

DEUTSCHE TELEKOM CAPITAL MARKETS DAY 2012 FINANCE

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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.



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SAFE HARBOR STATEMENT.

Additional Information and Where to Find It

This document also relates to a proposed transaction between MetroPCS Communications, Inc. ("MetroPCS") and Deutsche Telekom AG ("Deutsche Telekom") in connection with T-Mobile USA, Inc. ("T-Mobile"). The proposed transaction will become the subject of a proxy statement to be filed by MetroPCS with the Securities and Exchange Commission (the "SEC"). This document is not a substitute for the proxy statement or any other document that MetroPCS may file with the SEC or send to its stockholders in connection with the proposed transaction. MetroPCS' investors and security holders are urged to read the proxy statement (including all amendments and supplements thereto) and all other relevant documents regarding the proposed transaction filed with the SEC or sent to MetroPCS' stockholders as they become available because they will contain important information about the proposed transaction. All documents, when filed, will be available free of charge at the SEC's website (www.sec.gov). You may also obtain these documents by contacting MetroPCS' Investor Relations department at +1 (214) 570-4641, or via e-mail at investor_relations@metropcs.com. This communication does not constitute a solicitation of any vote or approval.

Participants in the Solicitation

MetroPCS and its directors and executive officers will be deemed to be participants in any solicitation of proxies in connection with the proposed transaction, and Deutsche Telekom and its directors and executive officers may be deemed to be participants in such solicitation. Information about MetroPCS' directors and executive officers is available in MetroPCS' proxy statement dated April 16, 2012 for its 2012 Annual Meeting of Stockholders. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC regarding the proposed transaction when they become available. Investors should read the proxy statement carefully when it becomes available before making any voting or investment decisions.

Cautionary Statement Regarding Forward-Looking Statements

This document includes "forward-looking statements" for the purpose of the "safe harbor" provisions within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Any statements made in this document that are not statements of historical fact, including statements about our beliefs, opinions, projections, and expectations, are forward-looking statements and should be evaluated as such. These forward-looking statements often include words such as "anticipate," "expect," "suggests," "plan," "believe," "intend," "estimates," "targets," "views," "projects," "should," "would," "could," "may," "become," "forecast," and other similar expressions.

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, many of which are generally outside the control of MetroPCS, Deutsche Telekom and T-Mobile and are difficult to predict. Examples of such risks and uncertainties include, but are not limited to, the possibility that the proposed transaction is delayed or does not close, including due to the failure to receive the required MetroPCS stockholder approvals or required regulatory approvals, the taking of governmental action (including the passage of legislation) to block the transaction, the failure to satisfy other closing conditions, the possibility that the expected synergies will not be realized, or will not be realized within the expected time period, the significant capital commitments of MetroPCS and T-Mobile, global economic conditions, disruptions to the credit and financial markets, fluctuations in exchange rates, competitive actions taken by other companies, natural disasters, difficulties in integrating the two companies, disruption from the transaction making it more difficult to maintain business and operational relationships, possible disruptions or intrusions of MetroPCS' or T-Mobile's network, billing, operational support and customer care systems which may limit or disrupt their ability to provide service, actions taken or conditions imposed by governmental or other regulatory authorities and the exposure to litigation. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the MetroPCS' 2011 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 and other filings with the SEC available at the SEC's website (www.sec.gov).

The forward-looking statements speak only as to the date made, are based on current assumptions and expectations, and are subject to the factors above, among others, and involve risks, uncertainties and assumptions, many of which are beyond our ability to control or ability to predict. Neither MetroPCS' investors and security holders nor any other person should place undue reliance on these forward-looking statements. Neither MetroPCS, Deutsche Telekom nor any other party undertake any duty to update any forward-looking statement to reflect events after the date of this document, except as required by law.



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REVIEW 2010 – 2012

2010 – 2012: PREDICTABILITY AND RELIABILITY.

