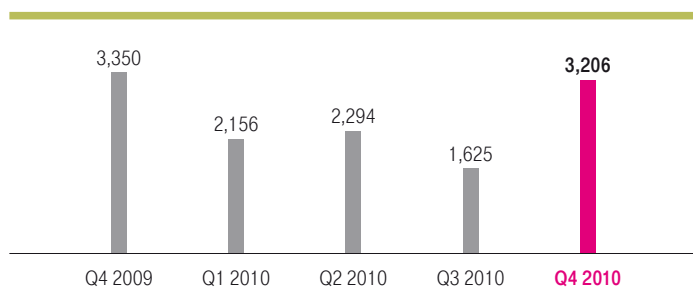


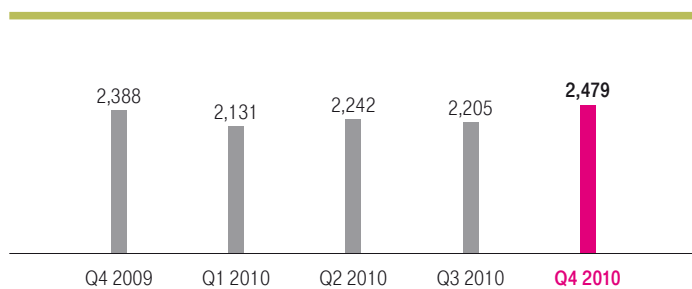
Systems Solutions.

Selected KPIs.

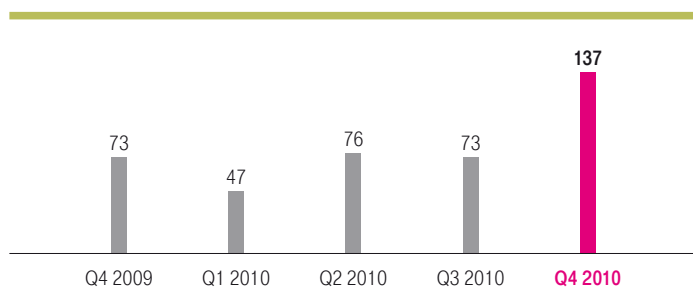
New orders. (millions of €)



Revenue. (millions of €)



Adjusted EBIT. (millions of €)



		Dec. 31, 2010	Dec. 31, 2009	Change	Change %	Dec. 31, 2008
New orders	millions of €	9,281	9,364	(83)	(0.9)	10,235
Computing & Desktop Services						
Number of servers managed and serviced	units	58,073	47,092	10,981	23.3	56,734
Number of workstations managed and serviced	millions	1.95	1.86	0.09	4.8	1.51
Systems Integration						
Hours billed	millions	9.2	9.6	(0.4)	(4.2)	10.7
Utilization rate	%	84.0	81.3		2.7p	80.9

Development of business.

In the 2010 financial year, our Systems Solutions operating segment (T-Systems) secured strategically significant new deals in the ICT corporate customer market. In particular, we are experiencing high demand in dynamic computing, a new growth area. Dynamic computing allows customers to receive broadband, computing capacity, and memory on demand, pay for what they use and share the infrastructure. Companies increasingly use software from what are known as cloud services to manage their business processes (private cloud). In eight months, T-Systems doubled these dynamic resources from the Net.

The number of servers managed and serviced increased by 23.3 percent in the year under review compared with 2009, primarily as a result of an increase in demand for dynamic computing services. The number of workstations managed and serviced also increased significantly, mainly due to new orders. In addition, Systems Integration developed positively, despite the continuing cost pressure from competition. Although fewer hours were billed, this effect was offset by a higher utilization rate. It is also encouraging that more and more energy providers are demanding services relating to smart electricity grids, in addition to traditional ICT services. We secured new deals in 2010, most recently with the city of Emden's municipal utilities, concerning the recording, transmission and processing of energy data.

Development of operations.

