DEUTSCHE TELEKOM
CAPITAL MARKETS DAY 2012
EUROPE AND TECHNOLOGY

CLAUDIA NEMAT
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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.
We achieved to slow down the historic revenue decline, improved our competitive position as well as operating ROCE, despite a tough environment.

Our focus:
Ensure a sustainable cash contribution, stemming against the macro trend

Our aspiration:
- Return to underlying revenue growth from 2014 onwards through our growth areas, especially Mobile Internet and B2B/ICT
- Reduction of indirect costs through a radical transformation of our delivery model (esp., All-IP Transformation, e-Company, Technical Services Transformation)

Our leadership paradigm:
- Differentiated steering of NatCos, according to market position, to create relevant focus
- ONE DT (Europe): Cross-NatCos cooperation to leverage economies of scale
REVIEW 2010 – 2012
IN 2010 TARGETS FOR SEE AND MOBILE-ONLY COUNTRIES WERE SET – WE ACHIEVED MOST OF THEM.

<table>
<thead>
<tr>
<th>COUNTRIES</th>
<th>AMBITION LEVEL 2012</th>
<th>ACHIEVEMENTS 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEE</td>
<td>• Market share¹ service revenues: stable</td>
<td>• 50.3% (Q2/12)</td>
</tr>
<tr>
<td></td>
<td>• Market share¹ EBITDA: stable</td>
<td>• 57.4% (Q2/12)</td>
</tr>
<tr>
<td></td>
<td>• OPEX: €0.3 bn net savings</td>
<td>• €0.8 bn net savings (FY12e)</td>
</tr>
<tr>
<td></td>
<td>• TV revenues²: around €500 mn² (like-for-like €350 mn)</td>
<td>• around €270 mn² (FY12e)</td>
</tr>
<tr>
<td></td>
<td>• TV customers YE: &gt; 3.0 mn</td>
<td>• 2.9 mn (FY12e)</td>
</tr>
<tr>
<td></td>
<td>• Adj. EBITDA margin: cont. cost efficiency &amp; improve margin</td>
<td>• -4.7% &amp; 34.0% (Q1-Q3/12)</td>
</tr>
<tr>
<td></td>
<td>• Service Revenue Leadership³: become No. 1</td>
<td>• No. 3 (Q3/12)</td>
</tr>
<tr>
<td></td>
<td>• Market share service revenues³: increase</td>
<td>• 23.7% (Q3/12)</td>
</tr>
<tr>
<td></td>
<td>• Synergy from Orange integration: increase run rate by 30%</td>
<td>• €130 mn reached in '10</td>
</tr>
<tr>
<td></td>
<td>• Market share service revenues³: further stabilize market position</td>
<td>• 38.6% (Q3/12)</td>
</tr>
<tr>
<td></td>
<td>• Fixed broadband revenues: double revenues</td>
<td>• €32.3 mn (FY12e)</td>
</tr>
<tr>
<td></td>
<td>• Market share service revenues³: increase</td>
<td>• 28.4% (Q3/12)</td>
</tr>
<tr>
<td></td>
<td>• Shift to direct: direct share – 60%</td>
<td>• 55.5% (Q1-Q3/12)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MOBILE ONLY</th>
<th></th>
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<tbody>
<tr>
<td>Greece</td>
<td></td>
<td></td>
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<tr>
<td>Croatia</td>
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<td>Hungary</td>
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<td>Romania</td>
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<td>Macedonia</td>
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<td>Poland</td>
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<tr>
<td>The Netherlands</td>
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<tr>
<td>Czech Rep.</td>
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<tr>
<td>Austria</td>
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</tr>
</tbody>
</table>

¹ Total telco markets in SEE footprint; stable FX; non disclosing competitors estimated by DT
² Definition changed, since 2010 only pure TV product rev. included. Like-for-like Ambition 2012 ca 350mn€
³ DT Estimates
AFTER BUSINESS REVIEW IN 2011, WE IMPLEMENTED A NEW LEADERSHIP PARADIGM.

CHANGED LEADERSHIP PARADIGM – KEY ELEMENTS

FROM...

- Focus on quarterly EBITDA
- Individual country perspectives only
- One size fits all

TO...

1 COMMERCIAL DRIVE
- Focus on cash contribution
- Focus on revenue + cost
- Strengthened commercial functions

2 SMART STEERING
- Creation of business segment Europe
- Differentiated steering according to NatCo’s market position
COMMERCIAL DRIVE:
WE SLOWED DOWN HISTORIC REVENUE DECLINE.

