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ABOUT THE HR FACTBOOK 2014

We have produced this HR Factbook 2014 because we want to give our customers, investors and employees, as well as society at large, a comprehensive insight into our most important performance indicators in Human Resources.

The report includes a wealth of information on our workforce, such as details of where it is based, its age structure and the proportion of women in management positions. As an introduction we have summarized a selection of the data featured in the HR Factbook 2014 in three infographics, the first of which depicts an average Deutsche Telekom employee. An overview of the most significant data pertaining to the Group is also given. We would like to give you a short introduction to the reporting period and the way the figures are put together.

Unless otherwise specified, the report covers the period from January 1, 2014 to December 31, 2014 and is correct as of December 31, 2014. All figures are based on more precise data. Since some values are rounded, totals may differ. The figures are often divided into the categories „Germany,“ „International“ and „Group.“ Germany here represents employees based in Germany (irrespective of segment). International refers to all employees based at locations outside of Germany and Group refers to all employees.

Some data are grouped by segment. Our Group is broken down into four operating segments: Germany, United States, Europe and Systems Solutions. Group Headquarters & Group Services comprises all Group units that are not directly assigned to one of the operating segments.
INTRODUCING: A TYPICAL DEUTSCHE TELEKOM EMPLOYEEE

Male

Works in Germany

40.6 years old

Generates 275,000 euros of revenue
DEUTSCHE TELEKOM AT A GLANCE: GERMANY

Employees

115 K

Proportion of civil servants

Civil servants (30 %)
Non-civil servants (70 %)

Age structure

16 – 25: 5%
26 – 35: 14%
36 – 45: 22%
46 – 55: 45%
56 – 65: 13%

Health rate

94.4 %

Average number of training days per employee

4.0

Employee satisfaction

71 %

Apprentices and students:
Proportion of women

61 %

Junior staff employed

71 %

Recruitment

External recruitment
53 %

Junior staff
47 %

Employees with disabilities

7 %

Savings made by employees’ ideas

106.6 million
TELEKOM AT A GLANCE: GROUP (TOTAL)

Employees

115 K + 113 K = 228 K

Revenue per employee

€ 222,000
€ 329,000
€ 275,000

Group revenue

€ 62.7 billion

Personnel costs, adjusted

€ 13.8 billion

Total workforce costs

€ 15.4 billion

Total workforce quota

35.9 %
16.6 %
24.6 %

Satisfaction among all employees

21 % 8 % 19 % 8 % 20 % 8 %
71 % + 73 % + 72 % +
Germany International Group (total)

Satisfaction among all managers

11 % 3 % 14 % 4 % 13 % 3 %
86 % + 82 % + 84 % +
Germany International Group (total)

Fluctuation rate (natural turnover)

1.42 %
8.57 %
4.21 %

Women in middle and upper management

20.0 %
29.2 %
25.6 %

Germany International Group (total)
More than 225,000 employees in 33 countries on 4 continents

2014 Deutsche Telekom employed 114,749 people in Germany, equating to a 50.4 percent proportion of the workforce across the Group as a whole. The Group’s largest staff increase in 2014 was in the USA. The number of employees here rose by 6.6 percent, from 37,842 to 40,339.

* Representing the workforce of Click & Buy Services India Private Limited from February 2014
A major proportion of Deutsche Telekom staff in Germany, namely one third, works in North Rhine-Westphalia, the state that is home to the Group headquarters. Deutsche Telekom is represented in Bavaria, Hessen and Baden-Württemberg by well over 10,000 employees in each case, with Mecklenburg-Western Pomerania having the lowest number of people employed by the company (not counting employees transferred to Telekom Placement Services).
Employees by operating segment (FTE)

**NUMBER OF EMPLOYEES DECREASED SLIGHTLY**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012*</th>
<th>2013*</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>70,902</td>
<td>69,574</td>
<td>67,497</td>
<td>66,725</td>
<td>68,754</td>
</tr>
<tr>
<td>USA</td>
<td>37,760</td>
<td>32,868</td>
<td>30,288</td>
<td>37,071</td>
<td>39,683</td>
</tr>
<tr>
<td>Europe</td>
<td>63,338</td>
<td>58,794</td>
<td>57,937</td>
<td>53,265</td>
<td>51,982</td>
</tr>
<tr>
<td>Systems Solutions</td>
<td>51,742</td>
<td>52,170</td>
<td>52,106</td>
<td>49,540</td>
<td>47,762</td>
</tr>
<tr>
<td>Group Headquarters &amp; Group Services</td>
<td>23,035</td>
<td>21,726</td>
<td>21,858</td>
<td>21,995</td>
<td>19,631</td>
</tr>
<tr>
<td>Group (total)</td>
<td>246,777</td>
<td>235,132</td>
<td>229,686</td>
<td>228,596</td>
<td>227,811</td>
</tr>
</tbody>
</table>

* Figures deviate from those previously reported due to restatements. These restatements result from organizational changes within the Group.