	2010 millions of €	2009 millions of €	Change millions of €	Change %	2008 millions of €
Total revenue	9,057	8,798	259	2.9	9,343
Profit (loss) from operations (EBIT)	44	(11)	55	n.a.	81
Special factors affecting EBIT	(289)	(240)	(49)	(20.4)	12
EBIT (adjusted for special factors)	333	229	104	45.4	69
EBIT margin (adjusted for special factors) %	3.7	2.6			0.7
Depreciation, amortization and impairment losses	(623)	(721)	98	13.6	(781)
EBITDA	667	710	(43)	(6.1)	862
Special factors affecting EBITDA	(281)	(213)	(68)	(31.9)	36
EBITDA (adjusted for special factors)	948	923	25	2.7	826
EBITDA margin (adjusted for special factors) %	10.5	10.5			8.8
Cash capex	(725)	(681)	(44)	(6.5)	(823)
Average number of employees	47,588	45,328	2,260	5.0	46,095

Total revenue.

Total revenue in our Systems Solutions operating segment in the financial year amounted to EUR 9.1 billion, a year-on-year increase of 2.9 percent. This positive development is the result of the numerous contracts concluded this year and in the prior year. The new deals offset the general negative price trend in IT and communications. Revenue generated with Deutsche Telekom's other operating segments amounted to EUR 2.6 billion in the reporting period, a decrease of 2.5 percent. As a service provider for our Group, T-Systems plays a key role in optimizing Deutsche Telekom's IT costs. T-Systems standardized and improved the IT environment for the Group, making a major contribution to the Save for Service program.

Net revenue.

T-Systems substantially expanded business with customers outside the Deutsche Telekom Group, reflecting the success of T-Systems' new growth course. The operating segment generated net revenue of EUR 6.4 billion, 5.4 percent more than in the prior year. On the one hand, this positive development is attributable to Computing & Desktop Services. Many customers are already opting for so-called cloud services, which is how we already provide two thirds of SAP services for our customers. This development is complemented by growth of 1.3 percent in Systems Solutions business, particularly at Application Management & Development. Agreements signed with TUI Travel and E.ON also made positive contributions to our telecommunications business, where business is decreasing as a result of price factors.

EBITDA, adjusted EBITDA.

In the financial year, our Systems Solutions operating segment generated EBITDA of EUR 0.7 billion. The decline of 6.1 percent compared with 2009 was primarily attributable to the higher cost of goods and services purchased as a result of start-up costs in connection with the new deals. The higher costs were partially offset by savings under Save for Service, the Company's comprehensive restructuring and efficiency enhancement program. EBITDA was negatively affected by special factors totaling EUR 0.3 billion, largely arising from restructuring measures. Adjusted EBITDA totaled EUR 0.9 billion in 2010, an increase of 2.7 percent.

EBIT, adjusted EBIT.

Adjusted EBIT increased by 45.4 percent year-on-year, also as a result of Save for Service, the comprehensive restructuring and efficiency enhancement program. It was also positively affected by lower depreciation and amortization owing to the extension of the economic useful lives of several assets such as high-performance servers. The adjusted EBIT margin increased from 2.6 percent in 2009 to 3.7 percent in the reporting period.

Cash capex.

At EUR 0.7 billion, cash capex in the reporting period increased year-on-year. Apart from expanding its dynamic computing platform, T-Systems invested in new deals and customer relationships in 2010. Positive effects of the efficiency enhancement measures, e.g., more standardized ICT platforms, were partially offset by the addition of assets taken on under the new deals.

Employees.

The average number of employees grew by 2,260 in 2010 to 47,588, a year-on-year increase of 5.0 percent. While the average number of employees in Germany decreased by 452 or 1.8 percent to 25,095, internationally the average increased by 2,712 or 13.7 percent. This reflects the staff restructuring measures in Germany, in particular at Systems Integration, as well as offshoring activities at Computing & Desktop Services. The increase is also attributable to the fact that employees were taken over under the terms of large-scale contracts and to the increased use of company employees from nearshore and offshore countries.