DEUTSCHE TELEKOM

Q1/15 RESULTS

LIFE IS FOR SHARING.

DISCLAIMER

This presentation contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These forward-looking statements include statements with regard to the expected development of revenue, earnings, profits from operations, depreciation and amortization, cash flows and personnel-related measures. You should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom's control. Among the factors that might influence our ability to achieve our objectives are the progress of our workforce reduction initiative and other cost-saving measures, and the impact of other significant strategic, labor or business initiatives, including acquisitions, dispositions and business combinations, and our network upgrade and expansion initiatives. In addition, stronger than expected competition, technological change, legal proceedings and regulatory developments, among other factors, may have a material adverse effect on our costs and revenue development. Further, the economic downturn in our markets, and changes in interest and currency exchange rates, may also have an impact on our business development and the availability of financing on favorable conditions. Changes to our expectations concerning future cash flows may lead to impairment write downs of assets carried at historical cost, which may materially affect our results at the group and operating segment levels. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, our actual performance may materially differ from the performance expressed or implied by forward-looking statements. We can offer no assurance that our estimates or expectations will be achieved. Without prejudice to existing obligations under capital market law, we do not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

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 Q1/15

LEADING EUROPEAN TELCO: GOOD START INTO THE YEAR

Q1/15 FINANCIAL HIGHLIGHTS GROUP

- Group revenue growth of 13% to €16.8 billion, organic growth of 4.7%
- Adj. EBITDA growth of 11% to €4.6 billion , organic growth of 5.6%[1]
- FCF of €0.9 billion in line with FY guidance
- Adj. net profit grows 77% to €1 billion[1]
- Group guidance FY 2015 confirmed[2]

Q1/15 HIGHLIGHTS

Germany

- Strong revenue trends (+1.9%) driven by mobile service revenues (+2.8%) and equipment sales. Adj. EBITDA margin stable at 40% level
- Strong customer KPIs:, 76k broadband net adds, TV net adds 74k, Fiber net adds (incl. wholesale) more than doubled to 463k. Magenta EINS converged product with 400k additions, line losses reduced by 39%

US

- US$ revenue grows 11.7%, service revenue grows 9.1% and adj. EBITDA 18.4%.
- 1.8 million customers added. Net add forecast for full year raised while maintaining adj. EBITDA guidance

Europe

- Improved revenue and adj. EBITDA trends: Revenue -0.6% to €3.1 billion. Adj. EBITDA -1.9% to €1 billion

1) Adj. EBITDA and net profit include €175 million other operating income from a settlement. Net profit also supported by re-classification of EE JV as held for sale 2) Guidance excludes €175 million other operating income from a settlement

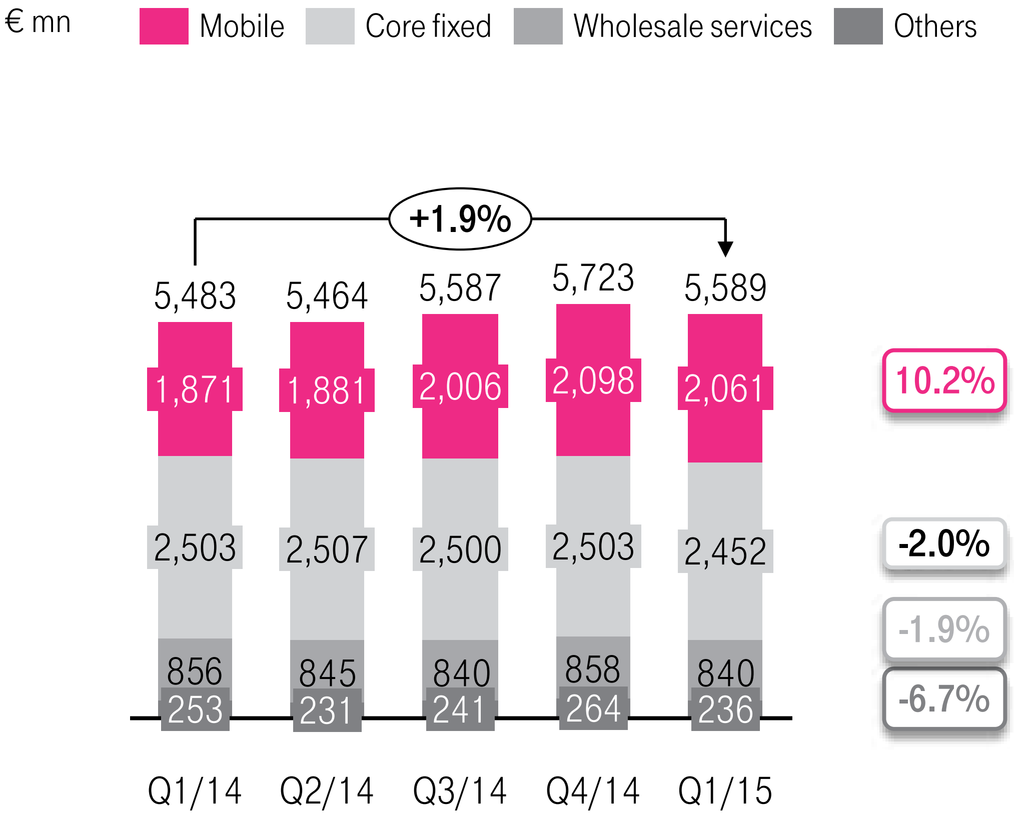
Q1/15: KEY FIGURES

€ MN	Q1 2014	Q1 2015	Change
REVENUE	14,894	16,842	13.1%
ADJ. EBITDA	4,121	4,574	11.0%
ADJ. NET PROFIT[2]	587	1,036	76.5%
NET PROFIT[2]	1,817	787	-56.7%
ADJ. EPS (IN €)	0.13	0.23	76.9%
EPS (IN €)	0.41	0.17	-58.5%
FREE CASH FLOW[3]	983	865	-12.0%
CASH CAPEX[4]	2,065	2,530	22.5%
NET DEBT (IN € BN)	38.0	46.3	22.0%