SHAREHOLDER REMUNERATION 2010 – 2012

€3.4 bn per annum, €0.70 minimum dividend per share
+ up to €1.2 bn share buybacks

EXECUTE SAVE FOR SERVICE

€4.2 bn savings, of which €1.8 bn net savings
in D and SEE

FCF

Increasing from 2010 level of around €6.2 bn

SUSTAINABLE SHARE-BASED TOP MANAGEMENT INCENTIVE PROGRAM

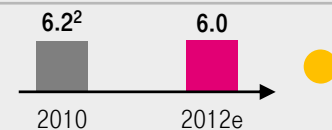
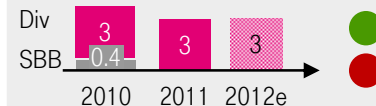
Roll-out for senior management

ROCE

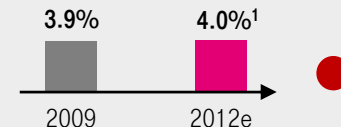
+ >150bps

AMBITION LEVEL 2012

ACHIEVEMENTS 2012



Incentivising on EPS/ROCE ●



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¹ 2012 estimated w/o TMUS impairments & US tower deal

² As per Guidance 2010

2010 – 2012: DISCIPLINED EXECUTION.

Adj. EBITDA-margin improved
by 4 pp¹



oFCF virtually stabilized
despite difficult economy



AT&T break-up fee and tower
monetization funds spectrum
and network modernization



S4S: Gross opex reduction of
€4.5 bn - gap to peers closed
by almost 2pp



Net debt reduced
by €3.2 bn



Joint Ventures
Procurement: BUYIN
Network: UK, CZ, PL



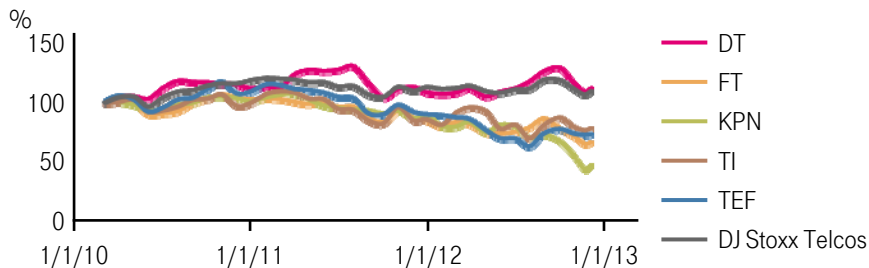
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¹ Baseline EBITDA Margin FY 2009 as reported

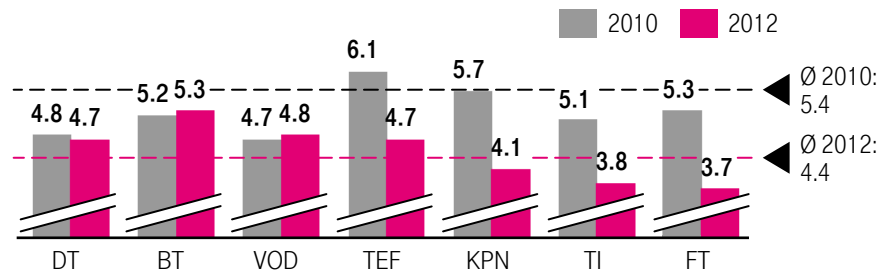
2010 – 2012: GOOD RATING, GOOD RELATIVE TSR AND LOW FINANCING COSTS.

- Share ownership based program for senior management
- Management incentivized on ROCE and EPS

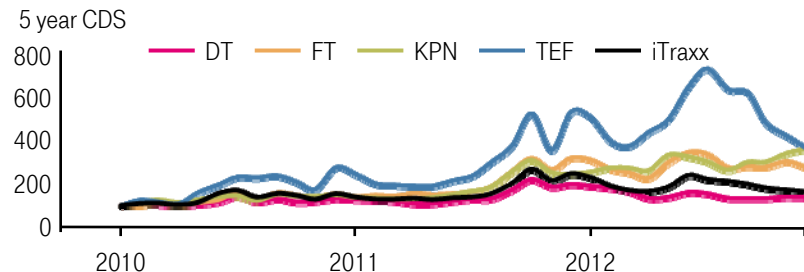
TSR SINCE 02/25/10 AHEAD OF SECTOR/PEERS



EV/EBITDA VALUATION 2012 VERSUS 2010¹



DEBT MARKETS POSITIVE ON DT CREDIT



Source: Company Information, FactSet, Citi, Bloomberg

¹ EV/EBITDA per Jan 2010 and Nov 2012. EBITDA calendarized for 2010 and 2012

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STRATEGY 2013 – 2015

STRATEGIC CORE PRIORITIES 2012 – 2015 – ROLE OF FINANCE.

