AGENDA: DEUTSCHE TELEKOM CAPITAL MARKETS DAY 2012

THURSDAY, DECEMBER 6th, 2012

17:00 – 17:30 Registration

17:30 – 18:15 Group Strategy and Outlook
       René Obermann

18:15 – 19:00 USA
       John Legere
       Neville Ray
       Braxton Carter

19:30 Evening Event @ T-Gallery
       Product & Innovation @ DT
       Thomas Kiessling

FRIDAY, DECEMBER 7th, 2012

9.00 – 10:00 Europe (incl. Q&A)
       Claudia Nemat

10:00 – 11:00 Germany
       Niek Jan van Damme

11:00 – 11:15 Coffee Break

11:15 – 12:15 Systems Solutions (incl. Q&A)
       Reinhard Clemens
       Klaus Werner

12:15 – 13:00 Finance
       Timotheus Höttges

13:00 – 13:30 Lunch

13:30 – 14:30 3 parallel breakout Q&A sessions for DT Group, Germany, USA

14:30 – 15:00 End

Live webcasted
All dates CET (Bonn); GMT (London) -1 h, ET (New York) -6 h, PST (San Francisco) -9 h

LIFE IS FOR SHARING.
This compilation of documents 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.
SAFE HARBOR STATEMENT.

Additional Information and Where to Find It
This compilation of documents 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) 578 – 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 compilation of documents 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 compilation of documents 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 these documents, except as required by law.
KEY MESSAGES.

1. Key objectives achieved against industry trend – 2012 guidance reiterated

2. Significant investments in Germany and the US

3. Agreement with Apple for T-Mobile US

4. Chance to return to modest growth by 2014 driven by
   - revenue stabilization in Germany in 2014
   - return to underlying growth in Europe in 2014
   - return to growth at TMUS

5. Investments lead to lower FCF. Dividend lowered to a prudent and sustainable level
REVIEW 2010 – 2012
FROM TELCO TO TELCO PLUS.

- Strategy implementation on track
- Finance strategy & 3 yr dividend plan executed

- Industry situation
- Telco Plus strategy and strategic objectives 2013 – 2015

LIFE IS FOR SHARING.
2010 – 2012: ACHIEVEMENTS.

**FIX**
- Valuation increase €1.7 bn of DT’s stake – good operational development
- Improved position after AT&T deal break-up
- Broadband share kept broadly stable, 4pp margin enhancement

**INNOVATE**
- Growth areas overall mostly on track for 2015 ambition
- Corporate innovation priorities defined
- Partnering accelerating

**TRANSFORM**
- “One Company” in Germany and 3 major markets
- €4.5 bn Save for Service savings achieved one year ahead of plan
- “Telekom IT” established – €1 bn IT spend reduction by 2015

**INVESTORS**
- 3 year dividend program
- Good relative TSR and valuation performance versus peers
- Strict M&A discipline and good deal execution

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2010 – 2012: TMUS BUILDING CHALLENGER POSITION.

**AT&T BREAK-UP**
- AWS spectrum and $3 bn cash received as break-up fee

**NETWORK MODERNIZATION**
- $4 bn network investment
- Site upgrades and spectrum re-farming

**VERIZON SPECTRUM SWAP**
- Enable more efficient network
- Higher LTE coverage

**TOWER TRANSACTION**
- $2.5 bn proceeds
- Maintaining operational flexibility

**MetroPCS COMBINATION**
- Creating the leading value carrier
- Improved spectrum position

LIFE IS FOR SHARING.
### Group Ambition Level 2012 (Communicated in 2010)

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group wide TV Customers</td>
<td>5.5 – 6.0 mn</td>
</tr>
<tr>
<td>Group wide mobile customers</td>
<td>&gt;140 mn</td>
</tr>
<tr>
<td>Group wide fixed broadband retail customers</td>
<td>&gt;18 mn</td>
</tr>
<tr>
<td>Revenues</td>
<td>&gt;€6 bn mobile internet revenues</td>
</tr>
<tr>
<td></td>
<td>German revenues stabilized</td>
</tr>
<tr>
<td>Save for Service 2010-2012</td>
<td>€4.2 bn savings, of which €1.8 bn net savings in GER &amp; SEE</td>
</tr>
<tr>
<td>FCF</td>
<td>Increasing from 2010 level of around €6.2 bn</td>
</tr>
<tr>
<td>ROCE</td>
<td>+ &gt;150bps</td>
</tr>
<tr>
<td>Shareholder remuneration 2010-2012</td>
<td>€3.4 bn per annum, €0.70 minimum dividend per share + up to €1.2 bn share buybacks</td>
</tr>
</tbody>
</table>

**Life is for sharing.**
2010 – 2012: DT WITH ABOVE AVERAGE SHAREHOLDER RETURNS.

<table>
<thead>
<tr>
<th>TSR(^1)</th>
<th>EV/EBITDA(^2,3)</th>
<th>5YR CDS (BPS)(^3)</th>
<th>RATINGS(^3,4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>vs. 37.3%</td>
<td>4.7x</td>
<td>4.8x</td>
<td>64</td>
</tr>
<tr>
<td>vs. 13.5%</td>
<td>4.8x</td>
<td>4.7x</td>
<td>74</td>
</tr>
<tr>
<td>vs. -21.6%</td>
<td>5.1x</td>
<td>3.8x</td>
<td>119</td>
</tr>
<tr>
<td>vs. -27.0%</td>
<td>6.1x</td>
<td>4.7x</td>
<td>91</td>
</tr>
<tr>
<td>vs. -34.0%</td>
<td>5.3x</td>
<td>3.7x</td>
<td>46</td>
</tr>
<tr>
<td>vs. -53.1%</td>
<td>5.7x</td>
<td>4.1x</td>
<td>55</td>
</tr>
</tbody>
</table>

Source: Company Information, FactSet, Bloomberg, Citi, Standard & Poors.

\(^1\) Total Shareholder Return 25.02.2010 – 30.11.2012.  \(^2\) EV/EBITDA calendarised for 2010 and 2012.  \(^3\) End of Jan 2010 and Nov 2012.  \(^4\) S&P Ratings
WE INVEST FOR LONG TERM GROWTH.

Telco

2010

- Strategy implementation on track
- Finance strategy & 3 yr dividend plan executed

2012

Telco Plus

2015

- Industry situation
- Telco Plus strategy and strategic objectives 2013 – 2015
INDUSTRY SITUATION AND MAJOR TRENDS.

