

DEUTSCHE TELEKOM AG  
Form 6-K  
August 07, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16**

**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of August 2008**

**Commission file number 001-14540**

**Deutsche Telekom AG**

**(Translation of Registrant's Name into English)**

**Friedrich-Ebert-Allee 140,**

**53113 Bonn,**

**Germany**

**(Address of Principal Executive Offices)**

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

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**Form 20-F**  **Form 40-F**

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

**Yes**  **No**

This Report on Form 6-K is incorporated by reference into the registration statement on Form F-3, File No. 333-118932, and the registration statement on Form S-8, File No. 333-106591, and into each respective prospectus that forms a part of those registration statements.

### Defined Terms and Contact Information

The term **Report** refers to this Report on Form 6-K for the six-month period ended June 30, 2008. Deutsche Telekom AG is a stock corporation organized under the laws of the Federal Republic of Germany. As used in this Report, unless the context otherwise requires, the term **Deutsche Telekom** refers to Deutsche Telekom AG and the terms **we**, **us**, **our**, **Group** and the **Company** refer to Deutsche Telekom and, as applicable, Deutsche Telekom and its direct and indirect subsidiaries as a group. Our registered office is at Friedrich-Ebert-Allee 140, 53113 Bonn, Germany, telephone number +49-228-181-0. Our agent for service of process in the United States is Deutsche Telekom, Inc., 600 Lexington Avenue, New York, NY 10022.

### Forward-Looking Statements

This Report contains forward-looking statements that reflect the current views of our management with respect to future events. Forward-looking statements generally are identified by the words **expects**, **anticipates**, **believes**, **intends**, **estimates**, **aims**, **plans**, **will**, **continue**, **seeks**, **targets**, **goals**, **outlook** and similar expressions. Forward-looking statements are based on current plans, estimates and projections, and therefore you should not place too much reliance on them. 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, although we intend to continue to meet our ongoing disclosure obligations under the U.S. securities laws (such as our obligations to file annual reports on Form 20-F and periodic and other reports on Form 6-K) and under other applicable laws. 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 other factors: the development of demand for our fixed and mobile telecommunications services, particularly for new, higher value service offerings; competitive forces, including pricing pressures, technological changes and alternative routing developments; regulatory actions and the outcome of disputes in which the Company is involved or may become involved; the pace and cost of the rollout of new services, which may be affected by the ability of suppliers to deliver equipment and other circumstances beyond our control; public concerns over health risks putatively associated with wireless frequency transmissions; risks associated with integrating our acquisitions; the development of asset values in Germany and elsewhere; the progress of our debt reduction and liquidity improvement initiatives; the development of our cost control and efficiency enhancement initiatives, including the areas of procurement and personnel reductions; risks and uncertainties relating to benefits anticipated from our international expansion, particularly in the United States; the progress of our domestic and international investments, joint ventures and alliances; our ability to gain or retain market share in the face of competition; our ability to secure and retain the licenses needed to offer services; the effects of price reduction measures and our customer acquisition and retention initiatives; the availability, term and deployment of capital, particularly in view of our debt refinancing needs, actions of the rating agencies and the impact of regulatory and competitive developments on our capital outlays; the progress of our workforce adjustment initiatives and outcome of labor negotiations; and changes in currency exchange rates and interest rates. Additionally, we periodically assess our goodwill for indications of impairment by monitoring, among other things, changes in competitive conditions, expectations of growth in the industry, and changes in market and other factors, any of which could result in a risk of additional impairment charges. If these or other risks and uncertainties (including those described in **Forward-Looking Statements**, **Item 3. Key Information Risk Factors** and elsewhere in our most recent Annual Report on Form 20-F for the year ended December 31, 2007 filed with the U.S. Securities and Exchange Commission) materialize, or if the assumptions underlying any of these statements prove incorrect, our actual results may be materially different from those expressed or implied by such statements.

This Report also contains forward-looking statements that reflect the current views of management with respect to future market potential, such as the Outlook statements, as well as our dividend outlook, and include generally any information that relates to expectations or targets for revenue or other performance measures.