WE DECREASED REVENUE DECLINE...

Europe Total Rev.
€ bn, adjusted for FX

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>11.9</td>
<td>11.2</td>
<td>10.8</td>
</tr>
</tbody>
</table>

... IN SPITE OF TOUGH ENVIRONMENT

Ø GDP growth
2010
FY 2010
0.4%
FY 2012
-2.0%

Ø MTR in footprint EURc
YE 2009
7.03
YE 2012
3.76

EU roaming retail EUR/min
YE 2009
0.43
YE 2012
0.29

1 2010 adjusted for UK deconsolidation
2 Source: Oxford Economics as of August 2012.
3 Company estimates

LIFE IS FOR SHARING.
COMMERCIAL DRIVE: WE IMPROVED OUR COMPETITIVE POSITION...

REVENUE MARKET SHARE PERFORMANCE IN CORE MARKETS

vs. main peers

Q3/11 yoy  Q3/12 yoy

Market position strengthened...

Leadership position defended...

outperformed peer/leadership fostered

under-performed

Market position weakened...

4  8  7  3

Czech Rep.

Romania

Slovakia

Romania

Czech Rep.

Hungary

Greece

Poland

The Netherlands

Austria

Slovakia

One-off in Q3/2011: high prepaid ARPU peak due to expiry of a promotion; without the effect Cosmote outperformed competition

Source: Company Estimates

LIFE IS FOR SHARING.
... WHILE IMPROVING ROCE, AND KEEPING CAPITAL PRODUCTIVITY ON BENCHMARK LEVEL.

DT EUROPE OP. ROCE

like-for-like

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2010</th>
<th>FY 2012e</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROCE</td>
<td>10.8%</td>
<td>13-14%</td>
</tr>
</tbody>
</table>

DT EUROPE CAPEX/REVENUE RATIO

like-for-like

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2010</th>
<th>FY 2012e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>12.9%</td>
<td>11-12%</td>
</tr>
</tbody>
</table>

EBITDA-margin development 2010 vs. 2012: from 34.7% to 34.8%

Benchmark range for mobile/fixed/integrated operators:
- 14% without spectrum
- 11% without equity UK, including spectrum

Source: Oliver Wyman benchmark
DIFFERENTIATED STEERING CREATES RELEVANT FOCUS.

<table>
<thead>
<tr>
<th>NATCO CLUSTERS</th>
<th>STRATEGIC DIRECTION</th>
<th>KPIS/AMBITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SENIOR LEADERS</strong></td>
<td>- The undisputed, most admired industry leader</td>
<td>- Radical gross opex reduction</td>
</tr>
<tr>
<td>- Greece</td>
<td>- Business model transformation</td>
<td>- Stabilize topline</td>
</tr>
<tr>
<td>- Croatia</td>
<td>- Keep leading market position</td>
<td>- Increase Blue Ocean topics revenue share</td>
</tr>
<tr>
<td>- Hungary</td>
<td>- Leverage leadership in fixed for improving mobile, esp. by capitalizing on fixed/mobile merger</td>
<td></td>
</tr>
<tr>
<td>- Macedonia</td>
<td>- Business model transformation</td>
<td></td>
</tr>
<tr>
<td><strong>JUNIOR LEADERS WITH A CHALLENGE IN MOBILE</strong></td>
<td>- Go for market leadership: PL total revenues, CZ mobile data revenue</td>
<td>- Increase mobile revenue</td>
</tr>
<tr>
<td>- Romania</td>
<td></td>
<td>- Increase integrated customer base FMC</td>
</tr>
<tr>
<td>- Slovakia</td>
<td></td>
<td>- Radical gross opex reduction</td>
</tr>
<tr>
<td>- Montenegro</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MOBILE RUNNER-UPS</strong></td>
<td>- Unconventional capex-light moves</td>
<td>- Increase total revenue market share</td>
</tr>
<tr>
<td>- Poland</td>
<td></td>
<td>- Increase mobile data revenue share</td>
</tr>
<tr>
<td>- Czech Rep.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SMART ATTACKERS</strong></td>
<td></td>
<td>- Increase total revenue, esp. in B2B &amp; mobile data</td>
</tr>
<tr>
<td>- The Netherlands</td>
<td></td>
<td>- Reduce capex</td>
</tr>
<tr>
<td>- Albania</td>
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<tr>
<td>- Austria</td>
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</tr>
</tbody>
</table>

1 B2B-ICT, Mobile Internet, TV/broadband, adjacent industries (online consumer services and energy) Bulgaria not in scope

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MARKET TRENDS
ECONOMIC ENVIRONMENT: SUFFERING FROM CRISIS; IN ADDITION PEAK IN CUTS OF MOBILE TERMINATION RATES IN 2013.

