higher than in the prior-year period, due in particular to the depreciation charge for right-of-use assets required to be recognized for the first time in accordance with IFRS 16. In the prior-year period, expenses had been recognized in EBITDA in connection with operating leases. Depreciation of property, plant and equipment and amortization of intangible assets were EUR 0.2 billion higher than in the prior year, mainly due to the consistently high investment volume in past years.

PROFIT BEFORE INCOME TAXES

At EUR 1.9 billion, profit before income taxes was EUR 0.1 billion higher than in the first quarter of 2018. Loss from financial activities remained at the prior-year level of EUR 0.4 billion. While the finance cost increased by EUR 0.2 billion to EUR 0.6 billion, due in particular to increased lease liabilities since the application of IFRS 16, other financial income/expense increased by EUR 0.2 billion, mainly due to positive measurement effects from embedded derivatives at T-Mobile US. In the prior-year period, these had a negative effect of EUR 0.1 billion on other financial income/expense.

NET PROFIT, ADJUSTED NET PROFIT

Net profit decreased year-on-year by EUR 0.1 billion to EUR 0.9 billion. Tax expense in the first quarter of 2019 was flat on the prior-year period at EUR 0.5 billion. For further information, please refer to the interim consolidated financial statements, page 43. Profit attributable to

non-controlling interests increased from EUR 0.3 billion to EUR 0.4 billion, mainly in our United States operating segment. Excluding special factors, which had an effect of EUR 0.3 billion on net profit, adjusted net profit in the first quarter of 2019 amounted to EUR 1.2 billion.

millions of €

	Q1 2019	Q1 2018	Change	Change %	FY 2018
NET PROFIT (LOSS)	900	992	(92)	(9.3)	2,166
Special factors affecting EBITDA	(440)	(280)	(160)	(57.1)	(1,497)
Staff-related measures	(290)	(270)	(20)	(7.4)	(1,159)
Non-staff-related restructuring	(19)	(21)	2	9.5	(109)
Effects of deconsolidation, disposals, and acquisitions	(111)	28	(139)	n.a.	(223)
Other	(20)	(17)	(3)	(17.6)	(6)
Special factors affecting net profit	158	82	76	92.7	(882)
Impairment losses	0	0	0	0.0.	(707)
Profit (loss) from financial activities	0	2	(2)	n.a.	(757)
Income taxes	122	90	32	35.6	401
Non-controlling interests	36	(10)	46	n.a.	181
TOTAL SPECIAL FACTORS	(282)	(198)	(84)	(42.4)	(2,379)
ADJUSTED NET PROFIT (LOSS)	1,183	1,190	(7)	(0.6)	4,545

ADJUSTED EARNINGS PER SHARE

From the 2019 financial year onward, the dividend amount is to reflect the relative growth of adjusted earnings per share. Adjusted earnings per share is calculated as the profit attributable to the owners of the parent adjusted for special factors divided by the adjusted weighted average number of ordinary shares outstanding which totaled 4,742 million as of March 31, 2019. With adjusted net profit attributable to the owners of the parent in the amount of EUR 1.2 billion, this gives adjusted earnings per share of EUR 0.25. Adjusted earnings per share in the first quarter of 2018 likewise amounted to EUR 0.25.

EMPLOYEES

Headcount development

	Mar. 31, 2019	Dec. 31, 2018	Change %
NUMBER OF FTEs IN THE GROUP	214,609	215,675	(0.5)
Of which: civil servants (in Germany, with an active service relationship)	13,135	13,507	(2.8)
Germany	62,358	62,621	(0.4)
United States	45,786	46,871	(2.3)
Europe	47,191	48,133	(2.0)
Systems Solutions	38,036	37,467	1.5
Group Development	2,795	1,976	41.4
Group Headquarters & Group Services	18,442	18,606	(0.9)

The Group's headcount decreased by 0.5 percent compared with the end of 2018. In our Germany operating segment, the total number of employees had decreased by 0.4 percent at the end of the first quarter of 2019 as a result of efficiency enhancement measures and the take-up of socially responsible instruments in connection with the staff restructuring. The total number of employees in our United States operating segment decreased by 2.3 percent at March 31, 2019 compared with December 31, 2018, primarily due to seasonal effects. In our Europe operating segment, the headcount was down 2.0 percent compared with the end of the prior year. Our national companies in Hungary and Romania in particular contributed to this development. The number of employees in our Systems Solutions operating segment increased by 1.5 percent compared with the end of 2018, mainly due to the first-time inclusion and expansion of a service unit in India. The remaining headcount in this segment decreased by 1.2 percent on account of restructuring measures. In our Group Development operating segment, the number of employees rose by 41.4 percent compared with the end of 2018. The substantial increase is attributable to the inclusion of Tele2 Netherlands in the Netherlands. The headcount in the Group Headquarters & Group Services segment was down 0.9 percent compared with the end of 2018, mainly due to the ongoing staff restructuring at Vivento and the lower headcount in the Technology and Innovation unit.

FINANCIAL POSITION OF THE GROUP

Condensed consolidated statement of financial position

millions of €

	Mar. 31, 2019	%	Dec. 31, 2018	%	Mar. 31, 2018
ASSETS					
Trade and other receivables	9,990	6.0	9,988	6.9	9,121
Intangible assets	66,387	40.1	64,950	44.7	61,957
Property, plant and equipment	48,766	29.5	50,631	34.8	46,576
Right-of-use assets	16,828	10.2	n.a.	n.a.	n.a.
Other assets	23,501	14.2	19,806	13.6	20,371
TOTAL ASSETS	165,472	100.0	145,375	100.0	138,025
LIABILITIES					
Current financial liabilities	14,958	9.0	10,527	7.2	8,905
Trade and other payables	10,241	6.2	10,735	7.4	9,132
Current and non-current lease liabilities	18,728	11.3	n.a.	n.a.	n.a.
Non-current financial liabilities	50,988	30.8	51,748	35.6	48,799
Provisions for pensions and other employee benefits	5,750	3.5	5,502	3.8	5,264
Deferred tax liabilities	8,996	5.4	8,240	5.7	7,078
Other liabilities	13,049	7.9	15,186	10.4	15,156
Shareholders' equity	42,762	25.8	43,437	29.9	43,691
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	165,472	100.0	145,375	100.0	138,025

Total assets amounted to EUR 165.5 billion as of March 31, 2019, up by EUR 20.1 billion against December 31, 2018. The recognition of right-of-use assets and current and non-current lease liabilities resulting from the mandatory first-time application of the IFRS 16 "Leases" accounting standard had a significant impact.

The total carrying amounts of **intangible assets** and **property, plant and equipment** were EUR 0.4 billion lower year-on-year. Capital expenditure totaling EUR 3.6 billion – especially to upgrade and build out the network in our United States operating segment and in connection with the broadband/fiber-optic build-out, the IP transformation, and mobile infrastructure in the Germany and Europe operating segments – increased total assets. Effects of changes in the composition of the Group totaling EUR 1.0 billion, mainly due to the acquisition of Tele2 Netherlands in the Group Development operating segment, and positive exchange rate effects totaling EUR 1.0 billion, particularly from the translation of U.S. dollars into euros, also increased the carrying amount. Depreciation of property, plant and equipment and amortization of intangible assets reduced the carrying amount by EUR 3.3 billion and disposals by EUR 0.1 billion. **Rights to use** the underlying leased assets were recognized in the amount of EUR 16.8 billion as of March 31, 2019; until December 31, 2018, these had been recorded in the amount of EUR 2.5 billion under property, plant and equipment as assets from finance leases. **Trade and other receivables** remained at the same level as at year-end 2018. Higher cash and cash equivalents in particular increased the carrying amount of **other assets**.

