DEUTSCHE TELEKOM

FY 2013 PRESS CONFERENCE

LIFE IS FOR SHARING.

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In addition to figures prepared in accordance with IFRS, Deutsche Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted net income, free cash flow, gross debt, and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.

REVIEW Q4/FY 2013

LIFE IS FOR SHARING.

2013 KEY ACHIEVEMENTS: CREATING VALUE

Segments

- Revenue trends further improved
- Adj. margin at 40% level
- Mobile market leadership regained
- INS roll-out started

- Organic revenue trends improved
- Revenue and cost transformation progressing well

- MetroPCS merger successfully accomplished
- Turnaround in subscriber development
- Value creation: EV improved by 53%

Group

Operational management:

- Efficiency: Tel IT delivers along plan – 0.35 billion IT spend reduction
- 0.8 billion more organic investments into the business
- FY 2013 guidance achieved

Financial management:

- Stable rating
- Executed on dividend policy
- EPS and ROCE improved

Portfolio management:

- Value of Scout Group crystallized
- GTS: enhancement of commercial opportunities in Europe at reasonable price

Total shareholder return 2013:

+56%

Q4 KEY ACHIEVEMENTS: TURNAROUND IN THE US CONTINUES, GERMANY REMAINS SOLID, EUROPE WITH SLIGHT IMPROVEMENT

GROUP	▪ Growth in key areas: 1,639k mobile contract net adds, 163k TV net adds, 42k broadband net adds. ▪ Revenue grows 6.5% to €15.7 billion. Organic revenue growth[1] of 2.8%. ▪ Adj. EBITDA of €4.1 billion (+1.3%) and free cash flow of €1.0 billion in line to achieve full-year guidance. ▪ Full year: ROCE improved to 3.8% up 6.2pp, adj. EPS improved to €0.63 (+6.8%).
GERMANY	▪ Growth in key areas: 638k mobile contract net adds, 56k TV net adds and 133k fiber net adds (incl. wholesale). ▪ Revenue trend (-1.7%) slightly weaker vs. Q3 due to less handset sales; adj. EBITDA-margin of 35.9% in Q4 – delivered on 40% margin target for full year. ▪ Underlying mobile service revenue (-0.4%) almost flat in Q4.
US	▪ Growth in key areas: +1,645k mobile customers, branded postpaid customers +869k. ▪ Revenue in US-$ grows 40.7% to US-$6.9 billion driven by MetroPCS consolidation. Organic revenue growth[1] of 13.9%. ▪ Adj. EBITDA grows 26.9% to 1US-$.3 billion. Organic[1] adj. EBITDA declines 7.9% due to record subscriber growth.
EUROPE	▪ Growth in key areas: 132k mobile contract net adds, 107k TV net adds, 64k broadband net adds. ▪ Organic revenue[1] trend +0.4%, improved vs. Q3 primarily due to higher handset revenues. ▪ Organic adj. EBITDA[1] up by +0.4%.
SYSTEMS SOLUTIONS	▪ Order entry with €2.4 billion, significantly below last year due to an exceptionally high order volume in Q4/12 driven by one big deal . ▪ Organic revenue growth[1] of -0.6% at Market Unit. Tel-IT with expected revenue decline (-19.4%) supports IT spend reduction of 11% in group. ▪ Adj. EBIT grows 23% in Market Unit – margin improved to 4.1%.

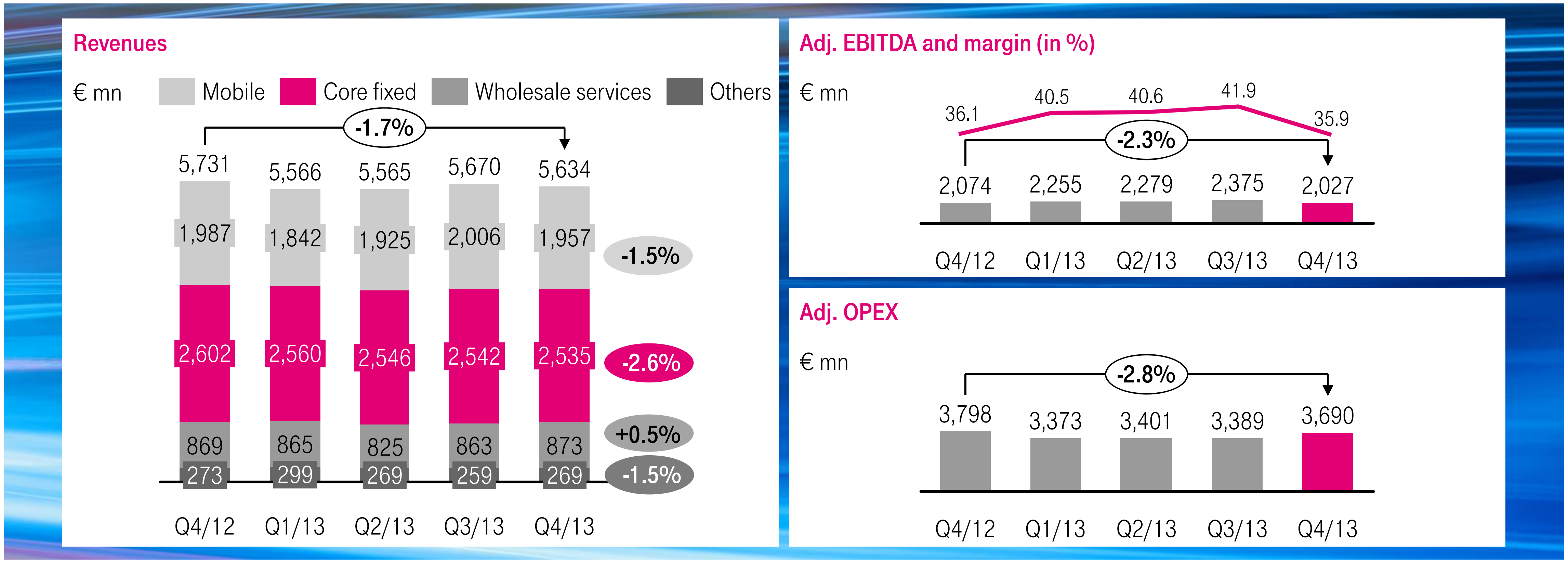
1) Adjusted for changes in the scope of consolidation and currency fluctuations.