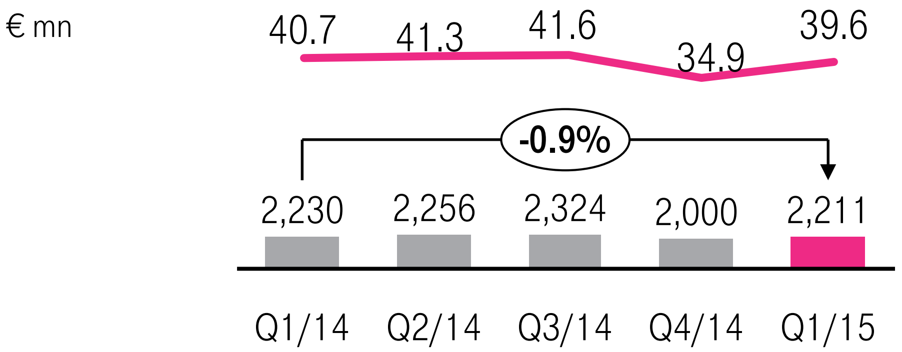
1) Adj. EBITDA in Q1/15 includes €175 million other operating income in GHS from a settlement 2) Net profit and adj. net profit include €175 million other operating income from a settlement. Net profit and adj. net profit also supported by re-classification of EE JV as held for sale 3) Free cash flow before dividend payments and spectrum investment 4) Before spectrum payments. Q1/14: €132 million; Q1/15: €1,899 million

GERMANY: GOOD MOMENTUM IN MOBILE DRIVES REVENUE GROWTH

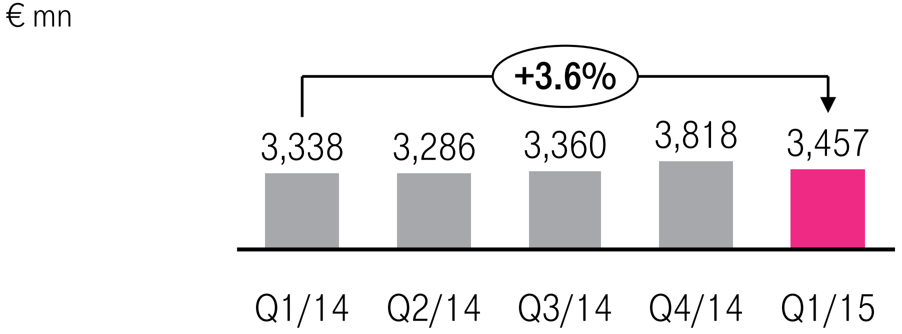
REVENUE[1]



ADJ. EBITDA AND MARGIN (IN %)



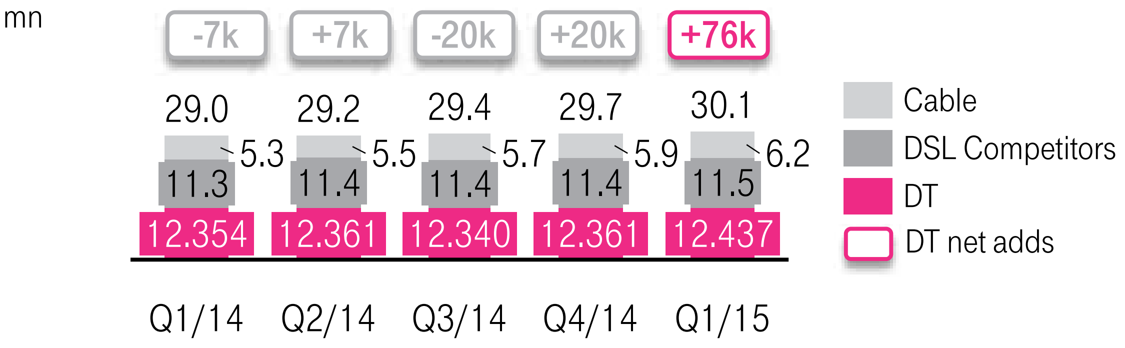
ADJ. OPEX



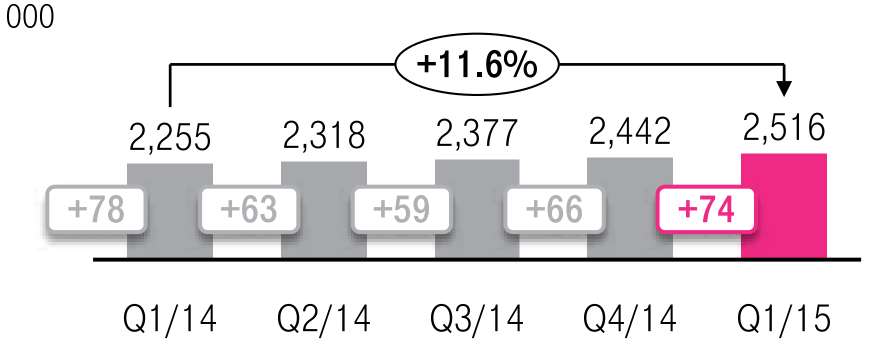
1) Online consumer service revenues in "others" have been allocated to revenues from core fixed since Jan. 1st 2015. Prior year figures have been adjusted accordingly.

GERMANY FIXED: STRONG UPTAKE IN BROADBAND. FIBER NET-ADDS DOUBLED

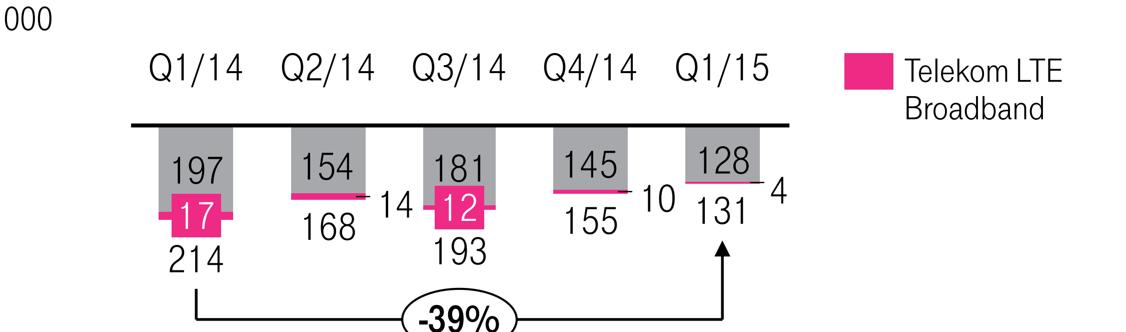
GERMAN BROADBAND MARKET[1]



