

PROSPECTUS

Deutsche Telekom International Finance B.V. (“Finance”)

\$1,000,000,000 2.250% Notes issued 6 March 2012 and due 6 March 2017

\$1,000,000,000 4.875% Notes issued 6 March 2012 and due 6 March 2042

Guaranteed as to Payment of Principal and Interest by
Deutsche Telekom AG (“Deutsche Telekom”)



Finance’s \$1,000,000,000 2.250% Notes due 6 March 2017 (the “2017 Notes”) and \$1,000,000,000 4.875% Notes due 6 March 2042 (the “2042 Notes”) and, together with the 2017 Notes, the “Notes”) were offered for sale in the United States, Europe and elsewhere where it is lawful to make sure offers. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange’s Regulated Market and to be listed on the official list of the Luxembourg Stock Exchange. This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive and the Luxembourg law on prospectuses for securities on 10 July 2005 implementing the Prospectus Directive in Luxembourg. This prospectus as well as the documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>).

Application has been made to the Commission de Surveillance du Secteur Financier (the “CSSF”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities to approve this document as a Prospectus. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

Finance will pay interest on the Notes on 6 March and 6 September of each year, beginning on 6 September 2012 at an annual rate of 2.250% in the case of the 2017 Notes and 4.875% in the case of the 2042 Notes. Finance may redeem the Notes on the terms described in this prospectus under “*Description of the Notes and Guarantees—Optional Redemption*”. Finance may also redeem the Notes at 100% of their principal amount plus accrued interest if certain tax events occur as described under “*Description of the Notes and Guarantees—Optional Tax Redemption*”.

Investing in the Notes involves risks. See “Risk Factors”.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any state or other securities laws. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers (“QIBs”) in reliance on the exemption from registration provided by Rule 144A under the Securities Act (“Rule 144A”) and to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Notes are not transferable except in accordance with the restrictions described under “*Transfer Restrictions*”.

	Price to Public(1)	Underwriting Discounts and Commissions	Proceeds to Finance
Per 2017 Note	99.437%	0.25%	99.187%
Per 2042 Note	98.604%	0.45%	98.154%
Total	\$1,980,410,000	\$7,000,000	\$1,973,410,000

(1) The settlement occurred on 6 March 2012.

The Notes are represented by one or more global notes registered in the name of The Depository Trust Company (“DTC”), as depository, or a nominee of DTC. Beneficial interests in the Notes will be shown on, and transfers thereof, will be effected through, records maintained by DTC, Clearstream Banking, société anonyme (“Clearstream”) and Euroclear Bank SA/NV (“Euroclear”), and their respective participants.

Credit Suisse		<i>Joint Bookrunning Managers</i>		SOCIETE GENERALE	
		Morgan Stanley			
		<i>Co-Managers</i>			
Banca IMI	COMMERZBANK	Lloyds Securities	Mitsubishi UFJ Securities	RBS	

5 April 2012

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You should rely on the information contained or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus, as well as information incorporated by reference, is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

RESPONSIBILITY STATEMENT

Deutsche Telekom with its registered office in Bonn and Finance with its registered office in Amsterdam are solely responsible for the information given in this Prospectus, provided that Finance is not responsible for the description of Deutsche Telekom. Each of Deutsche Telekom and Finance hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

RISK FACTORS

The discussion below is a disclosure of risk factors that are material to Deutsche Telekom and Finance and that may affect Finance's ability to fulfill its obligations under the Notes or Deutsche Telekom's obligation under the guarantee. When we refer to ourselves, we are referring to both Deutsche Telekom and Finance. Prospective investors should carefully consider the following information in conjunction with the other information contained or incorporated by reference in this prospectus.

Relating to Deutsche Telekom

The risk related to Deutsche Telekom's ability to fulfill its obligations as Issuer of debt securities is described by reference to the ratings assigned to Deutsche Telekom. Deutsche Telekom is rated by Fitch¹⁴ (as defined herein), Moody's²⁴ (as defined herein) and S&P³⁴ (as defined herein).

As of the publication date of the Prospectus, the ratings assigned to Deutsche Telekom by the Rating Agencies were as follows:

by Fitch:	long-term rating:	BBB+
	short-term rating:	F2
by Moody's:	long-term rating:	Baa1
	short-term rating:	P-2
by S&P:	long-term rating:	BBB+
	short-term rating:	A-2

A continuation or intensification of the economic downturn, a further intensification of the European debt crisis, or an ongoing slowdown in consumer spending could adversely affect our

¹ Fitch is established in the European Community and has been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 March 2011 (the "CRA Regulation").

² Moody's is established in the European Community and has been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 March 2011 (the "CRA Regulation").

³ S&P is established in the European Community and has been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 March 2011 (the "CRA Regulation").

⁴ The European Securities and Markets Authority publishes on its website (www.esma.europa.eu) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days of the adoption of a registration or certification decision. The European Commission republishes the list in the Official Journal of the European Union within 30 days of any update.

customers' purchases of our products and services in each of our operating segments, which could have a negative impact on our operating results and financial condition.

Our business is influenced by general economic conditions in Germany, Europe and the United States. Continued exchange rate and financial market volatility, pressure on private consumption owing to high unemployment in some countries and the dangers arising from high levels of national debt in many countries present risks to the economy that could result in long periods of stagnation or economic contraction.

During 2011, global financial markets and economies experienced increasing stress, as reflected by high levels of volatility and market uncertainty. The ongoing European sovereign debt crisis has evolved into a banking crisis and crisis of confidence, constituting a significant risk to economic development in Europe and around the world, and is having an increasing impact on our operations and businesses. A possible failure of negotiations between private-sector creditors and Greece, increased market pressure on the public finances of Greece, Portugal, Ireland, Italy or Spain, or in an extreme case the departure of one more countries from the Eurozone could lead to depressed economic activity and increased currency and exchange risks, all of which would have an unpredictable effect on our businesses and operations. We have a limited ability to effectively plan for or respond to the potential adverse effects from these risks.

In particular, this situation poses risks to our operations in some of our core countries. For example, consumers and business customers could increasingly curtail their consumption of our services in an atmosphere of continued economic distress and continued or increasing uncertainty. National austerity measures could also have further negative effects on telecommunications consumption, caused by both reduced government demand and declines in disposable income in the private sector. Our operating business also faces the risks of unannounced tax increases or special taxes, particularly in our Southern and Eastern European markets. These developments could, in turn, negatively impact our revenue development, including in the future growth areas on which we plan to focus, and jeopardize the attainment of our growth targets, such as those relating to data services in mobile telecommunications, or those relating to broadband products and services.

Macroeconomic conditions in Greece and the fiscal position of the Republic of Greece have deteriorated markedly, and this has had and could continue to have an adverse effect on our business, results of operations, financial condition and prospects.

The economy of Greece, where we have substantial operations through our subsidiary Hellenic Telecommunications Organization S.A., or OTE, has deteriorated markedly mainly as a result of the deteriorating fiscal position of the Republic of Greece and the fiscal austerity measures being adopted in response to the crisis. In addition, Greece has experienced economic contraction since 2010 and unemployment has increased significantly. This situation has resulted in a material reduction of disposable income across major parts of the Greek population, leading to a decline in demand for our services, and our revenues from the broad public sector have decreased as well. OTE contributed EUR 3.5 billion or 6.0% of our net revenue in 2011, down from EUR 3.9 billion, or 6.2%, in 2010. The impact of deteriorating macroeconomic conditions in Greece, reductions in disposable income and the recent and potential future developments with respect to the fiscal position of the Republic of Greece may continue to have an adverse effect on our business and results of operations.

Because we operate in heavily regulated business environments, decisions that regulatory authorities impose on us restrict flexibility in managing our business and may force us to offer services to competitors, or reduce the prices we charge for our products and services, either of which could have a material negative impact on our revenues, profits and market shares.

We are subject to strict regulation in all of our fixed-line and mobile markets in Europe and the United States. Government agencies regularly intervene in the offerings and in the pricing of our fixed-line and mobile products and services. Regulation can impede our ability to grow and to react to the initiatives of competitors and technological change.

The 2009 reform package for the Regulatory Framework for Electronic Communications in the European Union ("EU Framework") is currently being implemented by Member States. While the new rules had to be transposed into the national laws of the 27 Member States by May 2011, the majority of the Member States have failed to do so. Whether the revised regulatory framework will increase or decrease the regulatory burden on us will depend on the manner in which revised directives are subsequently implemented in the EU Member States, and how the revised regulatory framework will be applied by the respective National Regulatory Authorities ("NRAs"). For example, the German Telecommunications Act (*Telekommunikationsgesetz*) is being revised primarily to reflect the EU framework, revised to encourage

operators to invest in new high-speed networks and to include additional consumer protection regulations. The legislative process is almost complete and the revised German Telecommunications Act is expected to be effective by April 2012.

On September 20, 2010, the European Commission issued its Recommendation on regulated access to Next-Generation Access Networks (“NGAs”), consisting of guidelines which NRAs must take into upmost account when requiring market-dominant undertakings to grant network access. The aim is to harmonize regulatory requirements throughout the European Union. The recommendation generally provides for remedies to be imposed on operators with significant market power as well as obligations to provide access to physical infrastructure including on a wholesale basis. Furthermore, in October 2011, the European Commission launched two public consultations related to access for alternative operators to the fixed telephone and broadband networks of established operators. One consultation concerns non-discriminatory access for alternative operators to the infrastructure and services of dominant telecom operators. The second concerns the way national regulators calculate prices that operators have to pay for this wholesale access (cost-orientation remedies). Depending on further developments, access regulations that apply to copper networks may also be applied to new fiber networks, possibly affecting the extent and timing of our NGA build-out and causing a decrease in our revenues.

The German telecommunications regulatory framework implemented by the Federal Network Agency (*Bundesnetzagentur*) has a particularly significant impact on our domestic business. So far, we have been exempted from regulation on the basis of a loss of significant market power in markets of relatively minor importance only, such as the market for fixed-line international calls.

Additionally, since we are offering mobile and fixed-line triple-play services (triple-play includes high-speed Internet access, communications services and entertainment offerings), media regulation may become increasingly important to our business. This regulation might restrict our ability to provide media services, including the delivery of content, and could also result in additional costs for technical implementation measures needed to comply with increased regulation.

Mobile Telecommunications Operations

Regulatory authorities supervise our mobile telecommunications operations in the countries in which we operate. We expect a tightening of regulatory control in the area of mobile telecommunications, with a further negative effect on pricing and revenues, for example as a result of further reductions in international roaming charges for the wholesale and retail voice market, international data and SMS roaming charges, call termination charges and possible access regulation in some markets. In Europe, NRAs and various EU bodies have the power to regulate based on market investigations or reviews.

With respect to international roaming charges, an EU-wide regulation, valid until June 2012, is presently in place and – accompanied by transparency measures – sets price ceilings for retail voice, retail SMS and wholesale voice, SMS and data tariffs. The European Commission is currently planning new measures to be implemented beyond 2012 with lower price ceilings supported by the slogan “roam like home”, an inclusion of retail data and structural measures to foster competition. This expansion of existing regulation has an additional negative effect on our roaming revenues.

The regulation of mobile call termination charges in countries where we have mobile operations can have a negative effect on revenues. Various reviews of call termination rates and court proceedings relating to regulatory measures are pending in several of those markets. The European Commission intends to further reduce termination rates significantly and has therefore issued a recommendation that defines details for the calculation of termination rates by the NRAs. The recommendation was adopted in May 2009 and has to be fully applied from 2013 at the latest. Any reductions in termination rates may have an adverse effect on the profitability of our mobile telecommunications operations in Europe.

The Federal Network Agency began a 900/1800 MHz consultation on November 22, 2011. The agency asked all interested companies for their future spectrum needs in these two bands, which are currently part of the GSM licenses of the four German mobile network operators. The Federal Network Agency intends to develop an overview by the end of 2013 of market needs in order to decide on the next steps for the future use of the 900/1800 MHz spectrum. The new assignments will be effective from January 1, 2017. We submitted our reply prior to the deadline for responses.

Our operations in the United States are regulated primarily by the Federal Communications Commission (“FCC”) and by various other federal, state and local governmental agencies. These governmental agencies may also exercise jurisdiction over mobile telecommunications operators. The FCC is

continually considering whether to establish new rules and policies, many of which, if implemented, could impose significant costs and burdens on our business. The most significant areas of concern include whether the FCC makes available additional spectrum for next generation wireless offerings in a reasonable timeframe and ensures that existing spectrum holdings remain free and clear of any radio interference.

The FCC passed a regulatory order for mobile and fixed-network broadband access for Internet services on December 21, 2010. It is focused on ensuring transparency regarding network management practices, performance and the commercial terms of broadband Internet access services, prohibiting the blocking of access to lawful content by mobile and fixed-network broadband Internet access providers, and prohibiting unreasonable content discrimination by providers of fixed-network broadband Internet access. In addition, the regulator is allowing use-dependent pricing and requires that every provider of broadband Internet access manages its network sensibly in the future and protects it against overloads and abuse.