2013: KEY FIGURES

€ mn	Q4 2012	Q4 2013	Q4 Change	FY 2012	FY 2013	FY Change
Revenue	14,707	15,665	6.5%	58,169	60,132	3.4%
Adj. EBITDA	4,008	4,060	1.3%	17,973	17,424	-3.1%
Adj. net profit	200	355	77.5%	2,537	2,755	8.6%
Net profit	641	-752	n.a.	-5,353	930	n.a.
Adj. EPS (in €)	0.05	0.08	60.0%	0.59	0.63	6.8%
EPS (in €)	0.15	-0.18	n.a.	-1.24	0.21	n.a.
Free cash flow[1]	1,105	1,032	-6.6%	6,239	4,606	-26.2%
Cash capex[2]	2,357	2,466	4.6%	8,021	8,861	10.5%
Net debt (in € bn)	36.9	39.1	6.1%	36.9	39.1	6.1%

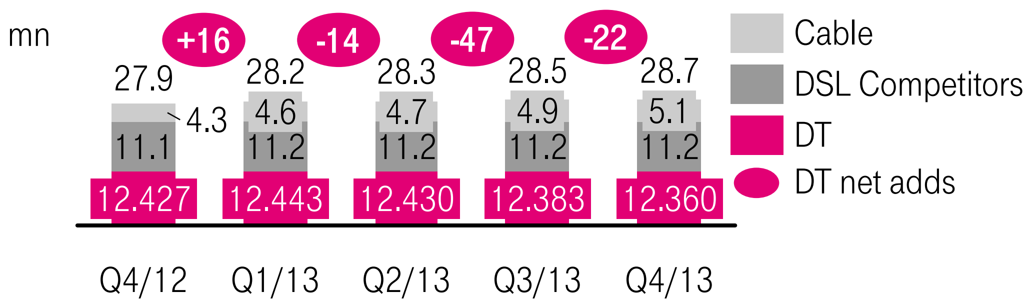
1) Free cash flow before dividend payments, spectrum investment, effects of AT&T transaction, and compensation payments for MetroPCS employees.
2) Before spectrum payments. Q4/13 €1,022 million, Q4/12 €82 million. FY/13 €2,207 million, FY/12 €411 million.

GERMANY: FY ADJ. EBITDA MARGIN AT AROUND 40%

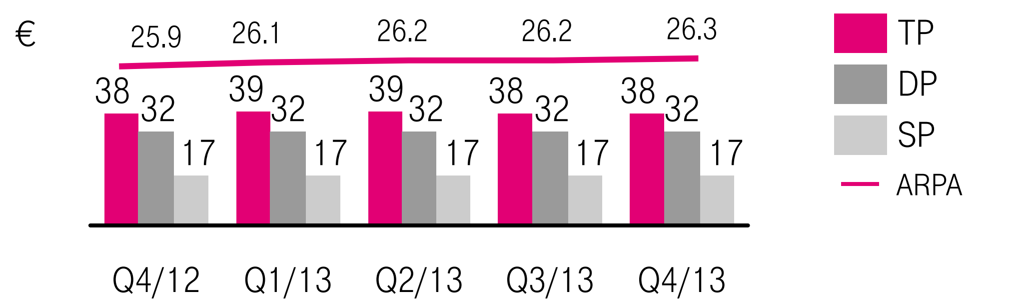


GERMANY: FIXED – INCREASING ARPA, FIBER BASE GROWING, LINE LOSSES DECREASING

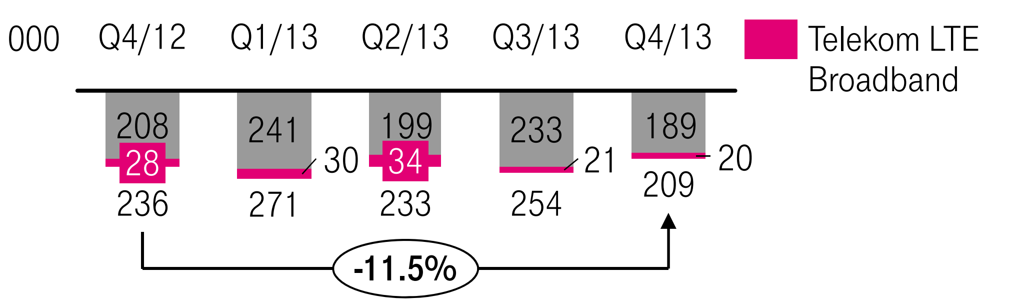
German broadband market[1]