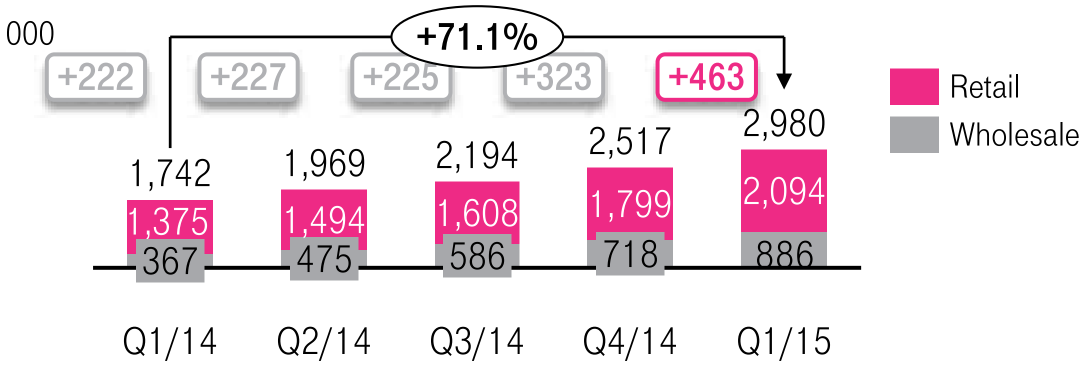
ENTERTAIN CUSTOMERS



LINE LOSSES



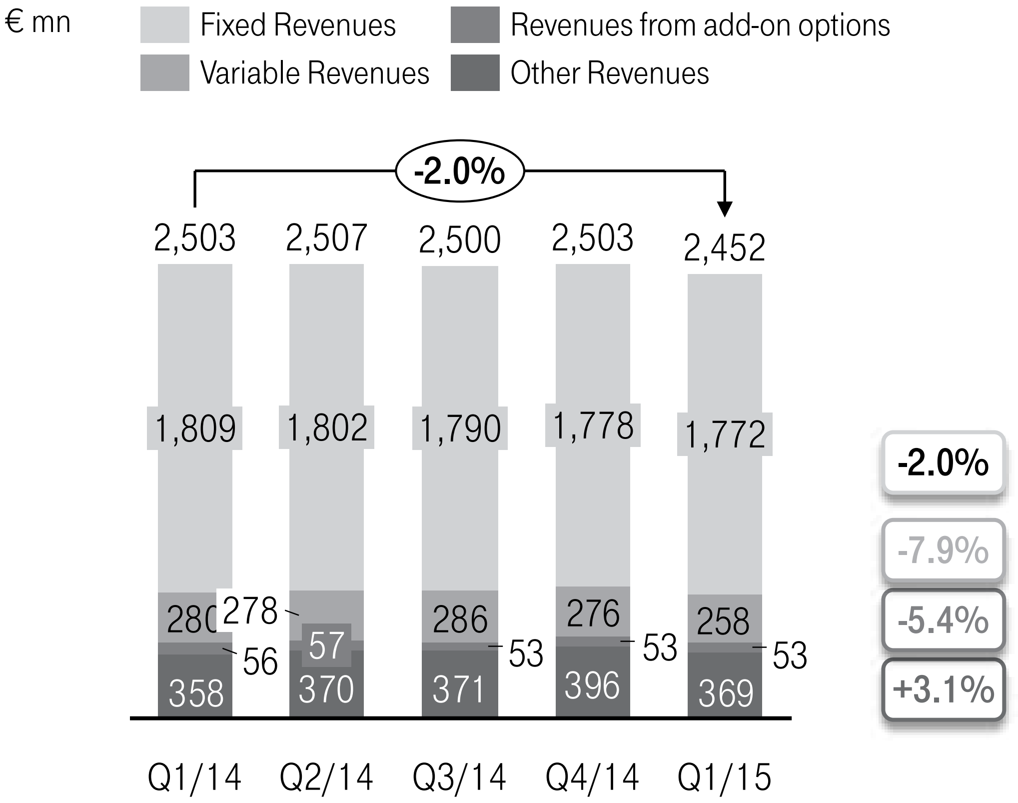
FIBER CUSTOMERS[2]



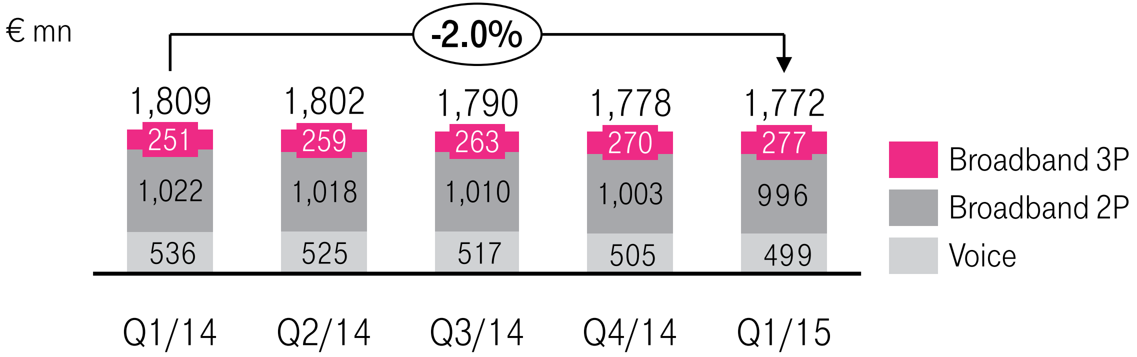
1) Based on management estimates 2) Sum of all FTTx accesses (e.g. FTTC/VDSL, Vectoring and FTTH)

GERMANY FIXED: UPSELLING AND FIBER IMPROVE REVENUE TRENDS

FIXED NETWORK REVENUES (CORE FIXED)[1]