Seamless connectivity for the Gigabit Society

More innovation by cooperation

Secure cloud solutions

Best-in-class customer experience



INNOVATE



TRANSFORM



COMPETE

ROLE OF FINANCE

- 1 Efficiency management
- 2 Portfolio management
- 3 Risk management
- 4 Stakeholder management

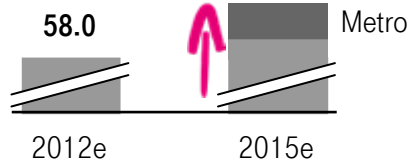


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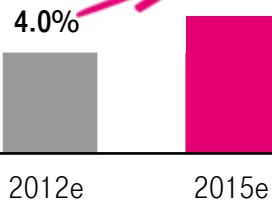
INCREASING ROCE.

REVENUE

€ bn

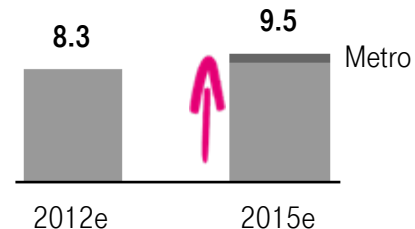


ROCE



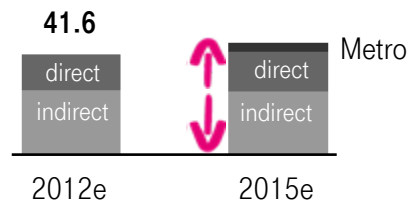
CAPEX

€ bn



OPEX

€ bn



D&A

€ bn



SPECIAL FACTORS

€ bn



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Investing into INS

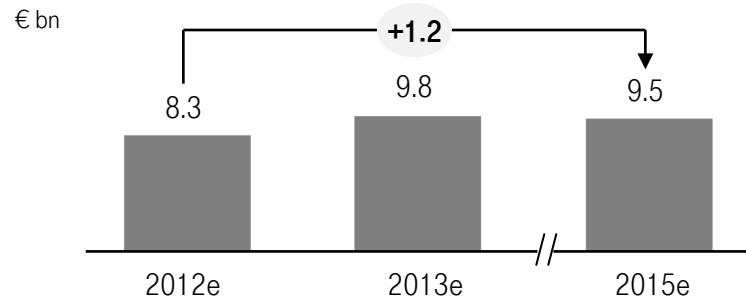
- Gross Capex FTTC/Vectoring: ≈€6 bn
- Capex Germany:
 - 2013: ≈€3.4 bn
 - 2014: ≈€4.1 bn
 - 2015: ≈€4.3 bn



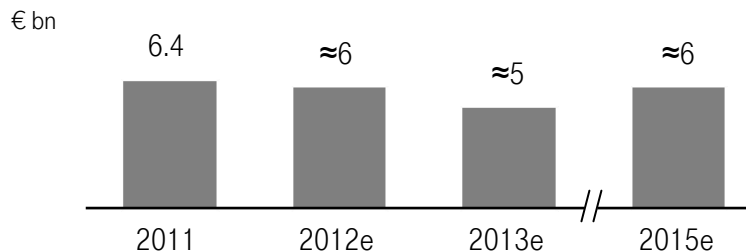
Network modernization & PCS integration

- Network modernization gross Capex: \$4 bn
- Capex TMUS:
 - 2013: ≈\$4.7–4.8 bn
 - 2014: ≈\$3.0 bn
 - 2015: ≈\$3.1 bn