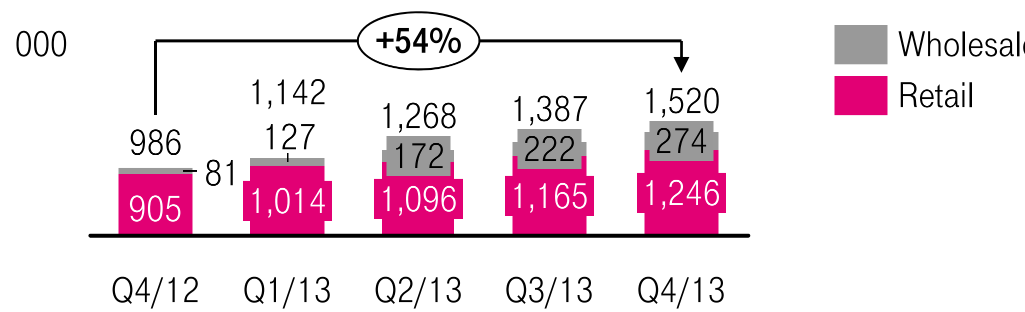
Average revenue per access growing



Line losses: improving trend despite LTE substitution

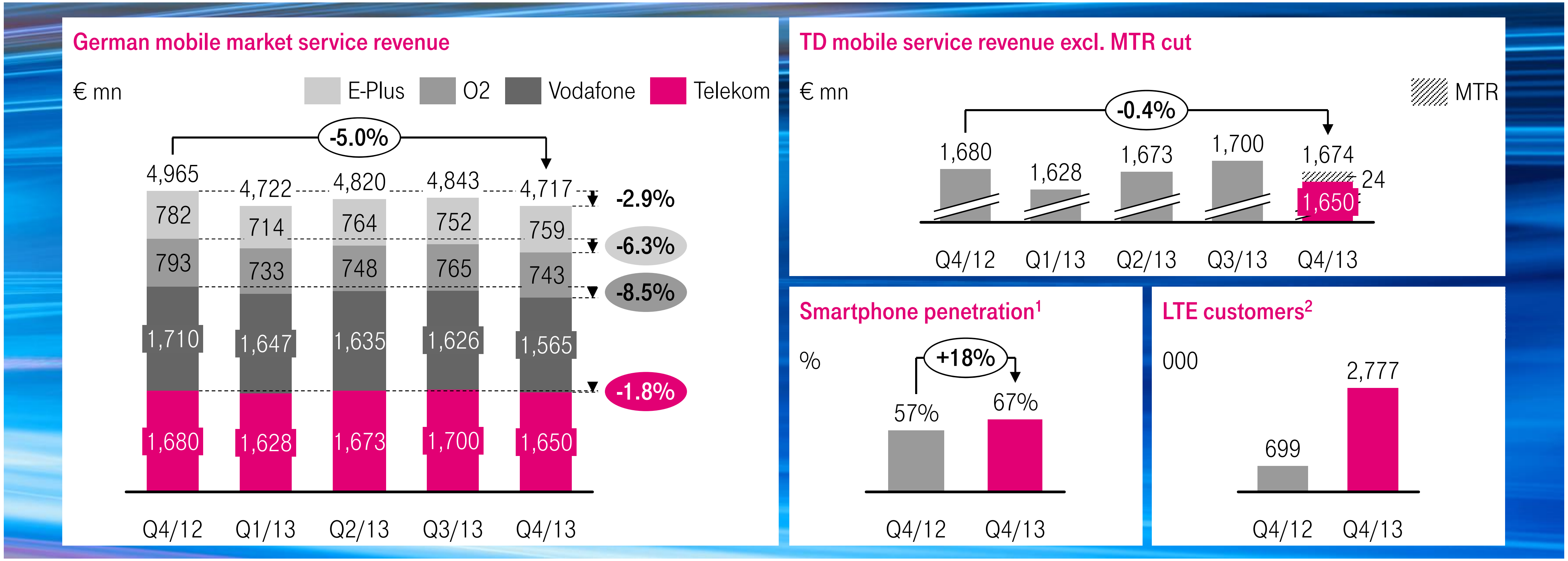


Fiber customers: retail and wholesale



1) Based on management estimates

GERMANY: MOBILE – CONTINUED OUTPERFORMANCE OF COMPETITION

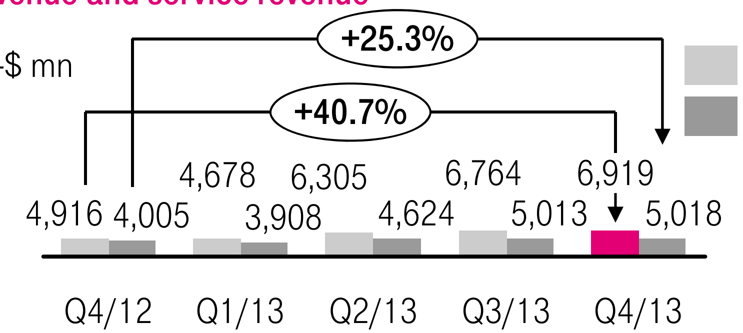


1) Of T-branded consumer contract customers 2) Consumers using an LTE device and tariff plan including LTE