GDP GROWTH 2012: OUTLOOK MIXED

Source: Oxford Economics

INTERCONNECTION REVENUE IMPACT OF MOBILE TERMINATION RATES CUTS IN DT EUROPE FOOTPRINT

Historical “peak” of mobile termination rates cuts in 2013
TELCO: COUNTRY-SPECIFIC NEWCOMERS INCREASE THE HEAT, TAXES & CUMULATION OF AUCTIONS CREATE A CHALLENGING ENVIRONMENT.

<table>
<thead>
<tr>
<th>Country</th>
<th>Special telco taxes</th>
<th>Four-MNO markets</th>
<th>MVNOs/2nd brands</th>
<th>Spectrum auctions 2012 - 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
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<td>'13</td>
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<tr>
<td>Hungary</td>
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<td>planned</td>
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<tr>
<td>Croatia</td>
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<td>Macedonia</td>
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<td>Poland</td>
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<td>planned</td>
<td>'12 &amp; '14</td>
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<tr>
<td>Czech Rep.</td>
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<td>Bulgaria</td>
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<td>Austria</td>
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<td>'13</td>
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<tr>
<td>Albania</td>
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<td></td>
<td></td>
<td>'15</td>
</tr>
</tbody>
</table>

1 Launching MVNOs across CEE  
2 Abandoned  
3 Discussion ongoing
NEVERTHELESS, GROWTH OPPORTUNITIES TO COMPENSATE DECLINE OF COMMODITY TELCO.

MARKETS REVENUES DT EUROPE FOOTPRINT

€ bn

Blue Ocean topics

Red Ocean topics

CAGR: +6%

CAGR: -6%

2012

2015

65

67

36

42

4

10

5

17

6

11

8

19

Mobile Internet

Connected home^2

IP Services

B2B/ICT

+€2 bn

+€1 bn

+€3 bn

+€2 bn

Growth areas

Traditional areas^1

1 Fixed & mobile voice, mobile messaging, mobile termination, visitor roaming

2 Pay TV & fixed broadband
STRATEGY 2013 – 2015

ENSURE SUSTAINABLE CASH CONTRIBUTION
OUR ASPIRATION.

ENSURE SUSTAINABLE CASH CONTRIBUTION

TRANSFORM REVENUE

“Blue ocean”:
- Overall: Reduce revenue decline in 2012, stop in 2013\(^1\), return to moderate growth in 2014
- Revenue growth of 12% CAGR (2012 – 2015) in Blue Ocean topics: B2B/ICT, mobile Internet, TV & broadband, adjacent industries\(^2\) to overcompensate declining core business (Blue Ocean topics: 28% share of revenue in 2015)

“Red ocean”:
- Cum. indirect Opex reductions of €0.6 bn by 2015\(^3\): Net indirect cost reduction of 6%
- Direct costs: 2013 and 2014 decrease due to lower interconnection costs, overcompensated starting with 2014 due to increasing Growth business: Net direct costs decrease of 2% by 2015\(^3\)

\(^1\) After deduction of regulatory effects  \(^2\) Online consumer services and energy  \(^3\) Based on 2012
OUR STRATEGY: ONE DT (EUROPE).

- Cooperation creates economies of scale
- Ownership in country with best competences and infrastructure
-International rotation

1. All-IP Transformation
2. B2B Big Bang
3. Mobile Internet Push/Innovation Excellence
4. Cost Revolution/Operational Excellence
ALL-IP TRANSFORMATION CREATES.
ONE COMMON INFRASTRUCTURE FOR ALL SERVICES.

FROM THE “OLD PSTN WORLD”...

ATM
SDH
Ethernet
IP Network

…TO THE “NEW IP ERA”

Voice
Data
ATM
SDH
Ethernet
IP Network

All-IP transformation represents the creation of a simplified and standardized network...