PRESSURES

TOUGH ECONOMIC SITUATION

SATURATED MARKETS, CONTINUED PRICE PRESSURE

IP TRANSFORMATION

VIRTUAL PBX

QoS

CHANGING REGULATION

GROWTH MARKETS

LIFE IS FOR SHARING.
REGULATION: NEW PROSPECTS FOR HIGHER INVESTMENT LEVELS.

NEW EU REGULATORY POLICY PROPOSAL

- Reliable regulatory framework until 2020
- ULL charges stable until 2020
- No cost regulation for optical fiber/NGA networks if sufficient competition and non-discrimination
- NGA networks also include VDSL, FTTC – vectoring also supported by the EU

IMPLICATION FOR GERMANY

Encouraging comments have to materialize and are a precondition for increased network investments

“I intend to produce durable regulatory guidance, to apply at least until 2020.”
(Neelie Kroes)

1 EC Digital Agenda Statement, 07/12/2012, SPEECH 12-552 and MEMO 12-554.
MARKET PROJECTIONS.

TELECOMMUNICATION
€ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Connected Home</th>
<th>Mobile Internet</th>
<th>Traditional communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>217</td>
<td>43</td>
<td>146</td>
</tr>
<tr>
<td>2015</td>
<td>242</td>
<td>84</td>
<td>127</td>
</tr>
</tbody>
</table>

Growth markets: Connected Home 3%, Mobile Internet: 18%, Traditional communication: -3%
p.a.

CONVENTIONAL ICT

<table>
<thead>
<tr>
<th>Year</th>
<th>Connected Home</th>
<th>Mobile Internet</th>
<th>Traditional communication</th>
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</tbody>
</table>

Growth markets: Connected Home 3%, Mobile Internet: 18%, Traditional communication: -3%
p.a.

INFORMATION & COMMUNICATION TECHNOLOGY
€ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Cloud Services &amp; Virtualized IT</th>
<th>Conventional ICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>525</td>
<td>443</td>
</tr>
<tr>
<td>2015</td>
<td>631 (including TV)</td>
<td>473</td>
</tr>
</tbody>
</table>

Growth markets: Cloud Services & Virtualized IT 18%, Conventional ICT 2%
p.a.

Source: DT planning for footprint, based on market insights and various external sources (e.g., Gartner, IDC, Analysys Mason).

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### Transformed Revenue Mix

#### Deutsche Telekom Growth Areas and Ambition 2015

<table>
<thead>
<tr>
<th>Area</th>
<th>Estimated Revenue (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Internet</td>
<td>≈€10 bn</td>
</tr>
<tr>
<td>Connected Home</td>
<td>≈€7 bn</td>
</tr>
<tr>
<td>Online Consumer Services</td>
<td>≈€2 bn</td>
</tr>
<tr>
<td>T-Systems External (Incl. Cloud)</td>
<td>≈€7 bn</td>
</tr>
<tr>
<td>Intelligent Networks</td>
<td>≈€1 bn</td>
</tr>
</tbody>
</table>

#### Revenue Mix DT Group

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Areas</th>
<th>Traditional Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010¹</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>2015</td>
<td>40–45%</td>
<td>55–60%</td>
</tr>
</tbody>
</table>

¹ Beginning of 2010.

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**Notes:**
- The transformation of revenue mix is a strategic initiative by Deutsche Telekom to focus on growing areas such as mobile internet, connected home, and online consumer services, while reducing reliance on traditional areas.
- The chart illustrates a shift from predominantly traditional revenue sources to a mix of growth and traditional areas.
- The figures represent estimated revenue in billions of euros.
- The growth areas are projected to increase from 24% in 2010 to 40–45% in 2015, while traditional areas are expected to decrease from 76% to 55–60% over the same period.
STRATEGY 2013 – 2015
WE INVEST FOR LONG TERM GROWTH.

Telco

2010

- Strategy implementation on track
- Finance strategy & 3 yr dividend plan executed

2012

Telco Plus

2015

- Industry situation
- Telco Plus strategy and strategic objectives 2013 – 2015

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STRATEGIC OBJECTIVES 2013 – 2015 PER SEGMENT.

GERMANY
- Stabilize revenues in 2014

EUROPE
- Return to underlying growth in 2014

USA
- Reinvigorate growth

DBU
- Generate double-digit growth

T-SYSTEMS
- Market Unit: Profitable growth
- Telekom IT: Spend reduction

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TELCO PLUS.

Seamless connectivity for the Gigabit Society

More innovation by cooperation

Secure cloud solutions

Best-in-class customer experience

INNOVATE

Corporate Innovation Priorities
Intelligent Networks
Dynamic Cloud Services
SMB Business Marketplace

TRANSFORM

Continued efficiency improvement, target €2 bn
All IP Transformation
Telekom IT

COMPETE

K1 & Customer Experience Transformation Europe
Mobile Internet Push Europe
Network Modernization US + Apple Partnership
Integrated Network Strategy Germany

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INTEGRATED NETWORK STRATEGY GERMANY.

1. LTE rollout
2. Fiber rollout
3. Vectoring
4. Hybrid access

- LTE: 85% coverage in 2016
- Fiber: around 65% coverage in 2016 with an option towards 80% (subject to public co-funding)

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NETWORK MODERNIZATION US + APPLE PARTNERSHIP.

NETWORK MODERNIZATION PROGRESSING RAPIDLY

<table>
<thead>
<tr>
<th>mn population</th>
<th>4G LTE</th>
<th>4G HSPA PCS</th>
<th>4G HSPA AWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 YE</td>
<td>0</td>
<td>100</td>
<td>225</td>
</tr>
<tr>
<td>H1 2013</td>
<td>100</td>
<td>170</td>
<td>225</td>
</tr>
<tr>
<td>2013 YE</td>
<td>200</td>
<td>200</td>
<td>225</td>
</tr>
</tbody>
</table>

APPLE PARTNERSHIP

- TMUS has entered into an agreement with Apple to bring products to market together next year
- TMUS 2013 financial guidance incorporates all financials related to this agreement

4G (LTE AND HSPA) COVERAGE

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FINANCIAL OUTLOOK
INVESTING INTO DT’S FUTURE – CAPEX AND FCF PROFILES.