In addition, many state and local governments regulate various aspects of wireless operations, affecting our business practices and the carrier-customer relationship. In particular, consumer regulation at the federal or state level can impact a variety of carrier practices in this area including, for example, early termination fees, trial periods, billing practices and marketing. Any state or federal regulation could have a potentially adverse effect on our mobile telecommunications business in the United States, as would any failure to comply with applicable regulations. Some U.S. states have taken actions to regulate various aspects of wireless operations including customer billing, termination of service arrangements and advertising. Any of those agencies could adopt regulations or take other actions that could adversely affect our business. If we fail to comply with applicable regulations, we may be subject to sanctions, which may have an adverse effect on our mobile telecommunications business in the United States.

Fixed-Network Operations

We believe that, for the foreseeable future, the Federal Network Agency is likely to consider us a provider with significant market power in various German markets for public voice telephony services in the fixed-line network and in other markets, including most of those in which we held monopoly rights in the past. Access and price regulation apply primarily to telecommunications services that are considered to involve an operator with "significant market power". As a result, we expect that the strict regulatory provisions of the German Telecommunications Act relating to providers with significant market power will continue to be applied to our activities in those markets. Considering that in many markets our competitors are unlikely to gain significant market power in the near future, we expect that we will have to compete in important markets with providers not subject to these regulatory obligations. Therefore, these competitors may be expected to have more flexibility than we have in terms of the types of services offered and customers served, pricing and the granting of network access.

The Federal Network Agency has issued two decisions concerning the regulation of NGAs. On September 17, 2010, the Federal Network Agency decided that very high-speed digital subscriber line ("VDSL") and fiber to the home ("FTTH") access forms part of the regulated wholesale regime for digital subscriber lines ("DSL"). Ethernet based bitstream access will also be subject to regulation. In order to implement the decision, we must submit an amended reference offer. Related tariffs will be subject to ex-post price controls. In September 2010, the Federal Network Agency also published a draft decision concerning access to the local loop. This draft confirms the existing scope of our obligations but in addition foresees the expansion of regulation to include pure fiber-optic access to unbundled local loops ("ULLs"). FTTH wholesale products will be subject to ex-post price controls. On October 3, 2011, the European Commission launched a consultation on cost methodologies for access networks. The concept favored by the Commission is that the regulated wholesale prices based on copper networks should be reduced if the regulated company does not invest in FTTH. The extension of the scope of our obligations will make it easier for competitors to offer products at our expense, which could have a negative impact on our revenue and results of operations. The final decision will be published after this consultation is completed.

The Federal Network Agency approves rates for ULL lines for a duration of two years. The current rates are valid until June 30, 2013. The level of the ULL rate is a decisive factor in the profitability of our nationwide infrastructure in Germany. It also generates incentives and disincentives for the further expansion of broadband, particularly the roll-out of new fiber-optic networks.

We are involved in a number of pending legal proceedings regarding decisions of the Federal Network Agency that concern access charges relating to the local loop. The Federal Network Agency's rulings on the ULL monthly charges from 1999 and on the ULL one-time charges from 2001 and 2002 have been revoked with final and binding effect. The Federal Network Agency must now decide again on these charges. The Federal Administrative Court has not formally stipulated preliminary rates with which the Federal Network

Agency has to agree, so it is generally not clear whether and to what extent rates will be changed. On November 23, 2011, the Federal Administrative Court decided that the Federal Network Agency should have some scope for discretion in determining the cost basis and may continue to set ULL rates on the basis of current costs. The Federal Network Agency approved new one-time ULL rates for the period April 2002 through June 2003 in its decision dated January 19, 2011. Compared with the decision in 2002, the rates were reduced by between 3% and 8% for the most important rates, which relate to the provision of customer data to providers of telephone directory inquiry services and takeovers of existing lines, and between 11% and 15% for termination rates. The rates decision applied only for plaintiffs who prevailed in the court case. This is because, under the German Telecommunications Act in its 2002 version, the rates only applied to individual agreements.

Our fixed-line subsidiaries in Southern and Eastern Europe are subject to regulatory provisions and risks that are similar to those affecting our fixed-line operations in Germany. For example, we are designated an operator with significant market power in most fixed-line markets in which we operate, including in Hungary, Slovakia, Croatia and Greece. The business impact of increased regulation on our subsidiaries in Southern and Eastern Europe will depend on the way in which NRAs use their powers, and the extent to which our competitors take advantage of regulatory decisions designed to foster increased competition.

In Greece, risk exists in the area of infrastructure roll-out, including VDSL and FTTX (a broadband network architecture that uses optical fiber as all or part of the local loop). The Greek government announced an initiative to support a passive optical network across Greece that would provide open access to all fixed-network providers and, as a result, increase competition. The impact of this development on OTE and the related financial risk to us cannot be quantified at this point.

The revised Telecommunications Act includes a new article (§ 41a para. 1 of the German Telecommunications Act, "TKG") that applies to all telecommunications-network providers and grants the Federal Network Agency the authority to impose an ordinance specifying general requirements for non-discriminatory data traffic and non-discriminatory access to content and applications. The German government has discretion to issue such an ordinance, which will depend on ongoing public discussions on net neutrality as well as the actual developments in the market. The Federal Network Agency has not to date promulgated any regulations regarding net neutrality issued by the Federal Network Agency. However, new regulations (§ 41a para. 2 TKG) allow the Federal Network Agency to define a minimum requirement of service quality through technical guidelines, which might hinder the introduction of new services. The Federal Network Agency has discretion to issue such technical guidelines.

We face intense competition in all areas of our business, which could lead to reduced prices for our products and services and a decrease in market share in certain service areas, thereby adversely affecting our revenues and net profit.

Germany

In Germany, fixed-line network voice telephony service revenues and prices have continued to decline, primarily due to intense competition and adverse decisions imposed by the NRAs, and also due to customers' ongoing substitution of mobile telecommunications and Voice over Internet Protocol ("VoIP") services for fixed-line usage.

Due to competitive pressures from cable operators and fixed-line carriers, we continued to lose market share in 2011. We expect a further increase in competition from cable operators, which are able to provide telecommunications services without having to build out their own network or lease access to our network. In the fixed-network broadband market, we have observed increasing shares of cable network operators among new customers. These operators are, unlike us, able to provide private homes and smaller companies throughout Germany with telecommunications products that require them neither to build out their own networks nor to lease unbundled local loop lines from us.

Competitive pressure is also increasing from competitors that have traditionally operated outside the telecommunications sector, such as major consumer electronics companies and Internet service providers. Furthermore, the switch of mobile operators' focus from pure mobile services towards fixed-line offerings, regulatory actions by the Federal Network Agency and the increasing quality and acceptance of VoIP services will increase pressure on our market shares, revenues and margins.

Additional local and regional network operators are expanding their presence to include other major cities and regions. In the future, we could face even fiercer competition and lose further market share if our competitors were to combine their businesses.

Existing mobile substitution effects are intensified by the proliferation of Mobile Virtual Network Operators ("MVNOs"). Reduced prices for mobile telecommunications services (e.g., on the basis of lower flat rates without call-based charges and regulatory decisions regarding mobile telephony termination rates) could further increase pricing pressure on our fixed-line services. Furthermore, mobile operators are increasingly engaging in reselling DSL product bundles provided by other fixed-line operators, and this continues to have an adverse effect on our fixed-line network revenues.

The German markets for Internet access and portal services, especially within the broadband market, have been, and will continue to be, highly competitive and are increasingly saturated. Prices for broadband flat rates have been steadily declining. Our future competitive position in the broadband/fixed-network business in Germany will be affected by pricing, network speed and reliability, services offered, customer support and our ability to be technologically adept and innovative. The regulatory environment can also exert a significant influence on the level of competition. We expect that our competitors will continue to pursue new broadband customers aggressively. In the market for portal services and content, competition is also intense due to low barriers to entry. In addition, a weaker economy may increase pressure on our revenues and margins in these markets. Furthermore, regulatory decisions have required us to offer to our competitors an IP bitstream access product, which enables our competitors to expand their operations throughout Germany without building their own infrastructure.

Part of the challenge in the fixed-network business in Germany continues to be the improvement of our reputation for customer service while implementing cost-saving measures. If we do not continue to improve our customer service sustainably, there is a risk that we might not stop our overall continuing loss of fixed-network customers in the German market.

Competition in the German mobile telecommunications segment with established players such as Vodafone, E-Plus and O2 is intense and can be expected to increase further in the future. Growing competition is also fostered by resellers and "no-frills" operators, offering discount rates without significant minimum-contract term obligations. With our "Congstar" brand, we also participate in this market.

In terms of the mobile share of "total telecommunications minutes", Germany consistently lags behind the European average. Although the number of "mobile minutes" is still growing in Germany, the respective growth rates have declined constantly since 2008. This makes it more difficult to compensate for price declines by higher usage.

As the German market for mobile telecommunications has become increasingly saturated, the focus of competition has been shifting from customer acquisition to customer retention, and increasing the quality and value of existing customers. Accordingly, if we are unable to offer increased quality and better value to our customers, our market share and revenues may not grow as we have anticipated in our plans.

Europe

Competition in the European mobile telecommunications markets run by our Europe operating segment is intense and can be expected to increase in the future. In addition to facing intense competition, our Southern and Eastern European companies face difficult economic conditions. Growing competition results, to a different extent in each regional market, from the market entry of alternative carriers (such as cable TV operators) or low cost carriers (such as MVNOs), technology shifts (such as IP-based telecommunications networks) and from market consolidation.

If prices for mobile telecommunications services continue to decline through competition and/or regulation more than anticipated and this decline is not compensated for by higher usage, planned objectives may not be achieved. In addition, mobile network operators' expansion of product offerings into the fixed-line sector may result in a competitive disadvantage for our mobile telecommunications operations in countries in which we offer only mobile communications services. Moreover, technologies such as W-LAN, WiMax and VoIP, which can be used with existing hardware and platforms, could drive voice and data traffic from mobile networks, which could lead to significant price and revenue reductions.

Demand for telecommunications services is still being affected by unemployment, government austerity packages and tax increases. In particular, as a result of the European sovereign debt crisis, the economies of the Eurozone face the potential of continued economic stagnation and contraction. The economic prospects of the countries most affected by the crisis, particularly Greece, are highly uncertain. In addition, European countries outside the Eurozone, such as Croatia, Hungary and Romania, continue to be affected by the crisis and face economic uncertainty. Any public fiscal measures taken in response to the situation may have an adverse effect on our results. For example, in Hungary, the government approved an

act imposing a special telecommunications tax, levied on annual net sales based on electronic telecommunications services.

As European markets have become increasingly saturated, the focus of competition has been shifting from customer acquisition to customer retention, and increasing the quality and value of existing customers. Accordingly, if we are unable to offer increased quality and better value to our customers, our market share and revenues may not grow as we have anticipated in our plans.

United States

In the United States, each of T-Mobile USA's three main national competitors – AT&T, Verizon Wireless and Sprint/Nextel – is significantly larger than T-Mobile USA. Their scale could afford them significant structural and competitive advantages in this market. This situation presents T-Mobile USA with a long-term challenge to compete effectively in terms of pricing, products, coverage and the introduction of new technologies and services. For example, in 2011, all three of T-Mobile USA's major competitors introduced the iPhone 4S, which is not currently offered by T-Mobile USA. Also, AT&T and Verizon continue to be better positioned to leverage economies of scale with regard to capital investments and marketing messages. Intense competition from various regional and other small national operators also exists in T-Mobile USA's markets. Some of these competitors operate using alternative business models that have the potential to negatively affect T-Mobile USA's ability to attract and retain customers, such as low-cost unlimited prepaid offerings from regional carriers Leap Wireless, MetroPCS and Boost Mobile.

In addition to traditional competitors, the entrance and influence of manufacturers, service providers, cable providers and other new market participants, could put further pressure on the wireless industry in general and T-Mobile USA in particular.

The incumbent wireless industry is experiencing disruptive innovation on many fronts. For example, Apple transformed the device market with the launch of the iPhone, Clearwire hopes to transform the market with fixed mobile convergence and Google introduced its open-source Android operating system in 2008. While smartphone use is expected to continue to grow, tablet sales have gained traction. Rapid penetration of smartphones and tablets will require carriers to invest in device subsidization and network improvements.

Despite the continued difficult economic context, the wireless industry is faring better than many industries (wireless spending is becoming less discretionary in the U.S.), but the industry is not immune from the cost-reduction efforts of consumers and changes in consumer creditworthiness. As the overall drop in customer growth intensifies, and price competition for contract customers becomes greater, comprehensive coverage and quality as well as attractive "smartphone" offerings will be key to T-Mobile USA's sustained commercial success. Further, adequate access to additional spectrum is essential for sustaining the 4G deployment as well as to service the projected exponential growth in data consumption. For T-Mobile USA and the market as a whole, there will continue to be considerable pressure toward consolidation.

Since T-Mobile USA is a significant contributor to our overall revenues, a further slowdown or decline in the business of T-Mobile USA could have a material adverse effect on the attainment of the growth targets and profitability of our Group as a whole in 2012.

Systems Solutions

Our Systems Solutions business is subject to risks associated with the general and regional economies of its customers and the willingness and ability of its customers to invest in information and communications technology services and products. The Information and Communications Technology ("ICT") market is shaped by long sales cycles, severe competition and declining prices. The result is downward pressure on revenues and margins, which has been exacerbated by the global economic crisis.