CAPEX PROFILE 2012 – 2015

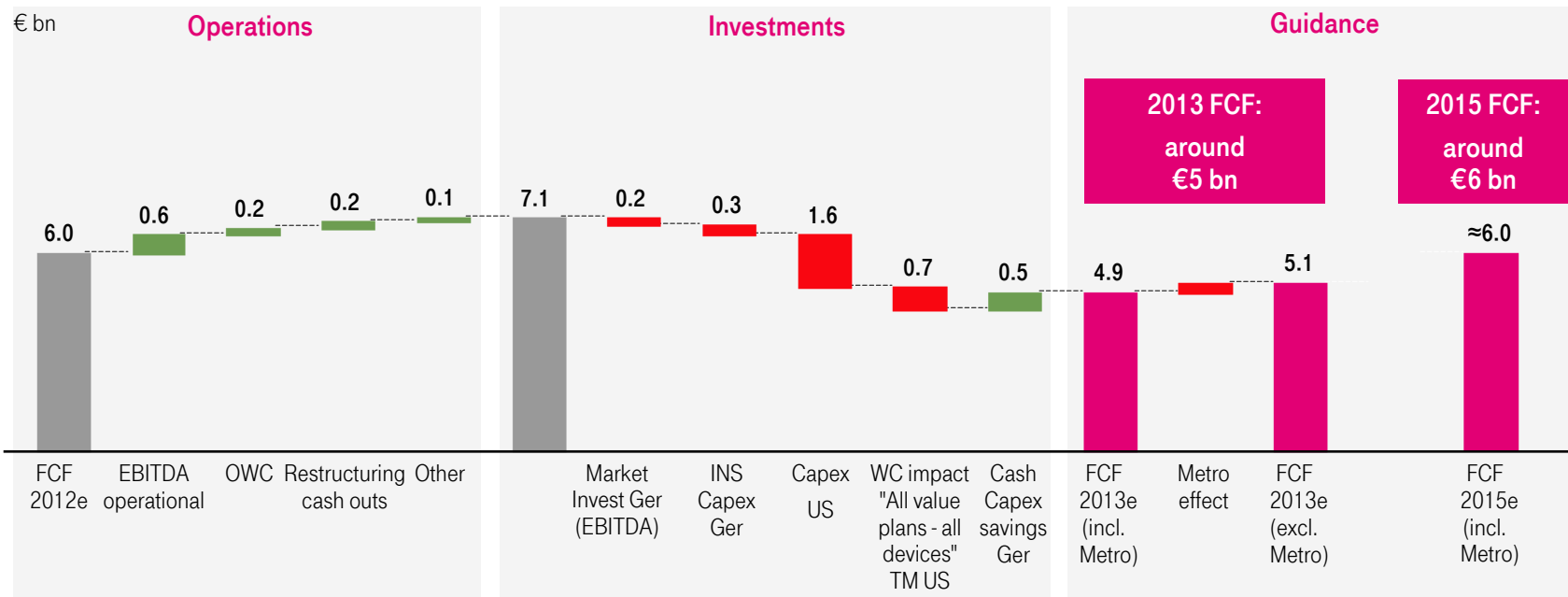


FCF PROFILE 2011 – 2015



OPERATIONAL PERFORMANCE ENABLES INVESTMENTS.

FCF 2013 (INCL. METRO)

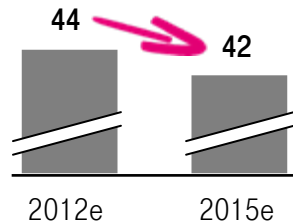


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STRIVING FOR € 2BN COST SAVINGS.

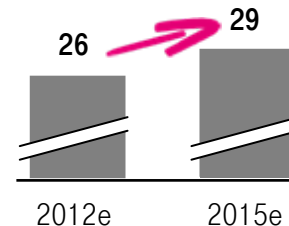
INDIRECT COSTS

% of revenue



DIRECT COSTS

% of revenue



STABILITY

Germany
€1.0 bn¹
Indirect Opex
Reduction

Europe
€0.6 bn¹
Indirect Opex
Reduction

**Shared Services
(GHS)**
4% p.a. Indirect
Opex Reduction

GROWTH

TMUS
\$1 bn¹
Gross Savings

TSI MARKET UNIT
€0.3 bn²
Adj. EBIT
Improvement

TEL IT
€1 bn¹ IT Spend
Reduction
(Opex & Capex)

FUNCT.
EFFICIENCY



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¹ Cum. delta vs. 2012 baseline by 2015

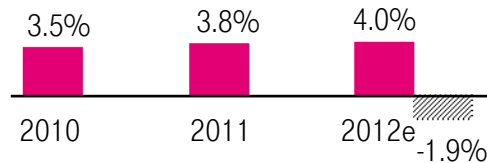
² By 2015

ROCE REMAINS OUR STEERING LOGIC

LEARNINGS

- Change of investment behavior: “Sell first, build later”
- Retirement of platforms and systems
- Resale of non-used assets
- Real estate optimization
- ROCE as integral part of portfolio analysis