On the liabilities side, current and non-current **financial liabilities** increased by EUR 3.7 billion compared with the end of 2018. This increase is mainly due to the dividend of EUR 3.3 billion resolved by the shareholders' meeting on March 28, 2019 and paid out to the shareholders of Deutsche Telekom AG at the beginning of April 2019. In addition, Deutsche Telekom AG issued euro bonds with a total volume of EUR 1.8 billion and pound sterling bonds with a total volume of GBP 0.4 billion (EUR 0.5 billion) in the first quarter of 2019. Scheduled repayments of promissory notes in the amount of EUR 0.2 billion in the first quarter of 2019 had an offsetting effect. The net change of EUR 0.5 billion in commercial paper and net short-term borrowings of EUR 0.6 billion also reduced the carrying amount of the financial liabilities. The transition to IFRS 16 resulted in finance lease liabilities being reclassified from financial liabilities to lease liabilities. Based on the carrying amounts as of December 31, 2018, this reclassification reduced financial liabilities by EUR 2.5 billion. The current and non-current **lease liabilities** to be recognized since the first-time application of IFRS 16 amounted to EUR 18.7 billion as of March 31, 2019. **Trade and other payables** decreased by EUR 0.5 billion due to the reduction in the level of liabilities, mainly in the Europe and Germany operating segments. The level of liabilities in the United States operating segment increased. **Provisions for pensions and other employee benefits** increased by EUR 0.2 billion compared with December 31, 2018 due to interest rate adjustments. **Other liabilities** were reduced in particular by liabilities of EUR 2.2 billion from straight-line leases, mainly for cell sites, in the United States operating segment that were no longer required to be reported under IFRS 16.

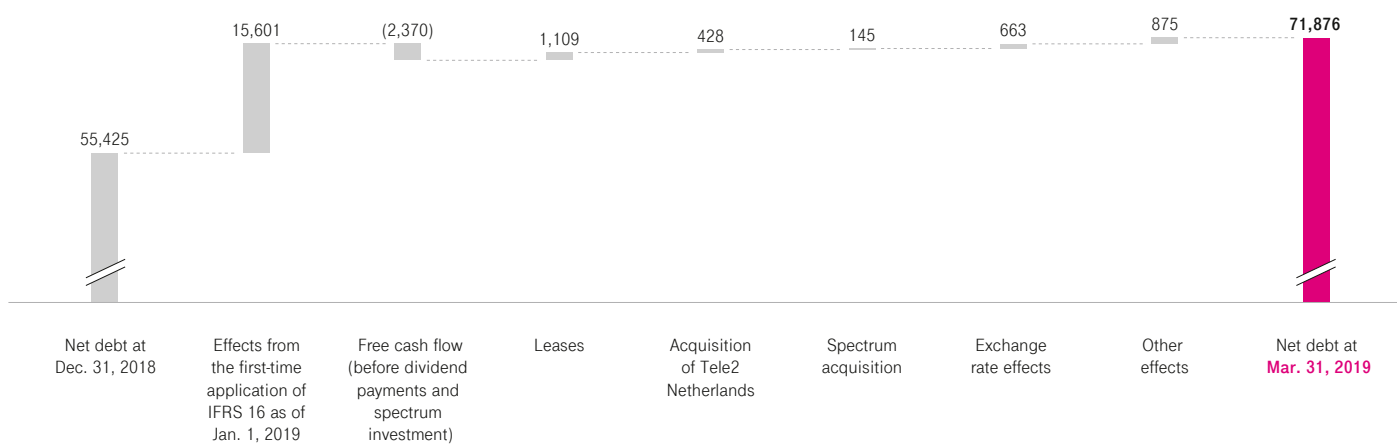
Shareholders' equity decreased by EUR 0.7 billion as of December 31, 2018 to EUR 42.8 billion, due in particular to the resolved dividend of EUR 3.3 billion paid out by Deutsche Telekom AG. The subsequent measurement of equity instruments directly in equity and the remeasurement of defined benefit plans also reduced the carrying amount by EUR 0.2 billion in each case. By contrast, the profit of EUR 1.3 billion increased shareholders' equity. The transition to the IFRS 16 accounting standard likewise increased the carrying amount. The cumulative effect of this was an increase of EUR 0.3 billion in retained earnings (including shares attributable to non-controlling interests) recognized directly in

equity as of January 1, 2019. Currency translation effects of EUR 0.5 billion recognized directly in equity and capital increases from share-based payments of EUR 0.1 billion increased shareholders' equity. The acquisition of Tele2 Netherlands in the Group Development operating segment resulted in effects of EUR 0.7 billion, increasing shareholders' equity.

For further information on the statement of financial position, please refer to the interim consolidated financial statements, page 40 et seq.

Changes in net debt

millions of €



Other effects of EUR 0.9 billion include, among other factors, effects from the measurement of financial instruments, financing options under which the payments for trade payables become due at a later point in time by involving banks in the process, and the recognition of liabilities

for the acquisition of broadcasting rights. For more information on net debt, please refer to the disclosures on the reconciliation of alternative performance measures in the section "Additional information," pages 56 and 57.

Free cash flow (before dividend payments and spectrum investment)

millions of €

	Q1 2019	Q1 2018	Change	Change %	FY 2018
CASH GENERATED FROM OPERATIONS	6,609	4,805	1,804	37.5	19,663
Interest received (paid)	(600)	(509)	(91)	(17.9)	(1,715)
NET CASH FROM OPERATING ACTIVITIES	6,009	4,297	1,712	39.8	17,948
Cash outflows for investments in intangible assets (excluding goodwill and before spectrum investment) and property, plant and equipment (CASH CAPEX)	(3,682)	(3,076)	(606)	(19.7)	(12,223)
Proceeds from the disposal of intangible assets (excluding goodwill) and property, plant and equipment	44	161	(117)	(72.7)	525
Free cash flow (before dividend payments and spectrum investment)	2,370	1,382	988	71.5	6,250
FREE CASH FLOW AL (BEFORE DIVIDEND PAYMENTS AND SPECTRUM INVESTMENT)^a	1,557	1,318	239	18.1	6,051

^a Prior-year comparatives were calculated on a pro-forma basis for the redefined key performance indicators resulting from the introduction of the IFRS 16 accounting standard.

Free cash flow AL. Free cash flow AL in the Group before dividend payments and spectrum investment increased by EUR 0.2 billion year-on-year to EUR 1.6 billion.

Net cash from operating activities increased by EUR 1.7 billion year-on-year to EUR 6.0 billion. Due to the first-time application of the IFRS 16 accounting standard, the principal repayment portion of lease payments is presented in net cash used in/from financing activities. These payments totaling EUR 0.8 billion were taken into account in the calculation of free cash flow AL. In the first quarter of 2018, the cash outflows in connection with operating leases reduced net cash from operating activities. The strong performance of the United States operating segment significantly increased net cash from operating activities. Factoring agreements – especially in the Systems Solutions operating segment – resulted in positive effects of EUR 0.3 billion on net cash from operating activities in the reporting period. The effect from factoring agreements in

the prior-year period also totaled EUR 0.3 billion. In addition, in the prior-year period dividends received in the amount of EUR 0.2 billion had had an increasing effect. Net cash from operating activities was also reduced by EUR 0.1 billion higher net interest payments.