World Wide Web addresses contained in this Report are for explanatory purposes only and they (and the content contained therein) do not form a part of, and are not incorporated by reference into, this Report.

### **Exchange Rates**

Unless otherwise indicated, all amounts in this Report have been expressed in euros.

As used in this document, euro, EUR or means the single unified currency that was introduced in the Federal Republic of Germany (the Federal Republic ) and ten other participating Member States of the European Union on January 1, 1999. U.S. dollar, USD or \$ means the lawful currency of the United States.

Amounts appearing in this Report that have been translated into euros from other currencies were translated in accordance with the principles described in the notes to the audited consolidated financial statements contained in our Annual Report on Form 20-F for the year ended December 31, 2007.

### **International Financial Reporting Standards (IFRS)**

You should read the following discussion, including the accompanying condensed consolidated financial statements which have been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), in conjunction with the annual consolidated financial statements, including the notes to those financial statements, contained in our Annual Report on Form 20-F for the year ended December 31, 2007 filed with the United States Securities and Exchange Commission.

The provisions of IFRIC 12 Service Concession Arrangements ( IFRIC 12 ) became effective for annual periods beginning on or after January 1, 2008. Because IFRIC 12 is required to be accounted for retrospectively, the comparative periods included in our unaudited consolidated financial statements in this interim report on Form 6-K at and for the six months ended June 30, 2008, have been adjusted accordingly. The audited consolidated financial statements included in our Annual Report on Form 20-F for the year ended December 31, 2007 have not been adjusted due to the immateriality of the impact of the application of IFRIC 12 on the presentation of our results of operations, financial position and cash flow. For further information, see Interim consolidated financial statements Selected explanatory notes- Accounting policies contained elsewhere in this Report.

## DEUTSCHE TELEKOM AT A GLANCE

	Second quarter of 2008			First half of 2008			FY 2007
	Q2 2008	Q2 2007	Change %	H1 2008	H1 2007	Change %	
	millions of	millions of <sup>1</sup>		millions of	millions of <sup>1</sup>		
<b>Net revenue</b>	15,125	15,575	(2.9)	30,103	31,028	(3.0)	62,516
<b>Domestic</b>	7,184	7,624	(5.8)	14,438	15,417	(6.4)	30,694
<b>International</b>	7,941	7,951	(0.1)	15,665	15,611	0.3	31,822
<b>Profit from operations</b>	1,868	2,043	(8.6)	4,166	3,838	8.5	5,286
<b>Profit (loss) from financial activities</b>	(976)	(789)	(23.7)	(1,653)	(1,534)	(7.8)	(2,833)
<b>Profit before income taxes</b>	892	1,254	(28.9)	2,513	2,304	9.1	2,453
<b>Depreciation, amortization and impairment losses</b>	(2,698)	(2,770)	2.6	(5,355)	(5,518)	3.0	(11,611)
<b>Net profit</b>	394	604	(34.8)	1,318	1,065	23.8	571
<b>Earnings per share/ADS<sup>a</sup> basic/diluted</b>	( ) 0.09	0.14	(35.7)	0.30	0.25	20.0	0.13
<b>Cash capex<sup>b</sup></b>	(1,837)	(1,584)	(16.0)	(3,629)	(3,607)	(0.6)	(8,015)
<b>Net cash from operating activities</b>	3,682	3,150	16.9	7,013	5,215	34.5	13,714

Number of employees at balance sheet date	Change			Change			Change	
	June 30, 2008/			June 30, 2008/			June 30, 2008/	
	June 30, 2008	Mar. 31, 2008	Mar. 31, 2008 %	Dec. 31, 2007	Dec. 31, 2007 %	June 30, 2007	June 30, 2007 %	
Deutsche Telekom Group	235,794	237,757	(0.8)	241,426	(2.3)	242,703	(2.8)	
Non-civil servants	202,151	202,586	(0.2)	205,867	(1.8)	204,108	(1.0)	
Civil servants	33,643	35,171	(4.3)	35,559	(5.4)	38,595	(12.8)	