TMUS: Q4 WITH STRONGEST CUSTOMER GROWTH SINCE 2005

Revenue and service revenue

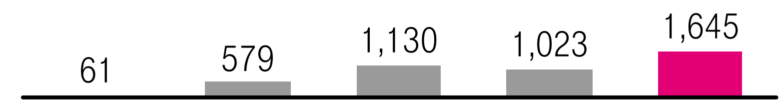
US-$ mn



Net additions

in 000

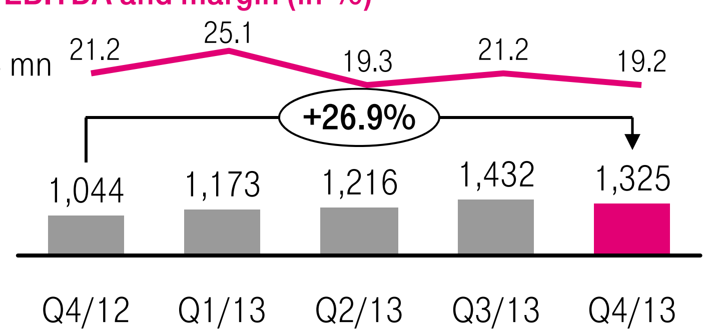
Total net adds



Branded:	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13
▪ Postpaid	-515	-199	688	648	869
▪ Prepay	166	202	-10	24	112
Wholesale[1]	410	576	452	351	664

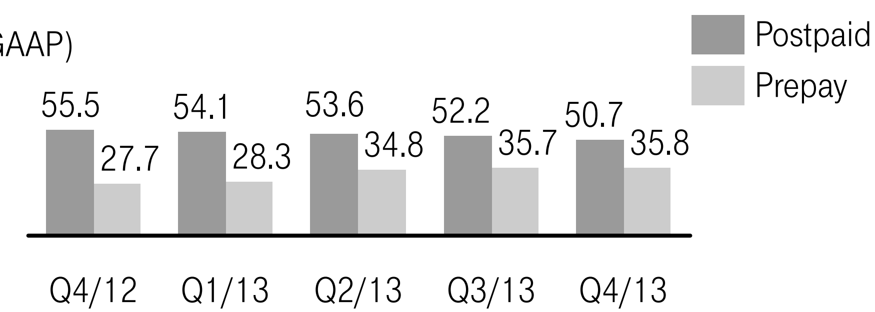
Adj. EBITDA and margin (in %)

US-$ mn



Branded customers: postpaid and prepay ARPU

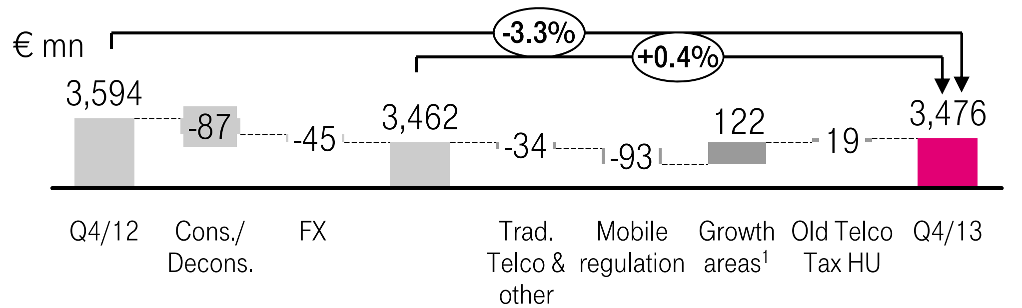
US-$ (US GAAP)



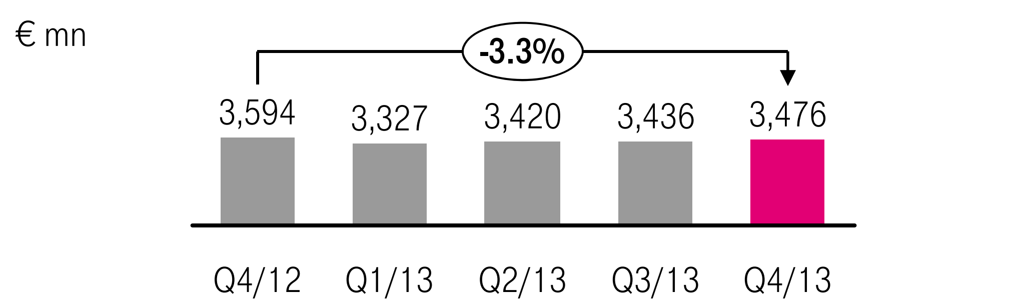
1) Wholesale includes MVNO and machine-to-machine (M2M). Amounts may not add up due to rounding.