Of the EUR 0.6 billion year-on-year increase in cash capex (before spectrum investment), EUR 0.5 billion is attributable to the United States operating segment, mainly due to the accelerated infrastructure build-out for the 600 MHz spectrum, laying the groundwork for 5G. Other capital expenditures were focused primarily on the Germany and Europe operating segments and went toward the build-out and upgrade of our networks.

For further information on the statement of cash flows, please refer to the interim consolidated financial statements, pages 43 and 44.

DEVELOPMENT OF BUSINESS IN THE OPERATING SEGMENTS

For detailed information, please refer to the IR back-up at www.telekom.com/en/investor-relations.

GERMANY

For information on changes resulting from the first-time application of the IFRS 16 “Leases” accounting standard, please refer to the section “Group organization, strategy, and management,” page 8.

CUSTOMER DEVELOPMENT

thousands					
	Mar. 31, 2019	Dec. 31, 2018	Change Mar. 31, 2019/ Dec. 31, 2018 %	Mar. 31, 2018	Change Mar. 31, 2019/ Mar. 31, 2018 %
Mobile customers	44,657	44,202	1.0	42,730	4.5
Contract customers	25,195	25,435	(0.9)	25,102	0.4
Prepay customers	19,462	18,767	3.7	17,628	10.4
Fixed-network lines	18,414	18,625	(1.1)	19,149	(3.8)
Of which: retail IP-based	16,065	15,356	4.6	12,843	25.1
Retail broadband lines	13,608	13,561	0.3	13,357	1.9
Of which: optical fiber	7,609	7,236	5.2	6,232	22.1
Television (IPTV, satellite)	3,419	3,353	2.0	3,193	7.1
Unbundled local loop lines (ULLs)	5,050	5,236	(3.6)	5,846	(13.6)
Wholesale broadband lines	6,975	6,722	3.8	5,993	16.4
Of which: optical fiber	5,285	4,970	6.3	4,135	27.8

Total

In Germany we continue to be market leader both in terms of fixed-network and mobile revenues. This success is attributable to our high-performance networks. We offer best customer experience with multi-award-winning network quality – in the fixed network as in mobile communications and service – and with a broad product portfolio. Thanks to the sustained popularity of our convergent MagentaEINS offering, our MagentaEINS customer base totaled 4.4 million at the end of the first quarter of 2019.

High demand for mobile rate plans with included data volumes resulted in an increase in the number of branded contract customers under the Telekom and congstar brands. Our initiatives in the automotive sector drove growth in the number of prepay customers.

We made further headway with our IP transformation program, and by the end of the first quarter of 2019 had migrated 22.9 million retail and wholesale lines to IP, bringing the total migration level to 90 percent of all lines.

We continued to see strong demand for our fiber-optic products. As of the end of the first quarter of 2019, the number of lines had increased to 12.9 million overall. In other words, we connected 688 thousand lines to our fiber-optic network in Germany in the first three months of 2019. With the progress made in fiber-optic rollout and vectoring technology, we also drove the marketing of higher bandwidths.

Mobile communications

We won a further 455 thousand mobile customers in the first quarter of 2019 compared with year-end 2018. Of these, a total of 132 thousand were contract customers under our Telekom and congstar brands. The number of mobile contract customers with resellers (service providers) decreased, primarily due to the volatile developments at some of our service providers. The number of prepaid customers increased by 695 thousand.

Fixed network

Due to the persistently challenging development in the fixed-network market, primarily owing to aggressive pricing offers of competitors, we are pursuing new paths in marketing. Our focus is on convergent offerings and their further development – for instance, MagentaTV with exclusive access to a wide range of additional content – as well as TV

lines and fiber-optic lines. As a result, since the start of the year the number of broadband lines has grown by 47 thousand and the number of TV customers by 66 thousand. In the traditional fixed network, the number of lines decreased by 211 thousand.

Our MagentaZuhause rate plans offer a comprehensive product portfolio for the fixed network based on IP technology and rate plan-specific bandwidths. MagentaZuhause Hybrid bundles fixed-network and mobile technology in a single router. To date, 490 thousand customers, primarily based in rural areas, have selected this innovative product.

Wholesale

At the end of the first quarter of 2019, fiber-optic lines accounted for 44.0 percent of all lines – 2.4 percentage points higher than at the end of 2018. This accelerated growth was driven largely by high demand for our contingent model. The number of unbundled local loop lines decreased by 186 thousand or 3.6 percent compared with the end of the prior year. This is due first to the move to higher-quality fiber-optic lines, and second to retail customers switching to cable operators. In addition, wholesale customers are migrating their retail customers to their own fiber-optic lines. In wholesale, the number of lines stood at 12 million at the end of the first quarter of 2019.

DEVELOPMENT OF OPERATIONS

millions of €

	Q1 2019	Q1 2018	Change	Change %	FY 2018
TOTAL REVENUE	5,357	5,325	32	0.6	21,700
Consumers	2,833	2,813	20	0.7	11,543
Business Customers	1,510	1,491	19	1.3	6,082
Wholesale	931	932	(1)	(0.1)	3,720
Other	83	90	(7)	(7.8)	355
Profit from operations (EBIT)	863	935	(72)	(7.7)	3,969
EBIT margin %	16.1	17.6			18.3
Depreciation, amortization and impairment losses	(1,083)	(980)	(103)	(10.5)	(4,042)
EBITDA	1,946	1,915	31	1.6	8,012
EBITDA AL ^a	1,940	1,891	49	2.6	7,918
Special factors affecting EBITDA	(168)	(167)	(1)	(0.6)	(598)
EBITDA (adjusted for special factors)	2,114	2,082	32	1.5	8,610
EBITDA AL (ADJUSTED FOR SPECIAL FACTORS) ^a	2,108	2,058	50	2.4	8,516
EBITDA AL margin (adjusted for special factors) ^a %	39.4	38.6			39.2
CASH CAPEX	(1,216)	(1,145)	(71)	(6.2)	(4,240)

^a Prior-year comparatives were calculated on a pro-forma basis for the redefined key performance indicators resulting from the introduction of the IFRS 16 accounting standard.

Total revenue

Total revenue was up slightly year-on-year by 0.6 percent. In mobile business, revenue increased by 2.4 percent. Higher IT and broadband revenues had a positive effect on fixed-network business. This was sufficient to almost completely offset the year-on-year decrease in fixed-network revenue (primarily from voice components).

Revenue from **Consumers** grew by 0.7 percent year-on-year. Volume-driven declines in revenue from voice components continue to strongly impact on traditional fixed-network business. By contrast, revenue from broadband business increased.

Revenue from **Business Customers** increased by 1.3 percent. Mobile revenue increased by 1.5 percent and IT revenue by 36.9 percent compared with the prior-year quarter. In the fixed network, by contrast, a decline was recorded in traditional voice telephony, due largely to the increasing number of customers moving to flat-rate plans in connection with the migration to IP.

Wholesale revenue in the first quarter of 2019 remained on a par with the prior-year quarter due to the revenue contributions from our contingent model.

UNITED STATES

For information on changes resulting from the first-time application of the IFRS 16 "Leases" accounting standard and changes in the organiza-

EBITDA AL, adjusted EBITDA AL

EBITDA AL amounted to EUR 1,940 million in the first quarter of 2019, an increase of 2.6 percent against the prior-year quarter. This was attributable largely to reduced personnel costs – mainly as a result of the lower headcount – and the successful implementation of further efficiency and digitalization initiatives. EBITDA AL adjusted for special factors increased by 2.4 percent to EUR 2,108 million year-on-year due to the reasons mentioned. Our adjusted EBITDA AL margin increased to 39.4 percent, up from 38.6 percent in the prior-year quarter.