**Integrated Network Strategy**
- 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**
€ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012e</td>
<td>8.3</td>
</tr>
<tr>
<td>2013e</td>
<td>9.8</td>
</tr>
<tr>
<td>2015e</td>
<td>9.5</td>
</tr>
</tbody>
</table>

**FCF PROFILE 2011 – 2015**
€ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>6.4</td>
</tr>
<tr>
<td>2012e</td>
<td>≈6</td>
</tr>
<tr>
<td>2013e</td>
<td>≈5</td>
</tr>
<tr>
<td>2015e</td>
<td>≈6</td>
</tr>
</tbody>
</table>

**LIFE IS FOR SHARING.**
### INVESTING INTO DT’S FUTURE – FINANCIAL SUMMARY.

#### EQUITY

<table>
<thead>
<tr>
<th>Dividend¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012: €0.70</td>
</tr>
<tr>
<td>FY 2013: €0.50</td>
</tr>
<tr>
<td>FY 2014: €0.50</td>
</tr>
<tr>
<td>FY 2015: re-visit</td>
</tr>
<tr>
<td>Attractive option: Dividend in kind</td>
</tr>
</tbody>
</table>

**New Shareholder Remuneration policy**

#### TELCO PLUS

**COMPETE**

**TRANSFORM**

**INNOVATE**

#### VALUE CREATION

- **EFFICIENCY MANAGEMENT**
  - Reduce indirect costs by €2 bn²
  - Increase ROCE to 5.5% (+150bp)

- **PORTFOLIO MANAGEMENT**
  - No big M&A, Strategic review of Scout and EE

- **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: covering maturities of coming 24 months

### STAKEHOLDER MANAGEMENT

**DIVIDENDS**

- FY 2012: €0.70
- FY 2013: €0.50
- FY 2014: €0.50
- FY 2015: re-visit

**Attractive option:** Dividend in kind

¹ Subject to necessary AGM approval and board resolution.

² Cum delta by 2015 vs. 2012 base line.

**LIFE IS FOR SHARING.**
2013 GUIDANCE & MID TERM AMBITION
DT GROUP GUIDANCE 2013 AND MID TERM AMBITION.

<table>
<thead>
<tr>
<th></th>
<th>GUIDANCE 2013 (EXCL./INCL. PCS)</th>
<th>MID TERM AMBITION (INCL. PCS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GROUP Adj. EBITDA</td>
<td>≈€17.4 bn/≈€18.4 bn</td>
<td>Growing</td>
</tr>
<tr>
<td>GROUP FCF</td>
<td>≈€5 bn/≈€5 bn</td>
<td>Growing</td>
</tr>
<tr>
<td>GROUP Adj. EPS</td>
<td></td>
<td>≈€6 bn</td>
</tr>
<tr>
<td>GROUP ROCE</td>
<td></td>
<td>Improvement to ≈€0.8</td>
</tr>
<tr>
<td>SHAREHOLDER REMUNERATION POLICY</td>
<td>DPS €0.50/DPS €0.50</td>
<td>Improvement to ≈5.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review</td>
</tr>
</tbody>
</table>

LIFE IS FOR SHARING.
KEY MESSAGES.

1. Key objectives achieved against industry trend – 2012 guidance reiterated

2. Significant investments in Germany and the US

3. Agreement with Apple for T-Mobile US

4. Chance to return to modest growth by 2014 driven by
   - revenue stabilization in Germany in 2014
   - return to underlying growth in Europe in 2014
   - return to growth at TMUS

5. Investments lead to lower FCF. Dividend lowered to a prudent and sustainable level
DEUTSCHE TELEKOM
CAPITAL MARKETS DAY 2012
T-MOBILE USA.

JOHN LEGERE, PRESIDENT AND CEO
NEVILLE RAY, CTO
BRAXTON CARTER, VICE CHAIRMAN AND CFO, METROPOLICS

LIFE IS FOR SHARING.
KEY MESSAGES.

- MetroPCS combination accelerates Challenger strategy.

- Clear path toward 100 million LTE POP coverage by mid-year 2013, 200 million by end of year 2013 – with 2x10 MHz in nearly 90% of Top 25 service areas, expanding to at least 2x20 MHz in 90% of Top 25 service areas in 2014+.

- TMUS has entered into an agreement with Apple to bring products to market together next year – impact fully included in go forward financials.

- Bringing together a set of innovative propositions to fundamentally challenge status quo, TMUS will become the “Un-carrier”.

- 2013 will be year of investments. This will have a positive impact on EBITDA from 2014 onwards.

- Ambition: reconfirming 5-year CAGRs including 3 – 5% revenue growth.
APPLE PARTNERSHIP.

- TMUS is excited to announce it has entered into an agreement with Apple to bring products to market together next year.

- Details to be provided closer to device launch.

- Go forward financials fully reflect estimated impact of Apple products on our business:
  - Included in 2013 guidance
  - Accretive to EBITDA and oFCF starting in 2014.
REVIEW 2010 – 2012
RECAP—JAN 2011 INVESTOR DAY TARGETS BEFORE AT&T DEAL.

<table>
<thead>
<tr>
<th></th>
<th>TARGETS</th>
<th>2012E (US GAAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE REVENUE ($ BILLION)</td>
<td>Increasing</td>
<td>17.2 (-6.7% yoy)</td>
</tr>
<tr>
<td>CONTRACT DATA ARPU $18</td>
<td>$18</td>
<td>$19</td>
</tr>
<tr>
<td>SMARTPHONE PENETRATION 50%</td>
<td>50%</td>
<td>57%</td>
</tr>
<tr>
<td>CONTRACT CHURN 1.8%</td>
<td>1.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>EBITDA MARGIN (%)</td>
<td>Low 30s</td>
<td>28%</td>
</tr>
<tr>
<td>OFCF (EXCL. SPECTRUM) ($ BILLION)</td>
<td>Increasing</td>
<td>2.2 (-27% yoy)</td>
</tr>
</tbody>
</table>

1 Based on branded contract data ARPU and branded contract churn  
2 Q1-Q3 actual
IN 2011 – 12, WE HAVE MADE PROGRESS ACROSS MULTIPLE FRONTS.