EUROPE: ORGANIC REVENUE AND ADJ. EBITDA WITH SLIGHT IMPROVEMENT

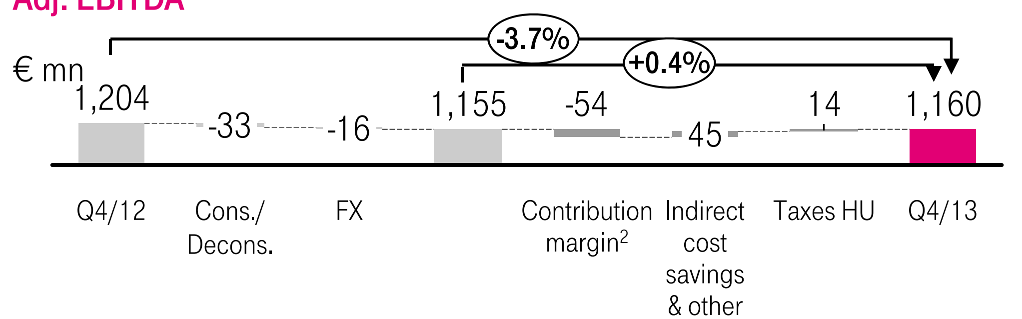
Revenue



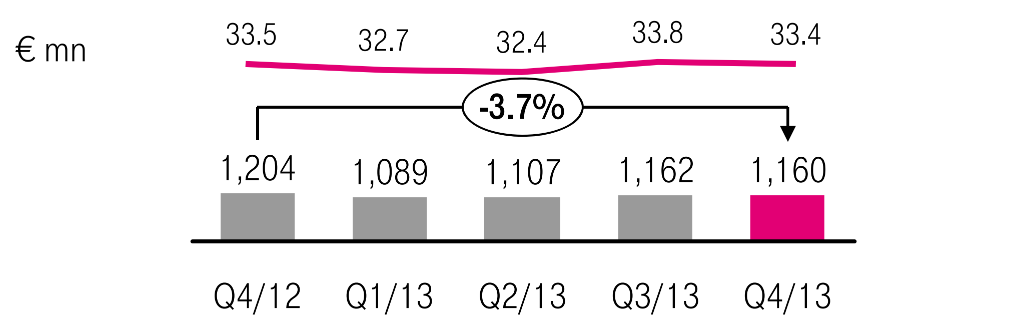
Revenue



Adj. EBITDA



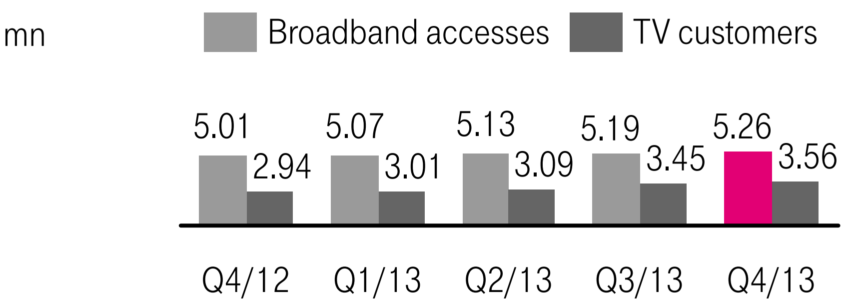
Adj. EBITDA and margin (in %)



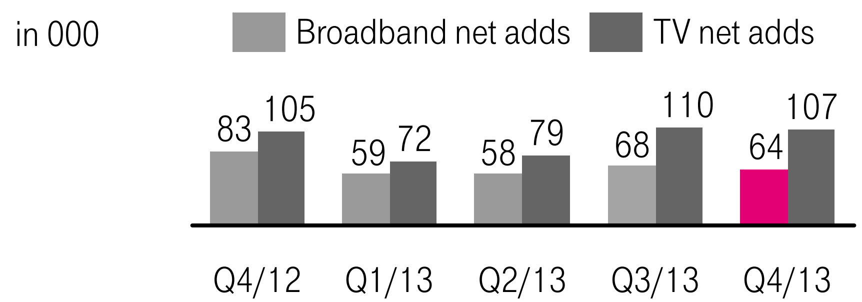
1) Mobile Data, Pay TV & fixed broadband, B2B/ICT, adjacent industries (online consumer services, energy, and other) 2) Total revenues – direct cost

EUROPE: CONTINUED GROWTH IN MOBILE AND FIXED KEY AREAS

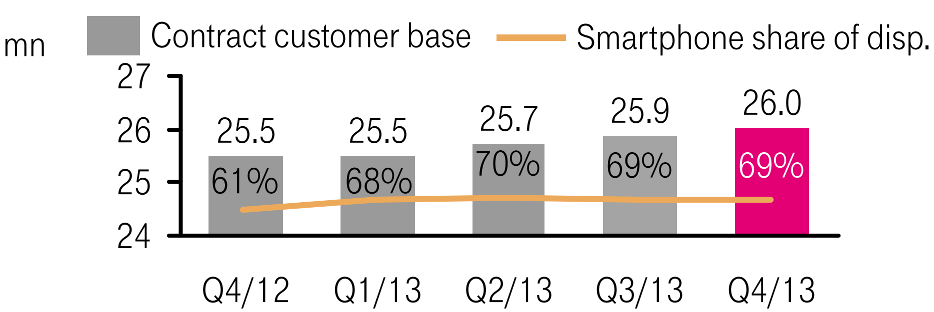
Pockets of growth – broadband and TV[1]



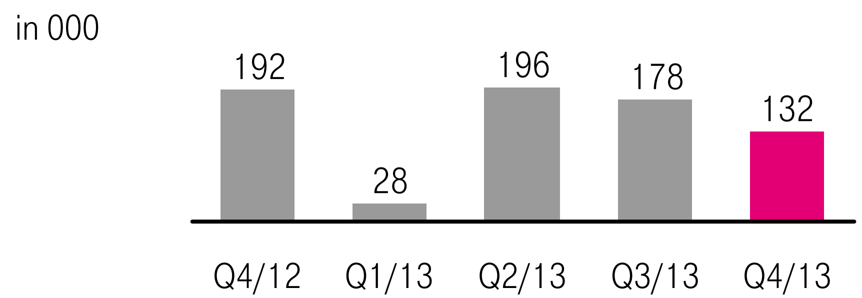
Net adds – broadband and TV[1]



Pockets of growth – mob. contract and smartphones[1]