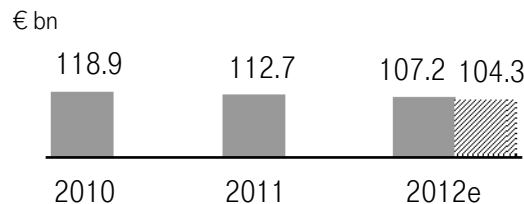
ROCE¹ IMPROVEMENT ONGOING



NET OPERATING PROFIT AFTER TAX¹



AVERAGE NET OPERATING ASSETS¹



CHALLENGES

External:

- Market environment
- Expensive UMTS License: -0.5pp²
- Regulatory factors: -0.2pp³

Internal:

- US Impairment & tower deal: -5.9pp²
- Special factors personnel: -0.7pp²
- Personnel cost disadvantages (Ger): -0.5pp²

General:

- €1 bn CAPEX Δ ROCE: -0.2pp
- €-0.1 bn EBITDA Δ ROCE: -0.1pp



¹ 2012 estimated w/o TMUS impairments & US tower deal

² Estimated ROCE impact 2012

³ Minimum ROCE impact 2012 incl. TELCO tax Hungary

with TMUS impairments and tower deal

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ROCE AMBITION +150BPS (5.5%).

FURTHER ROCE IMPROVEMENT BY

2012 - 2015

Increase Revenues

Improve profitability
margin

Reinvestment rate
around 1

Asset turnover
> 0.6 in 2015



GER

- Focus on INS

EU

- Rigorous CAPEX Management
- Network sharing (CZ, PL)

US

- Support attacker case by regionally targeted investments
- Increased Network utilization by NewCo

TSI

- Improve cost efficiency
- Consolidation of platforms

Group

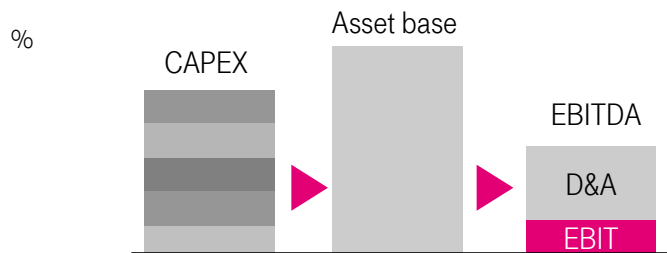
- Shift CAPEX towards transformation
- Prioritize budget
- Net savings



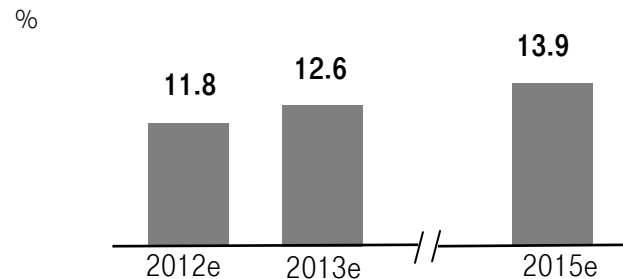
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EBIT AND EPS INCREASE 2013 - 2015.

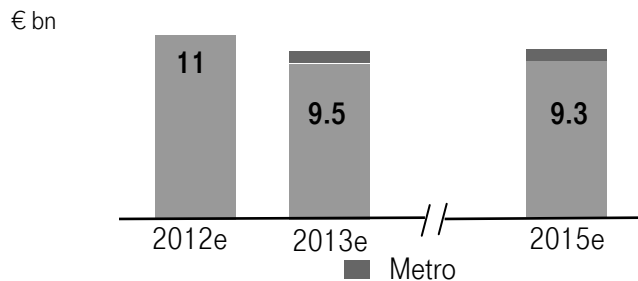
EBIT TAKES PREVIOUS AND FUTURE CAPEX INTO ACCOUNT



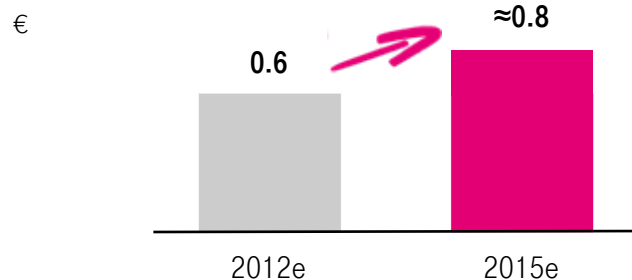
INCREASING ADJ. EBIT MARGIN (INCL. METRO PCS)



DEPRECIATION



IMPROVEMENT OF ADJ. EPS



RAISE VALUE OF ASSETS.