The ICT market in our Systems Solutions operating segment is also experiencing intense competition, falling prices, restraint in the awarding of projects, and long sales cycles. Intense cost pressure in the private sector and particularly in the public sector means that the balance between differentiation (softening of price competition) and standardization (cost cutting) remains critical. This creates a potential risk of revenue losses and declining margins for T-Systems.

Depending on the economic development and their impact on our customers in 2012, T-Systems will continue to be affected. For example, cost-cutting programs and postponement or cancellation of investments of our customers can have a negative impact on T-Systems' revenues and margins. In this business

environment, further cost reductions will force T-Systems to rely on the development of lower cost near- and off shore capacities in both IT Outsourcing and the System Integration business.

In addition, the international growth potential of T-Systems may be constrained by its limited brand recognition in some national markets, at least compared to that of competitors who may be more established there, particularly as this relates to maintaining and increasing business with multinational companies outside of Germany. Additionally the relatively small size of some international T-Systems units may require expensive additional management resources from Germany.

If T-Systems' focus on multinational customers and its service offerings, such as dynamic services or cloud computing are not successful, T-Systems may lose market share to its competitors, suffer reduced revenues and incur losses.

We may realize neither the expected level of demand for our products and services, nor the expected level or timing of revenues generated by those products and services, as a result of lack of market acceptance, technological change or delays from suppliers, which could adversely affect our cash flows.

There is a risk that we will not succeed in making customers sufficiently aware of existing and future value-added services or in creating customer acceptance of these services at the prices we would want to charge. In addition, market acceptance for these new products and services could be negatively affected by an unwillingness to pay for additional features. There is also a risk that we will not identify trends correctly, or that we will not be able to bring new services to market as quickly or price-competitively as our competitors. These risks exist, in particular, with respect to our anticipated future growth drivers in the mobile telecommunications area, such as mobile data services or other advanced technologies (which are supported by advanced "smartphone" products), and in the fixed-line telecommunications area, such as triple-play services, which include telephone, Internet and television services. Ever-shorter innovation cycles in these advanced technologies confront the telecommunications sector with the challenge of introducing new products at increasingly shorter intervals.

Further, as a result of rapid technological progress, and the trend towards technological convergence, there is a danger that new and established information and telecommunications technologies or products may not only fail to complement one another, but in some cases may even substitute for one another. An example of this is VoIP, a technology that is already established in the business customer market. VoIP has now reached the consumer market as well and, as a technology that competes directly with traditional fixed-line telephony services, VoIP has the potential to reduce further our market share and revenues in our fixed-line business. The introduction of mobile handsets with VoIP functionality may also adversely affect our pricing structures and market share in our mobile voice telephony business. If we do not appropriately anticipate the demand for new technologies, and adapt our strategies and cost structures accordingly, we may be unable to compete effectively, with the result that our business activities, financial condition and results may suffer.

Some of our investments (such as in new spectrum licenses) to develop future products and services may involve substantial cash outlays with no certainty of market acceptance or regulatory non-interference with license requirements.

There is a risk that the return on our investments, in particular in new spectrum licenses and network infrastructure (e.g., for 4G services), may negatively deviate from our plans. In addition to the negative impact on our cash flows, this could result in significant write-downs of the value of spectrum or other licenses or other network-related investments.

Should we face a continuously deteriorating economic climate, we may decide, or be required, to scale back capital expenditures. We believe that we have flexibility in terms of the amount and timing of our capital expenditure program, but a lasting reduction in capital expenditure levels below certain thresholds could affect our future growth, in particular in our mobile operations.

Failure to achieve our planned reduction and restructuring of personnel or our human resources-related cost-savings goals could negatively affect our reputation and the achievement of our financial objectives and profitability.

Staff restructuring within the Group in Germany continued in a socially responsible manner in 2011. It was implemented 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. We intend to continue to restructure our workforce as required. If it is not possible to implement the

corresponding measures to the extent planned or at all, this may have negative effects on our financial targets and profitability as well as our reputation.

The successful realization of any staff reduction program depends on a range of factors that are beyond our control, such as general developments in the labor market, the demand for our retrained labor force and the level of acceptance of the various severance offers and other voluntary reduction measures. If planned staff reduction targets are not achieved, this would have a negative effect on our operating expenses and profitability.

As a result of dispositions of certain non-core businesses in Germany, there is an increased risk of return of civil servants transferred out of the Group, which could have a negative impact on our staff and cost reduction objectives.

Our employees who have civil servant status can, based on German civil service law, only be completely transferred to the buyer of a business from us in exceptional cases. Therefore, as a general matter, such transferred civil servants are placed on leave of absence while employed with the transferred business unit. Accordingly, in the event of termination of employment with the transferred business unit, there is a risk that such civil servants will return to the Group. There are currently around 2,850 civil servants that can avail themselves of this right of return to the Group. If all of these civil servants were to return to us in 2012, the additional personnel costs would be approximately EUR 0.2 billion per year. This risk of return can be reduced by an agreement on compensation payments, but it cannot be completely eliminated.

If further Group units employing civil servants are disposed of, the risk of additional civil servants returning after the end of their temporary leave may again increase.

Alleged health risks of wireless communications devices have led to litigation affecting markets with our mobile telecommunications operations subsidiaries, and could lead to decreased wireless communications usage or increased difficulty in obtaining sites for base stations and, as a result, adversely affect the financial condition and results of operations of our wireless services business.

Media reports have suggested that radio frequency emissions from wireless mobile devices and cell sites may raise various health concerns, including cancer, and may interfere with various electronic medical devices, including hearing aids and pacemakers. Research and studies are ongoing. The World Health Organization has declared that, on the basis of current scientific knowledge, there are no known adverse effects on health from emissions at levels below internationally recognized health and safety standards. However, we cannot provide assurance that research in the future will not establish links between radio frequency emissions and health risks.

Whether or not such research or studies conclude there is a link between radio frequency emissions and health, popular concerns about radio frequency emissions may discourage the use of wireless devices and may result in significant restrictions on the location and operation of cell sites by our mobile telecommunications subsidiaries and the usage of our wireless devices, telephones or products using wireless technology. Such restrictions on use could have material adverse effects on our results of operations.

Together with wireless telephone manufacturers, T-Mobile USA and other wireless service operators are subject to several individual lawsuits asserting product liability, breach of warranty and other claims relating to radio frequency transmissions to and from wireless mobile devices. The complaints seek substantial monetary damages as well as injunctive relief. T-Mobile intends to vigorously defend these cases. We do not know whether legislators, regulators or private litigants will refrain from taking other actions adverse to us, based on the purported health-related risks associated with radio frequency emissions. Any such litigation, legislation or adverse actions may result in additional costs and loss of revenues in our mobile communications businesses.

We regularly engage in large-scale programs to reshape our information technology (IT) and network infrastructure to adapt to changing customer needs and organizational and accounting requirements. The implementation of any of these programs may require substantial investments and a failure to effectively plan and monitor them could lead to misallocations of resources and impaired processes with negative consequences for our operations.

Our IT and network resources and infrastructure represents our organizational and technical backbone. This infrastructure is the basis for innovative telecommunications products and services that we offer or plan to offer in the future. We have implemented comprehensive programs since 2010 to adapt our IT

systems and infrastructure to changing customer needs and our new organizational structure resulting from the consolidation of our fixed-line and mobile networks in Germany. We are replacing the various architectures, access types and services with a standardized architecture. Risks could arise in this area relating to all IT systems and products that require Internet access. For example, faults between newly developed and existing IT systems could cause interruptions to business processes and products, such as smartphones and our comprehensive triple-play offering in Germany, Entertain.

Due to the enormous complexity of the implementation of this IT initiative, malfunctions, connectivity issues, implementation delays, inadequate planning and management and other unforeseen problems could result in costly process impairments and remediation, and possible extended down-times of IT processes. These problems could result in revenue losses and may frustrate the attainment of our goals in terms of cost savings and quality improvements.

In addition, one of our most important IT programs deals with the long-term development and implementation of a comprehensive IP platform that will support both fixed-line and mobile telephony services. This means that the traditional platform will be completely replaced by an IP-based system. Upon implementing this joint IP platform, we will be subject to risks inherent in all IT systems connected to the Internet, such as hacker attacks, "spam calls" and other disruptions. These risks could lead to a temporary interruption of our IT resources and, as a result, impair the performance of our technical infrastructure.

In addition, we may be required to make substantial IT infrastructure investments in response to new accounting standards, such the new IFRS recognition rule, scheduled to be released in 2012.

System failures due to natural or man-made disruptions and loss of data could result in reduced user traffic and reduced revenues and could harm our reputation and results.

Our technical infrastructure (including our network infrastructure for fixed-line network services and mobile telecommunications services) and data may be damaged or disrupted by fire, lightning, flooding and other calamities, technology failures, human error, terrorist attacks, hacker attacks and malicious actions (e.g., theft or misuse of customer data), and other similar events. We attempt to mitigate these risks by employing a large number of measures, including a comprehensive monitoring of our telecommunications networks, backup systems and protective systems such as firewalls, virus scanners, and building security. In addition, we have implemented a global business continuity management system at our corporate headquarters. We cannot, however, be certain that these measures will be effective under all circumstances, and that disruptions or damages will not occur. Disruption or damage to our infrastructure may result in reduced user traffic and revenues, increased costs, and damage to our reputation.

Shortcomings in our supply and procurement process could negatively affect our product portfolio, revenues and profits.

As a fully integrated ICT service provider, we cooperate with a wide range of different suppliers for technical components and assemblies, as well as for software and other goods and information important to the conduct of our business. Although we do not believe that we are materially dependent on any single supplier, our contractors may want to extend delivery times, raise prices and limit supply due to their own shortages or changing business and product strategies. Furthermore, our vendors may be subject to litigation with respect to technology that is important for the conduct of our business. Especially in times of economic turmoil, supply chains, credit access and financial stability of our vendors may be negatively affected, which could disturb our commercial relationship with them.

If our commercial partners fail to deliver quality products and services in a timely manner, the ensuing disruptions in our chain of supply could negatively affect our product portfolio, cost structure, revenues and profits. We take a variety of measures to shelter ourselves from these risks, but we cannot be sure that these measures will be effective under all circumstances.

We are continuously involved in disputes and litigation with regulators, competition authorities, competitors and other parties. The ultimate outcome of such legal proceedings is generally uncertain. When finally concluded, they may have a material adverse effect on our results of operations and financial condition.

We are subject to numerous risks relating to legal and regulatory proceedings, in which we are currently a party or which could develop in the future. Litigation and regulatory proceedings, including patent infringement lawsuits, are inherently unpredictable. Legal or regulatory proceedings in which we are or come

to be involved (or settlements thereof) may have a material adverse effect on our results of operations or financial condition.

Exchange-rate, interest-rate and rating risks have had, and may continue to have, an adverse effect on our revenue and cost development.

We are exposed to currency risks related to our international business activities. Generally, our Central Treasury hedges currency risks that may have an impact on our cash flows (known as a transaction risk), although there can be no guarantee that our hedging strategies will succeed. Currency risks may have a negative impact on our results of operations when amounts in local currencies are translated into euros, particularly in connection with U.S. dollar- and pound sterling-denominated results.

We are also exposed to interest-rate risks, primarily in the euro and U.S. dollar currencies. Interest-rate risks arise as a result of fluctuations in interest rates affecting the level of interest payments due on indebtedness at variable rates in each of these currencies. Once per year, our Management Board specifies ratios of fixed and variable debt in these two currencies. Our Central Treasury then takes measures, using derivative instruments and other measures, to implement the interest-risk management decisions of the Management Board.

A decrease in our credit ratings below certain thresholds by various rating agencies would result in an increase in the interest rates on certain of our bonds and medium-term notes due to step-up provisions and could raise the cost of our debt refinancing activities generally.

Potential breaches of compliance requirements or the identification of material weaknesses in our internal control over financial reporting may have an adverse impact on our corporate reputation, financial condition and the trading price of our securities.

In general, compliance requirements for publicly-traded companies and, in particular, the investigation of potential breaches and corporate misconduct are increasing and leading to major financial implications for the companies concerned. At the same time, the legal framework governing the monitoring of companies is becoming more comprehensive, which increases the liability risks for executive bodies and associated costs.

While we believe that we have established an appropriate compliance organization to detect, assess, reduce and manage these risks, the global and diverse nature of our operations means that these risks and their related consequences will continue to exist. Although we intend to take prompt measures to remediate any identified shortcomings in our internal controls over financial reporting, activities of this kind may involve significant effort and expense, and disclosure of any failures, material weakness or other conditions, may result in a deterioration of our corporate image and negative market reactions.

Risks Related to the Notes

Our credit ratings may not reflect all risks of an investment in the Notes.

The credit ratings ascribed to us and our outstanding debt securities are intended to reflect our ability to meet the payment obligations under our outstanding debt securities, and may not reflect the potential impact of all risks related to structure and other factors on the value of our outstanding debt securities or the Notes. In addition, actual or anticipated changes in our credit ratings will generally affect the market value of debt securities we have issued.