EBIT

Profit from operations decreased by 7.7 percent year-on-year to EUR 863 million due to higher depreciation, amortization and impairment losses on account of sustained high investments in our network infrastructure.

Cash capex

Cash capex increased by 6.2 percent compared with the first quarter of 2018. As part of our integrated network strategy, we again made significant investments in the broadband and fiber-optic rollout, our IP transformation, and our mobile infrastructure.

tional structure, please refer to the section "Group organization, strategy, and management," page 8.

CUSTOMER DEVELOPMENT

thousands

	Mar. 31, 2019	Dec. 31, 2018	Change Mar. 31, 2019/ Dec. 31, 2018 %	Mar. 31, 2018	Change Mar. 31, 2019/ Mar. 31, 2018 %
Mobile customers	81,301	79,651	2.1	74,040	9.8
Branded customers	64,744	63,656	1.7	59,941	8.0
Branded postpaid	43,538	42,519	2.4	39,065	11.5
Branded prepay	21,206	21,137	0.3	20,876	1.6
Wholesale customers	16,557	15,995	3.5	14,099	17.4

Total

At March 31, 2019, the United States operating segment (T-Mobile US) had 81.3 million customers, compared to 79.7 million customers at December 31, 2018. Net customer additions were 1.7 million for the first quarter of 2019, compared to 1.4 million net customer additions for the first quarter of 2018, due to the factors described below.

Branded customers. Branded postpaid net customer additions were 1.02 million for the first quarter of 2019, compared to 1.01 million branded postpaid net customer additions for the first quarter of 2018. The increase in branded postpaid net customer additions was due primarily to higher branded postpaid phone net customer additions primarily due to record-low churn, partially offset by lower branded

postpaid other net customer additions primarily due to higher deactivations from a growing customer base.

Branded prepay net customer additions were 69 thousand for the first quarter of 2019, compared to 199 thousand branded prepay net customer additions for the first quarter of 2018. The decrease was due to continued competitive activity in the marketplace, partially offset by lower churn.

Wholesale customers. Wholesale net customer additions were 562 thousand for the first quarter of 2019, compared to 229 thousand for the first quarter of 2018. The increase was due primarily to higher gross additions from the continued success of our M2M and MVNO partnerships.

DEVELOPMENT OF OPERATIONS

millions of €

	Q1 2019	Q1 2018	Change	Change %	FY 2018
TOTAL REVENUE	9,796	8,455	1,341	15.9	36,522
Profit from operations (EBIT)	1,376	1,137	239	21.0	4,634
EBIT margin %	14.0	13.4			12.7
Depreciation, amortization and impairment losses	(1,835)	(1,223)	(612)	(50.0)	(5,294)
EBITDA	3,210	2,360	850	36.0	9,928
EBITDA AL ^a	2,580	2,359	221	9.4	9,924
Special factors affecting EBITDA	(99)	28	(127)	n.a.	(160)
EBITDA (adjusted for special factors)	3,309	2,332	977	41.9	10,088
EBITDA AL (ADJUSTED FOR SPECIAL FACTORS)^a	2,679	2,331	348	14.9	10,084
EBITDA AL margin (adjusted for special factors) ^a %	27.3	27.6			27.6
CASH CAPEX	(1,713)	(1,143)	(570)	(49.9)	(4,661)

^a Prior-year comparatives were calculated on a pro-forma basis for the redefined key performance indicators resulting from the introduction of the IFRS 16 accounting standard.

Total revenue

Total revenue for the United States operating segment of EUR 9.8 billion in the first quarter of 2019 increased by 15.9 percent, compared to EUR 8.5 billion in the first quarter of 2018. In U.S. dollars, T-Mobile US' total revenues increased by 7.0 percent year-on-year due primarily to an increase in service revenue driven by growth in the average branded customer base from the continued growth in existing and greenfield markets including the growing success of new customer segments and rate plans such as T-Mobile ONE Unlimited 55+, T-Mobile ONE Military, T-Mobile for Business, and T-Mobile Essentials, along with record-low churn and growth in wearables and other connected devices.

EBITDA AL, adjusted EBITDA AL

In euros, adjusted EBITDA AL increased by 14.9 percent to EUR 2.7 billion in the first quarter of 2019, compared to EUR 2.3 billion in the first quarter of 2018. Adjusted EBITDA AL margin slightly decreased to 27.3 percent in first quarter of 2019, compared to 27.6 percent in the first quarter of 2018. In U.S. dollars, adjusted EBITDA AL increased by 6.2 percent during the same period. Adjusted EBITDA AL increased due primarily to higher service revenues, as further discussed above. These increases were partially offset by higher employee-related costs, costs related to managed services, commissions and costs primarily related to an increase in amortization expense related to costs that were capitalized upon the adoption of IFRS 15 on January 1, 2018.

EBITDA AL for the first quarter of 2019 included special factors of EUR -99 million compared to special factors of EUR 28 million for the first quarter of 2018. The decrease in special factors was primarily due to a purchase and investment gain in the first quarter of 2018 and costs related to the proposed Sprint transaction in the first quarter of 2019. Overall, EBITDA AL increased by 9.4 percent to EUR 2.6 billion in the first quarter of 2019, compared to EUR 2.4 billion in the first quarter of 2018, due to the factors described above, including special factors.

EBIT

EBIT increased to EUR 1.4 billion in the first quarter of 2019 compared to EUR 1.1 billion in the first quarter of 2018 driven by higher EBITDA AL. The continued deployment of low-band spectrum, including 600 MHz, and laying the groundwork for 5G results in higher depreciation charges. The mandatory first-time application of the IFRS 16 "Leases" accounting standard as of January 1, 2019 results in higher depreciation charges for right-of-use assets previously recognized as operating expenses for operating leases.

Cash capex

Cash capex increased to EUR 1.7 billion in the first quarter of 2019, compared to EUR 1.1 billion in the first quarter of 2018, primarily due to the accelerated rollout of our 600 MHz low-band spectrum including laying the groundwork for 5G.

EUROPE

For information on changes resulting from the first-time application of the IFRS 16 "Leases" accounting standard and changes in the organizational structure, please refer to the section "Group organization, strategy, and management," page 8.

