



## Deutsche Telekom AG, Bonn

– ISIN DE0005557508 –

– Securities identification code 555 750 –

### Disclosure pursuant to Article 4 (2) of Commission Regulation (EC) No. 2273/2003

#### **Board of Management of Deutsche Telekom AG resolves share buy-back for the purpose of reducing the capital stock through the cancellation of treasury shares**

The Board of Management of Deutsche Telekom AG, Bonn, ISIN DE0005557508, resolved on July 27, 2010 to purchase shares of Deutsche Telekom AG on the stock exchange up to a purchase price of EUR 400 million (excluding transaction costs) for the purpose of reducing the capital stock through the cancellation of treasury shares at the conditions listed below. Based on the closing price of the shares in Xetra trading of EUR 10.255 on July 26, 2010, that equates to around 39 million shares, representing approximately 0.9 percent of Deutsche Telekom AG's capital stock. Deutsche Telekom AG is thus exercising the authorization granted by the shareholders' meeting on May 3, 2010 to buy back treasury shares until November 2, 2011 and to cancel the purchased shares. In any event, i.e., even if the whole amount of the purchase price of up to EUR 400 million is not used, the share buy-back is limited to a maximum of 10 percent of Deutsche Telekom AG's capital stock, corresponding to EUR 1,116,497,918.20 and, with the current denomination, a maximum of 436,131,999 shares.

In accordance with the Board of Management resolution on July 27, 2010, the share buy-back will begin on August 10, 2010 (earliest possible acquisition date) and be completed on December 31, 2010 (latest possible acquisition date).

The purpose of the share buy-back is to reduce Deutsche Telekom AG's capital stock, which will be achieved through the cancellation of the repurchased shares on the basis of the authorization by the shareholders' meeting on May 3, 2010 without a further resolution by the shareholders' meeting being required for the cancellation. The economic objective is to reduce Deutsche Telekom AG's balance sheet and improve financial KPIs such as earnings per share.

The share buy-back will be carried out in compliance with the safe harbor provisions of § 14 (2) and §20a (3) of the German Securities Trading Act (*Wertpapierhandelsgesetz – WpHG*) in conjunction with Commission Regulation (EC) No. 2273/2003 of December 22, 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programs and stabilization of financial instruments (hereinafter referred to as the "EC Regulation"). The share buy-back will be managed by a

financial institution that will decide on the timing of the purchase of treasury shares at its own discretion, independently of and without influence by Deutsche Telekom AG. Deutsche Telekom's right to terminate the financial institution's mandate ahead of time and to block further share buy-backs in accordance with the applicable legal provisions remains unaffected.

The financial institution has pledged to Deutsche Telekom AG in particular that when purchasing shares of Deutsche Telekom AG it will comply with the specifications of the authorization granted by the shareholders' meeting on May 3, 2010 as well as the conditions for trading set out in Article 5 (1) and (2) of the EC Regulation.

The shares will be exclusively repurchased on the stock exchange via the Xetra trading platform of Deutsche Börse AG (Frankfurt Stock Exchange). In accordance with the authorization granted by the shareholders' meeting on May 3, 2010, the consideration (excluding transaction costs) for the buy-back of treasury shares on the stock exchange may not exceed by 5 percent or fall more than 5 percent below the market price of the share determined by the opening auction of Deutsche Börse AG on the respective trading day in Xetra trading. The maximum purchase price to be paid thus amounts to 105% of the above-mentioned market price.

Furthermore, in accordance with the EC Regulation, the shares will not be purchased at a price higher than the higher of the price of the last independent trade and the last highest current independent bid on the trading venues where the purchase is carried out.

In compliance with the EC Regulation, Deutsche Telekom AG will not purchase more than 25 percent of the average daily volume of the shares in any one day on the stock exchange on which the purchase is carried out. The average daily volume figure is based on the average daily volume traded in the 20 trading days preceding the date of purchase.

Deutsche Telekom AG will regularly report on the transactions conducted in accordance with § 14 (2) and § 20a (3) WpHG in conjunction with Article 4 (3) and (4) of the EC Regulation in conjunction with Article 20 (1) of Council Directive 93/22/EEC of May 10, 1993 on investment services in the securities field on its Web site (<http://www.telekom.com>) and make published information available free of charge at company headquarters (Deutsche Telekom AG, Investor Relations, Friedrich-Ebert-Allee 140, 53113 Bonn, Germany; Tel.: +49 (0)228 181 -88880; Fax: +49 (0) 228 181-88339; E-mail: [investor.relations@telekom.de](mailto:investor.relations@telekom.de)).