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 2010 – 2012
2010 – 2012: T-SYSTEMS’ ACHIEVEMENT SINCE WE MET LAST TIME.

**AMBITION LEVEL 2012**

- Revenue growth above industry average
- Fair market share in innovative “industry solutions”¹
- Strong TRI*M Index over peer average and above 75 pt
- Grow adj. EBIT margin towards peer level (ca. 7%)

**ACHIEVEMENTS 2012**

<table>
<thead>
<tr>
<th>External Revenue</th>
<th>€ bn</th>
<th>CAGR 3.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6.1</td>
<td></td>
</tr>
<tr>
<td>2012e</td>
<td>6.7</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue Intelligent Networks</th>
<th>€ mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>2012e</td>
<td>121</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer Satisfaction TRI*M</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>74</td>
</tr>
<tr>
<td>2012e</td>
<td>76</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adj. EBIT Margin</th>
<th>€ mn</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>2012e</td>
<td>3.5%</td>
<td></td>
</tr>
</tbody>
</table>

¹ Enabling perspective for groupwide responsibility  
adj. EBIT margin: Forecast in old structure before restatement
2010 – 2012: OVER 20 BIG DEALS SHOW GREAT TRUST.

<table>
<thead>
<tr>
<th>Year</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Deutsche Telekom, Linde, Philips, Old Mutual, Heineken, Eskom</td>
</tr>
<tr>
<td>2009</td>
<td>ITERGO, T-Mobile, Daimler, e.on, DekaBank</td>
</tr>
<tr>
<td>2010</td>
<td>valora, CLARIANT, Boehringer Ingelheim, gopart, British American Tobacco</td>
</tr>
<tr>
<td>2011</td>
<td>everything everywhere, +GF+</td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>

GROSS PROFIT DEVELOPMENT OF BIG DEALS WON 2009 – 2010

QUALITY: CHALLENGE TO DELIVER....

LIFE IS FOR SHARING.
2010 – 2012: Key Projects for Improvements Already in Place.

**Masterplan T-Systems**

1. **Quality**
   - Fix Quality: Zero Outage

2. **Utilization**
   - Cost Contingency: “Save 4 Service”

3. **Productivity**
   - T-Systems 2012
   - Service Account Excellence

4. **Cost Optimization**

**Nearshore/Offshore Quota Production**

- **FTE**
  - 2010: 4,346
  - Sept. 2012: 1,566
  - -64%

- **YE 2010**
  - 34%

- **2010**
  - +18%

- **2012**
  - 40%

---

LIFE IS FOR SHARING.
2010 – 2012: UNLIKE MAIN PEERS OUR REVENUE IS STILL GROWING.

△ REVENUE: 9M 2012 OVER 9M 2011

- T·Systems
- IBM
- CSC
- Fujitsu
- HP
- Getronics
- Logica: No quarterly reporting since acquisition by CGI
DT NEEDS TO CUT IT SPEND SIGNIFICANTLY – FORMATION OF TELEKOM IT.

QUALITY ISSUES

- **Time to market** not competitive
- Insufficient **time, budget, and quality** of projects
- Distributed projects and **redundancies** in tasks
- **No clear responsibility** and heterogeneous IT systems

NEED FOR IT SPEND REDUCTION

With bundling of all internal IT functions of DT in Germany within Telekom IT, a strict optimization in terms of cost, quality and time-to-market is possible.

Source: Telekom IT
MARKET TRENDS
ATTRACTIVE MARKET ENVIRONMENT FOR ICT BUSINESS.

BUSINESS AREAS

SCALABLE ICT SERVICES (GROWTH AREAS)

CONVENTIONAL ICT BUSINESS

MARKET DEVELOPMENT TSI FOOTPRINT

SUCCESS FACTORS

- Fuel growth by developing bundled, end-to-end solutions in disruptive technology areas (cloud, analytics, mobility)
- Make use of key paradigms like:
  - speed & simplicity
  - service & convenience
- Increase offshore leverage
- Develop industrialized delivery models to drive up services profitability
- Expand channel partner delivery as primary lever of margin improvement

Source: Based on market insights and various external sources (e.g., Gartner, IDC, Analysts Mason).  
1 Intelligent Networks partially included.
GLOBAL FUTURE TRENDS & TECHNOLOGIES FROM DT’S PERSPECTIVE.