Many factors may adversely affect the trading market, value or yield of the Notes.

There may not be any trading market for the Notes and factors beyond our creditworthiness may affect the trading market for and value of the Notes.

We cannot assure you that a trading market for the Notes will develop or be maintained. We intend to apply to list the Notes on the regulated market of the Luxembourg Stock Exchange, but a listing on a stock exchange or other trading market does not imply that a trading market will develop or continue. If we are unable to list the Notes pricing information for them may be more difficult to obtain, which may make them less liquid.

In addition to our own creditworthiness, many other factors may affect the trading market for, and market value of, the Notes. These factors include:

- the method of calculating principal, premium and interest;
- the time remaining to the maturity;
- the outstanding amount of our debt securities – our debt covenants and fiscal agency agreements for our debt securities do not limit the amount of debt securities we may issue or guarantee;
- redemption or repayment features; and
- the level, direction and volatility of market interest rates generally.

In addition, if you decide to sell the Notes, there may be a limited number of buyers (if any) or there may be a surplus of debt securities of other issuers available with similar credit, maturity and other structural characteristics. This may affect the price you receive for the Notes or your ability to sell them at all. You should not purchase the Notes unless you understand and know you can bear the related investment risks.

Redemption may adversely affect your return on our debt securities.

The Notes are, or may become, redeemable at our option and we may choose to redeem them at times when prevailing market interest rates are lower than the interest rates on the Notes. In addition, the Notes are subject to mandatory redemption and we may be required to redeem them at times when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. Our redemption right may also adversely affect your ability to sell the Notes as their redemption date approaches.

Deutsche Telekom's business development is dependent on its subsidiaries' operating results and, as a result, the inability of Deutsche Telekom's subsidiaries to transfer sufficient profits or pay sufficient dividends could prevent Deutsche Telekom from meeting its obligations. In addition, direct creditors of Deutsche Telekom's subsidiaries will generally have superior claims to cash flows from those subsidiaries.

Almost all of the Group's net revenue is generated by Deutsche Telekom's subsidiaries and the vast majority of Deutsche Telekom's assets are its investments in its subsidiaries. Deutsche Telekom depends upon earnings and cash flows from its subsidiaries to meet its obligations under its debt securities, including the Notes. Certain subsidiaries of Deutsche Telekom are or may be subject to contractual restrictions or regulatory requirements that would limit their ability to pay dividends. Furthermore, insofar as Deutsche Telekom acts as a lender to subsidiaries in which there are third-party shareholders, it may face conflicts of interest in its capacities as lender and shareholder, and may indirectly benefit shareholders who do not participate in extending such financing.

In addition, Deutsche Telekom has the ability to restructure its remaining operations to cause operating assets currently held directly by Deutsche Telekom to be held by one or more subsidiaries. For example, in the past, Deutsche Telekom transferred its fixed-line operations in Germany into a wholly-owned subsidiary, Telekom Deutschland GmbH. Because the creditors of any subsidiary of Deutsche Telekom would generally have a right to receive payment that comes before the parent company's right to receive payment from the assets of that subsidiary, holders of the Notes will be effectively subordinated to creditors of those subsidiaries insofar as cash flows from those subsidiaries are relevant to servicing Deutsche Telekom's debt securities. The Agreement does not limit the amount of liabilities that Deutsche Telekom or its subsidiaries may incur.

The Notes do not contain financial covenants, change in control provisions or similar limitations on our flexibility.

The Agreement does not contain any covenants or other provisions designed to protect holders of the Notes against a reduction in the creditworthiness of Deutsche Telekom or Finance. It also generally does not contain covenants or other provisions that would prohibit us from increasing our indebtedness or prohibit us or our affiliates from engaging in other transactions that might adversely affect holders of the Notes, including transactions involving a change in control over the relevant issuer or the guarantor or a business combination, acquisition or divestiture. We may at any time be engaged in discussions concerning, or otherwise acting in furtherance of, such transactions, which may be material.

The Notes will be subject to specific restrictions on transfer.

The Notes are being offered in reliance upon an exemption from registration under the Securities Act and applicable state securities laws of the United States. As such, the Notes may be transferred or resold only in a transaction registered under or exempt from the Securities Act and applicable U.S. state securities laws. These restrictions on transfer may have a material adverse effect on the ability of any holder of the Notes to transfer such Notes.

Risk Factors regarding Deutsche Telekom International Finance B.V.

Payment of principal of and interest on notes issued by Finance are guaranteed by Deutsche Telekom AG. Therefore the risks in respect of Finance substantially correspond with the ones of Deutsche Telekom.

SELECTED FINANCIAL DATA

The following tables present selected consolidated financial data for Deutsche Telekom. This selected consolidated financial data should be read together with our consolidated financial statements and the notes thereto that are incorporated by reference into this prospectus.

Selected consolidated financial data (audited) for Deutsche Telekom as at and for the years ended 31 December 2011 and 2010:

millions of €	2011	2010
Balance Sheet		
Total assets	122,542	127,812
Shareholders' equity	39,941	43,028
Financial liabilities	48,318	50,546
Revenue and earnings		
Net revenue	58,653	62,421
Profit from operations	5,586	5,505
Net profit (loss)	557	1,695

The following table presents selected financial data (audited) for Finance as at and for the years ended 31 December 2011 and 2010. This selected financial data should be read together with the Finance financial statements and the notes thereto that are incorporated by reference into this prospectus.

thousands of €	2011	2010
Balance Sheet		
Total assets	29,961,976	32,978,691
Shareholders' equity	486,566	367,505
Long-term liabilities	25,115,144	27,062,469
Revenue and earnings		
Profit (loss) from financial activities	167,734	31,847
Profit (loss) before income taxes	167,023	31,216
Profit (loss) after taxes	125,277	25,662

NOTICES

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended.

The Notes are being issued in denominations of \$150,000 and greater integral multiples of \$1,000.

This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. The offer or sale of the Notes and the distribution of this prospectus may be restricted by law in certain jurisdictions, and you should inform yourself about, and observe, any such restrictions.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to “we”, “us”, “our” or similar references mean Deutsche Telekom AG and its subsidiaries, including Finance.

BASIC INFORMATION ABOUT THE NOTES TO BE LISTED AND ADMITTED TO TRADING

The following section contains basic information about the Notes and is not intended to be complete. It does not contain all of the information that is important to you. For a more complete understanding of the Notes, please refer to the section of this prospectus entitled “*Description of the Notes and Guarantees*”.

Notes offered	\$1,000,000,000 2.250% Notes due 6 March 2017. \$1,000,000,000 4.875% Notes due 6 March 2042.
Issuer	Deutsche Telekom International Finance B.V.
Guarantee	Deutsche Telekom will unconditionally and irrevocably guarantee to each holder of the Notes the due and punctual payment of the principal and interest relating to the Notes including any additional amounts described below. Each Guarantee will be a direct unsubordinated unsecured obligation of Deutsche Telekom AG. The Guarantee is described under “ <i>Description of the Notes and Guarantees — Guarantees</i> ”.
Fiscal and paying agency agreement	The Notes were issued under a fiscal and paying agency agreement (the “Agreement”) entered into by Deutsche Telekom, Finance and Deutsche Bank Trust Company Americas, as fiscal agent. The fiscal and paying agency agreement is more fully described in this prospectus and the form of fiscal and paying agency agreement is incorporated by reference into this prospectus.
Date interest starts accruing	6 March 2012.
Issue prices	99.437% of the principal amount of the 2017 Notes. 98.604% of the principal amount of the 2042 Notes.
Maturity dates	2017 Notes: 6 March 2017. 2042 Notes: 6 March 2042.
Interest rates	2017 Notes: 2.250% per annum. 2042 Notes: 4.875% per annum.
Interest payment dates	Every 6 March and 6 September, beginning on 6 September 2012. If any payment is due on a day that is not a business day, we will make the required payment on the next succeeding business day, and no additional interest will accrue in respect of the payment made on that next succeeding business day.
Additional amounts	The Netherlands or Germany may require the Issuer or the Guarantor to withhold amounts from payments on the principal or interest on the Notes or any amounts to be paid under the Guarantees, as the case may be, for taxes or any other governmental charges. If the relevant jurisdiction requires a withholding of this type, the Issuer or the Guarantor, as the case may be, will, subject to some exceptions (as more fully described below under “ <i>Description of the Notes and Guarantees—Additional Amounts</i> ”), pay additional amounts in respect of those payments of principal and interest so that the amount you receive after such taxes and governmental charges will equal the amount that you would have received if no such taxes and governmental charges had been applicable.
Optional Redemption	The Issuer may redeem any series of Notes, in whole or in part, at any time. Upon redemption, the Issuer will pay a redemption price equal to the greater of (i) 100% of the principal amount of the relevant series of Notes plus accrued interest (and Additional Amounts, if any) to the date of redemption or (ii) as determined by the quotation agent, the sum of the present values of the remaining scheduled payments of principal and interest (and Additional Amounts, if any) on the relevant series of Notes (for the purpose of this calculation not including any portion of such payments of interest accrued as of the date of redemption), plus, for the avoidance of doubt, accrued interest (and Additional Amounts, if any) to the date of redemption. The present values will be determined by discounting the remaining principal and interest payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), using the adjusted treasury yield.

The Issuer will give notice to DTC of any redemption we propose to make at least 30 days, but not more than 60 days, before the redemption date. Notice by DTC to participating institutions and by these participants to street name holders of indirect interests in the series of debt securities will be made according to arrangements among them and may be subject to statutory or regulatory requirements.

Optional tax redemption	In the event of various tax law changes after the date of the offering memorandum used in connection with the sale of the Notes and other limited circumstances that would require the Issuer or the Guarantor to pay Additional Amounts or deduct or withhold tax on any payment to the Issuer to enable the Issuer to make any payments in relation to the Notes, subject to certain exceptions, the Issuer (or, if applicable, the Guarantor) may redeem the Notes at any time at its option, as a whole or in part, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the notes then outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) to (but excluding) the redemption date.		
Calculation of interest	If interest is required to be calculated for any period less than a year, other than with respect to regular semi-annual interest payments, it will be calculated based on a 360-day year consisting of twelve 30-day months.		
Business day	A business day is each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.		
Securities codes		2017 Notes	2042 Notes
	CUSIP (Rule 144A):	25156P AQ6	25156P AR4
	CUSIP (Regulation S):	N27915 AA0	N27915 AB8
	ISIN (Rule 144A):	US25156PAQ63	US25156PAR47
	ISIN (Regulation S):	USN27915AA03	USN27915AB85
	Common Code (Regulation S):	075396481	075396503
Denomination	Minimum denominations of \$150,000 and integral multiples of \$1,000 in excess thereof.		
Regular record dates for interest	19 February (or, in the case of a leap year, 20 February) or 22 August immediately preceding the relevant Interest Payment Date, whether or not such day is a business day.		
Defeasance	The Notes are subject to the provisions on defeasance that are described under " <i>Description of the Notes and Guarantees—Discharge and Defeasance</i> " and " <i>Description of the Notes and Guarantees—Covenant Defeasance</i> ".		
Ranking	The Notes and Guarantees are not secured by any property or assets of Finance or Deutsche Telekom and will rank equally with all of their respective other unsecured and unsubordinated indebtedness.		
Form of the Notes	The Notes will initially be issued to investors in book-entry form only. Fully-registered Global Notes (as defined herein) representing the total aggregate principal amount of the Notes will be issued and registered in the name of a nominee for DTC, the securities depository for the Notes, for credit to accounts of direct or indirect participants in DTC, including Euroclear and Clearstream. Unless and until Notes in definitive certificated form are issued, the only Holder will be Cede & Co., as nominee of DTC, or the nominee of a successor depository. Except as described in this prospectus, a beneficial owner of any interest in a Global Note will not be entitled to receive physical delivery of definitive Notes. Accordingly, each beneficial owner of any interest in a global Note must rely on the procedures of DTC, Euroclear, Clearstream, or their participants, as applicable, to exercise any rights under the Notes.		
Governing law	The Notes, the Guarantees and the Agreement will be governed by, and construed in accordance with, the laws of the State of New York.		
Additional issues	The Issuer may, from time to time, without notice to or the consent of the Holders, create and		

issue additional notes, maturing on the same maturity date and having the same terms and conditions as the previously outstanding Notes of that series (the 2017 Notes and 2042 Notes) in all respects (or in all respects except for the issue date and the amount and the date of the first payment of interest thereon) in accordance with applicable laws and regulations and pursuant to the Agreement (including with respect to the Guarantor and the Guarantees). Additional notes issued in this manner shall be consolidated with and form a single series with previously outstanding Notes.

Fiscal agent, paying
agent, transfer
agent and
registrar

Deutsche Bank Trust Company Americas.

Notices

So long as any Notes are represented by a global note and such global note is held on behalf of a clearing system, notices to the holders of Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders (except that (i) if and for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall also be published by the means of article 16 of the Luxembourg Law on Prospectuses for Securities including in a daily newspaper having general circulation in Luxembourg, which is expected to be the *Luxemburger Wort*, and (ii) in the event that the Notes are listed on any other stock exchange, notices shall also be given in accordance with the rules of that stock exchange) or, if any such delivery is not practicable, by publication in a leading English language daily newspaper having general circulation in Europe. Any such notice will be deemed to have been given on the date of first publication or, if published more than once or on different dates, on the first date on which publication is made.