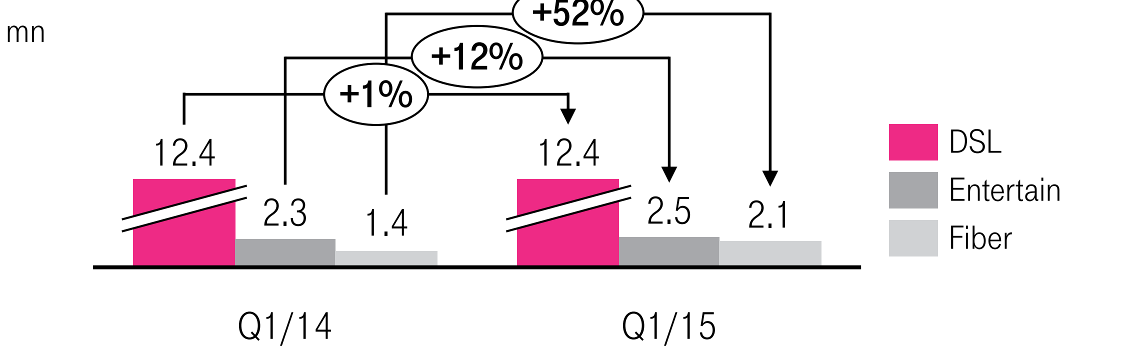


FIXED REVENUES (FIXED LINE)[2]



RETAIL UPSELL STRATEGY ACCESS

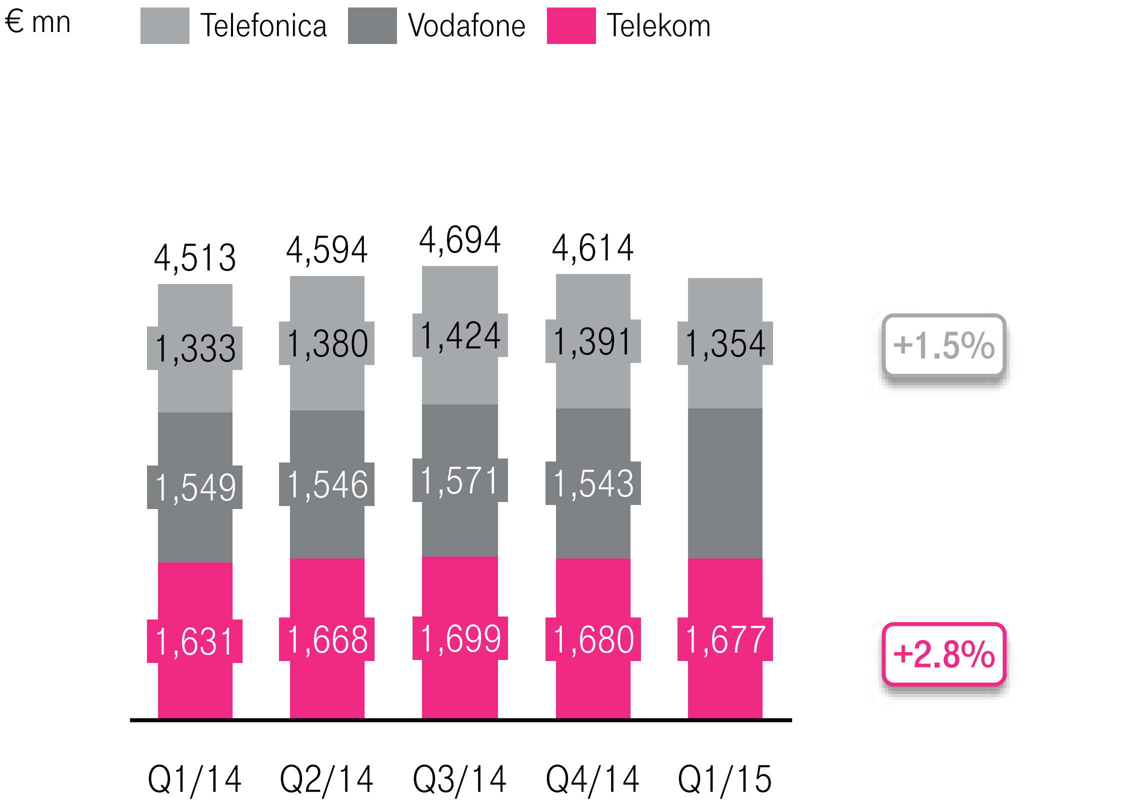
% calculated on exact numbers



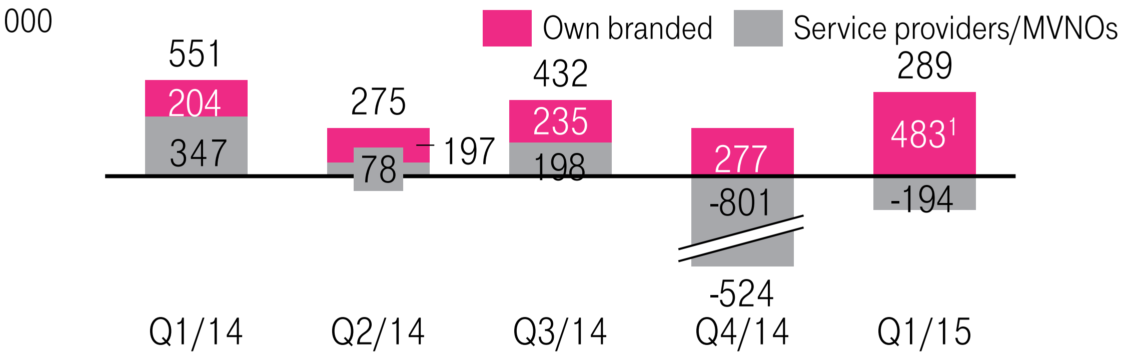
1) Online consumer service revenues have been allocated to revenues from add-on options since Jan. 1st 2015. Prior year figures have been adjusted accordingly.
2) Revenues from supplement accesses have been allocated from broadband double play revenues to voice revenues since Jan. 1st 2015. Prior year figures have been adjusted accordingly.