Digital telephone exchange  Aggregation switch  IP router

IP transformation is the basis for e-company, as well as fast product/service innovation

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ALL-IP TRANSFORMATION RETIRES ALL LEGACY SYSTEMS.

FROM THE “OLD PSTN WORLD”...

Many legacy systems, no separation of BSS¹ and OSS²

... that significantly changes and harmonizes the production landscape

...TO THE “NEW IP ERA”

Retired legacy systems, clear separation of BSS¹ and OSS²

1 Business support system 2 Operations support system
1 RADICAL AND FAST PSTN MIGRATION IN CROATIA AND MACEDONIA.

AMBITIOUS MIGRATION PLAN

<table>
<thead>
<tr>
<th>Country</th>
<th>PSTN/ISDN Voice Customers</th>
<th>Migrated to IP YE 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>1,300 k&lt;sup&gt;1&lt;/sup&gt;</td>
<td>350 k (27%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014/15</td>
</tr>
<tr>
<td>Macedonia</td>
<td>300 k&lt;sup&gt;1&lt;/sup&gt;</td>
<td>150 k (50%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2013/14</td>
</tr>
</tbody>
</table>

BENEFITS

- **DISMANTLE LEGACY EQUIPMENT**
  - 1,712 tons of material dismantled; equals mass of 325 male African elephants

- **REDUCED ENERGY CONSUMPTION**
  - 43 GWh yearly energy consumption decreased; equals a 1 km long train with 69 cisterns with fuel oil (4300m³)

- **LOWER VOICE PRODUCTION COSTS**
  - 20-30%

<sup>1</sup> Residential, Business and Wholesale

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DT IS THE FIRST OPERATOR WORLDWIDE TO IMPLEMENT TERASTREAM IN ZAGREB, CROATIA.

ALL-IP TRANSFORMATION TO COPE WITH EXPONENTIAL TRAFFIC GROWTH

BUILDING BLOCKS

- Broadband Network Gateway (BNG)
  - Consolidation and aggregation of relevant IT systems

TeraStream (“NT goes IT”)
- Applying enterprise cloud model to network infrastructure
- Network function virtualization
- New real-time operations support system (OSS)

BENEFITS OF TERASTREAM

- Simple in design, lean in production, allowing services differentiation towards customers
- Instant provisioning
- Instant change of access features
- Reduction of products innovation cycle from 2 – 4 years to less than ½ years
- No latencies
- Radical cost advantage

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1 As result, 40% of total traffic going forward will be delivered by data centers, tightly linked to the network; all more complex parts of production machine will be centralized.
B2B BIG BANG: FOCUS, COOPERATION AND EXECUTION.

**KEY LEVERS IN B2B**

- **Focus, Cooperation & Execution**
  - Ensure focus, set clear targets
  - B2B segment oriented organization implemented by YE 2012 in all NatCos and head office Europe
  - Further development of multi-national customers business

- **Leverage synergies and economies of scale & scope**
  - Cloud & M2M business development
  - Structured best practice sharing

**ACHIEVEMENTS**

- **B2B/ICT**
  - 2012 YTD growth in line with targets
- **Multi-national customers**
  - Wins, among others, Henkel, Erste Bank, Generali
- **Cloud**
  - Implemented in Croatia
- **M2M**
  - Platform deployment in Austria

**ASPIRATION**

- **B2B/ICT revenue**
  - € bn
  - FY 2012e: 0.4
  - FY 2015e: 0.6
  - CAGR 18%

**Achievements vs. Aspiration**

- **B2B/ICT revenue**
  - 2012 YTD growth in line with targets
  - Wins, among others, Henkel, Erste Bank, Generali
  - Cloud
  - Implemented in Croatia
  - M2M
  - Platform deployment in Austria

- **Revenue growth 2012 vs. 2011, Estimate**

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3 MOBILE INTERNET/INNOVATION EXCELLENCE: LTE BROADBAND EXPERIENCE AND COMMERCIAL PUSH.

LEADING MOBILE NETWORKS

LTE coverage

Number of NatCos

2015: 11 NatCos with LTE coverage >60%
2012: 4 NatCos with LTE coverage ≈30%

INCREATING MOBILE INTERNET REVENUES

Mobile Internet revenue
€ bn

FY 2012e
FY 2015e

1.2
1.8

CAGR: +14%

MEASURES

- Best in class smartphone portfolio leveraging BUYIN
- Outstanding mobile Internet execution
  - Competitive voice data tariff portfolio
  - Superior sales execution
  - Innovative smartphone based value added services
- Innovation:
  - Music streaming (Deezer, Spotify)
  - Payment functionality via My Wallet

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### COST REVOLUTION.