<table>
<thead>
<tr>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AMAZING 4G SERVICES</strong></td>
<td><strong>VALUE LEADER</strong></td>
</tr>
<tr>
<td>▪ Launched America’s largest 4G network</td>
<td>▪ Cleared PCS spectrum, launched modernization</td>
</tr>
<tr>
<td>▪ Introduced 25+ 4G smart phones</td>
<td>▪ HSPA 1900 available across major markets by YE</td>
</tr>
<tr>
<td><strong>TRUSTED BRAND</strong></td>
<td><strong>2012</strong></td>
</tr>
<tr>
<td>▪ Innovated with nation’s only SIM-only contract plans</td>
<td>▪ Launched truly unlimited nationwide 4G data plans</td>
</tr>
<tr>
<td><strong>MULTI-SEGMENT PLAYER</strong></td>
<td><strong>MULTI-SEGMENT PLAYER</strong></td>
</tr>
<tr>
<td>▪ Unveiled refreshed store design</td>
<td>▪ Converted 1,400 stores to new format</td>
</tr>
<tr>
<td>▪ Advanced Walmart partnership</td>
<td>▪ Expanded distribution presence</td>
</tr>
<tr>
<td>▪ Launched Monthly 4G plans</td>
<td>▪ Expanded MVNO partnership</td>
</tr>
<tr>
<td><strong>CHALLENGER BUSINESS MODEL</strong></td>
<td>▪ Announced MetroPCS deal</td>
</tr>
<tr>
<td>▪ Transformed cost structure</td>
<td>▪ Launched B2B push</td>
</tr>
<tr>
<td>▪ Launched comprehensive churn programs</td>
<td>▪ Aggressively re-contracted base</td>
</tr>
<tr>
<td>▪ Announced MetroPCS deal</td>
<td>▪ Announced MetroPCS deal</td>
</tr>
<tr>
<td>▪ Launched comprehensive churn programs</td>
<td>▪ On track to achieve $900 million gross savings</td>
</tr>
</tbody>
</table>

**LIFE IS FOR SHARING.**
MARKET TRENDS
ATTRACTIVE MACRO CONDITIONS IN US.

Better macro-economic outlook in the U.S.

- Economic recovery in the U.S. leads to lower unemployment figures and expected rise in consumer spending
- European economy weaker than U.S. following crisis
NO-CONTRACT TO DRIVE WIRELESS GROWTH IN US.

TOTAL CONNECTIONS
(end base in millions, including CE)

<table>
<thead>
<tr>
<th>Year</th>
<th>Contract</th>
<th>No-contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>289</td>
<td>79</td>
</tr>
<tr>
<td>2013</td>
<td>305</td>
<td>91</td>
</tr>
<tr>
<td>2014</td>
<td>315</td>
<td>102</td>
</tr>
<tr>
<td>2015</td>
<td>320</td>
<td>113</td>
</tr>
<tr>
<td>2016</td>
<td>322</td>
<td>122</td>
</tr>
<tr>
<td>2017</td>
<td>324</td>
<td>129</td>
</tr>
</tbody>
</table>

2012 – 15 CONNECTIONS GROWTH RATE (CAGR %)

- Western Europe: 1%
- US: 4%

Source: Ovum Market Forecast, August 2012

Source: Ovum Market Forecast, August 2012
STRATEGY 2013 – 2015

RE-INVIGORATE GROWTH
T-MOBILE HAS ACCELERATING MOMENTUM.
LAUNCHING LTE ON A STRONG NETWORK FOUNDATION.

- **AMAZING 4G SERVICES**
  - Advantaged spectrum
  - Next Gen. LTE
  - Improved coverage

- **VALUE LEADER**
  - Innovative value plans
  - Amazingly affordable hero devices

- **TRUSTED BRAND**
  - Delightful customer experience
  - Un-carrier Brand

- **MULTI-SEgment PLAYER**
  - Branded no-contract expansion
  - MVNO platform
  - B2B growth

- **CHALLENGER BUSINESS MODEL**
  - MetroPCS deal synergies
  - Cost transformation

---

**AMAZING 4G SERVICES**

**VALUE LEADER**

**TRUSTED BRAND**

**MULTI-SEgment PLAYER**

**CHALLENGER BUSINESS MODEL**

---

LIFE IS FOR SHARING.
Fastest Mobile Networks 2012
June 2012
Avg. download speed in Mbps

<table>
<thead>
<tr>
<th>City</th>
<th>T-Mobile HSPA+</th>
<th>VZW LTE</th>
<th>ATT LTE</th>
<th>Sprint WiMax</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW YORK</td>
<td>6.70</td>
<td>6.51</td>
<td>4.83</td>
<td></td>
</tr>
<tr>
<td>CHICAGO</td>
<td>8.19</td>
<td>7.90</td>
<td>2.39</td>
<td></td>
</tr>
<tr>
<td>SAN FRANCISCO</td>
<td>7.21</td>
<td>6.81</td>
<td>4.72</td>
<td></td>
</tr>
</tbody>
</table>

**T-MOBILE 4G DELIVERING COMPETITIVE PERFORMANCE**

- T-Mobile’s 4G (HSPA+) network beat Verizon LTE average download speeds in more than a third of cities tested

- “T-Mobile’s HSPA+ 42 is the 4G dark horse. It’s really fast, covers a lot of the country, and is inexpensive”

PC Magazine

T-Mobile 4G HSPA+ service covers 229 service areas and 225 million POPs
$4 BILLION 4G NETWORK EVOLUTION PLAN

- State of the art, **Release 10-capable equipment at 37,000 cell sites** across T-Mobile’s 4G network
- **2x10 MHz LTE** will be rolled out to nearly 90% of the Top 25 service areas in 2013
- **First** carrier in North America to broadly deploy **radio-integrated antennas**
- **UMTS 1900** enabled, advanced radio receivers

4G NETWORK COVERAGE: ACCELERATED LTE COVERAGE

- **4G LTE** will be rolled out to nearly 90% of the Top 25 service areas in 2013
- **First carrier in North America** to broadly deploy radio-integrated antennas
- **UMTS 1900** enabled, advanced radio receivers
MODERNIZATION IMPROVES COVERAGE AND RELIABILITY.