ACHIEVEMENTS



Everything
Everywhere



AT&T,
Spectrum,
Towers,
Metro PCS



Secure PTC
Ownership

BUYIN

Procurement
JV



Network JVs

DBU

Small
Acquisitions
like Strato

FUTURE PROJECTS

1

CLEAR FOCUS



No M&A outside footprint

Invest in Germany and US/LTE expansion EU

2

VALUE CREATION FOR SHAREHOLDERS



Strategic review EE

Strategic review Scout

3

PARTICIPATE IN FUTURE VALUE



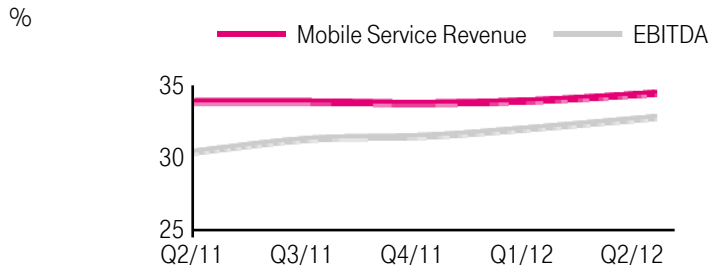
DBU, T-Venture, Growth areas

Evaluate further Network JVs

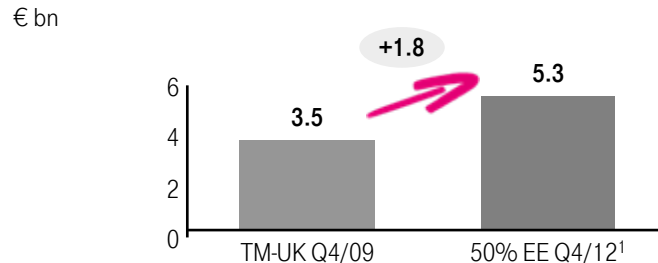


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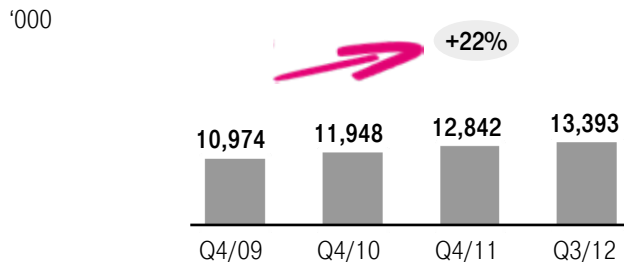
MARKET SHARE



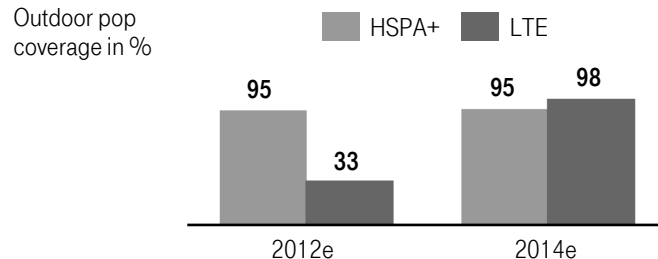
BROKER VALUATION ENTERPRISE VALUE



CONTRACT CUSTOMERS



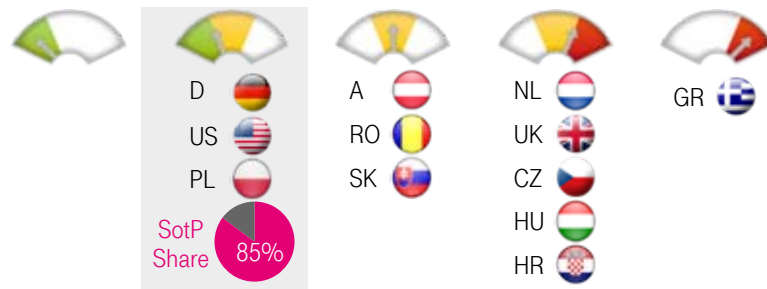
LTE ROLL-OUT PLAN



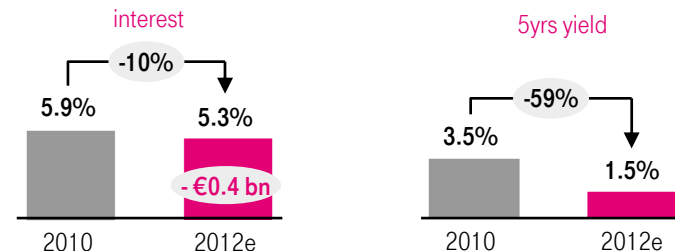
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¹ Based on following Broker Reports: Nomura 29-Nov-12, Citi 12-Nov-12, Barclays 9-Nov-12, and Bernstein 3-Oct-12