#### TRANSFORM DELIVERY MODEL (COST) 2012 – 2015

**DECREASE OF INDIRECT COST**

- **eCompany** transformation by further automation of services & products
- Operational excellence by e.g. **technical service transformation**
- **Reduction of G&A** cost by shared service centers e.g. accounting, HR
- Developing **IT supply centers** (e.g. TMNL billing provided by OTE)
- **Design to cost** approach e.g. for technology shared services (TV)

**DIRECT COST DEVELOPMENT**

- In next two years direct costs will further diminish due to lower interconnections costs, but overcompensated in 2014 and the following years due to increasing direct cost related to growth business
- Growth in TV and ICT with additional cost e.g. licenses, content
- Increase of direct cost related to new products e.g. mobile wallet

#### INDIRECT COSTS

<table>
<thead>
<tr>
<th></th>
<th>FY 2012e</th>
<th>FY 2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDIRECT COST</td>
<td>4.7</td>
<td>4.4</td>
</tr>
</tbody>
</table>

-6% decrease

#### DIRECT COSTS

<table>
<thead>
<tr>
<th></th>
<th>FY 2012e</th>
<th>FY 2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT COST</td>
<td>5.0</td>
<td>4.9</td>
</tr>
</tbody>
</table>

-2% decrease, 2014
FINANCIAL OUTLOOK
OUR ASPIRATION: RETURN TO MODERATE GROWTH IN 2014 – REVENUE SHIFT TO GROWTH AREAS.

REVENUE TURNAROUND WILL BE ACHIEVED BY...

REVENUE
€ bn, stable FX

Like-for-like\(^1\)
CAGR +1.4%

>14
Reported
CAGR -0.6%
ca. 1\(^2\)
ca. 14

FY 2012e FY 2015e

\(^1\) Like-for-Like - calculated with stable FX and stable mobile regulated rates
\(^2\) Mobile termination national, roaming, visitors

...REVENUE TRANSFORMATION

REVENUE SPLIT
stable FX

<table>
<thead>
<tr>
<th></th>
<th>FY 2012e</th>
<th>FY 2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2B/ICT</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Pockets of growth(^3)</td>
<td>17%</td>
<td>24%</td>
</tr>
<tr>
<td>Traditional areas(^4)</td>
<td>81%</td>
<td>72%</td>
</tr>
</tbody>
</table>

\(^3\) B2B/B2C: Mobile Internet, TV/fixed broadband, adjacent industries (online consumer services and energy)
\(^4\) Voice, messaging, handset revenues, wholesale, others.

LIFE IS FOR SHARING.
TRANSFORMATION: REASONABLE INVESTMENTS IN GROWTH SECURE FUTURE BUSINESS OPPORTUNITIES.

CAPEX TRANSFORMATION REFLECTING BUSINESS MODEL CHANGE

CAPEX
€ bn, stable FX, like-for-like, w/o spectrum

FY 2012e FY 2015e

<table>
<thead>
<tr>
<th></th>
<th>FY 2012e</th>
<th>FY 2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional areas</td>
<td>50%</td>
<td>28%</td>
</tr>
<tr>
<td>Transformation</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>Growth</td>
<td>31%</td>
<td>44%</td>
</tr>
<tr>
<td>Cap. labor, CPE, Other</td>
<td>19%</td>
<td>20%</td>
</tr>
</tbody>
</table>

KEY LEVERS 2015

- Increasing CAPEX for further rollout of Growth Areas (e.g. Broadband with LTE, FTTx) and in IP Transformation.
- Decreasing CAPEX in Commodity Telco (e.g. Maintenance and Infrastructure) due to improving efficiency.
INCREASING RETURN ON CAPITAL DUE TO OPEX SAVINGS AND LOWER ASSET BASE.