**IMPROVED COVERAGE (EARLY MARKET RESULTS, INDEXED)**

Increased traffic capture attributable to improved cell site coverage

- Data traffic: +29%
- Voice traffic: +10%
- Blocked calls: -74%
- Dropped calls: -34%

**ENHANCED RELIABILITY IN-HOME (EXPECTED NATIONAL RESULTS)**

- Current in-home coverage: -15-20%
- After modernization: +15-20%

---

LIFE IS FOR SHARING.
**T-Mobile and MetroPCS: Migration Not Integration.**

<table>
<thead>
<tr>
<th><strong>Key Enablers</strong></th>
<th><strong>Migration Plan</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- T-Mobile’s network has the capacity to support customer migration.</td>
<td>- Rapidly transition MetroPCS subscribers to NewCo network.</td>
</tr>
<tr>
<td>- MetroPCS LTE customers will be able to use the T-Mobile LTE network without changing handsets.</td>
<td>- MetroPCS customers completely migrated to NewCo network by H2 2015.</td>
</tr>
<tr>
<td>- MetroPCS customers will be offered HSPA/LTE handsets, leveraging GSM price point advantages.</td>
<td>- Re-farm MetroPCS spectrum to create additional capacity for LTE on NewCo network.</td>
</tr>
<tr>
<td>- Handset upgrade cycle (60%+ per year) facilitates rapid MetroPCS customer migration.</td>
<td>- CDMA network to be decommissioned—not integrated.</td>
</tr>
</tbody>
</table>
METROPCS STRENGTHENS STRONG LTE SPECTRUM POSITION.

### WE’RE DEPLOYING THE “NEXT GENERATION” OF LTE

- **Combined spectrum enables contiguous LTE 2x20 MHz**
  - Effective doubling of LTE speed
  - Contiguous LTE spectrum alleviates the need for carrier aggregation technology
  - Combined and contiguous spectrum assets increase efficiency by 20%

- **Next Generation LTE features**
  - Better consistency of speeds across coverage area
  - Improved antenna performance (through higher order MIMO) enables higher speeds
  - Introduction of features to enable small cell capabilities

### KEY ENABLERS POST-TRANSACTION LTE SPECTRUM

<table>
<thead>
<tr>
<th>MHz</th>
<th>T-Mobile</th>
<th>Incremental from Metro PCS deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Dallas</td>
<td>50</td>
<td>60</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Detroit</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Boston</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>San Francisco</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Tampa</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Sacramento</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Orlando</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>
METROPICS’ DAS NETWORK TO ENHANCE COVERAGE & CAPACITY.

DAS (DISTRIBUTED ANTENNA SYSTEM)

- Network of spatially separated antenna nodes
- Connected to a common source via a transport medium
- Provides wireless service within a geographic area or structure

- Re-use and upgrade MetroPCS’ DAS network
  - 6,000 DAS nodes (especially in dense urban areas such as New York and Philadelphia)
  - Will be upgraded to include HSPA+ and expanded LTE capacity and performance

- Benefits
  - Increases network density
  - Improves customer coverage and capacity (DAS generally used for in-building or “hot spots”)

LIFE IS FOR SHARING.
CHALLENGING STATUS QUO WITH A DISRUPTIVE APPROACH.

AMAZING 4G SERVICES

VALUE LEADER

Innovative value plans

Amazingly affordable hero devices

TRUSTED BRAND

Delightful customer experience

Un-carrier Brand

MULTI-SEGMENT PLAYER

Branded no-contract expansion

MVNO platform

B2B growth

CHALLENGER BUSINESS MODEL

MetroPCS deal synergies

Cost transformation

Advantaged spectrum

Next Gen. LTE

Improved coverage

LIFE IS FOR SHARING.
LAUNCHED A SET OF INNOVATIVE SERVICE OFFERINGS.

**VALUE**
- Limited subsidy, lower price
- EIP financing option

~80% of current post paid activations in our stores are Value plans

**BYOD**
- Bring your own device
- Trade-in options for device

1.7M+ iPhones on the network today

**UNLIMITED**
- Nationwide 4G

30 – 35% of activations are unlimited plans with higher MRC
100% MOVE TO VALUE PLANS IN 2013
UNMATCHED VALUE, LOVED BY CONSUMERS, ENABLES FUTURE MOVES.

CUSTOMER VALUE PROPOSITION

- Fair and simple pricing
- Enables lowest out-of-pocket handset expense with Equipment Installment Plans (EIP)
- Allows for upgrade flexibility
- Enables Bring Your Own Device (BYOD)

EARLY IMPACT

- Improved CLV: 1 to 2 months extended life over 24 month contract period vs. Classic plans
- 12 – 15% of activations are BYOD

METRICS (OVER 2-YEAR CONTRACT TERM) VALUE VS. CLASSIC DELTA

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value vs. Classic Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased customer life time</td>
<td>+1 to 2 months</td>
</tr>
<tr>
<td>Reduced acquisition cost (handset subsidy)</td>
<td>($200 – 250)</td>
</tr>
<tr>
<td>Improved un-discounted CLV</td>
<td>+$25 – $50</td>
</tr>
</tbody>
</table>

Go forward financials reflect move to 100% Value including impact to FCF
BEST SMARTPHONES AT THE LOWEST OUT-OF-POCKET PRICES.

2012 Q4 DEVICES

2013 pricing enabled by value plans

SMARTPHONE UNITS SOLD IN MILLIONS (POSTPAID ONLY)

Q3’11 | Q4’11 | Q1’12 | Q2’12 | Q3’12
--- | --- | --- | --- | ---
1.8 | 2.6 | 2.5 | 2.1 | 2.3

+28%

-77% of units sold are smartphones

SMARTPHONE % IN BRANDED CONTRACT BASE

Q3’11 | Q4’11 | Q1’12 | Q2’12 | Q3’12
--- | --- | --- | --- | ---
44% | 49% | 53% | 54% | 57%

+13 pts

Smartphone data usage has increased by ~30% yoy

Apple partnership will further enhance our portfolio

LIFE IS FOR SHARING.
DRAMATICALLY IMPROVING OUR CUSTOMER EXPERIENCE.

WHAT WE HAVE ACCOMPLISHED IN 2012

New retail formats

- ~1,440 stores converted
- Observed activation lift of ~3-4% in converted stores

Other improvements

<table>
<thead>
<tr>
<th></th>
<th>3Q11</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract care calls per customer</td>
<td>-13%</td>
<td>-10%</td>
</tr>
<tr>
<td>Dropped call rate</td>
<td>-43%</td>
<td></td>
</tr>
<tr>
<td>Handset exchanges (Android)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

WHAT WE PLAN TO ACHIEVE IN 2013+

Improve customer experience along all touch points and across life cycle

- Empower front-line employees to do the right thing for the customer
- Ensure consistency of policies
- Invest in systems for providing superior experiences across all interactions
- Turn detractors into supporters with programs such as voice of customer

Earning the right to serve our customers every single day

LIFE IS FOR SHARING.
RESULTING IN ONGOING CHURN IMPROVEMENT.