Number of fixed-network and mobile customers	Change			Change			Change	
	June 30, 2008/			June 30, 2008/			June 30, 2008/	
	June 30, 2008	Mar. 31, 2008	Mar. 31, 2008 %	Dec. 31, 2007	Dec. 31, 2007 %	June 30, 2007	June 30, 2007 %	
Fixed network lines <sup>c</sup> (millions)	35.2	35.9	(1.9)	36.6	(3.8)	37.7	(6.6)	
Broadband lines <sup>d</sup> (millions)	14.6	14.4	1.4	13.9	5.0	12.7	15.0	
Mobile customers <sup>e</sup> (millions)	125.0	123.1	1.5	120.8	3.5	115.0	8.7	

1 Prior-year comparatives adjusted due to application of IFRIC 12. For further information, see Interim consolidated financial statements - Selected explanatory notes- Accounting policies contained elsewhere in this Report.

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

b Investments in property, plant and equipment, and intangible assets (excluding goodwill) as shown in the cash flow statement. In the first half of 2007 and in the full year 2007 these include investments totaling EUR 112 million for parts of Centrica PLC taken over by T-Systems UK in connection with an asset deal.

c Fixed-network lines in operation. Telephone lines excluding internal use and public telecommunications, including wholesale services.

d Broadband lines in operation, including Germany and Eastern Europe. The prior-year figures were adjusted to reflect the deconsolidation of T-Online France S.A.S. in June 2007 and T-Online Spain S.A.U. in July 2007.

e Number of customers of the fully consolidated mobile communications companies of the Mobile Communications Europe (including Virgin Mobile) and Mobile Communications USA operating segments. Orange Nederland and SunCom Wireless customers are also included in the historic customer base.



## HIGHLIGHTS

### Events in the second quarter of 2008

#### Group

##### OTE.

On June 19, 2008, the Greek Parliament in Athens approved the shareholders' agreement and the share purchase agreement between the Hellenic Republic and Deutsche Telekom. Upon consummation of the agreements we will increase our stake in the Greek company Hellenic Telecommunications S.A., Athens, Greece (OTE) to 25 percent plus one share and therefore Deutsche Telekom will be in a position to fully consolidate OTE in its financial statements. The agreements are still subject to approval by the responsible regulatory authorities. On June 26, 2008, Hamid Akhavan and Dr. Karl-Gerhard Eick were appointed to the board of OTE at the Annual General Assembly for a three-year term.

##### Seven-year Eurobond.

On April 14, 2008, we issued a Eurobond through our financing arm Deutsche Telekom International Finance B.V. The bond has a notional amount of EUR 1.5 billion, a coupon of 5.75 percent and matures on April 14, 2015. Despite challenging capital market conditions, the issue was successfully placed.

#### Rating

After Deutsche Telekom and the Greek government agreed on the investment in OTE Moody's and Standard & Poor's lowered the long-term rating of Deutsche Telekom by one notch from A3 to Baa1 and A- to BBB+, respectively on May 19, 2008. The outlook at both rating agencies is stable. The downgrades from Moody's and Standard & Poor's led to a one-time interest expense of EUR 0.2 billion in the second quarter. See Liquidity and Capital Resources for more information.

##### 32,000 Program completed ahead of schedule.

The staff restructuring program in Germany, structured to avoid compulsory redundancies, was continued successfully in the second quarter of 2008 and the 32,000 Program launched in 2005 was completed ahead of schedule. There are currently no plans for a new Group-wide staff restructuring program. In view of the intensity of competition and the prevailing regulatory environment in Germany, staff restructuring will, however, continue to the extent necessary. Staff restructuring was accomplished in the first half of 2008, in particular by partial retirement, voluntary redundancy packages and employment opportunities (previously capacity management) in the public sector. In the first half of 2008, 1,900 of the approximately 4,000 new employees planned for the 2008 financial year were recruited.