CUSTOMER DEVELOPMENT

thousands

		Mar. 31, 2019	Dec. 31, 2018	Change Mar. 31, 2019/ Dec. 31, 2018 %	Mar. 31, 2018	Change Mar. 31, 2019/ Mar. 31, 2018 %
EUROPE, TOTAL	Mobile customers ^a	47,800	50,542	(5.4)	49,254	(3.0)
	Contract customers	26,844	26,665	0.7	25,686	4.5
	Prepay customers ^a	20,956	23,877	(12.2)	23,567	(11.1)
	Fixed-network lines ^b	8,977	9,020	(0.5)	8,409	6.8
	Of which: IP-based	7,663	7,371	4.0	5,947	28.9
	Broadband customers	6,478	6,405	1.1	5,598	15.7
	Television (IPTV, satellite, cable)	4,904	4,835	1.4	4,271	14.8
	Unbundled local loop lines (ULLs)/wholesale PSTN	2,278	2,275	0.1	2,270	0.4
	Wholesale broadband lines	417	411	1.5	389	7.2
GREECE	Mobile customers	7,682	7,893	(2.7)	8,053	(4.6)
	Fixed-network lines	2,581	2,566	0.6	2,551	1.2
	Broadband customers	1,938	1,893	2.4	1,800	7.7
ROMANIA	Mobile customers	5,421	5,360	1.1	5,236	3.5
	Fixed-network lines	1,697	1,741	(2.5)	1,823	(6.9)
	Broadband customers	1,078	1,101	(2.1)	1,124	(4.1)
HUNGARY	Mobile customers	5,305	5,330	(0.5)	5,298	0.1
	Fixed-network lines	1,673	1,663	0.6	1,634	2.4
	Broadband customers	1,170	1,148	1.9	1,088	7.5
POLAND	Mobile customers	10,823	10,787	0.3	10,509	3.0
	Fixed-network lines	18	18	0.0	27	(33.3)
	Broadband customers	11	18	(38.9)	23	(52.2)
CZECH REPUBLIC	Mobile customers	6,186	6,188	0.0	6,156	0.5
	Fixed-network lines	355	318	11.6	220	61.4
	Broadband customers	274	251	9.2	189	45.0
CROATIA	Mobile customers	2,262	2,273	(0.5)	2,229	1.5
	Fixed-network lines	922	931	(1.0)	959	(3.9)
	Broadband customers	617	618	(0.2)	620	(0.5)
SLOVAKIA	Mobile customers	2,391	2,369	0.9	2,282	4.8
	Fixed-network lines	854	853	0.1	860	(0.7)
	Broadband customers	550	543	1.3	525	4.8
AUSTRIA	Mobile customers ^a	4,765	7,194	(33.8)	6,071	(21.5)
	Fixed-network lines ^b	544	595	(8.6)	0	0.0
	Broadband customers	601	594	1.2	0	0.0
OTHER^c	Mobile customers	2,967	3,149	(5.8)	3,419	(13.2)
	Fixed-network lines	334	333	0.3	334	0.0
	Broadband customers	239	238	0.4	229	4.4

^a As of January 1, 2019, the portfolio of M2M SIM cards in Austria was streamlined. 2.4 million customers were deactivated. Prior-year comparatives were not adjusted.

^b Following the acquisition of UPC Austria, we have reported fixed-network lines and broadband customers since the third quarter of 2018. The comparatives for fixed-network lines were adjusted to exclude TV-only customers.

^c "Other": national companies of Albania, North Macedonia, and Montenegro, as well as the lines of the GTS Central Europe group in Romania.

Total

The markets in our segment remained intensely competitive in the first quarter of 2019. We continue to rise to this challenge in the current financial year, achieving an increase of 13.5 percent in the number of FMC customers as of March 31, 2019, thanks in particular to our convergent product portfolio, MagentaOne. We took important steps in 2018 to develop our segment comprehensively into an integrated provider of mobile communications and fixed-network products: The acquisition of UPC Austria will allow us to offer convergent products in Austria, too. The agreement concluded in Poland concerning the use of Orange's fiber-optic network will allow us to offer comprehensive convergent services there in future. In addition to the agreement with Orange, T-Mobile Polska signed a wholesale FTTH agreement with network operator Nexera, covering more than 450 thousand households, which are expected to be connected by the end of 2020.

Our broadband/TV operations are making progress consistently, not least thanks to the large-scale build-out of the network with state-of-the-art fiber-optic-based lines (FTTH, FTTB, and FTTC), in particular in the national companies of Greece and Hungary. As a result, the number of IP lines increased by 4.0 percent to 7.7 million as of March 31, 2019, primarily thanks to the migration from traditional PSTN lines to IP technology. In our mobile business, we recorded moderate growth in the number of high-value contract customers. The number of prepaid customers decreased sharply, mainly due to the streamlining of the portfolio in Austria. In addition, the national companies in Greece and Albania recorded reductions in their prepaid customer bases, due in part to the deactivation of inactive prepaid SIM cards.

Mobile communications

The number of mobile customers totaled 47.8 million in the first quarter of 2019, down by 5.4 percent or 2.7 million customers compared with the end of 2018. This decline is primarily attributable to the streamlining of the prepaid portfolio at our Austrian subsidiary, which removed 2.4 million cross-border M2M SIM cards from our customer base, which we had provided internally to the Germany segment. Excluding this effect, this figure would have been stable compared with the prior year. The number of contract customers increased slightly by 0.7 percent against December 31, 2018. Overall, our national companies reported positive trends in their contract customer base, especially in Poland, Hungary, and the Czech Republic. Contract customers accounted for 56.2 percent of the total customer base. Our customers benefited not only from our innovative services/rate plans, but also from greater coverage with fast mobile broadband – a result of our integrated network strategy. As of March 31, 2019, we already covered 97 percent of the population in the countries of our operating segment with LTE, reaching around 109 million people in total. Customer demand for high data volumes has risen sharply due to the explosion in data traffic driven by video streaming services, for example.

Fixed network

Our TV and entertainment services saw moderate customer growth of 1.4 percent as of March 31, 2019, primarily due to new business in Croatia. Adjusted for this effect, the number of customers remained stable compared with the end of the prior year. Gains at our national companies in Hungary and the Czech Republic offset customer losses in Romania. With both telecommunication providers and OTT players offering TV services, the TV market is already saturated in many countries of our segment.

The broadband business also recorded slight growth of 1.1 percent compared with the end of the prior year to 6.5 million customers. In particular, the customer bases of our national companies in Greece, the Czech Republic, and Hungary saw growth, partly on the back of increased investment in innovative fiber-optic-based technologies. For example, we increased household coverage with optical fiber at our four biggest integrated national companies to 2.7 million households as of March 31, 2019 (December 31, 2018: 2.6 million).

Consistent growth in IP-based lines as a percentage of all fixed-network lines confirms that we are making good progress: At the end of March 2019, this share amounted to 85.4 percent. At 9.0 million, the number of fixed-network lines in our Europe operating segment remained on a par with the high prior-year level, also thanks to the acquisition of UPC Austria.

FMC – fixed-mobile convergence

Our portfolio of convergent products, MagentaOne, remained highly popular with consumers across all of our integrated national companies. As of March 31, 2019, we had 3.8 million FMC customers; this corresponds to significant growth of 13.5 percent or 445 thousand net additions compared with the end of the prior year. The main driver of this trend was our national company in Greece, which since fall 2018 also offers its convergent product portfolio to prepaid customers. We have also been increasingly successful in marketing our MagentaOne Business product to business customers.

DEVELOPMENT OF OPERATIONS

millions of €

	Q1 2019	Q1 2018	Change	Change%	FY 2018
TOTAL REVENUE	2,891	2,811	80	2.8	11,885
Greece	697	686	11	1.6	2,888
Romania	217	226	(9)	(4.0)	933
Hungary	459	443	16	3.6	1,889
Poland	348	375	(27)	(7.2)	1,526
Czech Republic	257	254	3	1.2	1,047
Croatia	220	222	(2)	(0.9)	966
Slovakia	185	181	4	2.2	761
Austria	306	218	88	40.4	1,055
Other ^a	244	253	(9)	(3.6)	1,031
Profit from operations (EBIT)	339	345	(6)	(1.7)	744
EBIT margin %	11.7	12.3			6.3
Depreciation, amortization and impairment losses	(696)	(559)	(137)	(24.5)	(3,013)
EBITDA	1,035	905	130	14.4	3,757
EBITDA AL ^b	921	891	30	3.4	3,691
Special factors affecting EBITDA	(24)	(7)	(17)	n.a.	(122)
EBITDA (adjusted for special factors)	1,059	911	148	16.2	3,880
EBITDA AL (ADJUSTED FOR SPECIAL FACTORS)^b	945	898	47	5.2	3,813
Greece	283	280	3	1.1	1,173
Romania	26	33	(7)	(21.2)	135
Hungary	121	120	1	0.8	540
Poland	92	95	(3)	(3.2)	382
Czech Republic	107	108	(1)	(0.9)	432
Croatia	83	81	2	2.5	374
Slovakia	82	80	2	2.5	320
Austria	118	74	44	59.5	336
Other ^a	33	27	6	22.2	121
EBITDA AL margin (adjusted for special factors) ^b %	32.7	31.9			32.1
CASH CAPEX	(446)	(438)	(8)	(1.8)	(1,887)

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

^a "Other": national companies of Albania, North Macedonia, and Montenegro, as well as IWS (International Wholesale), consisting of ICSS (International Carrier Sales & Solutions) and its national companies, the GTS Central Europe group in Romania, and the Europe Headquarters.