The number of employees showed a slight decrease of 0.3 percent compared to 2013. Following several years of a slight decline, employee numbers in the Germany segment rose by three percent in 2014 in comparison with the previous year. One reason are major investments in expanding and restructuring networks that require additional skilled staff. The United States segment saw an increase in staff levels of around seven percent. This is due to the recruitment of additional staff in retail and customer service to serve the wider customer base.

For more information see page 132 of the 2014 Annual Report
Employees by location (in thousands of FTE, as of Dec. 31 each year)

INTERNATIONAL PROPORTION IS AROUND 50 PERCENT

The percentage proportion of employees at locations abroad has risen substantially since the end of the 1990s. Whereas 91.4 percent of employees were still employed in Germany in 1998, the proportion has leveled at around 50 percent since 2009. In 2014 it stood at 50.4 percent.

---

1 2009 includes Hellenic Telecommunications Organization (OTE S.A.) with 32,990 FTEs.
2 Figures deviate from those previously reported due to restatements. These restatements result from organizational changes within the Group.
**Employees by status group in Germany (FTE)**

### RISE IN PROPORTION OF NON-CIVIL SERVANTS IN GERMANY

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active civil servants</td>
<td>25,570</td>
<td>23,516</td>
<td>21,958</td>
<td>20,523</td>
<td>19,881</td>
</tr>
<tr>
<td>Civil servants on temporary leave from civil-servant status*</td>
<td>1,678</td>
<td>1,537</td>
<td>1,430</td>
<td>1,412</td>
<td>1,340</td>
</tr>
<tr>
<td>Civil servants at affiliated companies</td>
<td>16,729</td>
<td>15,774</td>
<td>14,836</td>
<td>14,179</td>
<td>13,260</td>
</tr>
<tr>
<td>Civil servants (total)</td>
<td>43,977</td>
<td>40,826</td>
<td>38,224</td>
<td>36,114</td>
<td>34,462</td>
</tr>
<tr>
<td>Number of non-civil servants in Germany</td>
<td>79,197</td>
<td>80,736</td>
<td>80,616</td>
<td>80,529</td>
<td>80,267</td>
</tr>
<tr>
<td>Total number of employees in Germany</td>
<td>123,174</td>
<td>121,564</td>
<td>118,840</td>
<td>116,643</td>
<td>114,749</td>
</tr>
<tr>
<td>Proportion of non-civil servants in Germany (%)</td>
<td>64.30</td>
<td>66.41</td>
<td>67.84</td>
<td>69.04</td>
<td>69.95</td>
</tr>
<tr>
<td>Proportion of civil servants in Germany (%)</td>
<td>35.70</td>
<td>33.59</td>
<td>32.16</td>
<td>30.96</td>
<td>30.05</td>
</tr>
</tbody>
</table>

* Civil servants whose status as such is currently suspended. They have temporarily switched to a non-civil servant employee relationship.

Despite the fall in the total number of employees in Germany, the proportion of non-civil servants in the workforce continues to rise. The reasons for this are that Deutsche Telekom has stopped employing civil servants since privatization and that civil servants and non-civil servants alike are making use of the tools for socially responsible staff reduction.
Revenue per employee has been rising continually for three years, particularly abroad, where it now stands at 329,000 euros, an increase of 22.8 percent on 2011.

