Audit opinion as of December 31, 2008

Auditors' report

To Scout24 Holding GmbH, Munich

We have audited the annual financial statements, comprising the balance sheet, the statement of income, and the notes to the financial statements, together with the bookkeeping system, of Scout24 Holding GmbH, Munich, for the business year from January 1 to December 31, 2008. The maintenance of books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 of the German Commercial Code (*Handelsgesetzbuch* – HGB) and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position, and results of operations in the annual financial statements in accordance with the German principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

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In our opinion, based on our findings from our audit, the annual financial statements are in line with statutory requirements and give a true and fair view of the net assets, financial position, and results of operations of the Company in accordance with German principles of proper accounting.

Munich, May 15, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Andreas Fell Alexander Fiedler Auditor Auditor

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Annual financial statements for the financial year from January 1 to December 31, 2008

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Scout24 Holding GmbH, Munich

Balance sheet as of December 31, 2008

Assets

	Dec. 31, 2008	Dec. 31, 2007
	€	€
A. Noncurrent assets		
I. Intangible assets		
Industrial property and similar rights and assets and licenses in such rights and assets	2.566.199	1.794.384
II. Property, plant and equipment		
1 Leasehold improvements	734.044	484.170
2 Plant and office equipment	562.917	508.843
3 Advance payments and construction in progress	26.394	161.030
	1.323.355	1.154.043
III. Financial assets		
Investments in subsidiaries	495.509.841	495.515.927
	499.399.395	**498.464.354**
B. Current assets		
I. Receivables and other assets		
1 Trade accounts receivable	171.827	37.686
2 Receivables from subsidiaries (of which from shareholders: € 22.026.923; prior year: € 26.027.554)	150.807.675	79.109.572
3 Other assets	248.582	82.816
	151.228.084	79.230.074
II. Cash in hand and cash in banks	1.089.940	1.188.554
	152.318.024	**80.418.628**
C. Prepaid expenses and deferred charges	**39.271**	**129.879**
	651.756.690	**579.012.861**

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Shareholders' equity and liabilities

	Dec. 31, 2008	Dec. 31, 2007
	€	€
A. Shareholders' equity		
I. Capital stock	1.000.000	1.000.000
II. Additional paid-in capital	144.456.120	144.456.120
III. Loss carryforwards	-19.917	-19.917
IV. Net income	19.917	0
	145.456.120	**145.436.203**
B. Accruals		
Other accruals	**5.307.494**	**3.800.275**
C. Liabilities		
1 Trade accounts payable	1.731.510	154.896
2 Payables to subsidiaries (of which to shareholders: € 386.661.686; prior year: € 336.066.459)	498.982.637	429.112.724
3 Other liabilities (of which from taxes: € 102.026; prior year € 283.939) (of which from social security: € 8.452; prior year: € 181.581)	110.479	455.081
	500.824.626	**429.722.701**
D. Deferred income	**168.450**	**53.682**
	651.756.690	**579.012.861**

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Scout24 Holding GmbH, Munich

Statement of income for the financial year from January 1 to December 31, 2008

	2008	2007
	€	€
1. Net revenue	2.653.677	1.931.111
2. Other operating income	2.076.741	3.555.785
3. Goods and services purchased		
Services purchased	-270.319	-951.072
4. Personnel costs		
a) Wages and salaries	-5.478.132	-3.942.451
b) Social security contributions	-803.935	-480.304
5. Depreciation, amortization and write-downs	-737.337	-502.904
6. Other operating expenses	-10.417.841	-10.605.213
7. Income related to subsidiaries, associated and related companies (of which from subsidiaries: € 13.279.343 (prior year: € 0)	13.279.343	0
8. Income from profit transfer agreements	78.721.906	8.478.283
9. Other interest and similar income (of which from subsidiaries: € 3.658.234 (prior year: € 4.816.999)	3.659.377	5.195.745
10. Interest and similar expenses (of which to subsidiaries € 23.326.190 (prior year: € 7.493.280)	-23.326.554	-7.493.754
11. Expenses arising from loss transfers	-4.888.476	-16.128.637
12. Results from ordinary business activities	**54.468.450**	**-20.943.411**
13. Income taxes reimbursed	1.756	51
14. Profit transferred under the terms of a profit transfer agreement (prior-year income from loss transfer)	-54.450.289	20.943.360
15. Net income	**19.917**	**0**

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Scout24 Holding GmbH, Munich

Notes to the annual financial statements for the financial year from January 1 to December 31, 2008

Preliminary comments

The financial year begins on January 1 and ends on December 31 of each year.

Scout24 Holding GmbH is a small corporation within the meaning of § 267 (1) German Commercial Code (*Handelsgesetzbuch* - HGB). Some of the size-related exemptions under § 288 HGB were utilized.