**BRANDED CONTRACT CHURN**

%  

2011  

2012  

Q1 Q2 Q3 Q4

**KEY INITIATIVES**

- Improvements in sales and **on-boarding experience**
- Aggressive **re-contracting**
- **Smart rate plan** migration
- Significant improvement in **credit management** and fraud detection
- **Voice of the Customer** Program
- Systematic ongoing **customer communication**

Churn improving by 30bps yoy in Q3

LIFE IS FOR SHARING.
AGGRESSIVELY RE-ESTABLISHING T-MOBILE AS A POWERFUL MOBILE BRAND...

KEY ACTIONS

Drive reconsideration and greater loyalty through improved coverage

- Network modernization
- Signature offer as the only nationwide 4G carrier with truly unlimited data
- Towers ad campaign explicitly demonstrating the depth and breadth of coverage
- BYOD

EARLY IMPACT

- Consideration up by ~10%
- Improved perception on network dependability and speed by 10 – 12%
- Coverage satisfaction scores for customers in August increased by more than 10% YOY

Laying the brand foundation
... BECOMING THE UN-CARRIER IN 2013.

2013 BRAND RE-LAUNCH

- DISRUPTIVE NEW
- VALUE PLANS ENABLE
- DEVICES PLAY A KEY ROLE, WITH
- A FOUNDATION FOR PROFITABLE GROWTH, DR
- BROUGHT TO LIFE WITH A NEW CAMPAIGN THAT

We are going after issues that frustrate consumers in this industry, differentiating our service, and returning to profitable growth
CONTINUE EXPANSION INTO B2B AND NO-CONTRACT.

AMAZING 4G SERVICES

VALUE LEADER

TRUSTED BRAND

MULTI-SEGMENT PLAYER

CHALLENGER BUSINESS MODEL

Advantaged spectrum

Innovative value plans

Delightful customer experience

Branded no-contract expansion

MVNO platform

B2B growth

MetroPCS deal synergies

Cost transformation

Next Gen. LTE

Amazingly affordable hero devices

Un-carrier Brand

LIFE IS FOR SHARING.
STRONG BRANDED NO-CONTRACT MOMENTUM, DRIVEN BY MONTHLY 4G.

MONTHLY 4G

- Single brand SoGA leadership since March 2012
- +365k branded prepaid net adds in 3Q12

BRANDED NO-CONTRACT ENDING SUBSCRIBERS

<table>
<thead>
<tr>
<th></th>
<th>Q3’11</th>
<th>Q3’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>million</td>
<td>4.6</td>
<td>5.7</td>
</tr>
<tr>
<td>+23%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

BRANDED NO-CONTRACT REVENUES

<table>
<thead>
<tr>
<th></th>
<th>Q3’11</th>
<th>Q3’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ million</td>
<td>325</td>
<td>450</td>
</tr>
<tr>
<td>+38%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TRANSACTION ENHANCES AND ACCELERATES T-MOBILE’S NO-CONTRACT GROWTH.

OPPORTUNITIES FOR METROPCS

- Greatly expands on-network coverage
- Provides international roaming options
- Access to faster, broader 4G/LTE network
- Wider handset choices

M-PCS addressable POPs increase from ~105M to more than 280M
INVESTING IN MVNO FOR GROWTH AND INCREASED COVERAGE.

SIGNING NEW AND INNOVATIVE MVNO PARTNERS

- Innovative online “social commerce” distribution model, leveraging social networks
- 45k+ subscribers in first two months of launch

ENDING SUBSCRIBERS

<table>
<thead>
<tr>
<th></th>
<th>Q3’11</th>
<th>Q3’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>million</td>
<td>3.5</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Target -20-25% subscriber growth in 2013

REVENUES

<table>
<thead>
<tr>
<th></th>
<th>Q3’11</th>
<th>Q3’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ million</td>
<td>110</td>
<td>126</td>
</tr>
</tbody>
</table>

+11% +15%

LIFE IS FOR SHARING.
INVESTING IN B2B FOR ADDITIONAL AND DIVERSIFIED GROWTH.

SALES
- Growing B2B presence in retail
- Growing B2B sales force toward medium-term goal of +1,000 FTEs
- Expanding indirect sales program

MARKETING
- Launched stackable/shared voice plans
- New MBB & shared data plans
- Open Europe roaming plan

CAPABILITIES
- Marketing Automated Engine & E-Commerce solutions
- Integration with salesforce.com
- Leveraging DT relationship

ENDING SUBSCRIBERS¹

<table>
<thead>
<tr>
<th></th>
<th>Q3’11</th>
<th>Q3’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>million</td>
<td>6.0</td>
<td>6.3</td>
</tr>
<tr>
<td>+5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Target: 8 – 10% subscriber growth in 2013

1 Includes B2B Corporate Liable and Individual Liable subscribers

BUILDING A PORTFOLIO OF ATTRACTIVE B2B CUSTOMERS

T • •

LIFE IS FOR SHARING.

MULTI-SEGMENT PLAYER
METROPCS ACCELERATES COST TRANSFORMATION.

AMAZING 4G SERVICES
- Advantaged spectrum
- Next Gen. LTE
- Improved coverage

VALUE LEADER
- Innovative value plans
- Amazingly affordable hero devices

TRUSTED BRAND
- Delightful customer experience
- Un-carrier Brand

MULTI-SEGMENT PLAYER
- Branded no-contract expansion
- MVNO platform
- B2B growth

CHALLENGER BUSINESS MODEL
- MetroPCS deal synergies
- Cost transformation

LIFE IS FOR SHARING.
TRANSFORMING COST STRUCTURE TO ENHANCE CHALLENGER MODEL AND ACHIEVE VALUE CREATION OBJECTIVES.

Capture efficiencies & economies of scale
~$1 billion NPV\textsuperscript{1}

- Savings from realizing efficiencies in common support functions, maximizing scale benefits through MetroPCS deal

Synergies from transition to single network
$5–$6 billion NPV\textsuperscript{1}

- Savings from decommissioning redundant network sites

Re-invent and re-invest for growth

- $900 million gross incremental savings in 2012; Re-investing ~$300 million in key areas of growth like B2B, advertising
- Incremental re-invent savings ~$500M in 2013; $350M in 2014; $100M in 2015

\textsuperscript{1} NPV calculated with 9% discount rate and 38% tax rate
CHALLENGER STRATEGY IS ACCELERATING.