Over the same period the Group as a whole registered a 12.7 percent increase in revenue per employee. In Germany it has remained virtually the same over the last five years.
## Personnel Costs and Personnel Costs Rate (in billions of EUR)

### Personnel Cost Rate Falling Group-Wide

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel costs in the Group (total)</td>
<td>15.1</td>
<td>14.8</td>
<td>14.7</td>
<td>15.1</td>
<td>14.7</td>
</tr>
<tr>
<td>Of which Germany</td>
<td>9.2</td>
<td>9.2</td>
<td>9.2</td>
<td>9.4</td>
<td>9.1</td>
</tr>
<tr>
<td>Special factors</td>
<td>1.0</td>
<td>1.2</td>
<td>1.2</td>
<td>1.4</td>
<td>0.9</td>
</tr>
<tr>
<td>Personnel costs in the Group, adjusted for special factors</td>
<td>14.1</td>
<td>13.6</td>
<td>13.5</td>
<td>13.7</td>
<td>13.8</td>
</tr>
<tr>
<td>Net revenue*</td>
<td>62.4</td>
<td>58.7</td>
<td>58.2</td>
<td>60.1</td>
<td>62.7</td>
</tr>
<tr>
<td>Of which Germany</td>
<td>28.1</td>
<td>27.2</td>
<td>26.7</td>
<td>26.3</td>
<td>25.7</td>
</tr>
<tr>
<td>Adjusted personnel costs rate, Group (total, %)</td>
<td>22.5</td>
<td>23.1</td>
<td>23.2</td>
<td>22.7</td>
<td>22.0</td>
</tr>
<tr>
<td>Adjusted personnel costs rate, Germany (%)</td>
<td>30.4</td>
<td>30.6</td>
<td>31.1</td>
<td>32.3</td>
<td>32.9</td>
</tr>
</tbody>
</table>

* As revenue allocation is separated into Germany / international from an HR perspective, this reflects employee location, unlike the financial report, which allocates revenue to the country where it was generated.

The personnel costs rate represents personnel costs as a proportion of revenue. The progress of this figure serves as a benchmark for the business. In the Group as a whole this key indicator fell from 23.2 percent in 2012 to 22.0 percent in 2014. The increased rate for Germany reflects the rise in the number of staff employed for expanding and restructuring networks and the investments associated with this. Deutsche Telekom is thereby expanding its networks not just in terms of coverage but also with regard to transmission speeds.
Total workforce costs (in billions of EUR)

**REMAINING CONSTANT FOR FOUR YEARS RUNNING**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>TWC</td>
<td>17.0</td>
<td>15.6</td>
<td>15.5</td>
<td>15.3</td>
<td>15.4</td>
</tr>
<tr>
<td>Of which Germany</td>
<td>10.2</td>
<td>9.6</td>
<td>9.4</td>
<td>9.3</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td>IWC(^3) (PC(^3) adjusted)</td>
<td>8.5</td>
<td>8.3</td>
<td>8.3</td>
<td>8.5</td>
</tr>
<tr>
<td></td>
<td>EWC(^4) Leased and temporary workers</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>EWC(^4) Freelancers and consultants</td>
<td>1.6</td>
<td>1.1</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Of which international</td>
<td>6.8</td>
<td>6.1</td>
<td>6.0</td>
<td>6.0</td>
<td>6.1</td>
</tr>
<tr>
<td></td>
<td>IWC(^3) (PC(^3) adjusted)</td>
<td>5.5</td>
<td>5.3</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td></td>
<td>EWC(^4) Leased and temporary workers</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>EWC(^4) Freelancers and consultants</td>
<td>1.1</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
</tr>
</tbody>
</table>

\(^1\) Total workforce costs: external workforce costs + personnel costs adjusted for special factors
\(^2\) Internal workforce costs
\(^3\) Personnel costs
\(^4\) External workforce costs: Costs of leased and temporary workers + cost of freelancers and consultants

Total workforce management ensures that, amongst other things, the business has detailed information on cost structures for internal and external employees (total workforce costs). Total workforce costs have been at a constant level for four years.

In 2014 the costs totaled 15.4 billion euros. Over recent years Germany has seen a reduction in the proportion of costs for leased and temporary workers as well as for freelancers and consultants.
Total workforce quota (in billions of EUR)

**GROUP-WIDE FALL IN TOTAL WORKFORCE COSTS VERSUS REVENUE**

<table>
<thead>
<tr>
<th></th>
<th>PC(^1) ADJUSTED</th>
<th>EWC(^2)</th>
<th>TWC(^3)</th>
<th>REVENUE(^4)</th>
<th>TWQ(^5) ADJUSTED 2014</th>
<th>TWQ(^5) ADJUSTED 2013</th>
<th>TWQ(^5) ADJUSTED 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>8.5</td>
<td>0.8</td>
<td>9.2</td>
<td>25.7</td>
<td>35.90%</td>
<td>35.40%</td>
<td>35.30%</td>
</tr>
<tr>
<td>International</td>
<td>5.3</td>
<td>0.8</td>
<td>6.1</td>
<td>36.9</td>
<td>16.60%</td>
<td>17.70%</td>
<td>19.20%</td>
</tr>
<tr>
<td>Group (total)</td>
<td>13.8</td>
<td>1.6</td>
<td>15.4</td>
<td>62.7</td>
<td>24.60%</td>
<td>25.50%</td>
<td>26.60%</td>
</tr>
</tbody>
</table>