GERMANY MOBILE: GERMAN MOBILE MARKET GROWING. DT WITH FOCUS ON QUALITY

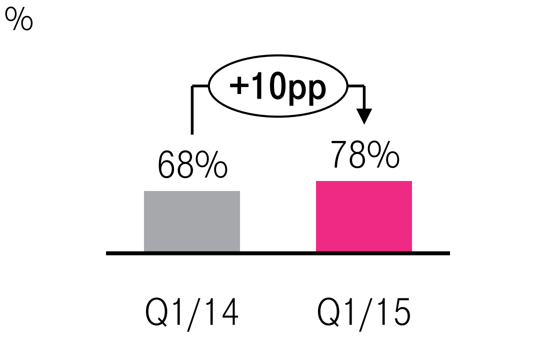
GERMAN MOBILE MARKET SERVICE REVENUE



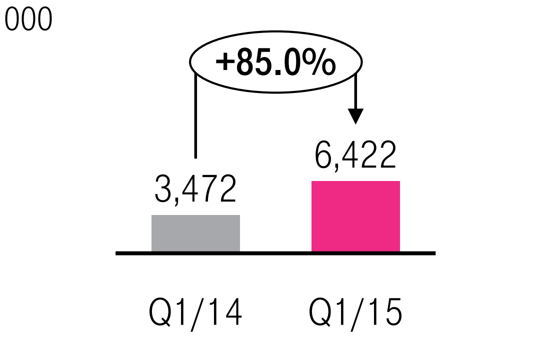
CONTRACT NET ADDS



SMARTPHONE PENETRATION[2]



LTE CUSTOMERS[3]

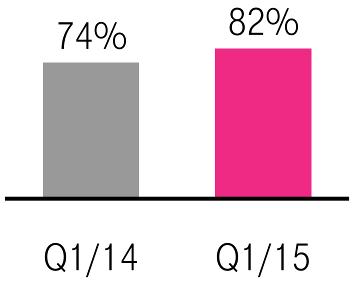


1) Q1/15 Impacted by reclassification of net 288k 2) Of own branded retail customers 3) Customers using a LTE-device and tariff plan including LTE

GERMANY: GROWTH IN CAPEX FROM 0.7 TO 0.9 BILLION € ACCELERATES HIGH SPEED INFRASTRUCTURE ROLL-OUT AND IP-MIGRATION

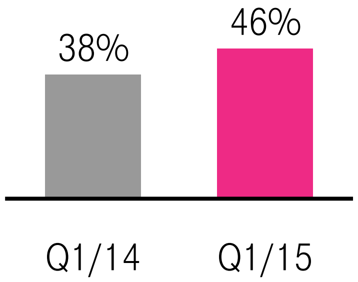
INS– STATUS LTE ROLLOUT

POP
Coverage in %[1]



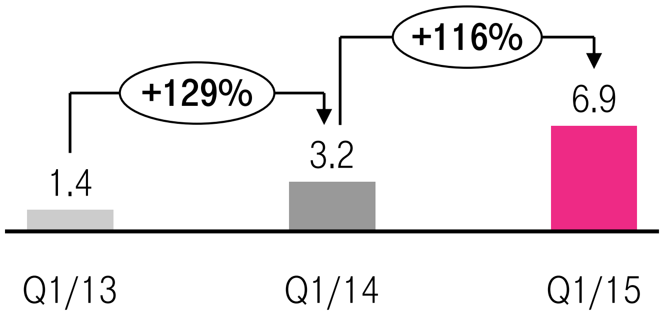
INS– STATUS FIBER ROLLOUT[2]

Household
coverage in %



STATUS IP ACCESSES (RETAIL & WHOLESALE)

mn



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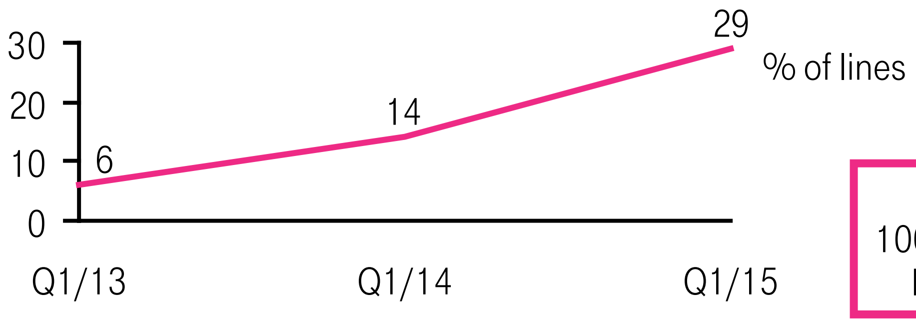


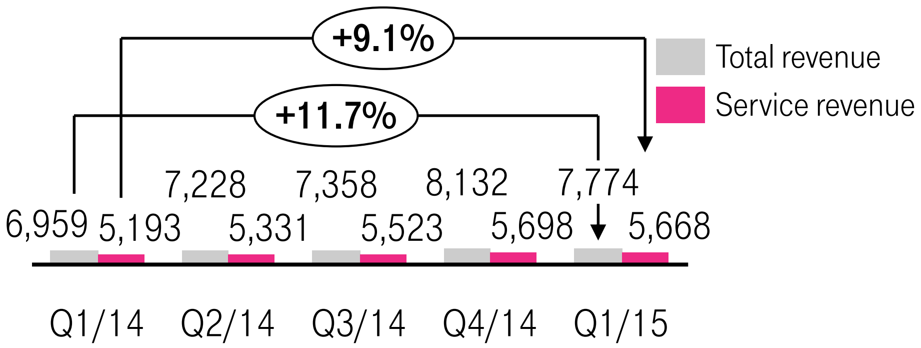
Target:
100% of lines
by 2018!