The provisions of the HGB and of the German Act on Limited Liability Companies (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung* – GmbHG) for small corporations regarding the classification and disclosure of line items in the balance sheet and the statement of income were adhered to during preparation of the annual financial statements of Scout24 Holding GmbH.

For this financial year, the statement of income was prepared using the total cost method as defined in § 275 (2) HGB, while in previous years it was prepared using the cost of sales method as defined in § 275 (3) HGB. The figures for previous years have been adjusted accordingly.

Accounting policies

The following accounting policies, which are in line with HGB provisions, were significant for the preparation of the annual financial statements.

Scout24 Holding GmbH had a branch office in Baar, Switzerland until June 30, 2008. The branch office was dissolved as of June 30, 2008 and the assets were transferred to Scout24 International Management AG, Baar, Switzerland, at the carrying amounts.

Financial assets are recognized at cost or the lower fair value; intangible assets and property, plant and equipment are recognized at cost less straight-line amortization and depreciation. To the extent necessary, impairment losses to the lower fair value are recognized. The useful life corresponds to the prudently estimated normal useful life and is between three and ten years.

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Receivables and other assets are recognized using the nominal amount. Default risks for receivables are taken into account by recognizing appropriate allowances. Receivables and other assets denominated in foreign currencies are recognized using the respective rate at the transaction date or the lower closing rate as of the balance sheet date. This measurement is made using the average of the bid and offer rates.

Cash-in-hand and bank balances are recognized using the nominal amount.

Expenditures prior to the balance sheet closing date are recognized in prepaid expenses and deferred charges if they represent an expense for a certain period after that date.

The company' s capital stock is fully paid up and held in full by Deutsche Telekom AG, Bonn. Shareholders' equity is recognized at the nominal amount.

Sufficient allowance is made for all identifiable risks when calculating other accruals. They are recognized in the amount deemed necessary according to prudent commercial judgment.

Liabilities are reported at the redemption amount. Liabilities denominated in foreign currencies are recognized using the respective rate at the transaction date or the higher closing rate as of the balance sheet date. This measurement is made using the average of the bid and offer rates.

Income prior to the balance sheet closing date is presented as **deferred income** if it represents income for a certain period after that date.

Net revenue and expenses relating to goods and services purchased were adjusted for corresponding income and expenses from brokered deals (ad exchange services) within the Scout24 Group and within the Deutsche Telekom AG Group.

Net revenue is presented at net without consideration of value added tax and recognized in the period when services are billed based on the realization principle.

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Notes to the balance sheet

Intangible assets

Intangible assets primarily represent purchased software.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements, operating and office equipment, prepayments and assets under construction.

Financial assets

Financial assets comprise shares in affiliated companies and subsidiaries.

Scout24 Holding GmbH holds 100% of the shares of Scout24 AG, Baar, Switzerland (business address: Rosenheimer Str. 143b, D-81671 Munich).
The shareholders' equity of Scout24 AG is CHF 221,400,360. Capital stock is CHF 532,081. The company generated net income of CHF 10,351,037 in the financial year just ended.

In addition, Scout24 Holding GmbH holds 100% of the shares of Scout24 GmbH, Munich. As of the closing date, Scout24 GmbH's shareholders' equity was EUR 724,962. Scout24 GmbH reported capital stock of EUR 38,347. Scout24 GmbH's net loss for the financial year was EUR 744,664 as of the reporting date. This loss was absorbed by Scout24 Holding GmbH based on a profit and loss transfer agreement applicable as of January 1, 2008.

In addition, Scout24 Holding GmbH holds 100% of the shares of Scout24 Verwaltungs- und Beteiligungsgesellschaft mbH, Munich. The company's shareholders' equity was EUR -2,887 and the net loss for the financial year was EUR 9,367.
Scout24 Verwaltungs- und Beteiligungsgesellschaft mbH has capital stock of EUR 25,000 and reported no own business activity for 2008.

Scout24 Holding GmbH also holds 59.7% of the shares in Immobilien Scout GmbH, Berlin. By agreement dated November 25, 2008, the shares held in trust by Nukleus Verwaltung GmbH, Hamburg for Immobilien Scout Vermögensanlagen GbR, Berlin in Immobilien Scout GmbH were assigned to Immobilien Scout GmbH and subsequently retired.
Immobilien Scout GmbH reports shareholders' equity of EUR 4,114,580. The subscribed capital is EUR 144,235. Net income of EUR 39,492,169 was generated in the financial year just ended. This was transferred to Scout24 Holding GmbH based on a profit and loss transfer agreement applicable as of January 1, 2008.