1 Personnel costs  
2 External workforce costs: Costs of leased and temporary workers + costs of freelancers and consultants  
3 Total workforce costs: external workforce costs + personnel costs adjusted for special factors  
4 Since revenue allocation to determine quotas is from an HR perspective, it reflects the location of employees (FTE). In the annual report revenue is allocated to the region where it is generated.  
5 Total workforce quota = TWC / revenue

Total workforce management enables managing workforce in a holistic manner, meaning long-term HR planning that is both qualitative and quantitative. The total workforce quota describes the relationship between all personnel expenditure and revenue. This means: If the quota has fallen in comparison with the previous year, either revenue has remained constant while total workforce costs have gone down, or revenue has increased. The quota for the Group has improved constantly since 2012. Whereas three years ago it was still standing at 26.6 percent, in 2013 this figure had been reduced to 25.5 percent. With revenues of 62.7 billion euros and total workforce costs amounting to 15.4 billion euros, the quota for 2014 stands at 24.6 percent.
### Revenue development (in billions of EUR)

**NET REVENUE CONTINUES TO GROW**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>CHANGE ON 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue, Germany*</td>
<td>26.7</td>
<td>26.3</td>
<td>25.7</td>
<td>-0.5</td>
</tr>
<tr>
<td>Net revenue, international*</td>
<td>31.5</td>
<td>33.9</td>
<td>36.9</td>
<td>3.0</td>
</tr>
<tr>
<td>Net revenue, Group (total)</td>
<td>58.2</td>
<td>60.1</td>
<td>62.7</td>
<td>2.5</td>
</tr>
<tr>
<td>International revenue as a percentage of Group revenue*</td>
<td>54.1 %</td>
<td>56.3 %</td>
<td>58.9 %</td>
<td>2.6 %</td>
</tr>
</tbody>
</table>

* As revenue allocation is separated into Germany / international from an HR perspective, this reflects employee location, unlike the financial report, which allocates revenue to the country where it was generated.

Compared with 2013, the proportion of international revenue increased by 2.6 points to 58.9 percent. The United States operating segment in particular contributed to this development as a result of the inclusion of MetroPCS since May 2014 and continued strong customer additions. By contrast, decisions by regulatory authorities and competition-induced price reductions adversely affected our revenue in the Europe operating segment. The contribution to revenue made by the Systems Solutions operating segment decreased as a result of the realignment of the business model to generate sustainable growth. The Germany operating segment sustained slight revenue losses.
As in 2013, Deutsche Telekom recruited a total of 4,300 new employees in 2014, too. On around 2,000 occasions the Group turned to junior staff with in-house training, whose recruitment promoted knowledge transfer and understanding between generations amongst other things. External recruitment amounted to 2,300 employees.
Tools for socially responsible staff reduction in Germany, personnel cuts (in employees, FTE)

DEUTSCHE TELEKOM IMPLEMENTS NECESSARY RESTRUCTURING IN A SOCIA LLY RESPONSIBLE WAY

<table>
<thead>
<tr>
<th>Tools for socially responsible staff reduction in Germany, personnel cuts (in employees, FTE)</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early retirement (civil servants)</td>
<td>3,947</td>
<td>2,564</td>
<td>2,266</td>
<td>1,618</td>
<td>927</td>
</tr>
<tr>
<td>Early retirement (non-civil servants)</td>
<td>121</td>
<td>0</td>
<td>3</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Severance payments</td>
<td>2,227</td>
<td>705</td>
<td>955</td>
<td>1,316</td>
<td>826</td>
</tr>
<tr>
<td>Partial retirement (start of passive phase)</td>
<td>846</td>
<td>959</td>
<td>1,417</td>
<td>711</td>
<td>332</td>
</tr>
<tr>
<td>Other socially responsible tools</td>
<td>782</td>
<td>163</td>
<td>120</td>
<td>241</td>
<td>471</td>
</tr>
</tbody>
</table>