^b Prior-year comparatives were calculated on a pro-forma basis for the redefined key performance indicators resulting from the introduction of the IFRS 16 accounting standard.

Total revenue

Our Europe operating segment generated total revenue of EUR 2.9 billion in the first quarter of 2019, a year-on-year increase of 2.8 percent. In organic terms, i.e., assuming constant exchange rates and without the inclusion of UPC Austria as of July 31, 2018, revenue increased slightly by 0.4 percent.

Our business customer operations made the biggest contribution to organic growth, mainly due to the good development of ICT business in Hungary. Fixed-network revenue at segment level also increased slightly against the prior-year period in the core business, mainly due to the positive revenue effect from broadband and TV business, especially in Greece, the Czech Republic, and Slovakia. Wholesale business remained on a par with the prior-year level. Mobile revenues remained constant, with increased, higher-margin service revenues – especially in Hungary, Poland, the Czech Republic, and Greece – being offset by lower revenues from terminal equipment business. Intense competition on the telecommunications markets had a negative impact on our revenue in some countries of our operating segment.

Revenue from **Consumers** increased by 4.5 percent compared with the prior year, mainly driven by fixed-network operations. Here revenue increased on the back of the positive trend in TV and broadband business thanks to our innovative TV and program management activities as well as the continuous rollout of fiber-optic technology in most of our national companies. In addition, strong growth in the number of FMC customers had a positive impact on revenue. This offset moderately declining voice telephony revenues. Mobile revenues remained stable against the prior-year quarter.

Revenue from **Business Customers**, especially in ICT, increased again in the first quarter of 2019, up 1.6 percent year-on-year. Core business with fixed-network and mobile communications remained stable as a result of our convergent SME solutions (MagentaOne Business), which we sell on the markets. We generated double-digit percentage figures compared with the prior year with our corporate customers in key ICT/cloud computing business as well as in the innovative smart city/IoT fields.

Wholesale revenue remained stable year-on-year. Falling revenues from voice business were offset by rising revenues from IP data business with OTT players.

Looking at the development by country, our national companies in Hungary, Greece, the Czech Republic, and Slovakia made the largest contributions to the organic development of revenue in the reporting period. This offset the decline in revenue in Romania in particular, where the negative trend is attributable to lower mobile revenues – with the positive effect of the increase in customer numbers being offset by lower prices. Higher wholesale revenue in the fixed-network business offset revenue declines in broadband and TV business. The B2B/ICT business with business customers made a positive contribution to revenue.

EBITDA AL, adjusted EBITDA AL

Our Europe operating segment generated adjusted EBITDA AL of EUR 945 million in the first quarter of 2019, an increase of 5.2 percent year-on-year. In organic terms, i.e., assuming constant exchange rates and without the inclusion of UPC Austria, adjusted EBITDA AL increased by 1.5 percent compared with the prior-year period, thus continuing the positive trend in 2019.

The positive trend in adjusted organic EBITDA AL comes on the back of the slight increase in revenue and positive one-time effects, in particular in Poland and Croatia.

Looking at the development by country, the increase in adjusted organic EBITDA AL was largely attributable to the positive trends at our national companies in Greece, Hungary, Croatia, Slovakia, and Austria. A contrasting development was reported primarily at the national company in Romania. In Romania, adjusted EBITDA AL was down 21.2 percent year-on-year, mainly as a result of the lower revenue contribution.

Our EBITDA AL increased by 3.4 percent year-on-year to EUR 921 million, due primarily to higher adjusted EBITDA AL. At EUR -24 million, special factors were EUR 17 million higher than in the prior-year period. In organic terms, EBITDA AL remained stable.

Development of operations in selected countries

Greece. In Greece, revenue stood at EUR 697 million in the first quarter of 2019, up 1.6 percent year-on-year. This was driven primarily by higher mobile revenue and consistently high fixed-network revenue. Broadband business posted particularly strong growth as a result of the marketing of fiber-optic and vectored lines. The growth trends continued in our B2B/ICT business customer operations and wholesale business. TV revenues also increased compared with the first quarter of the prior year. The FMC offering developed positively, with rising customer numbers and corresponding revenues.

In the first quarter of 2019, adjusted EBITDA AL in Greece increased by 1.1 percent year-on-year to EUR 283 million. The increase in revenue was partially offset by higher personnel costs. Savings in direct costs had a positive impact on adjusted EBITDA AL.

Hungary. In Hungary, revenue grew substantially in the first quarter of 2019 by 3.6 percent compared with the prior-year period to EUR 459 million. In organic terms, it increased by 5.8 percent. This growth was driven by rising service and terminal equipment revenues in the mobile business. The fixed-network business also recorded a positive trend with sustained revenue growth in the B2B/ICT business customer operations. Broadband and terminal equipment business also made a positive contribution to revenue. Our MagentaOne portfolio of FMC products is enjoying success among consumers and business customers alike.

Adjusted EBITDA AL increased slightly against the prior-year quarter to EUR 121 million. In organic terms, adjusted EBITDA AL increased by 3.0 percent.

Austria. Our national company in Austria generated revenue of EUR 306 million in the first quarter of 2019, up 40.4 percent year-on-year. This increase is attributable to the effects of the acquisition of UPC Austria, which now allows us to offer fixed-network technology in addition to the mobile broadband internet services already being successfully marketed to our customers. In organic terms, i.e., excluding UPC Austria, revenue would remain on a par with the prior-year level.

The increase in revenue also impacted adjusted EBITDA AL, which increased by 59.5 percent year-on-year to EUR 118 million. Adjusted for the acquisition of UPC Austria, adjusted EBITDA would have been 4.8 percent higher year-on-year.

Poland. Revenue at our national company in Poland decreased by 7.2 percent compared with the prior-year quarter to EUR 348 million; in organic terms, it decreased by 4.7 percent. This decrease is mainly due to lower revenue from mobile terminal equipment business, which could not be offset by the 2.8 percent increase in service revenues. B2B/ICT business customer operations recorded higher revenues as a result of the integration of the systems solutions business in 2017. The traditional fixed-network business recorded a decline overall.

Adjusted EBITDA AL stood at EUR 92 million, down 3.2 percent year-on-year. In organic terms, adjusted EBITDA AL grew slightly by 0.4 percent. The downward trend in revenue was offset by an even larger reduction in direct costs; indirect costs also declined slightly compared with the prior-year period. Overall, the revenue trend, especially in the sale of terminal equipment and in fixed-network business, as well as a need for increased investment due to technological development and requirements, resulted in a lowering of revenue and earnings expectations in Poland.

EBIT

EBIT in our Europe operating segment decreased by 1.7 percent in the first quarter of 2019 to EUR 339 million. Whereas previously expenses had been recognized in connection with operating leases, the right-of-use assets recognized in this context since the application of accounting standard IFRS 16 as of January 1, 2019 result in particular in higher depreciation charges. The decline in EBIT was driven by the increase in other depreciation, amortization and impairment losses compared with the prior-year period.