Listing and
admission to
trading

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and admit the Notes to trading on the Regulated Market of the Luxembourg Stock Exchange.

THE ISSUER AND THE GUARANTOR

The Issuer – Deutsche Telekom International Finance B.V.

Finance was incorporated by Deutsche Telekom on 30 October 1995 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands and is Deutsche Telekom's wholly-owned subsidiary whose principal purpose is raising funds for us. Finance is registered with the Trade Register in Amsterdam under number 33274743. Finance's corporate seat and registered and postal address is, Herengracht 124-128, 1015 BT Amsterdam, The Netherlands, and its telephone number is +31 20 794 45 00.

Statutory Auditors

The statutory auditors of Finance are PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, The Netherlands. They have audited the financial statements of Finance as of and for the year ended 31 December 2011 and issued an unqualified auditor's report. The auditors of PricewaterhouseCoopers Accountants N.V. are members of the Royal NIVRA (*Koninklijk Nederlands Instituut van Registeraccountants*). The financial statements were prepared in accordance with IFRS as adopted by the European Union.

Ernst & Young Accountants LLP, Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands have audited the financial statements of Finance as of and for the year ended 31 December 2010 and issued an unqualified auditor's report. The auditors of Ernst & Young Accountants LLP are members of the Royal NIVRA (*Koninklijk Nederlands Instituut van Registeraccountants*). The financial statements were prepared in accordance with IFRS as adopted by the European Union.

General Information about Finance

Investments

Finance has not conducted any principal investments since the date of the last published financial statements nor does Finance intend making such principal investments in the near future on which the management has already made firm commitments.

Business Overview

According to § 2 of its Articles of Association (*Satzung*), the corporate objects of Finance are (a) the issue and acquisition of debt instruments issued by Finance or of debts instruments issued by a limited partnership or a general partnership of which Finance is the general partner with full liability; (b) to participate in, to establish and to administer and/or manage, to finance and to render services to companies, firms and enterprises; (c) to lend and/or borrow moneys, to provide guarantees, and to commit itself with respect to the commitments of third parties and to do anything which is connected with the before mentioned activities or which may be promotive thereof, all this in the broadest sense.

I. Activities

The activities of Finance are in line with the objects stated in the Articles of Association of Finance, which are:

1. (a) The issue and acquisition of debt instruments issued by Finance or of debt instruments issued by a limited partnership or a general partnership of which Finance is the general partner with full liability;
(b) to participate in, to establish and to administer and/or manage, to finance and to render services to companies, firms and enterprises;
(c) to lend and/or borrow moneys, to provide guarantees, and to commit itself with respect to the commitments of third parties.
2. To do anything which is connected with the provisions of paragraph 1 of this article or which may be promotive thereof, all this in the broadest sense.

II. Principal Markets

Since the foundation of Finance in 1995, Finance has issued various notes in the capital markets of Europe and the United States of America.

Organisational Structure

Finance is wholly-owned by Deutsche Telekom AG, Bonn, the Federal Republic of Germany, but acts as an independent company within The Netherlands. Finance is the finance organisation of the Deutsche Telekom Group and it is not dependent upon other entities within Deutsche Telekom Group. In this position, Finance issues debt instruments in the capital markets on its own on the basis of the capital needs within the Deutsche Telekom Group. In the capital markets, Finance has to compete with other financial institutions and companies for getting the best prices for the issuance of debt instruments. The capital obtained after an issue is transferred to the Deutsche Telekom Group by concluding loan agreements with specific Deutsche Telekom Group members.

Significant Change in Finance's Financial Position, Trend Information

Save as disclosed herein, there has been no significant change in the financial or trading position of Finance and no material adverse change in the prospects of Finance since the publication of its last audited financial statements as of 31 December 2011.

Administrative, Management and Supervisory Bodies

Finance has both a Supervisory Board and a Board of Managing Directors. These Boards are separate. No individual may be a member of both. Deutsche Telekom, as the sole shareholder of Finance, appoints the members of both the Supervisory Board and the Board of Managing Directors. The Supervisory Board supervises the Board of Managing Directors. The Board of Managing Directors represents Finance and is responsible for its management.

The members of the Supervisory Board of Finance are at present as follows:

Gerhard Mischke
Senior Executive Vice President, Finance, Deutsche Telekom AG
Dieter Cazzonelli
Senior Executive Vice President, Taxes, Deutsche Telekom AG
Dr. Axel Lützner
Vice President Mergers & Acquisitions, Deutsche Telekom AG

The members of the Board of Managing Directors are at present as follows:

Robin Sheridan
Dirk Wehrse

The members of the Board of Managing Directors accept membership on the Supervisory Boards of other corporations within the limits prescribed by law.

The business address of each member of the Board of Managing Directors of Finance is Herengracht 124-128, 1015 BT Amsterdam, The Netherlands.

There are no potential conflicts of interest of the members of the Board of Management and the members of the Supervisory Board of Finance between their respective duties to Finance and their private interests or other duties.

The audit committee described under "*Deutsche Telekom AG as Issuer and Guarantor - Administrative, Management and Supervisory Bodies*" is also responsible for Finance.

Major Shareholders

Finance is a wholly-owned subsidiary of Deutsche Telekom.

Legal and arbitration proceedings

Finance is not aware of any governmental, legal or arbitration proceedings pending or threatened against it which may have or have had during the past 12 months, significant effects on Finance and/or the Deutsche Telekom Group's financial position or profitability.

Additional Information

Share Capital

The authorized share capital of Finance consists of 5,000 shares of common stock at a par value of EUR 453.78 each. The issued share capital amounts to EUR 453,780 and consists of 1,000 shares of common stock at a par value of EUR 453.78. The remaining 4,000 shares are unissued.

Material Contracts

In the usual course of its business, Finance enters into numerous contracts with various other entities. Finance has not entered into any material contracts outside the ordinary course of its business within the past two years.

Third Party Information and Statement by Experts and Declaration of any Interest

Where information, contained in this document, has been sourced from a third party, Finance confirms that to the best of its knowledge this information has been accurately reproduced and that so far as Finance is aware and able to ascertain from information published by such third party no material facts have been omitted which would render the reproduced information inaccurate or misleading.

The Guarantor – Deutsche Telekom AG

Deutsche Telekom is a stock corporation organized in the Federal Republic of Germany under the Stock Corporation Act. Deutsche Telekom is the parent company of the Deutsche Telekom Group, which is a full-service telecommunications group whose major lines of business include providing public fixed-network voice telephony, mobile communications services, leased lines, text and data services, on-line services, corporate network design and supply, and network management services within the German market and in certain international markets. Deutsche Telekom is the largest provider of telecommunications services in Germany and one of the world's largest telecommunications companies, measured in terms of 2011 consolidated net revenues. Deutsche Telekom's consolidated net revenues in 2011 and 2010 totaled EUR 58.7 billion and EUR 62.4 billion, respectively. Save as disclosed herein, there has been no significant change in the financial or trading position of the Company since the last published audited consolidated financial statements as of December 31, 2011. There has been no material adverse change in the prospects of Deutsche Telekom since the last published audited financial statements as of December 31, 2011. There are no potential conflicts of interest of the members of the Board of Management and the members of the Supervisory Board of Deutsche Telekom between their respective duties to Deutsche Telekom and their private interests or other duties.

Pursuant to the Second Postal Reform Law (*Gesetz zur Neuordnung des Postwesens und der Telekommunikation*), Deutsche Bundespost TELEKOM, a public law entity and the predecessor of Deutsche Telekom AG, was transformed into a German private law stock corporation, with effect from 1 January 1995. Deutsche Telekom is registered in the Commercial Register of Bonn under No. HRB 6794 and its legal and commercial name is Deutsche Telekom AG. The Second Postal Reform Law also provided the framework for the privatisation of the Company. In November 1996, Deutsche Telekom's capital was increased and the new shares were offered internationally to the general public. Due to a series of transfers of shares to Kreditanstalt für Wiederaufbau commencing in January 1998, a second capital increase in June 1999, a third public offering of shares in June 2000 and a fourth capital increase in May 2001, now approximately 68% of the current share capital is held by institutional and private investors.

Our registered address is Friedrich-Ebert-Allee 140, 53113 Bonn, Germany, and our telephone number is +49-228-181-0. In addition, the business address of each member of the Board of Management of Deutsche Telekom is Friedrich-Ebert-Allee 140, 53113 Bonn, Germany.

As of 31 December 2011, the share capital of Deutsche Telekom amounted to EUR 11,062,577,167.36 divided into 4,321,319,206 registered ordinary shares without par value (Stückaktien). All shares have been issued and are fully paid. Deutsche Telekom held approximately 0.04% of its total ordinary shares.

Significant Change in Deutsche Telekom's Financial Position, Trend Information

Save as disclosed herein, there has been no significant change in the financial or trading position of Deutsche Telekom and no material adverse change in the prospects of Deutsche Telekom since the publication of its last audited financial statements as of 31 December 2011.

Legal and arbitration proceedings

Save as disclosed herein, Deutsche Telekom is not aware of any governmental, legal or arbitration proceedings pending or threatened against it which may have or have had during the past 12 months, significant effects on its financial position or profitability.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents relating to Deutsche Telekom and Finance are incorporated in, and form part of, this prospectus:

- Deutsche Telekom's annual report for the year ended 31 December 2011 (hereinafter referred to as the "2011 Deutsche Telekom Annual Report");
- Deutsche Telekom's annual report for the year ended 31 December 2010 (hereinafter referred to as the "2010 Deutsche Telekom Annual Report");
- Finance's annual report for the year ended 31 December 31 2011 (hereinafter referred to as "Finance's 2011 Annual Report").
- Finance's annual report for the year ended 31 December 2010 (hereinafter referred to as "Finance's 2010 Annual Report".)
- Form of Fiscal and Paying Agency Agreement (hereinafter referred to as the "Agreement").

You may request a copy of the reports referred to above at no cost by contacting us at the following address:

Deutsche Telekom AG
Friedrich- Ebert-Allee 140
53113 Bonn, Germany
Tel: +49 228 181 88880
(Investor Relations)

Deutsche Telekom International Finance B.V.
Herengracht 124-128

1015 BT Amsterdam, The Netherlands
Tel: +31 20794 45 00

The following information appears on the pages of the 2011 Deutsche Telekom Annual Report as set out below:

Audited consolidated statement of financial position	Pages 158-159
Audited consolidated income statement	Page 160
Audited statement of comprehensive income	Page 161
Audited consolidated statement of cash flows	Page 164
Notes to the consolidated financial statements	Pages 165-249
Auditors' report relating to Deutsche Telekom covering the year ending 31 December 2011.	Page 251
Description of the principal activities of Deutsche Telekom and the principal markets in which it competes	Pages 52-109
Information relating to the history and development of Deutsche Telekom	Page 165
Organizational structure of Deutsche Telekom	Pages 60-65
Description of capital stock	Note 15 (Issued Capital) to the consolidated financial statements on pages 204-205
Administrative, Management and Supervisory Bodies of Deutsche Telekom AG	Pages 254-257. Members of our Management and Supervisory Boards may be contacted using the address listed under "Guarantor" on the inside back cover of this prospectus.
Major Shareholders	Note 38 (Related party disclosures) to the consolidated financial statements on pages 240-241.
Litigation	Pages 138-143

The following information appears on the pages of the 2010 Deutsche Telekom Annual Report as set out below:

Audited consolidated statement of financial position	Pages 132-133
Audited consolidated income statement	Page 134
Audited consolidated statement of comprehensive income	Page 135
Audited consolidated statement of cash flows	Page 138
Notes to the consolidated financial statements	Pages 139 to 221
Auditors' report relating to Deutsche Telekom covering the year ending 31 December 2010.	Page 223
Description of the principal activities of Deutsche Telekom and the principal markets in which it competes	Pages 44 to 94

Information relating to the history and development of Deutsche Telekom	Page 139
Organizational structure of Deutsche Telekom	Page 51 to 56
Description of capital stock	Note 15 (Issued Capital) to the consolidated financial statements on pages 178-179.
Administrative, management and supervisory bodies of Deutsche Telekom AG	Pages 226 to 229. Members of our Management and Supervisory Boards may be contacted using the address listed under "Guarantor" on the inside back cover of this prospectus.
Major shareholders	Note 38 (Related party disclosures) to the consolidated financial statements on page 213.
Litigation	Pages 118 to 121

The following information appears on the pages of Finance's 2011 Annual Report as set out below:

Statement of comprehensive income	Page 6
Statement of financial position	Page 7
Statement of cash flows	Page 9
Notes to the financial statements	Pages 10 to 37
Auditor's report relating to Finance covering the year ending 31 December 2011.	Two pages following page 37 of Finance's 2011 Annual Report

The following information appears on the pages of Finance's 2010 Annual Report as set out below:

Statement of comprehensive income	Page 6
Statement of financial position	Page 7
Statement of cash flows	Page 9
Notes to the financial statements	Pages 10 to 36
Auditor's report relating to Finance covering the year ending 31 December 2010.	Two pages following page 36 of Finance's 2010 Annual Report

The following information appears in the Agreement as set out below:

Form of Fiscal and Paying Agency Agreement	Entire Document
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Any information not listed in the cross-reference lists above, but included in the documents incorporated by reference, is given for information purposes only.