Deutsche Telekom continues to reduce staffing levels in a socially responsible way. To this end the company relies on the proven tools of severance payments, partial retirement and early retirement. Fluctuations in the extent to which the various tools are used arise in particular from business units’ respective requirements. The Germany segment is initially using partial retirement as one of the tools to help reduce staff numbers in the medium term with a view to current network expansion and restructuring. This involves employees signing a part-time contract now, but they continue to work for the company full-time for the next three to five years before starting the passive phase of their partial retirement.
Telekom Placement Services, the personnel service provider, continued to support the Group in its workforce restructuring efforts in the year under review. In 2014, 866 employees found a new job through Telekom Placement Services. Since its foundation Telekom Placement Services has given fresh career perspectives to more than 44,000 employees – particularly in the public sector, but also within the Group.
A flu epidemic in Germany caused the health rate to fall slightly amongst employees in Germany in 2013. In 2014, by contrast, the health rate amongst employees leveled off. At 94.4 percent it is even better than the positive rates attained in 2010 to 2013. In comparison with external figures from various German health insurance funds, the company can thereby demonstrate a positive trend, although the average age of employees has risen further and therefore an increase in sickness periods might be expected statistically.
The number of work accidents at Deutsche Telekom continues to remain at a stable low level. The figures confirm that the Group is very well placed in terms of occupational health and safety and that employees are rigorously implementing the necessary health and safety measures. In order to make further reductions in the number of accidents on the way to and from work in particular, Deutsche Telekom is offering all employees ADAC safe-driving trainings at a discounted rate in 2015.

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**SLIGHT RISE IN NUMBER OF ACCIDENTS AT WORK AND TO / FROM WORK**

The number of accidents at work or on the way to and from work in Germany (per thousand FTE) for the years 2010 to 2014 is as follows:

- **2010**: Total 9.0, Work 4.9, On the way to 4.1
- **2011**: Total 5.25, Work 3.3, On the way to 1.95
- **2012**: Total 6.0, Work 3.9, On the way to 2.1
- **2013**: Total 8.0, Work 4.4, On the way to 3.6
- **2014**: Total 8.1, Work 4.8, On the way to 3.3

*Accidents from 2014 have not yet been included in the statistics published to date.
Deutsche Telekom training courses allow employees to build on and refresh their skills. A total of 31,160 seminars in 2014 helped employees consolidate their skills and improve their development prospects. The Group’s targeted training measures help Deutsche Telekom meet its skilled workforce requirements by using its own employees.
DEVELOPING A NEW GENERATION OF MANAGERS

In 2014 Deutsche Telekom’s international development and leadership programs prepared experienced managers for the next step toward taking on more management responsibility. Furthermore, experts and project managers were trained with a view to assuming their first management role. In addition to the FEP and LDP programs, a variety of other management training offers is available. The aim is to develop the next generation of managers in the Group and to help management deal with the challenges posed today by an progressively complex business world. Increasing a feeling of belonging, improving the transfer of knowledge and promoting individual responsibility are also on the agenda.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEP/LDP participants</td>
<td>Total</td>
<td>661</td>
<td>612</td>
<td>409</td>
<td>491</td>
</tr>
<tr>
<td>FEP/LDP participants</td>
<td>Of which women</td>
<td>35%</td>
<td>32%</td>
<td>43%</td>
<td>37%</td>
</tr>
</tbody>
</table>

1 Führungskräfte-Entwicklungsprogramm
2 Leadership Development Program
Fluctuation rate (natural turnover)

FALL IN FLUCTUATION RATE IN GERMANY CONTINUES

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1.95%</td>
<td>1.82%</td>
<td>1.42%</td>
</tr>
<tr>
<td>International</td>
<td>7.63%</td>
<td>8.57%</td>
<td></td>
</tr>
<tr>
<td>Group (total)</td>
<td>4.17%</td>
<td>4.21%</td>
<td></td>
</tr>
</tbody>
</table>

1 Excluding USA
2 The fluctuation figures for Systems Solutions were not collected in full in 2012.

The fluctuation rate in Germany fell once again. In 2014 there were around 500 fewer resignations than in the year before, a fall of 35 percent compared to 2013. In addition, in 2014 some 770 employees retired or became incapable of work in Germany. This represents a decrease of 4 percent. On the other hand there was a slight increase in the fluctuation rate internationally.