1) outdoor coverage 2) in % of households within fixed network coverage in Germany

TMUS: CONTINUED SUBSCRIBER MOMENTUM. INDUSTRY LEADING GROWTH IN REVENUE AND ADJ. EBITDA. NET ADD FORECAST RAISED

REVENUE AND SERVICE REVENUE

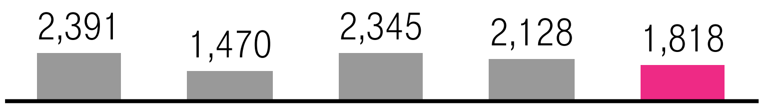
US-$ mn



NET ADDS

in 000

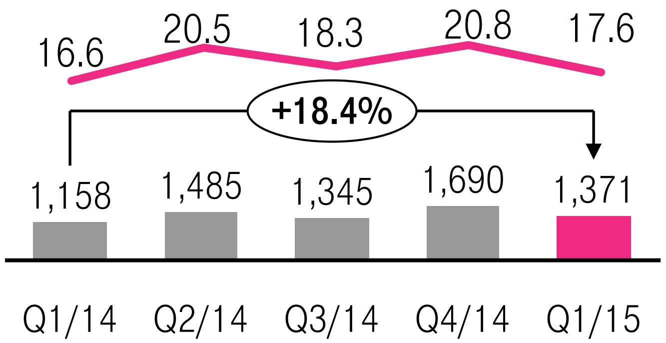
Total net adds



Branded:	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15
▪ Postpaid	1,323	908	1,379	1,276	1,125
▪ Prepay	465	102	411	266	73
Wholesale[1]	603	460	555	586	620

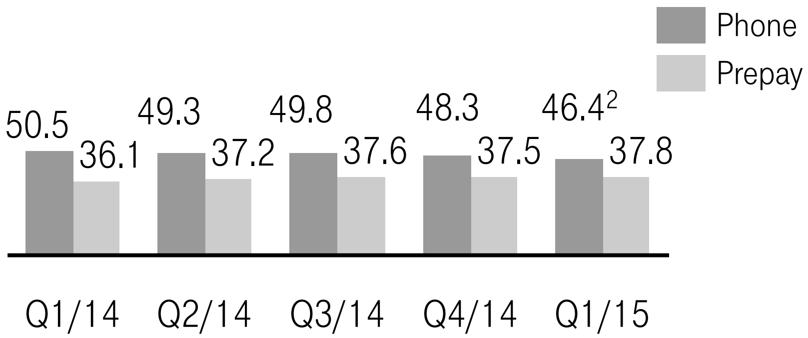
ADJ. EBITDA AND MARGIN (IN %)

US-$ mn



BRANDED CUSTOMERS: POSTPAID PHONE AND PREPAY ARPU

US-$ (US GAAP)

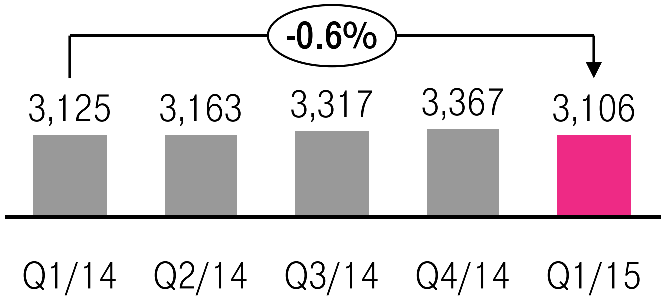


1) Wholesale includes MVNO and machine-to-machine (M2M). Amounts may not add up due to rounding. 2) Excl. data stash effect postpaid phone ARPU was US$ 47.7

EUROPE: STEADY IMPROVEMENT IN ORGANIC REVENUE TRENDS

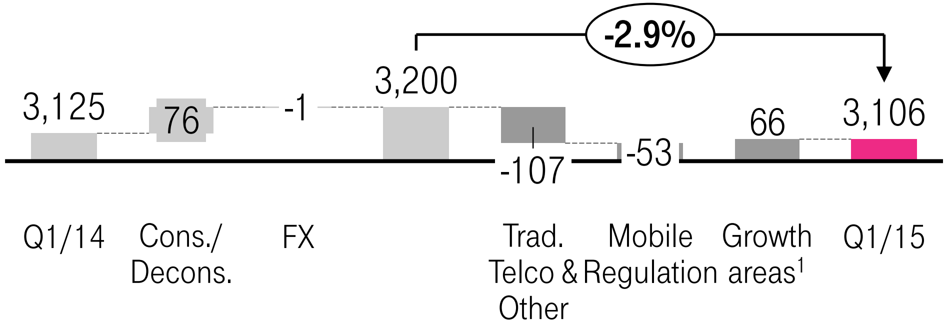
REVENUE AS REPORTED

€ mn



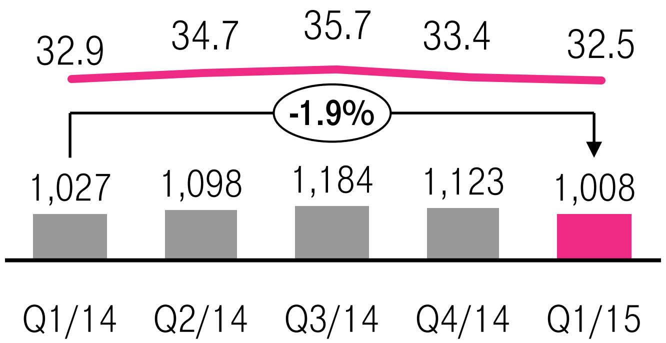
ORGANIC REVENUE DEVELOPMENT

€ mn



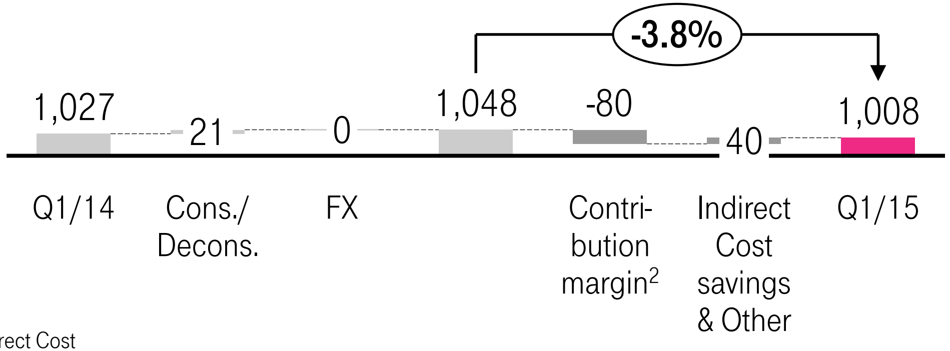
ADJ. EBITDA AND MARGIN (IN %) AS REPORTED