DOCUMENTS ON DISPLAY

Deutsche Telekom and Finance will, for the life of this registration document, at the specified offices of the paying agent, make available free of charge a copy of this prospectus, any document included, referred to, or incorporated by reference in this prospectus, and an English translation of Deutsche Telekom's and Finance's articles of incorporation. Requests for such documents should be directed to the specified office of any paying agent or the specified office of the listing agent in Luxembourg. Such documents will also be published on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>).

DESCRIPTION OF THE NOTES AND GUARANTEES

The Notes will be issued under the Agreement. The following summaries of certain provisions of the Notes and the Agreement do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Notes and the Agreement, including the definitions of certain terms contained therein. A form of the fiscal and paying agency agreement has been incorporated by reference into this prospectus.

General

The 2017 Notes will be initially limited to \$1,000,000,000 aggregate principal amount and will mature on March 6, 2017. The 2042 Notes will be initially limited to \$1,000,000,000 aggregate principal amount and will mature on March 6, 2042. The Notes will be the direct, unconditional, unsecured and unsubordinated general obligations of the Issuer. The Notes will rank equally among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Issuer from time to time outstanding. The Notes will bear interest at the rate per annum shown on the front cover of this prospectus from March 6, 2012, payable semiannually in arrears on March 6 and September 6 of each year, commencing September 6, 2012, to the holders of record on the February 19 (or, in the case of a leap year, February 20) or August 22, as the case may be, immediately preceding such interest payment date, whether or not such day is a Business Day. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Notes will be repaid at maturity at a price of 100% of the principal amount thereof. The Notes may be redeemed at any time prior to maturity in the circumstances described under “—*Optional Redemption*” and “—*Optional Tax Redemption*”. The Notes will be issued in denominations of \$150,000 and integral multiples of \$1,000 in excess thereof. The Notes do not provide for any sinking fund.

The term “Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close. If the date of maturity of interest on or principal of the Notes or the date fixed for redemption of any Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Guarantees

The Guarantor will fully, unconditionally and irrevocably guarantee (each a “Guarantee” and, collectively, the “Guarantees”) the payment of the principal of, premium, if any, and interest on the Notes issued by the Issuer, including any additional amounts that may be payable by the Issuer in respect of its Notes, as described under “Additional Amounts.” The Guarantor guarantees the payment of such amounts when such amounts become due and payable, whether at the stated maturity of the Notes, by declaration or acceleration, call for redemption or otherwise.

In the distribution of the assets of any subsidiary of the Guarantor upon the subsidiary’s liquidation or reorganization, any creditor of the subsidiary will have a right to participate in the distribution before the creditors of the Guarantor, including holders of the Notes (the “Holders”) issued by the Issuer. The Guarantees will be unsecured obligations of the Guarantor.

Additional Notes

The Notes will be issued in the initial aggregate principal amount set forth above. The Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Agreement and in accordance with applicable laws and regulations, additional notes (the “Additional Notes”) maturing on the same maturity date as the other Notes of that series (the 2017 Notes or the 2042 Notes) and having the same terms and conditions under the Agreement (including with respect to the Guarantor and the Guarantees) as the previously outstanding Notes of that series in all respects (or in all respects except for the issue date, the CUSIP number and the amount and the date of the first payment of interest thereon) so that such Additional Notes shall be consolidated and form a single series with the previously outstanding Notes of that series. Additional Notes, if any, will be issued under a separate offering document or a supplement to the offering memorandum used in connection with the sale of the Notes.

Optional Redemption

The Issuer may, at its option, redeem the notes as a whole or in part at any time upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes plus accrued interest (and Additional Amounts, if any) to the date of redemption; or
- as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest (and Additional Amounts, if any) on the Notes (not including any portion of such payments of interest accrued as of the date of redemption) plus accrued interest (and Additional Amounts, if any) to the date of redemption. The present values will be determined by discounting the remaining principal and interest payments to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), using the Adjusted Treasury Yield.

"Adjusted Treasury Yield" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date plus (i) 25 basis points in the case of the 2017 Notes and (ii) 30 basis points in the case of the 2042 Notes.

"Comparable Treasury Issue" means the U.S. Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

"Comparable Treasury Price" means, with respect to any redemption date, the average of the Quotation Agent's Quotations for the redemption date.

"Independent Investment Banker" means an independent investment banking institution of national standing in the United States appointed by the Issuer.

"Quotation Agent" means a reference treasury dealer that is a primary U.S. government securities dealer in New York City. The Independent Investment Banker will appoint the Quotation Agent after first consulting with the Guarantor.

"Quotation Agent's Quotations" means with respect to any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by the Quotation Agent at 5:00 p. m. on the third business day before the redemption date.

From and after the redemption date, if money for the redemption of the Notes called for redemption is made available as provided in the Agreement and the Notes called for redemption on the redemption date, the Notes will cease to bear interest, and the only right of the Holders will be to receive payment of the redemption price and all unpaid interest accrued to the date of redemption.

If fewer than all of the Notes are to be redeemed, the Fiscal Agent shall select, no more than 60 days prior to the date fixed for redemption, the particular Notes or portions thereof for redemption from the outstanding Notes not previously called for redemption, on a pro rata basis or by such method as the Fiscal Agent deems fair and appropriate and in accordance with the procedures of the Depository in the case of Global Securities.

Optional Tax Redemption

The Notes may be redeemed at any time, at the Issuer's (or, if applicable, the Guarantor's) option, as a whole or in part, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts, if any) to (but excluding) the redemption date, if

- (i) as a result of a change in, execution of or amendment to any laws or treaties or the official application or interpretation of such laws or treaties, (a) either the Issuer or the Guarantor would be required to pay Additional Amounts (as defined below); or (b) the Guarantor or any

of its subsidiaries would have to deduct or withhold tax on any payment to the Issuer to enable the Issuer to make a payment of principal or interest on a Note and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor) taking reasonable measures available to it. This applies only in the case of changes, executions, amendments, applications or interpretations that occur on or after the date specified in the offering memorandum for the Notes and in the jurisdiction where the Issuer or the Guarantor is incorporated. If the Issuer or the Guarantor is succeeded by another entity, the applicable jurisdiction will be the jurisdiction in which the successor entity is organized, and the applicable date will be the date the entity became a successor; and

- a person into which either the Issuer or Guarantor is merged or to whom it has conveyed, transferred or leased its property (a “successor person”) is required to pay an Additional Amount. In this event, the Issuer or the Guarantor would have the option to redeem the Notes even if the Issuer or the Guarantor is required to pay Additional Amounts immediately after such merger, conveyance, transfer or lease. In this case, the Issuer or Guarantor is not required to use reasonable measures to avoid the obligation to pay additional amounts in this situation.

Prior to the giving of notice of redemption, the Issuer, the Guarantor or the successor person, as the case may be, will deliver to the Fiscal Agent an officer's certificate, stating that the Issuer, the Guarantor or the successor person, as the case may be, is entitled to effect such redemption and setting forth in reasonable detail a statement of circumstances showing that the conditions precedent to the right of the Issuer, the Guarantor or the successor person to redeem the Securities pursuant to the Agreement have been satisfied.

Modifications and Amendment

The Issuer, the Guarantor and the Fiscal Agent may, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes then outstanding, evidenced as provided in the Agreement, execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Agreement or of any supplemental agreement or modifying in any manner the rights of the Holders; provided that no such agreement shall (a) change the maturity of the principal of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of any installment of interest thereon, or change the place or currency of payment of principal of, or interest on, any Note, or change the Issuer's or the Guarantor's obligation to pay Additional Amounts, impair or affect the right of any Holder to institute suit for the enforcement of any such payment on or after the due date therefor (or in the case of redemption, on or after the redemption date) or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the Notes then outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the Holder of each Note so affected; or (b) reduce the aforesaid percentage of Notes, the consent of the Holders of which is required for any such agreement, without the consent of the Holders of the Notes then outstanding.

The Issuer, the Guarantor and the Fiscal Agent may, without the consent of the Holders, from time to time and at any time, enter into a separate or supplemental fiscal and paying agency agreement to:

- to convey, transfer, assign, mortgage or pledge to the Fiscal Agent or another person as security for the Notes any property or assets;
- to evidence the succession of another person to the Issuer or the Guarantor, or successive successions, and the assumption by the successor person of the covenants, agreements and obligations of the Issuer or the Guarantor, pursuant to the Agreement;
- to evidence and provide for the acceptance of appointment of a successor or successors to the Fiscal Agent in any of its capacities;
- to add to the covenants of the Issuer, or the Guarantor, such further covenants, restrictions, conditions or provisions as the Issuer or the Guarantor, as the case may be, shall consider to be for the protection of the Holders, to surrender any power conferred upon the Issuer or the Guarantor and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default under the Notes permitting the enforcement of all or any of the several remedies provided in the applicable fiscal agency agreement; provided, that in respect of any such additional covenant, restriction, condition or provision such supplemental agreement may provide for a particular

period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the right of the Holders of a majority in aggregate principal amount of the Notes to waive such an Event of Default;

- to modify the restrictions on, and procedures for, resale and other transfers of the Securities pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to cure any ambiguity or to correct or supplement any provision contained in the Agreement, the Notes or the Guarantees, or in any supplemental agreement which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement or to make such other provisions in regard to matters or questions arising under the Agreement or under any supplemental agreement as the Issuer may deem necessary or desirable and which shall not adversely affect the interests of the Holders to which such provisions relate; and
- to “reopen” the Securities of any series and create and issue additional Securities of that series having identical terms and conditions as the existing Securities of such series (or in all respects except for the issue date, issue price, the CUSIP number and first interest payment date) so that the additional Securities are consolidated and form a single series with the Outstanding such Securities.

Limitation on Liens

So long as any of the Notes remain outstanding, neither the Issuer nor the Guarantor may become obligated on any present or future Capital Market Indebtedness that is secured by a lien on the whole or any part of its present or future assets, unless an equivalent or higher-ranking lien on the same property is granted to the Holders. For the avoidance of doubt, this undertaking shall not apply to any security which is provided by the Issuer or any other subsidiary of the Guarantor over any claims of the Issuer or such other subsidiary of the Guarantor, as the case may be, against the Guarantor or any of its subsidiaries, which claims exist now or arise at any time in the future, as a result of the passing on of the proceeds from the sale by the Issuer or another subsidiary of the Guarantor, as the case may be, of any bonds, provided that any such security serves to secure obligations under such bonds of the Issuer or the other subsidiary of the Guarantor, as the case may be. Any security to be provided pursuant to the preceding sentence may also be provided to a person acting as trustee for the holders of such bonds.

“Capital Market Indebtedness” means any obligation to repay money that is borrowed through the issuance of bonds, notes or other debt securities, which are capable of being quoted, listed or traded on a stock exchange or other recognized securities market. Capital Market Indebtedness does not include any off-balance sheet assets and obligations. For the avoidance of doubt in respect of asset-backed financings originated by the Issuer or the Guarantor, the expression “assets” does not include assets of the Guarantor that are sold on a non-recourse basis determined in accordance with the civil law applicable to such transaction.

Events of Default

The occurrence and continuance of one or more of the following events will constitute an event of default (an “Event of Default”) under the Agreement and the Notes:

(a) the Issuer fails to pay principal or interest upon any Note within 30 days from the relevant due date; or

(b) the Issuer fails duly to perform any other obligation arising from any Note, or the Guarantor fails to perform any obligation arising from the Guarantee, which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 60 days after the Issuer or Guarantor has received notice thereof from a Holder; or

(c) (i) any Capital Market Indebtedness of the Issuer or the Guarantor becomes prematurely repayable as a result of a default in respect of the terms thereof; or (ii) the Issuer or the Guarantor fails to fulfill any payment obligation in excess of EUR 25,000,000 or the equivalent thereof under any Capital Market Indebtedness or under any guarantee or suretyship given for any Capital Market Indebtedness of any other person within 30 days from its due date or, in the case of a guarantee or suretyship, within 30 days after the

guarantee or suretyship has been invoked, unless the Issuer or the Guarantor shall contest in good faith that such payment obligation exists or is due or that such guarantee or suretyship has been validly invoked; or (iii) if a security granted in respect of any Capital Market Indebtedness or any guarantee or suretyship therefor is enforced on behalf of or by the creditor(s) entitled thereto; or

(d) the Issuer or the Guarantor announces its inability to meet its financial obligations or ceases its payments; or

(e) a court opens insolvency proceedings against the Issuer or the Guarantor, or the Issuer or the Guarantor applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or the Issuer applies for a "*surseance van betaling*" (within the meaning of the Bankruptcy Act (*Faillissementswet*) of The Netherlands); or

(f) the Issuer or the Guarantor goes into liquidation unless this is done in connection with a merger, or other form of combination with another company and such company assumes all obligations contracted by the Issuer or the Guarantor, as the case may be, in connection with this issue; or

(g) any governmental order, decree or enactment shall be made in or by The Netherlands or Germany whereby the Issuer or the Guarantor is prevented from observing and performing in full its obligations as set forth in this Indenture and in the Guarantee, respectively, and this situation is not cured within 90 days; or

(h) the Guarantee ceases to be valid and legally binding for any reason whatsoever.