#### Mobile Communications Europe

##### EDGE mobile standard available throughout Germany.

T-Mobile Deutschland has been offering its customers mobile broadband services across Germany since the second quarter of 2008. The last stage in the roll-out of the EDGE standard, and with it one of the largest GSM network upgrade programs in the world, was completed. As a result, the technical infrastructure for the optimum deployment of future premium products such as the iPhone 3G, BlackBerry Bold, MDA compact IV and MDA vario IV is now in place throughout Germany.



**Eastern European companies post success in terms of growth and customer satisfaction.**

T-Mobile Hungary exceeded the 5 million mobile customers mark for the first time, consolidating its customer leadership in Hungary. The Polish company PTC received first prize with its ERA brand in the Mobile Phone Network Poland category of the 2008 European Trusted Brands poll staged annually by the well-known Reader's Digest publishing house.

**T-Mobile Deutschland signs collective wage agreement.**

T-Mobile Deutschland and the union, ver.di, brought the collective bargaining round to a successful conclusion. The outcome envisages a two-step salary increase. The salaries of around 4,000 pay-scale employees will be increased as of June 1, 2008 by 3.6 percent. The second step will follow on June 1, 2009, with salaries increasing by a further 2.3 percent. In addition, a one-time payment of EUR 650 for the lower and EUR 550 for the higher salary groups has been agreed for 2008. In January 2009, employees in the lower salary group will again receive a one-time payment of EUR 500, while EUR 400 will be paid to those in the higher salary groups. The collective agreement is valid through December 31, 2009. During the talks it was agreed that negotiations on modifications to the salary system will be initiated. Negotiations are due to start soon and should be concluded by the end of 2008. The effectiveness of the collective agreement through the end of 2009 will enable a new remuneration system to be implemented in 2009 without the need for an additional round of collective bargaining.

**Mobile Communications USA**

**T-Mobile USA ranks highest in wireless retail customer satisfaction.**

T-Mobile USA, received the highest ranking in the J.D. Power and Associates Wireless Retail Sales Satisfaction Study<sup>SM</sup> Volume 1, building on the highest ranking the company received earlier this year in overall customer care. Study results released in May 2008 by J.D. Power and Associates show customers rate T-Mobile highly in all areas measured to determine overall retail performance. The four key factors used to measure performance are sales staff, store display, store facility, and price/promotion.

**T-Mobile USA begins commercial 3G network roll-out.**

T-Mobile USA announced in May 2008 that the company has taken the first commercial step in the roll-out of its third-generation (3G) wireless network by launching its UMTS/HSDPA network in New York City. T-Mobile USA plans to continue the roll-out of its 3G network across major metropolitan markets through the year. By year's end, T-MobileUSA expects its high-speed data network will be available in up to 25 additional major metropolitan markets. T-Mobile's 3G network supports voice and data services consistent with available service and handset offerings. The company today offers multiple phones that are able to operate on the UMTS network. The phones are designed to connect automatically to the best available network (3G or GSM/GPRS/EDGE) to provide the excellent call quality and a broad variety of communication services customers expect from T-Mobile.

**Broadband/Fixed Network**

**Customer Relationship Management T-Home (CRM-T) put into operation.**

The CRM-T system was put into operation at the beginning of April 2008, the aim being to improve customer service at T-Home. CRM-T is the basis for the planned consolidation and simplification of the complex IT and process structure at T-Home that should make a major contribution to improving customer service.

**Strategic cooperation for Videoload and Gamesload.**

In May 2008, a cooperative arrangement with Warner Brothers enabled Videoload to start offering its customers movies to coincide with their release on DVD. In mid-June 2008, Gamesload became the first portal in Germany to offer games from the online publisher NCsoft Europe (NCE) for download. NCsoft has made its name mainly by developing and marketing multiplayer online games.