There were around 270 more resignations here, which corresponds to a 4.4 percent increase compared to 2013. The number of employees who retired or became incapable of work in Germany remained stable in 2014 at around 40. Due to a simultaneous reduction in the international workforce (not including the USA), the fluctuation rate across the Group as a whole also rose slightly in comparison with the year before.
Pulse check (in percent), all employees

HIGH LEVELS OF SATISFACTION WITH EMPLOYER

High ratings = very good, good / agree fully, agree

Low ratings = poor, very poor / do not agree, do not agree at all.

The calculated values originate from the pulse check current at the time. The most recent pulse check was carried out in November 2014.

Explanations of questions asked:

SATISFACTION
How do you feel at Deutsche Telekom?

BRAND IDENTITY
I am proud of the brand Telekom.

EMPLOYER ATTRACTIVENESS
I would recommend our company as a great place to work.

CHANGES
I can understand the changes in our company.

STRATEGY
I can clearly explain to others the strategy of Deutsche Telekom.

COLLABORATION
In my experience, we all work together as partners at Deutsche Telekom in the interests of the group’s success.

WORKLOAD / QUALITY
In my team, the workload and quality requirements are consistent with one another.

WORK-LIFE BALANCE
The current working hours allow a good balance between private (family / leisure activities) and job-related interests.

HR DEVELOPMENT
Our company offers sufficient training opportunities to support my professional development.

COLLABORATION WITH INNOVATION
In my team we actively share our ideas with others so that we can make improvements for our company.

RECOGNITION
Considering all of my efforts and achievements, I feel that I have received the appropriate amount of recognition at work.

GUIDING PRINCIPLES
I experience the Guiding Principles being lived in my day-to-day work.

According to the current pulse check more than three quarters of all employees are proud of the Deutsche Telekom brand, both nationally (76 percent) and internationally (78 percent). 71 percent of employees in Germany are satisfied with the company and 68 percent rate their work-life balance positively. Regular employee surveys are the most important Group-wide feedback tool for assessing employee satisfaction. The employee surveys are supplemented by pulse checks conducted twice a year. These – focused on a few core topics – give a snapshot of the mood Group-wide at frequent intervals.
Employee satisfaction in Germany (in percent)

**EMPLOYEE SATISFACTION ON THE RISE**

Pulse checks 2010 – 2014: “How do you feel at Deutsche Telekom?”

The calculated values originate from the pulse check current at the time. The most recent pulse check was carried out in November 2014.

- Positive (%)
- Negative (%)

Much work has been done in Germany in recent years, in particular in the Germany operating segment, to improve employee satisfaction and to constantly measure changes via feedback from employees (employee surveys and pulse checks). Improvements are initiated in a structured way at all levels – segment, company, unit and team.
Satisfaction among our managers has remained at a consistently high level. Investment in leadership skills is playing a part in this: Structured feedback processes and global development programs tailored to current requirements ensure that our managers are able to tackle the challenges they face – irrespective of whether they are new to management or already experienced. This improves their career and development prospects, which in turn increases their job satisfaction.

## CONTINUED WORK SATISFACTION AMONG MANAGERS

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>83%</td>
<td>85%</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>International</td>
<td>70%</td>
<td>82%</td>
<td>81%</td>
<td>82%</td>
</tr>
<tr>
<td>Group (total)</td>
<td>78%</td>
<td>84%</td>
<td>84%</td>
<td>84%</td>
</tr>
<tr>
<td>Commitment index, scale of 1 to 5</td>
<td>3.8*</td>
<td>4.0</td>
<td>4.0*</td>
<td>4.0*</td>
</tr>
</tbody>
</table>

The calculated values originate from the pulse check and employee survey current at the time. The most recent pulse check was carried out in November 2014, the last employee survey in 2012. The next employee survey will be conducted in April/May 2015. The commitment index is the mean of several values in the employee survey.  
* taken from previous years’ employee surveys
As a result of demographic change and reduced fluctuation, the proportion of employees over 55 years of age has more than doubled in the last five years, from six to 13 percent. One advantage of this is that Deutsche Telekom employs a wealth of experienced employees who are skilled in what they do and are familiar with our procedures. The Group is keen to maintain our older employees’ ability to work and employ junior staff who have been trained in-house. In 2014 almost 47 percent of all new recruits were young people.
Age structure within Group (total) (in percent)

**AVERAGE AGE REMAINS CONSTANT IN THE GROUP**

There has been no change in the average age within the Group in 2014 compared to the previous year and it remains at an average of 40.6 years. It is evident that the average age is falling internationally and that the distinct rise in the average age in Germany – caused mainly by the increase in the number of over-55s – is thereby balanced out Group-wide.