If an Event of Default with respect to the Notes occurs and is continuing, then in every such case the Holders of not less than 25% in principal amount of the Notes outstanding may declare the principal amount of all of the Notes to be due and payable immediately, by a notice in writing to the Issuer and the Guarantor, specifying and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due has been obtained by the Fiscal Agent as provided in the Agreement, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Issuer, the Guarantor and the Fiscal Agent, may rescind and annul such declaration and its consequences if:

(1) the Issuer or the Guarantor has paid or deposited with the Fiscal Agent a sum sufficient to pay:

(A) all overdue interest on the Notes,

(B) the principal of (and premium, if any, on) any Notes which have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in the Notes,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in the Notes, and

(D) all sums paid or advanced by the Fiscal Agent hereunder and the reasonable compensation, expenses, disbursements and advances of the Fiscal Agent, its agents and counsel;

and

(2) all Events of Default with respect to the Notes, other than the nonpayment of the principal of the Notes which have become due solely by such declaration of acceleration, have been cured or waived as provided in the Agreement.

The Holders of a majority in aggregate principal amount of the Notes then outstanding may, by written notice to the Issuer and to the Fiscal Agent, waive all defaults and rescind and annul such declaration and its consequences, except a default

(1) in the payment of the principal of, or any premium or interest on, any Note of such series, or

(2) in respect of a covenant or provision which under the Agreement cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected;

and no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or impair any right consequent thereon.

Limitations on Suits; Unconditional Right of Holder to Initiate Certain Actions

Before a Holder can bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to the Notes, the following must occur:

- The Holder must give the Fiscal Agent written notice that an event of default has occurred and remains uncured. The holders of 25% in principal amount of the Notes must make a written request that the Fiscal Agent take action because of the default, and must offer reasonable indemnity and/or security satisfactory to the Fiscal Agent against the cost and other liabilities of taking that action.
- The Fiscal Agent must have not taken action for 60 days after receipt of the above notice and offer of indemnity.

Notwithstanding the above, however, the right of any Holder to receive payment of the principal of and interest on its Note on or after the respective due dates expressed in such Note, or to institute suit for the enforcement of any such payment on or after such respective dates, will not be impaired or affected without the consent of such Holder.

Substitution of Issuer; Consolidation, Merger and Sale of Assets

Each of the Issuer and the Guarantor, without the consent of the Holders, is generally permitted to consolidate or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation and the Issuer may at any time substitute for the Issuer either the Guarantor or any Subsidiary (as defined below) of the Guarantor as principal debtor under the Notes, provided that:

(1) in case the Issuer or the Guarantor shall consolidate with or merge into another person or convey, transfer or lease its properties and assets substantially as an entirety to any person, the person formed by such consolidation or into which the Issuer or the Guarantor is merged or the person which acquires by conveyance or transfer, or which leases, the properties and assets of the Issuer or the Guarantor substantially as an entirety shall be a corporation, partnership or trust, shall be organized and validly existing, under the laws of the jurisdiction of its organization shall expressly assume, by an agreement supplemental hereto executed and delivered to the Fiscal Agent in form reasonably satisfactory to the Fiscal Agent, the due and punctual payment of the principal of and any premium and interest (including all Additional Amounts and any additional amounts payable pursuant to subsection (3) below) on all the Notes and the performance or observance of every covenant of the Agreement on the part of the Issuer to be performed or observed, and, in the case of the Guarantor, the due and punctual performance of the Guarantees (including all Additional Amounts and any additional amounts payable pursuant to subsection (3) below) and the performance of every covenant of the Agreement on the part of the Guarantor to be performed or observed;

(2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Issuer or the Guarantor as a result of such transaction as having been incurred by the Issuer or the Guarantor at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;

(3) the person formed by such consolidation or into which the Issuer or the Guarantor is merged or to whom the Issuer or the Guarantor has conveyed, transferred or leased its properties or assets (if such person is organized and validly existing under the laws of a jurisdiction other than the United States, any State thereof, or the District of Columbia) agrees to indemnify the Holder of each Note against (a) any tax, assessment or governmental charge imposed on any such Holder or required to be withheld or deducted from any payment to such Holder as a consequence of such consolidation, merger, conveyance, transfer or lease; and (b) any costs or expenses of the act of such consolidation, merger, conveyance, transfer or lease; and

(4) the Issuer or the Guarantor, as the case may be, has delivered to the Fiscal Agent an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental agreement is required in connection with such transaction, such supplemental

agreement comply with the Agreement and that all conditions precedent herein provided for relating to such transaction have been complied with.

Discharge and Defeasance

The Agreement provides that the Issuer and the Guarantor will be discharged from any and all obligations in respect of the Agreement (except for certain obligations to register the transfer of or exchange Notes, replace stolen, lost or mutilated Notes, make payments of principal and interest and maintain paying agencies) if:

- the Issuer has paid or caused to be paid in full the principal of and interest on all Notes outstanding thereunder;
- the Issuer shall have delivered to the Fiscal Agent for cancellation all Notes outstanding theretofore authenticated; or
- all Notes not theretofore delivered to the Fiscal Agent for cancellation (i) have become due and payable; (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under “—Optional Redemption” or “—Optional Tax Redemption” within one year under arrangements satisfactory to the Fiscal Agent for the giving of notice of redemption, and, in any such case, the Issuer shall have irrevocably deposited with the Fiscal Agent, in irrevocable trust for the benefit of the holders of such Notes, (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest on (and Additional Amounts, if any), all such Notes not theretofore delivered to the Fiscal Agent for cancellation on the dates such payments are due in accordance with the terms of the Notes and all other amounts payable under the Fiscal and Paying Agency Agreement by the Issuer.

“U.S. Government Obligations” means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

Covenant Defeasance

The Agreement also provides that the Issuer and the Guarantor need not comply with certain covenants of the Agreement (including those described under “—*Limitation on Liens*”), if:

- the Issuer or the Guarantor, as the case may be, irrevocably deposits with the Fiscal Agent as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment cash in U.S. dollars in an amount, or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the Notes then outstanding on the dates such payments are due in accordance with the terms of the Notes;
- certain Events of Default, or events which with notice or lapse of time or both would become such an Event of Default, shall not have occurred and be continuing on the date of such deposit;

- the Issuer, or the Guarantor, as the case may be, delivers to the Fiscal Agent an opinion of tax counsel with respect to U.S. federal income tax matters to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;
- the Issuer, or the Guarantor, as the case may be, delivers to the Fiscal Agent an opinion of tax counsel in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the Holders, other than Holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their Notes in carrying on a business in such jurisdiction of incorporation, to recognize income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of Notes beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such Notes in carrying on a business in such jurisdiction of incorporation; and
- the Issuer, or the Guarantor, as the case may be, delivers to the Fiscal Agent an officers' certificate and an opinion of legal counsel of recognized standing, each stating that all conditions precedent provided for relating to such covenant defeasance have been complied with.

The effecting of these arrangements is also known as "Covenant Defeasance."

Additional Amounts

The Issuer or the Guarantor, as the case may be, will make all payments in respect of the Notes without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of The Netherlands or, in the case of payments under the Guarantees, by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. The Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such additional amounts shall be payable on account of any taxes or duties which:

(a) any tax or other governmental charge which would not have been imposed but for the existence of any present or former connection between such Holder and the Relevant Jurisdiction (as defined below) (other than the mere holding of the Notes and the receipt of payments thereon), including, without limitation, such Holder being or having been a citizen or resident thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein;

(b) any tax or other governmental charge which would not have been imposed but for the status of such Holder as an individual resident of a member state of the European Union;

(c) any tax or other governmental charge that would not have been imposed but for a failure by the Holder or the beneficial owner of a Security to comply with any applicable certification, information, identification, documentation or other reporting requirements concerning the nationality, residence, identity or connection with the Relevant Jurisdiction if such compliance is required as a precondition to relief or exemption from such tax or other governmental charge (including without limitation a certification that such Holder is not resident in the Relevant Jurisdiction);

(d) any tax or other governmental charge which would not have been imposed but for a change in law that becomes effective more than 30 days after a payment by the Issuer on the Securities, or by the Guarantor under the Guarantees, as the case may be, becomes due and payable, or is duly provided for and notice thereof is duly published, whichever occurs later;

(e) any tax or other governmental charge required to be withheld by any Paying Agent from a payment on the Securities, if such payment can be made without such deduction or withholding by any other Paying Agent; or

(f) any combination of items (a), (b), (c), (d) and (e) above.

The foregoing provisions shall apply mutatis mutandis to any withholding or deduction for or on account of any present or future taxes or governmental charges of whatever nature of any jurisdiction in which any successor Person to the Issuer or the Guarantor, as the case may be, is organized, or any political subdivision or taxing authority thereof or therein. As used in (a), (b) and (c) above, references to Holder shall include a fiduciary, settler, beneficiary, member or shareholder of, or possessor of a power over, such Holder, if such Holder is an estate, trust, partnership or corporation.

References to principal or interest in respect of the Notes shall be deemed to include any Additional Amounts which may be payable as set forth in the Agreement.

“Relevant Jurisdiction” means the jurisdiction (or any political subdivision or taxing authority thereof or therein) in which the Issuer or the Guarantor is incorporated.

Governing Law; Submission to Jurisdiction

The Agreement, the Notes and the Guarantees will be governed by and construed in accordance with the laws of the State of New York.

The Issuer and the Guarantor have irrevocably submitted to the non-exclusive jurisdiction of the courts of any U.S. state or federal court in the Borough of Manhattan in the City of New York, New York with respect to any legal suit, action or proceeding arising out of or based upon the Agreement, the Notes or the Guarantees.

Regarding the Fiscal Agent, Paying Agent, Transfer Agent and Registrar

In acting under the Agreement, and in connection with the Notes and the Guarantees, the Fiscal Agent is acting solely as an agent of the Issuer and does not assume any obligation towards or relationship of agency of trust for or with the Holders of the Notes. Any funds held by any paying agent for payment of principal of or interest on the Notes shall be held in trust by it for the persons entitled thereto and applied as set forth in the Agreement and in the Notes, but need not be segregated from other funds held by it except as required by law and as agreed upon separately by the Issuer, the Guarantor and the Fiscal Agent. For a description of the duties and the immunities and rights of any fiscal agent, paying agent, transfer agent or registrar under the Agreement, reference is made to the Agreement, and the obligations of any fiscal agent, paying agent, transfer agent and registrar to the Holder are subject to such immunities and rights.

Notices

So long as any Notes are represented by a global note and such global note is held on behalf of a clearing system, notices to Holders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders (except that (i) if and for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall also be published in a daily newspaper having general circulation in Luxembourg, which is expected to be the Luxemburger Wort, and (ii) in the event that the Notes are listed on any other stock exchange, notices shall also be given in accordance with the rules of that stock exchange) or, if any such delivery is not practicable, by publication in a leading English language daily newspaper having general circulation in Europe. Any such notice will be deemed to have been given on the date of first publication or, if published more than once or on different dates, on the first date on which publication is made.

TRANSFER RESTRICTIONS

Offers and Sales

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold in the United States except pursuant to an effective registration statement or (i) in a transaction not subject to the registration requirements under the Securities Act and any securities regulatory authority of any state of the United States or (ii) in accordance with an applicable exemption from the registration requirements thereof. Accordingly, the Notes are being offered and sold hereunder only:

- inside the United States or to U.S. persons (as defined under Regulation S), to QIBs; and
- outside the United States to non-U.S. persons or for the account or benefit of non-U.S. persons, in offshore transactions in reliance upon Regulation S.

Until the expiration of 40 days after the later of the commencement of the offering of the Notes and the original issue or sale date of the Notes, an offer or sale of the Notes within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

Each purchaser of the Notes will be deemed by its acceptance of the Notes to have represented, warranted and agreed that it is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

Rule 144A Global Notes

Each purchaser of Notes within the United States will be deemed by its acceptance of the Notes to have represented, warranted and agreed on its behalf and on behalf of any investor accounts for which it is purchasing the Notes, that neither the Issuer nor the Guarantor nor the Initial Purchasers, nor any person acting on their behalf, has made any representation to it with respect to the offering or sale of any Notes, other than the information contained in the offering memorandum used in connection with the sale of the Notes, which offering memorandum has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Notes, has had access to such financial and other information concerning Deutsche Telekom, Finance and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, and that:

(i) the purchaser is not an affiliate of Deutsche Telekom or Finance or a person acting on behalf of Deutsche Telekom or Finance or on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Notes from Deutsche Telekom or Finance or an affiliate thereof in the initial distribution of the Notes;

(ii) the purchaser acknowledges that the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;

(iii) the purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and (iii) is acquiring such Notes for its own account or for the account of a QIB, in each case for investment and not with a view to, or for offer or sale in connection with, any resale or distribution of the Notes in violation of the Securities Act or any state securities laws;

(iv) the purchaser is aware that the Notes are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

(v) if, prior to the date that is one year after the later of the date (the "Resale Restriction Termination Date") of the commencement of sales of the Notes and the last date on which the Notes were acquired from the Issuer or any of the Issuer's affiliates in the offering the purchaser decides to offer, resell, pledge or otherwise transfer such Notes, such Notes may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a

QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) in accordance with an effective registration statement under the Securities Act, or (v) pursuant to any other available exemption from the registration requirements of the Securities Act in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and agrees to give any subsequent purchaser of such Notes notice of any restrictions on the transfer thereof;

(vi) the Notes have not been offered to it by means of any general solicitation or general advertising;

(vii) the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of any such Notes;

(viii) the Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAW. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND (B) AGREES THAT THIS SECURITY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) TO DEUTSCHE TELEKOM INTERNATIONAL FINANCE B.V. (THE "ISSUER"), (2) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), OR (5) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF THE TRANSFER HEREOF, THE ISSUER OR THE FISCAL AGENT MAY REQUIRE THE DELIVERY OF ANY DOCUMENTS, INCLUDING AN OPINION OF COUNSEL, THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION. THE HOLDER HEREOF, BY, PURCHASING OR ACCEPTING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THIS SECURITY FROM THE HOLDER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

(ix) the purchaser agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes; and

(x) the purchaser acknowledges that the Fiscal Agent will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to the Issuer and the Fiscal Agent that the restrictions set forth herein have been complied with.