SYSTEMS SOLUTIONS

For information on changes resulting from the first-time application of the IFRS 16 "Leases" accounting standard, please refer to the section "Group organization, strategy, and management," page 8.

ORDER ENTRY

millions of €

	Q1 2019	2018	Q1 2018	Change Q1 2019/ Q1 2018 %
ORDER ENTRY	1,609	6,776	1,506	6.8

Development of business

We realigned our strategy for the Systems Solutions operating segment with a focus on establishing sustained growth in this area. Our previous investments in growth areas and innovation fields (such as the public cloud, the Internet of Things, digital solutions, security) along with efforts to scale back the number of risk-prone legacy contracts in our traditional IT operations mark important steps on our transformation journey. On this basis, we continue to realign the segment strategy to focus on consistently moving the business into strategic growth areas while simultaneously strengthening our telecommunications business and successfully managing the decline in traditional IT business.

Cash capex

In the first quarter of 2019, our Europe operating segment reported cash capex of EUR 446 million, up 1.8 percent year-on-year. Alongside more subdued investments at some national companies, our capital expenditures were focused primarily on building out our broadband and fiber-optic technology in Greece, Romania, Hungary, and Croatia as part of our integrated network strategy. Limited payments were made in the first quarter of 2019 for the acquisition of spectrum licenses, primarily in Hungary.

With this in mind, we are executing a comprehensive transformation program under which we realigned our organization and workflows, adjusted capacities, developed a new strategy for our portfolio, and created three offering clusters. Ten portfolio units and one emerging business unit look after not only our traditional IT and telecommunications businesses, but also our growth areas (public cloud, Internet of Things, digital solutions, security, SAP, classified ICT, health, and toll collection systems).

Order entry in our Systems Solutions operating segment was up by 6.8 percent in the reporting period, marking a particularly positive development compared with the already strong prior year. This growth is primarily due to a positive trend in our growth areas SAP, public cloud, and health.

DEVELOPMENT OF OPERATIONS

millions of €

	Q1 2019	Q1 2018	Change	Change %	FY 2018
TOTAL REVENUE	1,630	1,665	(35)	(2.1)	6,936
Of which: external revenue	1,278	1,332	(54)	(4.1)	5,497
Loss from operations (EBIT)	(49)	(76)	27	35.5	(291)
Special factors affecting EBIT	(46)	(38)	(8)	(21.1)	(322)
EBIT (adjusted for special factors)	(3)	(38)	35	92.1	32
EBIT margin (adjusted for special factors) %	(0.2)	(2.3)			0.5
Depreciation, amortization and impairment losses	(128)	(95)	(33)	(34.7)	(453)
EBITDA	79	19	60	n.a.	163
EBITDA AL ^a	46	22	24	n.a.	176
Special factors affecting EBITDA	(46)	(38)	(8)	(21.1)	(266)
EBITDA (adjusted for special factors)	125	57	68	n.a.	429
EBITDA AL (ADJUSTED FOR SPECIAL FACTORS) ^a	92	60	32	53.3	442
EBITDA AL margin (adjusted for special factors) ^a %	5.6	3.6			6.4
CASH CAPEX	(93)	(83)	(10)	(12.0)	(462)

^a Prior-year comparatives were calculated on a pro-forma basis for the redefined key performance indicators resulting from the introduction of the IFRS 16 accounting standard.

Total revenue

Total revenue in our Systems Solutions operating segment in the reporting period amounted to EUR 1.6 billion, down slightly on the prior-year level. Revenue in our growth areas developed positively (especially in the public cloud, health, security, and the Internet of Things); however, this growth could not yet fully offset the decline in traditional IT and telecommunications businesses. The trend in IT operations was primarily a result of the decline in our international corporate customer operations and the general falling market trend in our core market of Western Europe, as well as of deliberate portfolio decisions (such as the termination of desktop services). In telecommunications business, revenue declined on account of lower volumes at various customers due to seasonal effects.

EBITDA AL, adjusted EBITDA AL

In the reporting period, adjusted EBITDA AL at our Systems Solutions operating segment increased by EUR 32 million to EUR 92 million, mainly due to effects from our transformation program, a positive development in the Open Telekom Cloud, and enhanced efficiency in traditional IT operations. EBITDA AL increased by EUR 24 million year-on-year to EUR 46 million, mainly due to the effects described under adjusted EBITDA AL. Special factors were up EUR 8 million year-on-year, due to ongoing restructuring measures.

EBIT, adjusted EBIT

Adjusted EBIT in our Systems Solutions operating segment increased by EUR 35 million compared with the prior-year period, coming in at EUR -3 million. The effects described under adjusted EBITDA AL were the main drivers of this decrease. Whereas previously expenses had been recognized in connection with operating leases, the right-of-use assets recognized in this context since the application of accounting standard IFRS 16 as of January 1, 2019 result in particular in higher depreciation charges. EBIT increased by EUR 27 million compared with the first three months of the prior year to EUR -49 million, also due to the aforementioned effects.

Cash capex

Cash capex in the Systems Solutions operating segment stood at EUR 93 million in the reporting period, compared with EUR 83 million in the prior-year quarter. Capital expenditures remain focused on developing our operations in growth areas, such as digital solutions, the Internet of Things, and toll collection systems. In parallel, we are investing in the upgrade of our in-house IT systems.

GROUP DEVELOPMENT

For information on changes resulting from the first-time application of the IFRS 16 "Leases" accounting standard and changes in the organizational structure, please refer to the section "Group organization, strategy, and management," page 8.

Since the spin-off from T-Mobile Netherlands on January 1, 2019, the cell tower business of T-Mobile Netherlands has been reported under GD Towers, the new unit set up in the Group Development operating segment. This unit comprises DFMG and the cell tower business of T-Mobile Netherlands. Prior-year comparatives were not adjusted.

CUSTOMER DEVELOPMENT

thousands

		Mar. 31, 2019	Dec. 31, 2018	Change Mar. 31, 2019/ Dec. 31, 2018 %	Mar. 31, 2018	Change Mar. 31, 2019/ Mar. 31, 2018 %
NETHERLANDS	Mobile customers	5,382	4,021	33.8	3,905	37.8
	Fixed-network lines	557	241	n.a.	198	n.a.
	Broadband customers	557	241	n.a.	198	n.a.

The number of mobile and fixed-network customers increased significantly compared with the end of 2018 due to the customer base acquired in connection with Tele2 Netherlands. There was also clear customer growth in the operating business. Despite intense competition, customer

additions were recorded in particular in mobile communications thanks to our attractive rate plan portfolio offering large data packages through to unlimited data volumes. The number of fixed-network consumers also increased further as a result of our attractive rate plan portfolio.

DEVELOPMENT OF OPERATIONS

millions of €

	Q1 2019	Q1 2018	Change	Change %	FY 2018
TOTAL REVENUE	682	528	154	29.2	2,185
Of which: Netherlands	461	309	152	49.2	1,322
Profit from operations (EBIT)	126	148	(22)	(14.9)	560
Depreciation, amortization and impairment losses	(200)	(78)	(122)	n.a.	(334)
EBITDA	325	227	98	43.2	893
EBITDA AL ^a	249	220	29	13.2	865
Special factors affecting EBITDA	(6)	(5)	(1)	(20.0)	(27)
EBITDA (adjusted for special factors)	332	231	101	43.7	921
Of which: Netherlands	147	108	39	36.1	425
EBITDA AL (ADJUSTED FOR SPECIAL FACTORS)^a	255	225	30	13.3	892
Of which: Netherlands	123	104	19	18.3	413
EBITDA AL margin (adjusted for special factors) ^a %	37.4	42.6			40.8
CASH CAPEX	(86)	(85)	(1)	(1.2)	(271)

^a Prior-year comparatives were calculated on a pro-forma basis for the redefined key performance indicators resulting from the introduction of the IFRS 16 accounting standard.