**Magyar Telekom changes brand structure and introduces T-Home.**

The leading Hungarian telecommunications provider, in terms of revenues Magyar Telekom, decided to replace the brands T-Com, T-Online and T-Kábel with the T-Home brand beginning in the fall of 2008.

**Business Customers**

**Sparkassen Informatik and FinanzIT commission a new voice and data network from T-Systems.**

The Sparkasse companies are entering into an arrangement with T-Systems, the aim of which is to develop and build a new IP network for voice and data. The network will link together Sparkassen Informatik, FinanzIT, and approximately 480 institutions of the Sparkasse organization in Germany. A total of 16,000 branches will access all the data and applications made available by the two IT service providers for the Sparkasse organization via the network.

**Major network contract signed with Siemens.**

Siemens continues to entrust its high-speed communication to T-Systems. The technology group has extended the agreement for the operation of its high-performance network in Germany and Eastern Europe until September 2011. The agreement includes across-the-board technological further development.

## GROUP STRATEGY

### **Focus, fix and grow    On the way to becoming the market leader for connected life and work.**

Our aim is to position ourselves as a global market leader for connected life and work. This vision embraces the key trends in the telecommunications and IT industries. The mobile Internet is set to become part of everyday life for both business customers and consumers over the next few years. Bandwidth and, in turn, line speeds both in the fixed and mobile networks will increase further, TV in HD quality will also become commonplace, as will communication with machines. Increasing digitization of many areas of life, personalization of a host of services, coupled with increasing mobility are the drivers behind these developments.

We identified these trends early on and we are actively helping structure them to leverage the resulting opportunities for us. That is why we have been developing innovative products for our customers, investing in powerful infrastructure that provides simple, secure access to content, and constantly improving our customer service. Thanks to our **Focus, fix and grow** strategy, the Group has a sound framework to work on realizing our corporate vision in a focused, successful way. Four key areas of action continue to underpin the Group strategy:

- Improve competitiveness in Germany and in Central and Eastern Europe
- Grow abroad with mobile communications
- Mobilize the Internet and the Web 2.0 trend
- Roll out network-centric ICT

#### **Improving competitiveness**

We combat fierce competition by expanding our infrastructure, further developing our product range and improving customer service. The roll-out of our UMTS (including HSDPA and HSUPA), DSL as well as VDSL networks will also enable the Group to benefit from the dynamic development of broadband business going forward. High-speed ADSL2+ is scheduled to be available in up to 1,000 towns and cities, and VDSL in 50 towns and cities by the end of 2008. Together, these two technologies will cover more than half the households in Germany.

The high-speed network can be used to offer not only voice telephony and broadband Internet but also additional high-quality content such as the Entertain packages from T-Home. Around 150 TV channels are available, as well as features such as time-shifted television and a video-on-demand service offering 2,600 downloadable titles. The lineup is constantly being expanded with the inclusion of compelling formats thanks to a range of collaborative ventures. For instance, Entertain customers have recently been given access to selected content from MTV Networks channels and the Discovery Networks group.

Improving customer service is a core component of our strategy. Call-center availability has been improved significantly. The Service Saturday has worked well and has been included in the standard service offering. Customers have come to appreciate the flexibility of also being able to call on our on-site services during the weekend.

On the cost side, we need to further reorganize our structures in light of fierce competition. The Save for Service program launched in 2006 continues. We believe that there is potential for savings of between at least EUR 4.2 and EUR 4.7 billion each year by 2010. Cumulative savings under this program of EUR 3.0 billion had already been generated as of June 30, 2008.

#### **Mobilizing the Internet and the Web 2.0 trend**

Internet usage is becoming more and more mobile, customers are becoming part of networks increasingly often and are producing content themselves. We are responding to these trends by developing suitable products and services or cooperating with selected partners. The MyFaves rate plans provide the Group with a strong product, which promotes mobile communications in communities and supports social networks. We provide mobile, open Internet usage thanks to web n walk. More than 4.1 million mobile customers in the Western European companies have opted for this service, with around a quarter of them personalizing the web n walk homepage in line with their own preferences and Internet habits.