**AMAZING 4G SERVICES**
- Advantaged spectrum
- Next Gen. LTE
- Improved coverage

**VALUE LEADER**
- Innovative value plans
- Amazingly affordable hero devices

**TRUSTED BRAND**
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**AMAZING 4G SERVICES**
- **VALUE LEADER**
- **TRUSTED BRAND**
- **MULTI-SEGMENT PLAYER**
- **CHALLENGER BUSINESS MODEL**

LIFE IS FOR SHARING.
FINANCIAL OUTLOOK
2013 GUIDANCE.

<table>
<thead>
<tr>
<th></th>
<th>T-MOBILE STAND-ALONE</th>
<th>T-MOBILE WITH METRO PCS&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US GAAP</strong></td>
<td></td>
<td>2013E</td>
</tr>
<tr>
<td>SERVICE REVENUE ($B)</td>
<td>17.2</td>
<td>20.8 – 21.0</td>
</tr>
<tr>
<td>EBITDA ($B)</td>
<td>4.9</td>
<td>5.8 – 6.0</td>
</tr>
<tr>
<td>MARGIN</td>
<td>28%</td>
<td>27% – 29%</td>
</tr>
<tr>
<td>CASH CAPEX ($B)</td>
<td>2.7&lt;sup&gt;1&lt;/sup&gt;</td>
<td>4.7 – 4.8</td>
</tr>
</tbody>
</table>

<sup>1</sup> Excludes Verizon spectrum swap  
<sup>2</sup> Full year pro forma, includes synergies and integration expenses

2013 impact of Value plan and other initiatives estimated to be ($300 million) to ($600 million) on cash flows.
MID TERM AMBITION
OUR COMBINED LONG-TERM AMBITION FOR NEWCO.

**NEWCO WITH METROPCS PROJECTED GROWTH**

**EXPECTED 5-YEAR GROWTH**

- **Revenue**: 3-5%
- **EBITDA**: 7-10%
- **Free cash flow**: 15-20%
- **Target profitability**: 34-36%

**PRINCIPAL SOURCES OF REVENUE GROWTH FOR NEWCO:**

- **CONTRACT OFFERS** - flat growth
  Stabilize subs in 2013, followed by modest sub growth beginning 2014

- **NO-CONTRACT OFFERS** - 80 – 90% of growth

- **FOCUSED GEOGRAPHIC EXPANSION OF METROPICS BRAND** – 10 – 20% of growth

- **ADDITIONAL GEOGRAPHIC EXPANSION** (not in current plan)

---

1 Free cash flow defined as EBITDA minus CapEx
EXCEPT METROPOLIS DEAL TO CLOSE IN H1 2013.

FCC: Regulatory approval process on track, and we expect to get approval by the expiration of the FCC’s self-imposed 180-day clock — April 24, 2013.

DOJ: DOJ process proceeding well. We have received a second request for information which is normal course for a deal of this size.

CFIUS: Team Telecom review has begun and will likely take into account our existing national security agreement. CFIUS review will likely commence after January 1.

SEC: MetroPCS Proxy statement has been released and is currently under review by SEC. We expect revised Proxy early in the new year followed by MetroPCS shareholder vote.

INTERNAL: Integration planning process is proceeding well with focus on linking essential systems and beginning customer migration soon after close.
SUMMARY.

- MetroPCS combination accelerates Challenger strategy.

- Clear path toward 100 million LTE POP coverage by mid-year 2013, 200 million by end of year 2013 – with 2x10 MHz in nearly 90% of Top 25 service areas, expanding to at least 2x20 MHz in 90% of Top 25 service areas in 2014+.

- TMUS has entered into an agreement with Apple to bring products to market together next year – impact fully included in go forward financials.

- Bringing together a set of innovative propositions to fundamentally challenge status quo, TMUS will become the “Un-carrier”.

- 2013 will be year of investments. This will have a positive impact on EBITDA from 2014 onwards.

- Ambition: reconfirming 5-year CAGRs including 3 – 5% revenue growth.
SUMMARY.

1. We achieved a slow down of the historical 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.
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 share(^1) service revenues: stable</td>
<td>• 50.3% (Q2/12)</td>
</tr>
<tr>
<td></td>
<td>• Market share(^1) 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 revenues(^2): around €500 mn(^2) (like-for-like €350 mn)</td>
<td>• around €270 mn(^2) (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 Leadership(^3): become No. 1</td>
<td>• No. 3 (Q3/12)</td>
</tr>
<tr>
<td></td>
<td>• Market share service revenues(^3): 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 revenues(^3): 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 revenues(^3): 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>

\(^1\) 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 €350 mn

\(^3\) 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 HISTORICAL REVENUE DECLINE.

WE DECREASED REVENUE DECLINE...

Europe Total Rev.
€ bn, adjusted for FX

<table>
<thead>
<tr>
<th>Year</th>
<th>9M 2010</th>
<th>9M 2011</th>
<th>9M 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>11.9</td>
<td>11.2</td>
<td>10.8</td>
</tr>
</tbody>
</table>

... IN SPITE OF TOUGH ENVIRONMENT

Ø GDP growth

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2010</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Δ GDP</td>
<td>+0.4%</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>

Ø MTR in footprint EURc

<table>
<thead>
<tr>
<th>Year</th>
<th>YE 2009</th>
<th>YE 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Δ MTR</td>
<td>-47%</td>
<td>-33%</td>
</tr>
</tbody>
</table>

EU roaming retail EUR/min

<table>
<thead>
<tr>
<th>Year</th>
<th>YE 2009</th>
<th>YE 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Δ MTR</td>
<td>+0.4%</td>
<td>-6%</td>
</tr>
</tbody>
</table>

1. 2010 adjusted for UK deconsolidation
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

outperformed peers/leadership fostered

Leadership position strengthened...

under-performed

Market position weakened...

Market position defended...

Source: Company Estimates

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

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

DT EUROPE OP. ROCE¹

like-for-like

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

CAGR: +12%

DT EUROPE CAPEX/REVENUE RATIO²

like-for-like

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

FY 2010
FY 2012e

Benchmark range for mobile/fixed/integrated operators³

Adj. EBITDA margin development 2010 vs. 2012: from 34.7% to 34.4%

¹ without equity UK, including spectrum
² without spectrum
³ Source: Oliver Wyman benchmark
DIFFERENTIATED STEERING CREATES RELEVANT FOCUS.