GROWTH WITH GLOBAL TREND CLOUD

- Turnover worldwide: **EUR 114 billion**
- **1.3 billion** mobile workers worldwide (till 2015)
- +33% (per year) 2016

INTELLIGENT NETWORKS

- Installed smart meters worldwide (till 2020): nearly **1 billion**
- More than 50% of patients will use mobile health solutions (till 2017)
- Numbers of cars with internet access by 2020 (global): > **100 million**

BIG DATA MARKET FORECAST

- **CAGR (IDC)**: 40%
- Market forecast worldwide (till 2017): **EUR 53 billion**
- Currently **1.8 Zettabytes** of data volume worldwide

NETWORK SECURITY BECOMING MORE RELEVANT

- Direct damage caused by cyber crime 2011 (worldwide): **EUR 85.2 billion**
- Total volume cyber crime incl. countermeasures 2011 (global): **EUR 290 billion**
- 10% CAGR (2012 – 2016)

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1 Source: IDC, DTAG  
2 Source: Wikibon 2012 Big Data Market Size and Vendor Revenues  
3 Source: DTAG, research2guidance 2012, Pike Research  
4 Source: IDC/gartner/PAC, Symantec Report 2011
STRATEGY 2013 – 2015

MARKET UNIT:
PROFITABLE GROWTH
TELEKOM IT:
SPEND REDUCTION
2013 – 2015: OUR PRIORITIES DERIVED FROM DT’S STRATEGY.

Seamless connectivity for the Gigabit Society
More innovation by cooperation
Secure cloud solutions
Best-in-class customer experience

INNOVATE
Cloud
BigData
Security
Intelligent Networks

TRANSFORM
Offshoring
Standardization
Automation
Make or Buy

COMPETE
Quality
Telekom IT

LIFE IS FOR SHARING.
2013 – 2015: TELEKOM IT WITH End2End ACCOUNTABILITY & CLEAR INTERFACES.

KEY FACTS
- DT’s service provider for domestic business units, organized along six solution domains
- More than 8,000 internal and 2,000 external employees (1.7.2012)
- €2.7 bn IT budget (2011 restated)
- Responsible for CRM/Billing systems managing 23 mn fixed line & 35 mn mobile customers
- Operating Shared Platforms for European NatCos (€15 bn yearly revenue)

Mission: Reduction of IT spend by €1bn by 2015
2013 – 2015: COST CUTS BY OPTIMIZING PORTFOLIO & PRODUCTION.

STREAMLINING OF PORTFOLIO ➔ MAKE OR BUY DECISION ➔ MOVE TO NEAR-/OFFSHORE LOCATIONS

- INNOVATION
- STANDARDIZATION
- PARTNERING

MAKE

Continue to offer

Offering/topic

Quit to offer

Buy

Near-/Offshore ratio

2012e 2015e

40% 50%

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2013 – 2015: CLOUD COMPUTING AS KEY ENABLER FOR GROWTH.

DT CLOUD SERVICES PORTFOLIO

- T-Systems cloud pioneer since 2005: first SAP applications from the cloud
- The cloud as a current business driver: 80% of the SAP business is cloud
- In total 600 customers to use DT cloud services

ENTERPRISE CLOUD REVENUE TSI 2012 – 2015

- T-Systems cloud pioneer since 2005: first SAP applications from the cloud
- The cloud as a current business driver: 80% of the SAP business is cloud
- In total 600 customers to use DT cloud services

CAGR >30%

LIFE IS FOR SHARING.
2013 – 2015: #1 IN CLOUD SERVICES THROUGH EARLY MARKET APPROACH.