In addition to in-house developments, we are also integrating popular Internet services. T-Mobile is cooperating with the likes of Yahoo! to provide mobile search functions, has integrated social web services such as YouTube, MySpace, Facebook and Flickr into its web n walk portal, and is cooperating with AOL, ICQ, Yahoo! and Microsoft on mobile instant messaging. In the field of mobile broadband Internet, we are also in a position to benefit from cooperation with well-known notebook manufacturers (including HP, Sony, Toshiba, Fujitsu) who integrate 3G modules in their devices from the start. T-Mobile offers attractive packages comprising discounted laptops and mobile broadband Internet contracts. The launch of the new iPhone 3G, which is being marketed exclusively by T-Mobile in Germany and the Netherlands, opens up a great deal of potential. It combines all the revolutionary features of the iPhone with the UMTS network, an integrated GPS receiver for enhanced location-based services and the iPhone 2.0 software.

We have also joined forces with Google and more than thirty other leading technology and mobile communications companies to form the Open Handset Alliance. This alliance aims to develop innovative mobile devices and services based on a new operating system called Android. The first mobile handset based on this operating system is scheduled to be launched in 2008.

#### **Growing abroad with mobile communications**

International mobile business remains the key growth driver for us. T-Mobile USA alone increased its customer base by 2.3 percent in the second quarter of 2008 to approximately 31.5 million customers. In the second quarter of 2008, around 1.9 million mobile customers were added across the Group.

In addition to organic growth, we have taken an important step in promoting growth through acquisition. The Group most recently announced the acquisition of 25 percent plus one share in the Greek company Hellenic Telecommunications S.A., Athens, Greece (OTE). OTE is the market leader in Greece in terms of customers, revenues and market share, and has subsidiaries in Romania, Bulgaria, Macedonia and Albania, as well as an investment in Serbia. At the end of 2007, OTE's fully consolidated companies operated 9 million fixed lines and served 1.2 million broadband customers, as well as 15.5 million mobile customers. Overall, OTE has access to some 56 million people in its footprint markets with considerable growth potential both in the fixed-network and mobile area.

**Rolling out network-centric ICT**

Demand for efficient systems solutions based on IP infrastructure is rising sharply in the business customers segment. T-Systems is taking advantage of this development by providing its customers with an integrated service offering comprising network-centric information and communications technology (ICT). The key element in this strategy is the combined provisioning of IT and telecommunications services with an end-to-end service guarantee. The aim is to become the market leader in Europe; T-Systems already leads the field in core markets such as Germany, Austria and Switzerland.

An outsourcing contract signed with Royal Dutch Shell is an example of the success of this strategy. T-Systems is to operate Shell's global computing and data storage centers in Europe, North America and Asia for a period of five years. The value of the contract is approximately EUR 1 billion over the term of this contract.

**BUSINESS DEVELOPMENTS IN THE GROUP**

**Net revenue**

We generated revenue of EUR 30.1 billion in the first six months of 2008, a decrease of EUR 0.9 billion or 3.0 percent year-on-year. Overall, exchange rate effects, especially in relation to the U.S. dollar and British pound sterling, had a negative impact on net revenue of EUR 1.2 billion. Revenue growth in the Mobile Communications USA operating segment on a U.S. dollar basis in particular was offset by negative effects from the translation into euros. The first-time consolidation of Orange Nederland and SunCom Wireless generated positive effects which were almost entirely offset by the effects of changes in the composition of the Group following the deconsolidation of Media & Broadcast, T-Online France and T-Online Spain. Revenue decreased in the Broadband/Fixed Network and Business Customers operating segments.

The Mobile Communications Europe operating segment recorded revenue growth of 1.2 percent year-on-year in the first half of 2008. Effects of changes in the composition of the Group due to the inclusion of Orange Nederland had a positive effect on the revenue development of the operating segment, offset by negative exchange rate effects mainly in relation to the translation of British pounds sterling as well as the persistently fierce price competition and the resulting decline in revenues from call minutes.