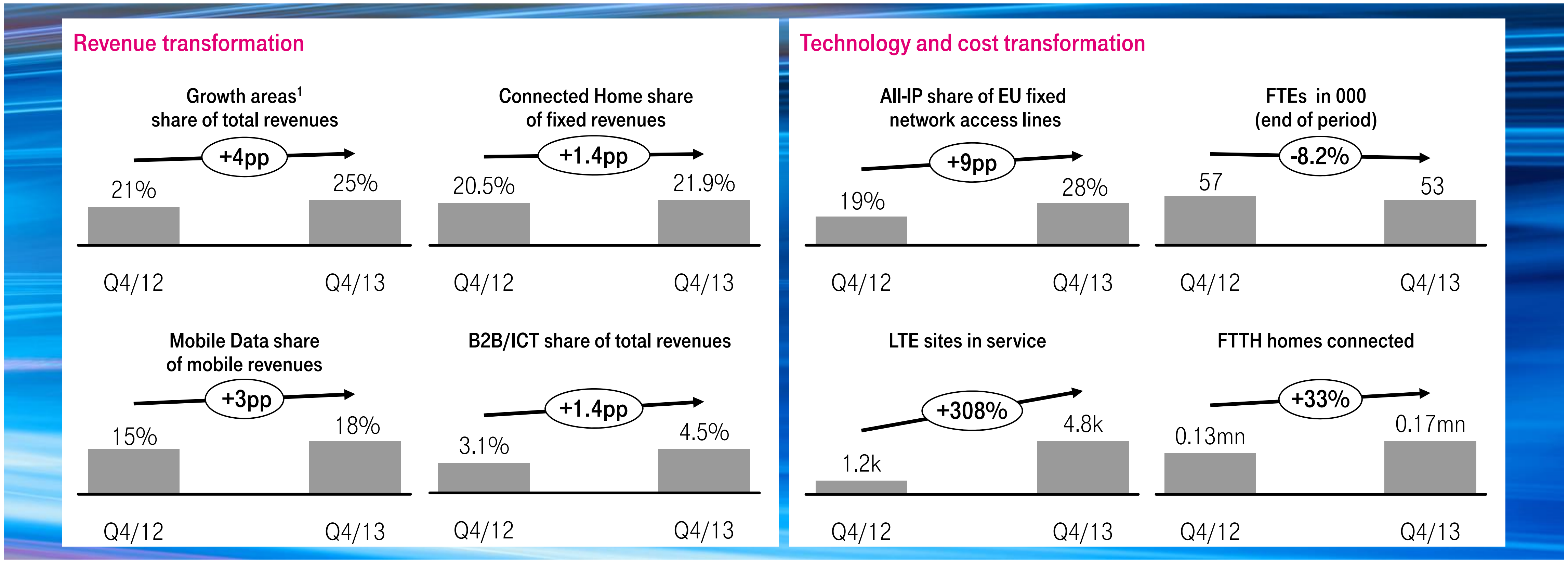


Net adds – mobile contract[1]



1) Incl. business customers shifted to T-Systems in Hungary as of January 1, 2011. Smartphone share w/o SK, RO, MK, AL, CG, and Bulgaria. TV figures include DiGi Slovakia as of September 1, 2013 (not counted as net adds). The customers of our companies in Bulgaria are no longer included in the Europe operating segment since August 1, 2013, following the sale of the shares held in the companies. They have been eliminated from the historical customer figures to improve comparability.

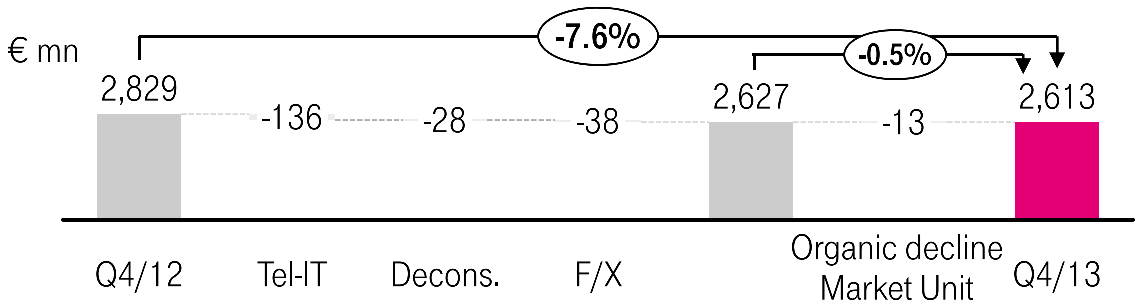
EUROPE: COMMERCIAL AND TECHNOLOGY INITIATIVES DRIVING REVENUE AND COST TRANSFORMATION



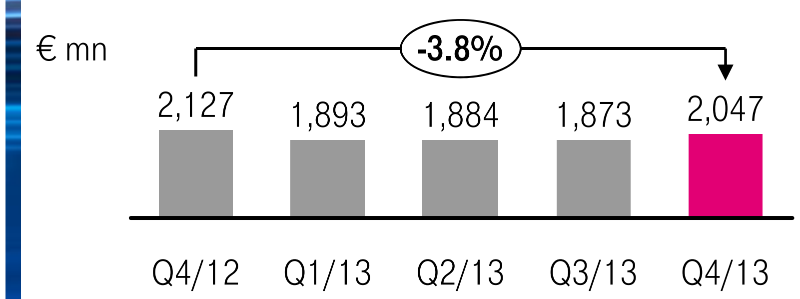
1) Mobile Data, Pay TV & fixed broadband, B2B/ICT, adjacent industries (online consumer services, energy, and other)