POSITIONING OF RELEVANT PROVIDERS

5 MAJOR ADVANTAGES IN THE MARKET

1. **Trust:** “Engineered in Germany”
2. **Security:** “End-to-End” design with firewalls, honeypots, intrusion detection systems, etc.
3. **Data privacy:** Data stored in Germany
4. **Ability to perform:** High performance data center, certifications, “corporate customer tested”, reliability
5. **Choice:** Broad spectrum for medium-sized and large companies and organizations

Source: Experton 2012, Forrester 2011, Gartner 2011
2013 – 2015: INTELLIGENT NETWORKS - NEW SOLUTIONS FOR UNCONTESTED MARKET SPACE.

<table>
<thead>
<tr>
<th>ENERGY</th>
<th>HEALTH</th>
<th>CONNECTED CAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Data</td>
<td>Integrated Care</td>
<td>Enabling Services</td>
</tr>
<tr>
<td>Platform</td>
<td>SAP Health Insurance Model</td>
<td>and processes</td>
</tr>
<tr>
<td>Metering Services</td>
<td></td>
<td>Backend integration</td>
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<tr>
<td></td>
<td></td>
<td>projects</td>
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<td>Telemetrics infrastructure</td>
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<td>Connectivity &amp;</td>
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<td>operations</td>
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</tbody>
</table>

**Energy Efficiency Management**

**Home Management**

**Remote monitoring at EU's biggest university hospital**

**Internet access for more than 1 mn cars in 2013**

---

**REVENUE DEVELOPMENT IN’S DT GROUP**

€ bn

- CAGR >60%
- 0
- 0.1
- 2010
- 2012e
- 2015e

---

**INNOVATE**

**Partner for top national & international utilities**

**SAP Health Insurance Model**

**Utilization of care management**

**Telematic Services for Health**

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2013 – 2015: BIG DATA.

**TSI FOOTPRINT BIG DATA MARKET**

Market Forecast € bn\(^1\)

- **CAGR >40%**

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
<th>Software</th>
<th>Hardware</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td>23.2</td>
</tr>
</tbody>
</table>

\(^1\) Source: Gartner/IDC

---

**T-SYSTEMS OFFERING STRATEGY**

- Key topic on CxO level at our customers
- Emerging Blue Ocean Market (high margins)
- Consulting capabilities and vertical solutions
- Cloud based Big Data platform
- On demand delivery Model

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2013 – 2015: SECURITY.

TSI FOOTPRINT SECURITY SERVICES MARKET

Market Forecast € bn

- Cyber crime threat increases on a daily basis
- Investments in security are a top priority for CIOs
- Spend makes up more than 10% of overall IT budget

Cyber protection initiative on European level

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FINANCIAL OUTLOOK
NEW ORGANISATION: INTERNAL IT SEPARATED FROM EXTERNAL IT.

**TSI MARKET UNIT**

- Revenue volume 2012e $\approx €7.8$ bn
- Push revenue growth
- Goal: EBIT margin improvement
- Profit Center

**TELEKOM IT**

- Revenue volume 2012e $\approx €2.3$ bn
- EBIT margin = 0
- Go-live July 1, 2012
- Cost Center, focus: Germany

LIFE IS FOR SHARING.
CHANGES IN FINANCIALS 2011.

MARKET UNIT

<table>
<thead>
<tr>
<th>€ mn</th>
<th>Revenue</th>
<th>adj. EBIT</th>
<th>adj. EBITDA</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSI TOTAL</td>
<td>7,774</td>
<td>22</td>
<td>570</td>
<td>538</td>
</tr>
<tr>
<td>TELEKOM IT</td>
<td>2,180</td>
<td>0</td>
<td>101</td>
<td>925</td>
</tr>
</tbody>
</table>

T "Old TSI"  N "New TSI"
ADJ. EBIT MARGIN TSI: DROP DUE TO NEW STRUCTURE.