Revenue in the Mobile Communications USA operating segment was down slightly in the first half of 2008 compared with the previous half year. While the operating segment recorded a 14.3-percent improvement in revenue on a U.S. dollar basis particularly as a result of customer growth and the effect of the full consolidation of SunCom Wireless this was reduced by the substantial negative effects from the translation of U.S. dollars into euros.

Revenue in the Broadband/Fixed Network operating segment decreased year-on-year by 7.1 percent mainly due to continuing line losses and the growing popularity of flat rates. The revenue decline, only partly offset by growth in the number of DSL lines and leased unbundled local loop lines, was also due to the reduction in prices in the broadband market.

Revenue in the Business Customers operating segment also declined. In addition to existing price and competitive pressure in the voice and data services business and lower revenue from the Telecommunications unit, the deconsolidation of Media & Broadcast and the reassignment of ActiveBilling within the Group had a negative impact on revenue.

	Second quarter of 2008				First half of 2008			
	Q1 2008	Q2 2008	Q2 2007	Change %	H1 2008	H1 2007	Change %	FY 2007
	millions of	millions of	millions of		millions of	millions of		millions of
Net revenue	14,978	15,125	15,575	(2.9)	30,103	31,028	(3.0)	62,516
Mobile Communications Europe <sup>a</sup>	4,992	5,187	5,119	1.3	10,179	10,063	1.2	20,713
Mobile Communications USA <sup>a</sup>	3,461	3,498	3,545	(1.3)	6,959	7,013	(0.8)	14,075
Broadband/Fixed Network <sup>a</sup>	5,382	5,291	5,655	(6.4)	10,673	11,487	(7.1)	22,690
Business Customers <sup>a</sup>	2,603	2,667	2,962	(10.0)	5,270	5,868	(10.2)	11,987
Group Headquarters & Shared Services <sup>a</sup>	884	915	988	(7.4)	1,799	1,940	(7.3)	3,868
Intersegment revenue <sup>b</sup>	(2,344)	(2,433)	(2,694)	9.7	(4,777)	(5,343)	10.6	(10,817)

a Total revenue (including revenue between operating segments).

b Elimination of revenue between operating segments.

**Contribution of the strategic business areas to net revenue (after elimination of revenue between strategic business areas)**

	Proportion of net			Proportion of net			FY 2007 millions of
	H1 2008	revenue of	H1 2007	revenue of	Change	Change %	
	millions of	the Group %	millions of	the Group %	millions of		
Net revenue	30,103	100.0	31,028	100.0	(925)	(3.0)	62,516
Mobile Communications Europe	9,850	32.7	9,718	31.3	132	1.4	20,000
Mobile Communications USA	6,953	23.1	7,000	22.6	(47)	(0.7)	14,050
Broadband/Fixed Network	8,914	29.6	9,697	31.3	(783)	(8.1)	19,072
Business Customers	4,082	13.6	4,422	14.2	(340)	(7.7)	8,971
Group Headquarters & Shared Services	304	1.0	191	0.6	113	59.2	423

With 32.7 percent, the Mobile Communications Europe operating segment provided the largest contribution to the net revenue of the Group during the first half of 2008. While the Mobile Communications Europe and Mobile Communications USA operating segments increased their contribution to net revenue year-on-year, the contributions by the Broadband/Fixed Network and Business Customers operating segments decreased.

**Breakdown of net revenue by regions**

The proportion of net revenue generated outside Germany in the first half of 2008 increased by 1.7 percentage points compared with the prior-year period to reach 52.0 percent. The reason was the decrease in domestic revenue, primarily in the Broadband/Fixed Network and Business Customers operating segments.

	Second quarter of 2008				First half of 2008			FY 2007 millions of
	Q1 2008 millions of	Q2 2008 millions of	Q2 2007 millions of	Change %	H1 2008 millions of	H1 2007 millions of	Change %	
Net revenue	14,978	15,125	15,575	(2.9)	30,103	31,028	(3.0)	62,516