* Figures deviate from those previously reported due to restatements. These restatements result from organizational changes within the Group.

** incl. > 65 years
Proportion of women among junior staff reaches record level

The total number of apprentices, students on cooperative study programs and on-campus students in Germany has fallen. While the proportion of women amongst junior staff remained constant in recent years in absolute terms, the percentage proportion of women among all apprentices and students rose again and stood at 38.9 percent in 2014.

Examples for commercial training programs: office communications administrators, retail sales or dialog marketing assistants, industrial business administrators

Examples for cooperative study programs: bachelor’s degree in Business Administration, Communications and Information Technology, Business Information Systems

Examples for IT jobs: IT systems engineers, IT System merchants, qualified IT specialists on application development / systems integration
HUGE INTEREST IN CONTINUED EMPLOYMENT

The number of apprentices and students who, after completing their training or course of study, are interested in continuing to work at Deutsche Telekom rose by 6 percentage points on the previous year to 84 percent. Experience shows that the junior staff we take on are characterized by their knowledge of the Group, and there is no need for long induction periods. These talented young people come with the innovative ideas and motivation the company needs in order to stay competitive.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprentices and students entitled to apply</td>
<td>3,620</td>
<td>3,433</td>
<td>3,340</td>
<td>3,119</td>
<td>3,041</td>
</tr>
<tr>
<td>Of which applied</td>
<td>2,718</td>
<td>2,692</td>
<td>2,428</td>
<td>2,436</td>
<td>2,545</td>
</tr>
<tr>
<td>Of which applied (%)</td>
<td>75</td>
<td>78</td>
<td>73</td>
<td>78</td>
<td>84</td>
</tr>
<tr>
<td>Junior staff employed*</td>
<td>1,724</td>
<td>1,750</td>
<td>1,324</td>
<td>1,671</td>
<td>1,795</td>
</tr>
<tr>
<td>Those who were entitled to apply and were employed (%)</td>
<td>48</td>
<td>51</td>
<td>40</td>
<td>54</td>
<td>59</td>
</tr>
<tr>
<td>Those who applied and were employed (%)</td>
<td>63</td>
<td>65</td>
<td>55</td>
<td>69</td>
<td>71</td>
</tr>
</tbody>
</table>

* Junior staff refers to apprentices, students on cooperative degree courses / students of the University of Applied Sciences in Leipzig who are taken on with a permanent or temporary contract with a fully consolidated Group company after completing their education.
Women in middle and upper management (in percent)

PROPORTION OF WOMEN IN MIDDLE AND UPPER MANAGEMENT RISES FOR THE THIRD YEAR RUNNING

The proportion of women in middle and upper management at Deutsche Telekom rose slightly to a current 25.6 percent. The company’s aim of having women in at least 30 percent of upper and middle management positions worldwide is therefore another step closer. Working in mixed teams gives Deutsche Telekom more chance to discover new ideas, solutions and collaboration models. Diverse studies show that a greater proportion of women also helps developing our corporate culture. The proportion of women in the Group currently stands at 35.5 percent.
With 7.0 percent of its employees having a disability, Deutsche Telekom is way ahead of the German national average of 4.7 percent. This is shown by the Federal Employment Agency’s current employment statistics on “Disabled persons in employment” from 2013. Deutsche Telekom offers a broad range of support measures to disabled employees and employees with an equivalent status and is continually working to remove barriers.

In 2014 video telephony installations were made more widely available to deaf employees and as a result more barriers to communication were removed. A special service was introduced for blind and severely sight impaired employees, whereby supportive computer technologies can be used with even greater ease.

<table>
<thead>
<tr>
<th>Employees with disabilities in Germany (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RISE IN PROPORTION OF EMPLOYEES WITH A DISABILITY</strong></td>
</tr>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>6.2</td>
</tr>
</tbody>
</table>
A total of 13,231 ideas submitted by employees meant that Deutsche Telekom was able to be much more competitive again in 2014. It is thanks to the commitment of its employees that the company is becoming more innovative and sustainable. Savings amounted to 106.6 million euros. By submitting their ideas, employees have the opportunity to play an active role in helping to shape their place of work. Successful ideas are also attractively rewarded.
RESPONSIBLE

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