ADJ. EBIT DEVELOPMENT AND EXPECTATION

€ mn

TEL IT RESTATEMENT

2007 2008 2009 2010 2011 2012e

-55 69 229 333 252 324

2011 2012e

23 -100

-0.5% 0.7% 2.6% 3.7% 2.7% 3.5%

-1%
WAY FORWARD: T-SYSTEMS TOTAL.

TSI TOTAL – REVENUE

€ bn

2012e 2015e

Telekom IT

10.0

CAGR 1%

Market Unit

CAGR >2%

TSI TOTAL – ADJ. EBIT

€ bn

2012e 2015e

CAGR >40%

0.1

LIFE IS FOR SHARING.
WAY FORWARD: TELEKOM IT REDUCES IT SPEND FOR DT GROUP.

Reduce IT spend to benchmark level (Value Case for DT) through
- Demand reduction ~ €0.3 bn
- Reduction of external Workforce Synergies & Process efficiency ~ €0.3 bn
- Infrastructure consolidation ~ €0.2 bn
- Application retirement ~ €0.1 bn
WAY FORWARD: MARKET UNIT RESPONSIBLE FOR PROFITABLE GROWTH.

GROWTH
- Further develop our business in growing markets (Cloud services, Intelligent Networks, Big Data, Network Security), focus on SI and CS revenues

EFFICIENCY
- Increase profitability through – e.g. lean and agile company (structural improvement of overhead functions)/push offshoring and standardization

ASSETS
- Further improve asset utilization

Revenue
- 2012e: 7.8€bn
- 2015e: CAGR >2%

adj. EBIT Margin
- 2012e: 1.4%
- 2015e: ~4%

adj. EBIT
- 2012e: 0.1€
- 2015e:
WAY FORWARD: MARKET UNIT – EFFICIENCY MEASURES.

- **PUSH NEAR-/OFFSHORING PRODUCTION**
  - 2012e: 40%
  - 2015e: 50%

- **IMPROVE EFFICIENCY OF FOOTPRINT**
  - Reduction of vertical integration
  - Consolidation of data centers
  - Expand “Zero Touch” - customer self service (e.g. Cloud)
  - New procurement approach
  - Structural optimization of Sales and G&A (reduction of support functions, SmartFC)

- **EFFICIENCY PROGRAM**
  - Strategic initiatives
  - Lighthouse projects
  - Detailed measures

Target Margin = 4%
MARKET UNIT: KEY LEVERS FOR ROCE IMPROVEMENT ADDRESSED.

- **REVENUE GROWTH**
  - CAGR >2%
  - 2012: €bn, 2015e: €bn

- **CAPEX/SALES**
  - -8.1%
  - 2012: €bn, 2015e: €bn

- **OPERATING ROCE**
  - 2012: -5.0%
  - 2015e: -5.0%

- **IMPROVING MARGINS**
  - -4%
  - 2012: -4%, 2015e: -4%

- **RESTRUCTURING**
  - -0.2%
  - 2012: -0.2, 2015e: -0.2

**LIFE IS FOR SHARING.**
# T-SYSTEMS’ AMBITION LEVEL 2015.

<table>
<thead>
<tr>
<th>AMBITION LEVEL 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
</tr>
<tr>
<td>Above market growth (~2% CAGR expected)</td>
</tr>
<tr>
<td><strong>QUALITY</strong></td>
</tr>
<tr>
<td>Maintain TRI*M Index above peer average and &gt; 70 points</td>
</tr>
<tr>
<td><strong>ADJ. EBIT MARGIN</strong></td>
</tr>
<tr>
<td>Around 4%</td>
</tr>
<tr>
<td><strong>TELEKOM IT</strong></td>
</tr>
<tr>
<td>€~1 bn IT spend reduction to benchmark level</td>
</tr>
</tbody>
</table>

Revenue and adj. EBIT margin ambition levels refer to Market Unit.