Total revenue

Total revenue in our Group Development operating segment increased by 29.2 percent year-on-year, primarily due to the inclusion of Tele2 Netherlands since the start of 2019. Both business customer and consumer operations contributed to this revenue growth, on the back of customer growth and a positive trend in business with MVNOs in the Netherlands. The GD Towers unit also recorded a year-on-year increase in revenue, driven by volume-based growth at DFMG.

EBITDA AL, adjusted EBITDA AL

EBITDA AL increased from EUR 220 million in the prior-year period to EUR 249 million. This growth was mainly attributable to the earnings contributed by Tele2 Netherlands and the aforementioned positive effects on revenue. Efficient cost management also contributed to the growth in EBITDA AL. EBITDA AL of the GD Towers unit is increasing steadily thanks to growing volumes. In addition to the positive effects from the acquisition of Tele2 Netherlands, EBITDA AL of T-Mobile Netherlands was impacted by the transfer of the EBITDA AL contribution of the Dutch cell tower business to GD Towers. Furthermore, earnings from operations increased on the back of revenue growth and efficiency enhancement measures. For the same reasons, adjusted EBITDA AL increased from EUR 225 million to EUR 255 million. The decline in the EBITDA AL margin is attributable to the integration of Tele2 Netherlands.

EBIT

Due to the consolidation of Tele2 Netherlands at T-Mobile Netherlands and the associated increase in depreciation, amortization and impairment losses, as well as one-time effects resulting from the integration, EBIT decreased by EUR 22 million compared with the first quarter of 2018 to EUR 126 million. GD Towers' high investments in new cell sites also increased depreciation, amortization and impairment losses. Whereas previously expenses had been recognized in connection with

operating leases, the right-of-use assets recognized in this context since the application of accounting standard IFRS 16 as of January 1, 2019 result in particular in higher depreciation charges.

Cash capex

Cash capex increased by EUR 1 million compared with the prior-year period, primarily due to the additional investments for the integration of Tele2 Netherlands.

GROUP HEADQUARTERS & GROUP SERVICES

For information on changes resulting from the first-time application of the IFRS 16 "Leases" accounting standard, please refer to the section "Group organization, strategy, and management," page 8.

DEVELOPMENT OF OPERATIONS

millions of €

	Q1 2019	Q1 2018	Change	Change %	FY 2018
TOTAL REVENUE	651	651	0	0.0	2,735
Loss from operations (EBIT)	(393)	(324)	(69)	(21.3)	(1,662)
Depreciation, amortization and impairment losses	(260)	(162)	(98)	(60.5)	(825)
EBITDA	(132)	(162)	30	18.5	(837)
EBITDA AL ^a	(234)	(184)	(50)	(27.2)	(923)
Special factors affecting EBITDA	(97)	(92)	(5)	(5.4)	(322)
EBITDA (adjusted for special factors)	(35)	(70)	35	50.0	(515)
EBITDA AL (ADJUSTED FOR SPECIAL FACTORS)^a	(137)	(92)	(45)	(48.9)	(601)
CASH CAPEX	(274)	(248)	(26)	(10.5)	(1,078)

^a Prior-year comparatives were calculated on a pro-forma basis for the redefined key performance indicators resulting from the introduction of the IFRS 16 accounting standard.

Total revenue

Total revenue in our Group Headquarters & Group Services segment remained at the prior-year level in the first quarter of 2019. A slight negative factor resulted from the fact that, as of January 2016, the costs of intragroup development services newly commissioned from Deutsche Telekom IT in Germany are no longer charged internally. This was contrasted mainly by a slight increase in intragroup revenue from land and buildings.

EBITDA AL, adjusted EBITDA AL

Adjusted EBITDA AL in the Group Headquarters & Group Services segment decreased by EUR 45 million year-on-year in the reporting period, mainly as a result of lower income from real estate sales.

Overall, EBITDA AL was negatively impacted by special factors amounting to EUR 97 million, especially for staff-related measures. By contrast, special factors of EUR 92 million had been recorded in the prior-year period.

EBIT

The year-on-year decrease of EUR 69 million in EBIT was mainly due to the effects described under EBITDA AL. Whereas previously expenses had been recognized in connection with operating leases, the right-of-use assets recognized in this context since the application of accounting standard IFRS 16 as of January 1, 2019 result in particular in higher depreciation charges. The increase in other depreciation, amortization and impairment losses was due, in particular, to higher depreciation and amortization caused by increased levels of capitalization at Deutsche Telekom IT. The latter were attributable to the fact that the costs of newly commissioned intragroup development services in Germany are no longer charged internally. This development was partially offset by lower depreciation, amortization and impairment losses from land and buildings as a result of our continued optimization of the real estate portfolio.

Cash capex

Cash capex increased by EUR 26 million year-on-year, primarily owing to increased investment in technology and innovation, mainly for development activities.

EVENTS AFTER THE REPORTING PERIOD (MARCH 31, 2019)

Please refer to the section "Events after the reporting period" in the interim consolidated financial statements, page 53.

FORECAST

The statements in this section reflect the current views of our management. To date, there is no evidence that the forecasts published in the 2018 combined management report have significantly changed (2018 Annual Report, page 102 et seq.). Accordingly, the statements made therein remain valid. For additional information and recent changes in the economic situation, please refer to the section "The economic environment" in this interim Group management report. Readers are also referred to the Disclaimer at the end of this report.

RISKS AND OPPORTUNITIES

This section provides important additional information and explains recent changes in the risks and opportunities as described in the combined management report for the 2018 financial year (2018 Annual Report, page 113 et seq.). Readers are also referred to the Disclaimer at the end of this report.

OPERATIONAL RISKS

The risk significance in the risk category "Risks relating to IT/NT network operations, United States" was regraded from medium to low in the first quarter of 2019. This was due not only to the geographical redundancies that were put in place, but also to the adequate disaster recovery functions for the billing systems for customer services, which were rated as functional in tests. The risk is thus mitigated and will no longer be reported.

LITIGATION

Lawsuits filed by partnering publishers of telephone directories. In the lawsuits filed by the partnering publishers of telephone directories, two of the suits suspended in the first instance were withdrawn after the already reported ruling of the Federal Court of Justice in January 2019 went in our favor. As a result, ten proceedings are still pending with a total claimed amount of approximately EUR 70 million plus interest. For nine of these suits, appeal proceedings are still in process with the German Federal Court of Justice while one claim remains suspended. Proceedings before the administrative court were also brought to a close after the remaining two plaintiffs withdrew their respective suits under administrative law.

ANTI-TRUST PROCEEDINGS

Claims for damages against Slovak Telekom following a European Commission decision to impose fines. On February 21, 2019, Slovak Telekom and Deutsche Telekom filed an appeal with the European Union Court of Justice against the ruling by the General Court of the European Union of December 13, 2018 in which the fines imposed by the European Commission were partially overturned and the level of the fines reduced.

ASSESSMENT OF THE AGGREGATE RISK POSITION

At the time of preparing this report, neither our risk management system nor our management could identify any material risks to the continued existence of Deutsche Telekom AG or a significant Group company as a going concern.