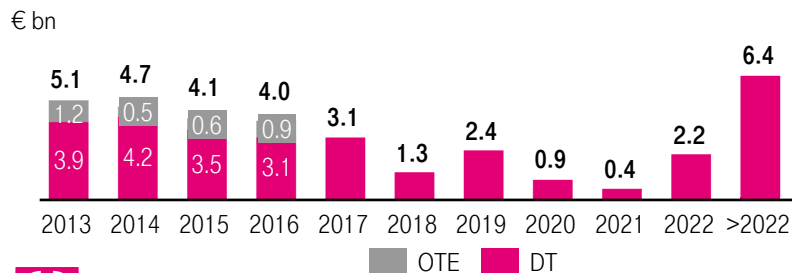
MONITORING OF ECONOMIC ENVIRONMENT



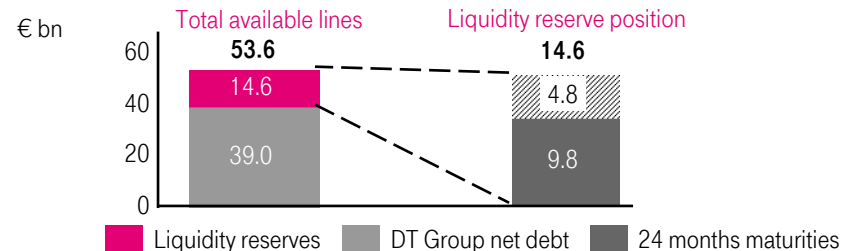
IMPROVED REFINANCING COSTS



WELL-BALANCED MATURITY PROFILE¹



STRONG LIQUIDITY RESERVE POSITION¹

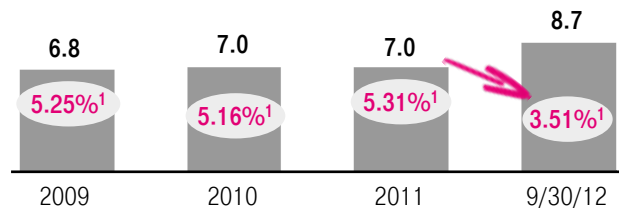


¹ Data as of Sep. 30, 2012; €35.8mn redeemed in Oct. 2012; excl. Metro PCS

STABLE PAYOUTS FOR PENSION PLANS.

DEFINED BENEFIT OBLIGATIONS (DBO)

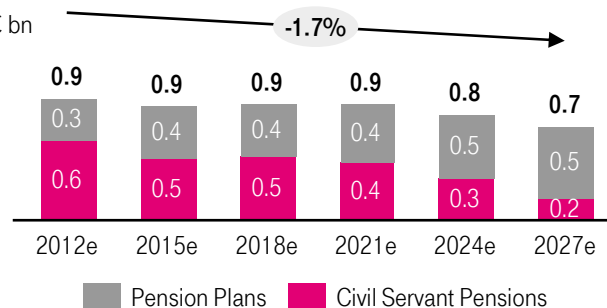
€ bn



- Funding Ratio for end of 2012: $\approx 19\%$ ²
- Potential to be increased to 50% by 2020

FORECAST: PAYOUTS FOR PENSIONS (GER)