Terms defined in Rule 144A shall have the same meaning when used in the foregoing sections (i)-(ix). Each purchaser acknowledges that the Issuer, the Guarantor and the Initial Purchasers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of the acknowledgements, representations or warranties deemed to have been made by such purchaser by its purchase of Notes are no longer accurate, it shall promptly notify the Issuer, the Guarantor and the Initial Purchasers; if they are acquiring any Notes offered hereby as a fiduciary or agent for one or more investor accounts, each purchaser represents that they have sole investment discretion with respect to each such account and full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

The Issuer and the Guarantor recognize that none of DTC, Euroclear nor Clearstream in any way undertakes to, and none of DTC, Euroclear nor Clearstream have any responsibility to, monitor or ascertain the compliance of any transactions in the Notes with any exemptions from registration under the Securities Act or any other state or federal securities law.

Regulation S Global Notes

Each purchaser of Notes outside the United States pursuant to Regulation S will be deemed by its acceptance of the Notes to have represented, warranted and agreed, on its behalf and on behalf of any investor accounts for which it is purchasing the Notes, that neither the Issuer nor the Guarantor nor the Initial Purchasers, nor any person acting on their behalf, has made any representation to it with respect to the offering or sale of any Notes, other than the information contained in the offering memorandum used in connection with the sale of the Notes, which offering memorandum has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Notes, has had access to such financial and other information concerning Deutsche Telekom and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, and that:

(i) the purchaser understands and acknowledges that the Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto;

(ii) the purchaser, and the person, if any, for whose account or benefit the purchaser is acquiring the Notes, is not a U.S. person and is acquiring the Notes in an "offshore transaction" meeting the requirements of Regulation S and was located outside the United States at the time the buy order for the Shares was originated and continues to be outside of the United States and has not purchased the Notes for the account or benefit of any U.S. person or entered into any arrangement for the transfer of the Notes to any U.S. person;

(iii) the purchaser is aware of the restrictions on the offer and sale of the Notes pursuant to Regulation S described in the offering memorandum used in connection with the sale of the Notes and agrees to give any subsequent purchaser of such Notes notice of any restrictions on the transfer thereof;

(iv) the Notes have not been offered to it by means of any "directed selling efforts" as defined in Regulation S; and

(v) Deutsche Telekom shall not recognize any offer, sale, pledge or other transfer of the Notes made other than in compliance with the above-stated restrictions.

Terms defined in Regulation S shall have the same meaning when used in the foregoing sections (i)-(v).

Until the 41st day after the later of the commencement of the sale of the Notes and the date of the original issuance of the Notes, the Regulation S notes will bear a restrictive legend to the following effect and may not be transferred otherwise than in accordance with the transfer restrictions set forth in such legend:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY JURISDICTION AND, ACCORDINGLY, MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. DEUTSCHE TELEKOM INTERNATIONAL FINANCE B.V. (THE "ISSUER") HAS AGREED THAT THIS LEGEND SHALL BE DEEMED TO HAVE BEEN REMOVED ON THE 41ST DAY FOLLOWING THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE SECURITIES AND THE FINAL DELIVERY DATE WITH RESPECT THERETO.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Forward-looking statements are statements that are not historical facts. Examples of forward-looking statements include statements concerning:

- plans, objectives and expectations relating to future operations, products and services;
- expectations of future financial performance and their underlying assumptions, including, but not limited to, statements describing our expectations of future revenue, adjusted EBITDA and free cash flow development;
- our prospective share of new and existing markets;
- plans, objectives and expectations for our cost savings and workforce reduction programs and the impact of other significant strategic, labor or business initiatives, including acquisitions, dispositions and business combinations, and our network upgrade and expansion initiatives;
- the potential impact of regulatory actions on our financial condition and operations;
- our shareholder remuneration policy and the payment of dividends and/or conduct of possible share repurchases;
- the possible outcomes and effects of litigation, investigations, contested regulatory proceedings and other disputes;
- future general telecommunications sector and macroeconomic growth rates; and
- our future revenues, expenditures and performance.

Forward-looking statements generally are identified by the words “expect”, “anticipate”, “believe”, “intend”, “estimate”, “aim”, “goal”, “plan”, “will”, “will continue”, “seek”, “outlook”, “guidance” and similar expressions.

Forward-looking statements are based on current plans, estimates and projections. You should consider them with caution. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update any forward-looking statement in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and are generally beyond our control. We caution you that a number of important factors could cause actual results or outcomes to differ materially from those expressed in, or implied by, the forward-looking statements.

These factors include, among others:

- changes in general economic and business conditions, including a continuous deterioration in the economic environment, in the markets in which we and our subsidiaries and associated companies operate;
- the level of demand for telecommunications services in the markets we serve, particularly for wireless telecommunications services, broadband access lines, voice and data traffic, new higher-value products and services, and new rate offerings;
- changes in government policies and new legislation;
- regulatory developments and changes, including with respect to the levels of tariffs, terms of interconnection, customer access, international settlement arrangements and the availability and allocation of radio spectrum for mobile telecommunications use;
- our ability to secure and retain the licenses needed to offer new and existing services and the cost of these licenses and related network infrastructure build-outs, particularly with respect to advanced services;
- competitive forces, including pricing pressures, technological developments and alternative routing developments, all of which affect our ability to gain or retain market share and revenues in the face of competition from existing and new market entrants;
- the effects of our customer acquisition and retention initiatives, particularly in the fixed-line voice telephony business, the mobile telecommunications business and our interconnection business;
- the effects of industry consolidation on the markets in which we operate, particularly with respect to our mobile and leased lines businesses;
- the success of new business, operating and financial initiatives, many of which involve substantial start-up costs and are untested, and of new systems and applications, particularly with regard to the integration of service offerings;
- our ability to achieve cost savings and realize productivity improvements, particularly with respect to our workforce-reduction initiatives, while at the same time enhancing customer service quality;
- the impact of other significant strategic or business initiatives, including acquisitions, dispositions and business combinations;
- our ability to attract and retain qualified personnel, particularly in view of our cost reduction

efforts;

- concerns over health risks associated with the use of wireless mobile devices and other health and safety risks related to radio frequency emissions;
- risks of infrastructure failures or damage due to external factors, including natural disasters, intentional wrongdoing, sabotage, acts of terrorism or similar events;
- the outcome of litigation, disputes and investigations in which we are involved or may become involved;
- risks and uncertainties relating to our international operations, particularly in Greece and other countries in Southern and Eastern Europe;
- risks and costs associated with integrating our acquired businesses and with selling or combining businesses or other assets;
- risks and uncertainties related to the development and implementation of our strategy for our mobile operations in the United States, including technological and regulatory risks related to the deployment of a Long Term Evolution, or LTE, network;
- the progress of our domestic and international investments, joint ventures, partnerships and alliances;
- the effects of foreign exchange rate fluctuations, particularly in connection with subsidiaries operating outside the Eurozone;
- instability and volatility in worldwide financial markets;
- the availability, terms and deployment of capital, particularly in view of our financing alternatives, actions of the rating agencies, developments in the banking sector and the impact of regulatory and competitive developments on our capital outlays; and
- the level of demand in the market for our debt obligations, and for the debt obligations of our subsidiaries and associated companies, and our shares, as well as for assets that we may decide to sell, which may affect our financing and acquisition strategies.

If these factors or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, our actual performance and future actions may materially differ from those expressed or implied by forward-looking statements. We can offer no assurance that our estimates or expectations will be achieved or that we will be able to achieve our policy aims. When reviewing forward-looking statements contained in this document, investors and others should carefully consider the foregoing factors, as well as other uncertainties and events and their potential impact on our operations and businesses. You should refer to "Risk Factors" in this prospectus, for additional information on these and other risks and uncertainties.

MARKET, RANKING AND OTHER DATA

The data included in this prospectus regarding markets, including the size of certain market segments and the Guarantor's position within these markets, are based on independent industry publications, reports of government agencies or other published industry sources and the Guarantor's estimates based on its management's knowledge and experience in the market segments in which it operates. The Guarantor's estimates are based on information obtained from customers, suppliers, trade and business organizations and other contacts in the market segments in which it operates. The Guarantor has not independently verified any of the data from third-party sources nor has it ascertained the underlying economic assumptions relied upon therein. The Guarantor believes these estimates to be accurate as of the date of this prospectus or the date of the documents incorporated by reference herein. However, this information may prove to be inaccurate because of the method by which the Guarantor obtained some of the data for these estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties.

LEGAL MATTERS

The validity of the Notes has been passed upon for us by our United States counsel, Cleary Gottlieb Steen & Hamilton LLP, and for the underwriters by their United States counsel, Sullivan & Cromwell LLP. The validity of the Notes under Dutch law has been passed upon by our Dutch counsel Clifford Chance LLP.

AUDITORS

The consolidated financial statements of Deutsche Telekom AG as of and for the year ended 31 December 2011, which are included in the Annual Reports incorporated by reference herein, have been

prepared in accordance with IFRS as adopted by the European Union, and have been audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Moskauer Straße 19, 40227 Düsseldorf, Germany ("PwC"), independent accountants, as stated in its independent auditor's reports appearing in the Annual Reports incorporated by reference herein. PwC is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin.

The consolidated financial statements of Deutsche Telekom AG as of and for the year ended 31 December 2010, which are included in the Annual Reports incorporated by reference herein, have been prepared in accordance with IFRS as issued by the IASB and in accordance with IFRS as adopted by the European Union, and have been audited by PwC and Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (formerly Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft), as stated in their auditors' reports appearing in the Annual Reports incorporated by reference herein.

GENERAL INFORMATION

Resolutions of the Board of Managing Directors and the Supervisory Board of Finance, dated February 8, 2012, authorized the issuance of the Notes. Resolutions of the Management Board of Deutsche Telekom, dated January 31, 2012, authorized the guarantees.

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange. The listing prospectus will be available by all means of article 16 of the Luxembourg Law on Prospectuses for Securities including on the website of the Luxembourg Stock Exchange (www.bourse.lu) so long as any of the Notes are outstanding and listed on the Luxembourg Stock Exchange.

There are no interests of natural and legal persons involved in potential issues, including conflicting ones, that are material to the Notes. There are no potential conflicts of interest of the members of the Board of Management and the members of the Supervisory Board of Deutsche Telekom between their respective duties to Deutsche Telekom and their private interests or other duties.

The estimated total expenses related to the admission to trading are less than €50,000. Where information, contained in this document, has been sourced from a third party, Deutsche Telekom confirms that to the best of its knowledge this information has been accurately reproduced and that so far as Deutsche Telekom is aware and able to ascertain from information published by such third party no material facts have been omitted which would render the reproduced information inaccurate or misleading.

Application has been made to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange. The listing prospectus, our annual report for the year ended 31 December 2011, as well as all other documents that are incorporated by reference in this prospectus will be published on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>) so long as any of the Notes are outstanding and listed on the Luxembourg Stock Exchange.

Issuer

Deutsche Telekom International Finance B.V.
Herengracht 124-128
1015 BT Amsterdam
The Netherlands

Guarantor

Deutsche Telekom AG
Friedrich-Ebert-Allee 140
53113 Bonn
Germany

Agents

Fiscal Agent, Paying Agent, Registrar and Transfer Agent

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor
New York, NY 10005
U.S.A.

Listing Agent and Luxembourg Paying Agent

Deutsche Bank Luxembourg S.A.
2 boulevard Konrad Adenauer
1115 Luxembourg
Luxembourg

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To the Issuer and Guarantor

As to United States and German law
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As to Dutch law
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1013 GE Amsterdam
The Netherlands

To the Underwriters

As to United States law
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Deutsche Telekom International Finance B.V.

\$1,000,000,000 2.250% Notes due 6 March 2017

\$1,000,000,000 4.875% Notes due 6 March 2042

**Guaranteed as to Payment
of Principal and Interest by**

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Mitsubishi UFJ Securities
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