€ mn



ORGANIC ADJ. EBITDA DEVELOPMENT

€ mn

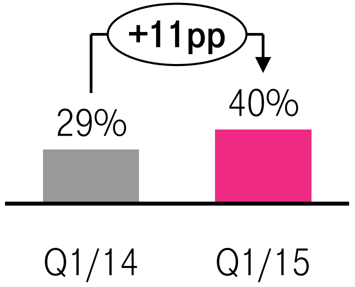


1) Mobile Data, Pay TV & fixed broadband, B2B/ICT, adjacent industries (online consumer services, energy and other) 2) Total Revenues – Direct Cost

EUROPE: FOCUS ON TECHNOLOGY LEADERSHIP AND BEST CUSTOMER EXPERIENCE

IP MIGRATION

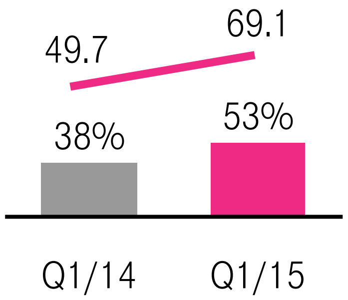
IP share of fixed network access lines



LTE ROLLOUT

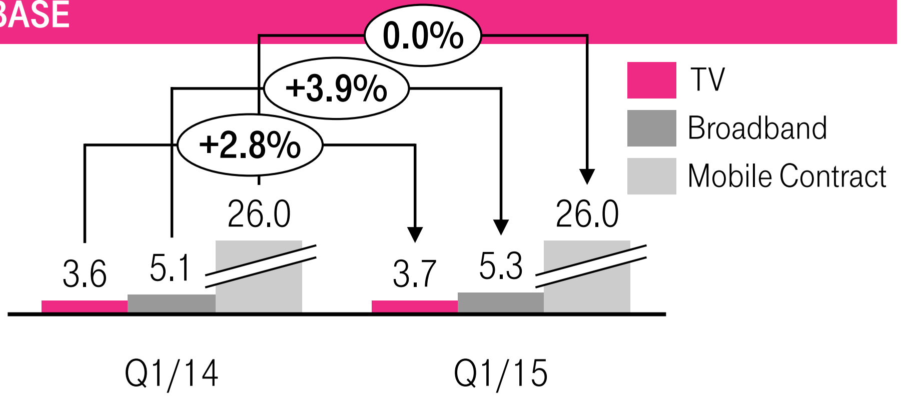
LTE outdoor pop coverage

in mn and %



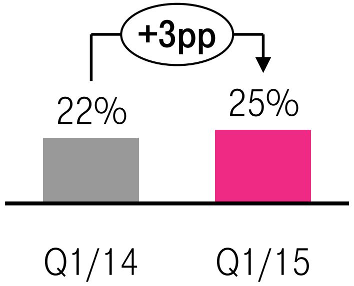
CUSTOMER BASE

mn



CONNECTED HOME

Connected Home share of Fixed Revenues

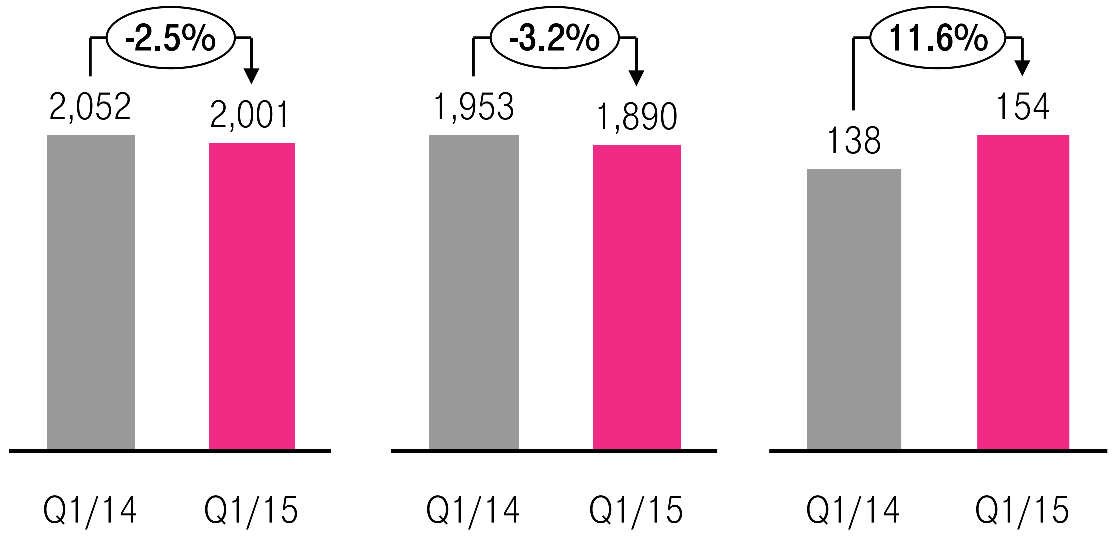


SYSTEMS SOLUTIONS: MARKET UNIT WITH IMPROVED PERFORMANCE

T-SYSTEMS FINANCIALS

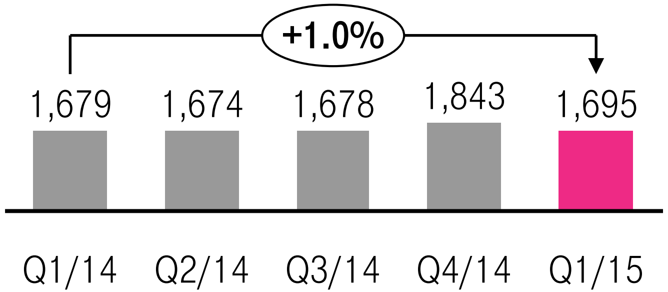
€ mn

TOTAL REVENUE	ADJ. OPEX	ADJ. EBITDA



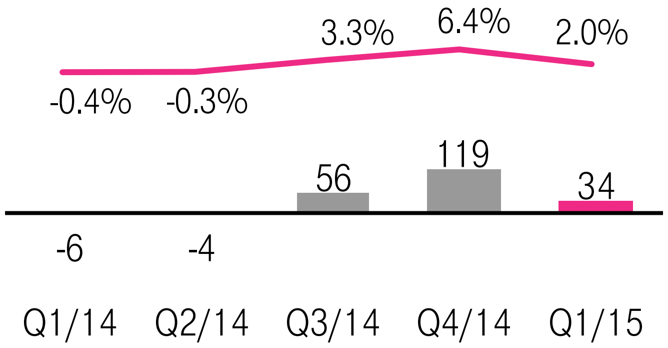
REVENUE MARKET UNIT

€ mn



ADJ. EBIT AND MARGIN MARKET UNIT

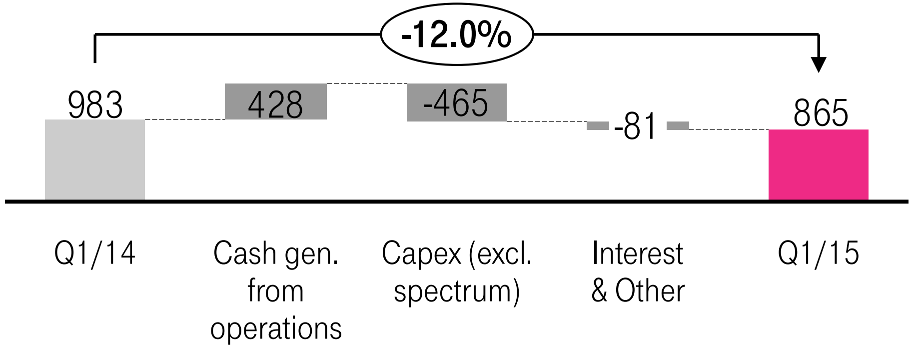
%
€ mn



FINANCIALS: FCF IN LINE WITH FULL YEAR EXPECTATIONS

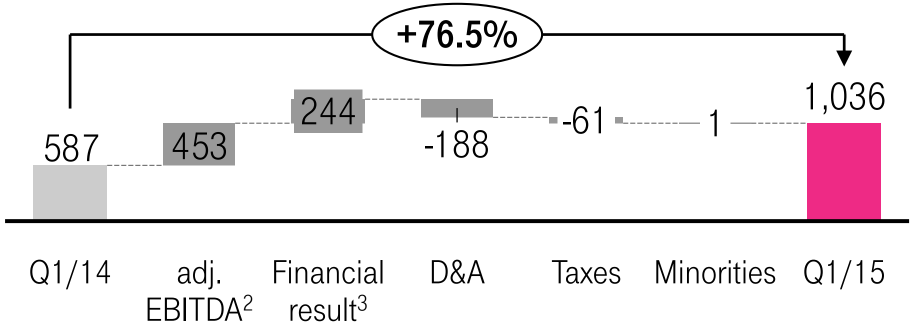
FREE CASH FLOW Q1/15[1]

€ mn



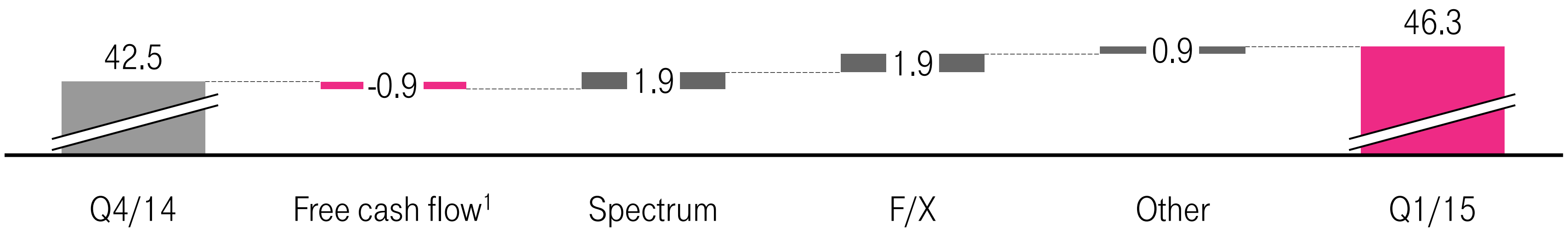
ADJ. NET INCOME Q1/15

€ mn



NET DEBT DEVELOPMENT Q1/15

€ bn