€ bn



¹ Discount Rate for Germany as 90% of total DBO are induced by German DBOs

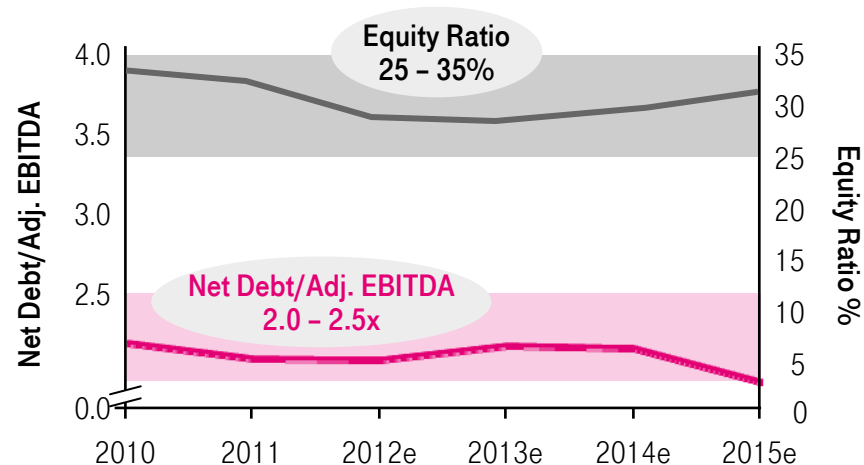
² Estimate based on the values accounted in Q3 2012

MAINTAIN UNDISPUTED ACCESS TO DEBT CAPITAL MARKETS.

RATING TRENDS¹

	2004		2012
Deutsche Telekom	BBB +	→	BBB +
BT	A -	↓	BBB
France Telecom	BBB +	↗	A -
KPN	A -	↓	BBB
Telecom Italia	BBB +	↓	BBB
Telefonica	A	↓	BBB
Telekom Austria	BBB	→	BBB
Vodafone	A	↓	A -
Average Rating	A -	↓	BBB +/BBB

DT COMFORT ZONE RATIOS



Reaction to adapted industry trend: New rating comfort zone definition A-/BBB



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¹ Based on S&P

NEW OPTION FOR SHAREHOLDERS: “DIVIDEND IN KIND”.

NEW DIVIDEND POLICY

FY 2012

Dividend proposal of €0.7 per share confirmed

FY 2013
+
FY 2014

Dividend of €0.5 per share

FY 2015

Dividend policy will be re-visited

NEW FEATURE: DIVIDEND IN KIND

- Additional option for shareholders: Either cash dividend or new shares – cash is default.
- Both cash and new shares (as in the past) tax free as taken from so called tax contribution account (“steuerliches Einlagekonto”)
- Already for dividend in 2012 to be paid in 2013

Attractive alternative for shareholders to re-invest dividend into the business



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UPDATED FINANCE STRATEGY TO EMBRACE TRANSITION TO GROWTH.

EQUITY

New Shareholder Remuneration policy

- **Dividend¹**
 - FY 2012: €0.70
 - FY 2013: €0.50
 - FY 2014: €0.50
 - FY 2015: re-visit
- Attractive option: dividend in kind

4 STAKEHOLDER MANAGEMENT

TELCO PLUS



COMPETE



TRANSFORM



INNOVATE

VALUE CREATION

- 1 EFFICIENCY MANAGEMENT –**
Reduce indirect costs by €2 bn² and increase ROCE to 5.5 % (+150bp)
- 2 PORTFOLIO MANAGEMENT –**
No big M&A, Strategic review of Scout and EE
- 3 RISK MANAGEMENT –**
Low risk country portfolio (85% of SotP)

DEBT

Undisputed access to debt capital markets

- **Rating:** A-/BBB
- **Net debt/adj. EBITDA:** 2-2.5x
- **Equity ratio:** 25 – 35%
- **Liquidity reserve:** covers maturities of coming 24 months

4 STAKEHOLDER MANAGEMENT



¹ Subject to necessary AGM approval and board resolution

² Cum Delta by 2015 vs. 2012 Baseline

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GUIDANCE 2013 & MID TERM AMBITION

DT GROUP GUIDANCE 2013 AND MID TERM AMBITION.

	GUIDANCE 2013 (EXCL./INCL. PCS)	MID TERM AMBITION (INCL. PCS)
GROUP REVENUES		Growing 2014
GROUP ADJ. EBITDA	≈€17.4 bn/≈€18.4 bn	Growing 2014
GROUP FCF	≈€5 bn/≈€5 bn	≈€6 bn 2015
GROUP ADJ. EPS		Improvement to ≈€0.8 2015
GROUP ROCE		Improvement to ≈5.5% 2015
SHAREHOLDER REMUNERATION POLICY	DPS €0.50/DPS €0.50	Review 2015



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