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Scout24 Holding GmbH also holds 100% of the shares of Scout24 International Management AG, Baar, Switzerland.
The shareholders' equity of Scout24 International Management AG is CHF 44,260,019. The company has capital stock of CHF 250,000 and recognized net income of CHF 1,754,953 in the financial year just ended.

Scout24 Holding GmbH has an indirect shareholders' equity investment in the following companies:

Name and domicile	Equity interest	Shareholders' equity	Net profit/loss (If applicable, before profit/loss transfer)
	%	thousands of €	thousands of €
AutoScout24 GmbH, Munich	100.0	48,169	27,051
AutoScout24 España S.A., Madrid	90.0	-266	397
AutoScout24 Italia S.R.L., Padua	100.0	3,525	1,932
AutoScout24 Belgium S.A., Brussels	90.0	1,729	1,020
AutoScout24 France SAS, Issy Les Moulineaux	100.0	-3,162	305
AutoScout Nederland B.V., Amsterdam	100.0	2,664	950
AutoScout24 AS GmbH, Vienna	100.0	-76	129
AutoScout24 Scandinavia A.B., Stockholm	100.0	72	0
AutoScout24 d.o.o., Zagreb	75.0	0	0
FinanceScout24 GmbH, Munich (formerly FinanceScout24 AG)	100.0	-15,104	-593
FriendScout24 GmbH, Munich	100.0	4,536	12,179
Immobilien Scout Deutschland GmbH, Frankfurt	100.0	22	0
JobScout24 International Holding AG, Baar	100.0	7,600	-745
JobScout24 GmbH, Munich	100.0	-16,580	-3,550
Scout24 Schweiz Holding AG, Wünnewil-Flamatt	50.1	4,852	5,880
Scout24 Schweiz AG, Flamatt	57.6	13,362	5,050
SCOUT Business Services GmbH, Munich	100.0	-346	-12
XL AG, Munich	100.0	39	-5
Scout24 S.L., Madrid	100.0	-200	0

Receivables and other assets

Receivables and other assets include receivables from subsidiaries totaling EUR 150,808 thousand (previous year: EUR 79,110 thousand). These are comprised of interest-bearing receivables of EUR 134,225 thousand (previous year: EUR 33,740 thousand) and of non-interest bearing receivables of EUR 16,583 thousand (in particular from goods and services of EUR 856 thousand and from accruals of EUR 15,312 thousand). The interest-bearing receivables include receivables from profit and loss transfers (EUR 78,722 thousand), loans extended (EUR 31,018 thousand), cash pool balances at Deutsche Telekom AG (EUR 21,612 thousand) and interest receivables (EUR 2,873 thousand).

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In particular, there are the following receivables from Scout24 companies:

	Dec. 31, 2008 thousands of €
- Immobilien Scout GmbH, Berlin	39,492
- AutoScout24 GmbH, Munich	27,051
- FinanceScout24 GmbH (formerly AG), Munich	18,629
- FriendScout24 GmbH, Munich	13,523
- JobScout24 GmbH, Munich	12,444
- Scout24 Schweiz Holding AG, Flamatt, Switzerland	3,310
- Scout24 GmbH, Munich	1,023

Receivables from the shareholder, Deutsche Telekom AG, totaling EUR 22,027 thousand result almost solely from the cash pool balance of EUR 21,612 thousand.

In the year under review, receivables from and liabilities to subsidiaries totaling EUR 6,161 thousand (previous year: EUR 8,710 thousand) were offset.

All receivables and other assets have a remaining maturity of less than one year. There are no receivables for the benefit of the directors including advances granted, loans or guarantees or commitments.

Liabilities

Trade payables to third parties, trade payables to subsidiaries and other liabilities are presented in this item. These liabilities are due within one year and are not secured.

Liabilities to subsidiaries totaled EUR 498,983 thousand (previous year: EUR 429,113 thousand) and contain loans payable (EUR 369,398 thousand), liabilities from profit transfer or loss absorption (EUR 59,339 thousand), cash pool liabilities (EUR 48,254 thousand), trade payables (EUR 14,924 thousand) and interest liabilities (EUR 7,068 thousand).

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Liabilities to subsidiaries chiefly comprise the following:

	Dec. 31, 2008 thousands of €
- Deutsche Telekom AG, Bonn	386,662
- AutoScout24 GmbH, Munich	50,024
- Scout24 AG, Baar, Switzerland	21,914
- FriendScout24 GmbH, Munich	19,647
- T-Online.at Internet Service GmbH, Vienna	11,868
- JobScout24 GmbH, Munich	3,592
- Immobilien Scout GmbH, Berlin	2,191
- JobScout24 International Holding AG, Baar, Switzerland	1,638

Receivables from and liabilities to subsidiaries totaling EUR 6,161 thousand (previous year: EUR 8,710 thousand) were offset in the year under review.