**REVENUE**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;14</td>
<td>14</td>
<td>ca. 14</td>
</tr>
</tbody>
</table>

**OPEX**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.7</td>
<td>9.3</td>
<td></td>
</tr>
</tbody>
</table>

**CAPEX**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.7</td>
<td>1.7</td>
<td></td>
</tr>
</tbody>
</table>

**SPECIAL FACTORS**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.2</td>
<td>0.1</td>
<td></td>
</tr>
</tbody>
</table>

**OPERATING ROCE**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.7</td>
<td>9.3</td>
<td></td>
</tr>
</tbody>
</table>

+1.5%p

in € bn, stable FX, company estimates for all figures; 2012 = FY2012e; 2015=FY2015e.
AMBITION LEVEL 2015
**OUR AMBITION: ECONOMIES OF SCOPE AND SCALE SECURE STABLE CASH IN A DIFFICULT ENVIRONMENT.**

<table>
<thead>
<tr>
<th>AMBITION LEVEL 2015</th>
<th>FINANCIAL STABILITY IN EUROPE</th>
<th>TECHNOLOGY LEADERSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>oFCF adj.</td>
<td>stable</td>
<td>All-IP migration in HR and MK</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In other countries All-IP migration launched</td>
</tr>
<tr>
<td>TOTAL REVENUE(^1)</td>
<td>€14 bn</td>
<td>TeraStream trial in HR by end of 2012</td>
</tr>
<tr>
<td>CUM. INDIRECT OPEX-REDUCTION BY 2015(^2)</td>
<td>€0.6 bn</td>
<td>BNG introduction in GR ongoing until 2015</td>
</tr>
<tr>
<td>OP. ROCE</td>
<td>further improving</td>
<td>Maximum bandwidth experience by bundling fixed &amp; mobile data streams, launch in at least one country 2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mass market product by 2015</td>
</tr>
</tbody>
</table>

\(^1\) Adjusted, organic revenue development only, based on assumptions regarding regulation (esp. MTR cuts), new entrants/spectrum auction, etc.  
\(^2\) Baseline 2012  
\(^3\) Broadband network gateway  
\(^4\) Integrated Network Strategy
SUMMARY.

1. We achieved to slow down the historic revenue decline, improved our competitive position as well as operating ROCE, despite a tough environment.

2. Our focus:
   Ensure a sustainable cash contribution, stemming against the macro trend.

3. Our aspiration:
   - Return to underlying revenue growth from 2014 onwards through our growth areas, especially Mobile Internet and B2B/ICT.
   - Reduction of indirect costs through a radical transformation of our delivery model (esp., All-IP Transformation, e-Company, Technical Services Transformation).

4. Our leadership paradigm:
   - Differentiated steering of NatCos, according to market position, to create relevant focus.
   - ONE DT (Europe): Cross-NatCos cooperation to leverage economies of scale.
BACKUP FOR INVESTORS
NO “ONE-SIZE-FITS-ALL”: NATCOS’ STRATEGIC PRIORITIES TO BEST COMPETE IN RESPECTIVE MARKETS.

<table>
<thead>
<tr>
<th>Country</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>Strengthen leadership in mobile and fixed broadband, boost cost efficiency in fixed (ensure refinancing)</td>
</tr>
<tr>
<td>Hungary</td>
<td>Speed up very successful revenue transformation while maintaining mobile pos. despite new entrant(s)</td>
</tr>
<tr>
<td>Croatia</td>
<td>Drive revenue &amp; business model transf.¹ while defending leadership, size market invest &amp; Capex accordingly</td>
</tr>
<tr>
<td>Macedonia</td>
<td>Stabilize leading market position, and focus on Capex reduction</td>
</tr>
<tr>
<td>Romania</td>
<td>Streamline and focus: smart TV invest and focus on B2B FMC, efficiency opportunities with merger (to improve ROCE)</td>
</tr>
<tr>
<td>Slovakia</td>
<td>Grow mobile market share (esp. by challenging Orange), and streamline organization</td>
</tr>
<tr>
<td>Montenegro</td>
<td>Stabilize top-line, and drive transformation for cost reduction</td>
</tr>
<tr>
<td>Poland</td>
<td>Achieve mobile market leadership in a growing market (“full attack”), and boost B2B</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>Become market leader in mobile data (“focused attack”), while smartly defend against new entrant(s) in maturing market, push B2B/ICT</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Become a true, unconventional attacker (esp. in B2C), boost efficiency, network performance is only a hygiene factor</td>
</tr>
<tr>
<td>Austria</td>
<td>Strategic repositioning, sharpen position as leading attacker of A1, enhance B2B</td>
</tr>
<tr>
<td>Albania</td>
<td>Strong focus on closing gap to Vodafone, esp. in mobile data and in postpaid</td>
</tr>
</tbody>
</table>

¹ IP and e-Company, lean Telco