1) Free cash flow before dividend payments, spectrum investment 2) Adj. EBITDA includes €175 million other operating income from a settlement. 3) Financial result supported by re-classification of EE JV as held for sale

FINANCIALS: BALANCE SHEET RATIOS

€ BN	31/03/2014	30/06/2014	30/09/2014	31/12/2014	31/03/2015
BALANCE SHEET TOTAL	117.3	118.0	125.0	129.4	137.5
SHAREHOLDERS' EQUITY	32.8	32.5	34.0	34.1	37.0
NET DEBT	38.0	41.4	41.8	42.5	46.3
NET DEBT/ADJ. EBITDA[1]	2.2	2.4	2.4	2.4	2.6
EQUITY RATIO	27.9%	27.5%	27.2%	26.3%	26.9%

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.

KEY MESSAGE Q1: EXECUTING ALONG OUR STRATEGY

1. Leading European Telco:
   Integrated market leader with superior margins and returns.

2. We strengthen our differentiation by best customer experience and by continuously investing into leading access networks and our transformation programs.

3. We are transforming towards a lean and highly agile IP production.

4. We are self-funding DT's transformation by disciplined cost management.

5. We will grow in all relevant financial KPI's (ROCE, Revenue, EBITDA, FCF).

6. Our shareholders will participate with growth of dividends following FCF growth and our prudent debt policy remains unchanged.

FURTHER QUESTIONS
PLEASE CONTACT THE IR DEPARTMENT

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