SYSTEMS SOLUTIONS: EBIT MARGIN IMPROVED AT MARKET UNIT, TEL-IT DELIVERS ON COST SAVINGS

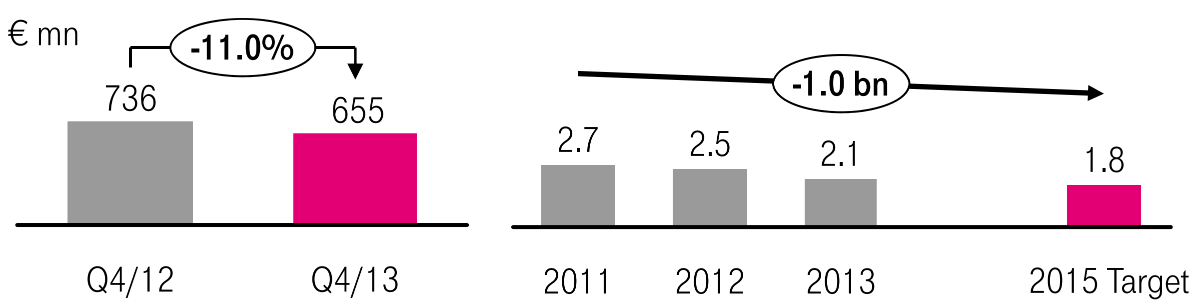
Total revenue



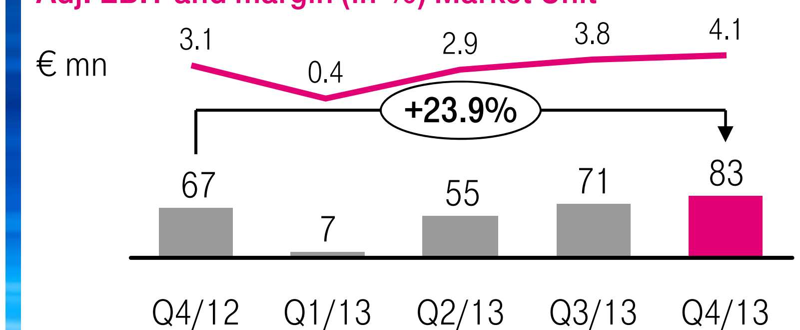
Revenue Market Unit



Tel-IT spend reduction in Q4 and delivery versus target

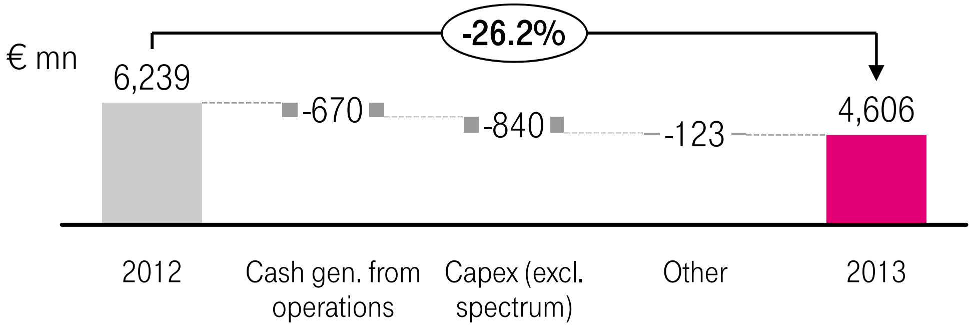


Adj. EBIT and margin (in %) Market Unit

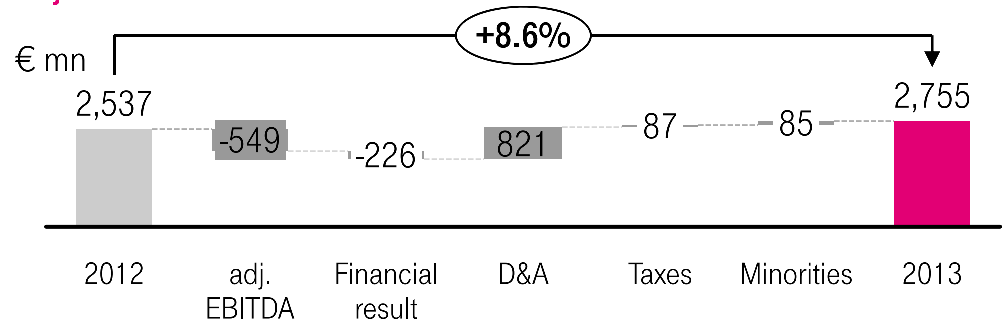


FINANCIALS: 2013 AND Q4 FCF AND ADJ. NET INCOME

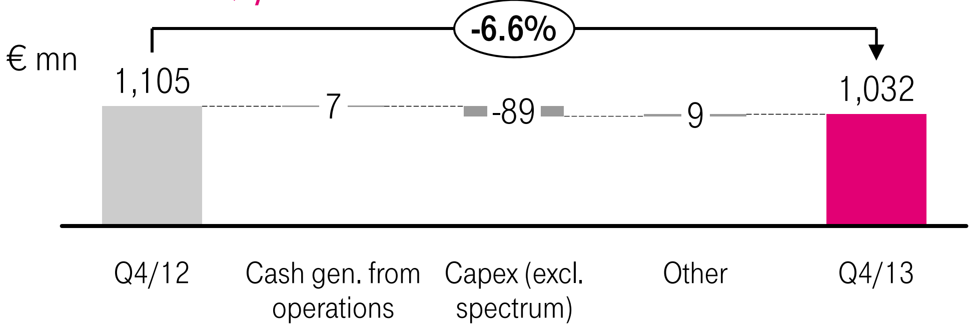
Free cash flow 2013



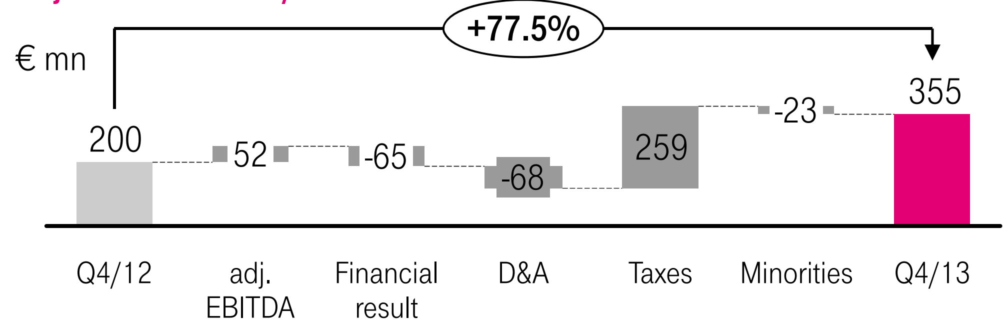
Adj. net income 2013



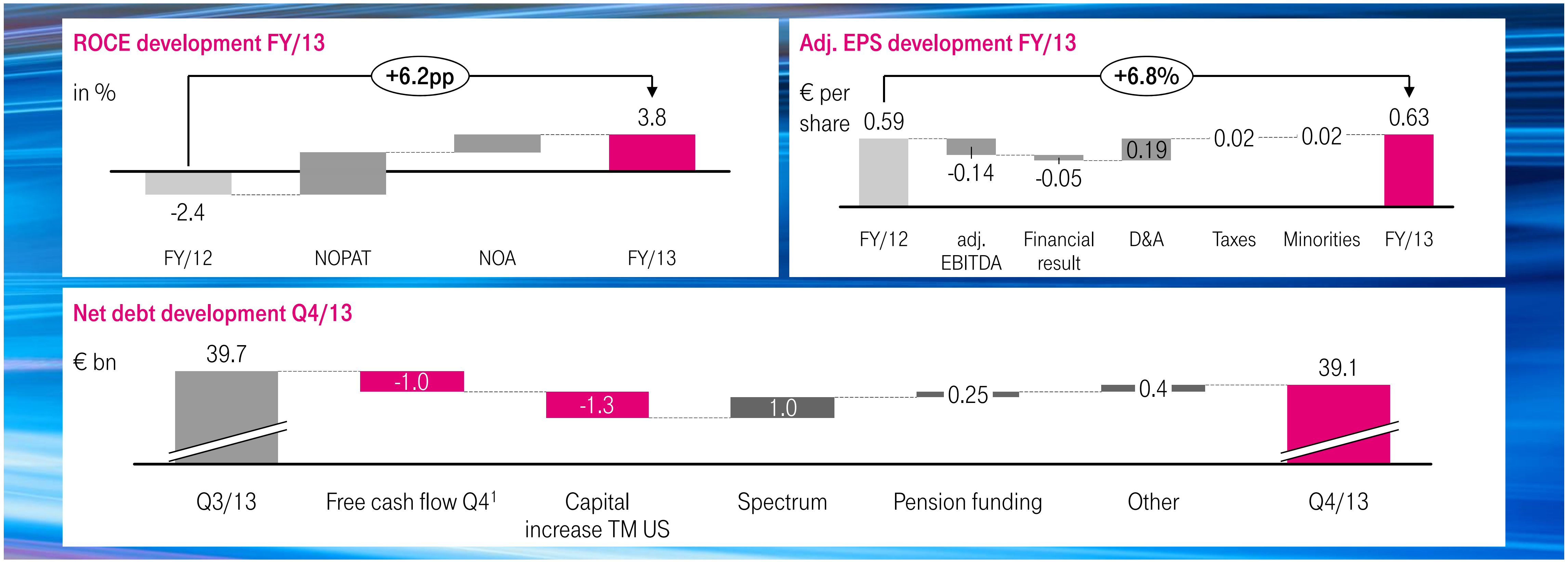
Free cash flow Q4/13



Adj. net income Q4/13



FINANCIALS: IMPROVEMENT IN ROCE AND ADJ. EPS



1) Free cash flow before dividend payments, spectrum investment, effects of AT&T transaction, and compensation payments for MetroPCS employees

FINANCIALS: BALANCE SHEET

€ bn	31/12/2012	31/03/2013	30/06/2013	30/09/2013	31/12/2013
Balance sheet total	107.9	108.8	116.1	115.3	118.1
Shareholders' equity	30.5	31.0	31.3	32.0	32.1
Net debt	36.9	37.1	41.4	39.7	39.1
Net debt/Adj. EBITDA[1]	2.1	2.1	2.4	2.3	2.2
Equity ratio	28.3%	28.5%	26.9%	27.8%	27.1%

Comfort zone ratios	
Rating: A-/BBB	●
2 – 2.5x net debt/Adj. EBITDA	●
25 – 35% equity ratio	●
Liquidity reserve covers redemption of the next 24 months	●

Current rating		
Fitch:	**BBB+**	stable outlook
Moody's:	**Baa1**	stable outlook
S&P:	**BBB+**	stable outlook

1) Ratios for the interim quarters calculated on the basis of previous 4 quarters. Ratio in 2013 negatively influenced by full consolidation of MetroPCS debt, without accounting for Metro's EBITDA in the previous quarters.