Trade payables and other liabilities all have a remaining maturity of up to one year. Of the liabilities to subsidiaries, EUR 465,653 thousand have a remaining maturity of up to one year and EUR 33,330 thousand have a remaining maturity of between one and five years.

Guarantees and commitments

Scout24 Holding GmbH had issued a comfort letter in a total amount of EUR 1,500 thousand to a subsidiary. At the same time, Deutsche Telekom AG issued a corresponding comfort letter in the same amount with regard to the financial support of Scout24 Holding GmbH. The comfort letters were limited to April 30, 2009. In addition, rent payment guarantees exist totaling EUR 94 thousand.

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Notes to the statement of income

Net revenue

Net revenue results almost solely from intercompany revenues with affiliated companies. In the year under review, revenues were offset with expenses relating to goods and services purchased totaling EUR 44,047 thousand. This concerned brand, domain and license fees as well as compensation for the supplier identification of subsidiaries, which were passed on to the legal owner without deduction.

Other operating income

Other operating income of EUR 2,077 thousand (previous year: EUR 3,556 thousand) is primarily attributable to foreign exchange gains of EUR 798 thousand, income from the disposal of property, plant and equipment of EUR 491 thousand and to income from the reversal of accruals of EUR 490 thousand.

Other operating expenses

Other operating expenses of EUR 10,418 thousand (previous year: EUR 10,605 thousand) primarily include legal and consulting fees of EUR 2,540 thousand, expenses for marketing/advertising/public relations of EUR 1,922 thousand, accruals for outstanding supplier invoices of EUR 1,173 thousand, IT expenses of EUR 991 thousand and recruiting expenses of EUR 492 thousand.

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Other disclosures

Disclosures regarding net worth and financial position

The continued existence of the Company over the medium to long-term is dependent on continued financial support by Deutsche Telekom AG. By letter dated March 27, 2009, the term of the EUR 322,491 thousand loan made by Deutsche Telekom AG to Scout24 Holding in 2007 was extended until July 24, 2011. With regard to the shortfall of current assets to cover current liabilities existing as of the balance sheet date, Deutsche Telekom AG issued a comfort letter dated May 4, 2009, limited to April 30, 2010, in the form a financing commitment and liquidity guarantee up to an amount of EUR 20,000 thousand.

A project for restructuring the financing of Scout24 Holding through shareholders' equity capital measures was launched in the 2008 financial year. This project is expected to be completed in 2009.

Profit and loss transfer agreements were concluded with Immobilien Scout GmbH, AutoScout24 GmbH and Scout24 GmbH effective as of January 1, 2008.

Profit and loss transfer agreements were concluded in the previous year with FriendScout24 GmbH, JobScout24 GmbH and FinanceScout24 GmbH.

The Company's current liquidity needs are ensured by the existing agreement on inclusion in the cash concentration of the Deutsche Telekom Group.

Other financial obligations

Scout24 Holding GmbH has the following future obligations for lease agreements: 2009: EUR 286 thousand, 2010: EUR 312 thousand and 2011: EUR 79 thousand.

Parent company

The company's capital stock is held in full by Deutsche Telekom AG, Bonn. A profit and loss transfer agreement has been in place with the parent since January 1, 2005.

Scout24 Holding GmbH, Munich and its subsidiaries are included in the consolidated financial statements of Deutsche Telekom AG, Bonn.

Pursuant to § 291 HGB, the Scout24 Group, with the parent, Scout24 Holding GmbH, is exempt from the duty to prepare consolidated financial statements.

Executive bodies

The following individuals have been appointed as directors of the Company:

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- Dr. Martin Enderle, CEO
- Marc Sevray, CFO

Overall power of attorney with a director or another holder of commercial power of attorney (*Prokurist*) has been issued to:

- Hans-Peter Hupfer
- Christoph Hölzlwimmer (until October 8, 2008)

The following persons are members of the Supervisory Board:

- Harald Eisenächer, Segment Chairman
  (as of October 22, 2008 and Chairman as of December 18, 2008)
- Andreas Kindt, Segment Chairman (until October 21, 2008)
- Stefan Behrendt, Senior Executive
- Christian Schmahl, Segment Chairman

Employees

The company had an average of 56 salaried employees and 19 interns in 2008.

Exemption from publication of the annual financial statements

On September 9, 2008, in accordance with the option in § 264 (3) HGB, the shareholders' meeting resolved to forgo publication pursuant to § 325 HGB for the 2008 financial year.

The company is included as a subsidiary in the consolidated financial statements of Deutsche Telekom AG, Bonn (HRB 6794 of the Bonn District Court (*Amtsgericht*)), which were published in the electronic Federal Gazette on April 21, 2009.

Munich, May 15, 2009

Dr. Martin Enderle

Marc Sevray

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