### NATCO CLUSTERS

#### SENIOR LEADERS
- Greece
- Croatia
- Hungary
- Macedonia

#### JUNIOR LEADERS WITH A CHALLENGE IN MOBILE
- Romania
- Slovakia
- Montenegro

#### MOBILE RUNNER-UPS
- Poland
- Czech Rep.

#### SMART ATTACKERS
- The Netherlands
- Albania
- Austria

### STRATEGIC DIRECTION

- The undisputed, most admired industry leader
- Business model transformation
- Keep leading market position
- Leverage leadership in fixed for improving mobile, esp. by capitalizing on fixed/mobile merger
- Business model transformation
- Go for market leadership: PL total revenues, CZ mobile data revenue
- Unconventional capex-light moves

### KPIS/AMBICTIONS

- Radical gross opex reduction
- Stabilize topline
- Increase Blue Ocean topics\(^1\) revenue share
- Increase mobile revenue
- Increase integrated customer base FMC
- Radical gross opex reduction
- Increase total revenue market share
- Increase mobile data revenue share
- Increase total revenue, esp. in B2B & mobile data
- Reduce capex

---

\(^1\) B2B-ICT, Mobile Internet, TV/broadband, adjacent industries (online consumer services and energy) Bulgaria not in scope.
MARKET TRENDS
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>
<td>In place</td>
<td>planned</td>
<td>planned</td>
<td>'14</td>
</tr>
<tr>
<td>Hungary</td>
<td>In place</td>
<td>planned</td>
<td>'13</td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td>In place</td>
<td></td>
<td></td>
<td>'12</td>
</tr>
<tr>
<td>Macedonia</td>
<td>In place</td>
<td></td>
<td></td>
<td>'13</td>
</tr>
<tr>
<td>Romania</td>
<td>In place</td>
<td></td>
<td></td>
<td>'12</td>
</tr>
<tr>
<td>Slovakia</td>
<td>In place</td>
<td></td>
<td></td>
<td>'13</td>
</tr>
<tr>
<td>Montenegro</td>
<td>In place</td>
<td></td>
<td></td>
<td>'12</td>
</tr>
<tr>
<td>Poland</td>
<td>In place</td>
<td></td>
<td>planned</td>
<td>'12 &amp; '14</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>In place</td>
<td></td>
<td></td>
<td>'12</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>In place</td>
<td></td>
<td></td>
<td>'13</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>In place</td>
<td></td>
<td></td>
<td>'13</td>
</tr>
<tr>
<td>Austria</td>
<td>In place</td>
<td></td>
<td></td>
<td>'13</td>
</tr>
<tr>
<td>Albania</td>
<td>In place</td>
<td></td>
<td></td>
<td>'15</td>
</tr>
</tbody>
</table>

1) Launching MVNOs across CEE  2) Abandoned  3) Discussion ongoing

LIFE IS FOR SHARING.
ECONOMIC ENVIRONMENT: SUFFERING FROM CRISIS; IN ADDITION PEAK IN CUTS OF MOBILE TERMINATION RATES IN 2013.

GDP GROWTH 2012:
OUTLOOK MIXED

<table>
<thead>
<tr>
<th>Markets</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Historical &quot;peak&quot; of mobile termination rates cuts in 2013</td>
<td></td>
</tr>
</tbody>
</table>

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

Average, revenue weighted: 0.4%

Source: Oxford Economics
NEVERTHELESS, GROWTH OPPORTUNITIES TO COMPENSATE DECLINE OF COMMODITY TELCO.

MARKET REVENUES DT EUROPE FOOTPRINT

€ bn

Blue Ocean topics

Red Ocean topics

CAGR: +6%

CAGR: -6%

2012

2015

2012

2015

4

10

5

17

4

10

5

17

6

11

8

19

Mobile Internet +€2 bn

Connected home +€1 bn

IP Services +€3 bn

B2B/ICT +€2 bn

\[\text{Traditional areas}^1\]

\[\text{Growth areas}\]

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

2 Pay TV & fixed broadband

LIFE IS FOR SHARING.
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 2013¹, return to moderate growth in 2014
- Revenue growth of 12% CAGR (2012 – 2015) in Blue Ocean topics: B2B/ICT, mobile Internet, TV & broadband, adjacent industries² to overcompensate declining core business (Blue Ocean topics: 28% share of revenue in 2015)

TRANSFORM DELIVERY MODEL (COST)

“Red ocean”:
- Cum. indirect Opex reductions of €0.6bn by 2015³: Net indirect cost reduction of 6%
- Direct costs: in 2013 decrease driven by lower interconnection costs. Starting in 2014 yoy increase due to growing Blue Ocean topics. Net direct cost decrease of 2% by 2015 vs. 2012

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

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

LIFE IS FOR SHARING.
ALL-IP TRANSFORMATION CREATES. ONE COMMON INFRASTRUCTURE FOR ALL SERVICES.

FROM THE “OLD PSTN WORLD”...

...TO THE “NEW IP ERA”

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

LIFE IS FOR SHARING.
ALL-IP TRANSFORMATION RETIRES ALL LEGACY SYSTEMS.

FROM THE “OLD PSTN WORLD”...

Many legacy systems, no separation of BSS\(^1\) and OSS\(^2\)

...TO THE “NEW IP ERA”

Retired legacy systems, clear separation of BSS\(^1\) and OSS\(^2\)

... that significantly changes and harmonizes the production landscape

\(^1\) Business support system \(^2\) Operations support system

LIFE IS FOR SHARING.
### AMBITIOUS MIGRATION PLAN

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

\(^1\) Residential, Business and Wholesale

### 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 (4300m\(^3\))

**Lower Voice Production Costs**
-30% decrease

---

**LIFE IS FOR SHARING.**
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”) - TeraStream is the first operator worldwide to implement TeraStream in Zagreb, Croatia.
- 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 year
- No latencies
- Radical cost advantage

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.

LIFE IS FOR SHARING.
B2B BIG BANG: FOCUS, COOPERATION AND EXECUTION.

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

Key Levers in B2B

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

Revenue growth 2012 vs. 2011, Estimate

Aspiration
B2B/ICT revenue
€ bn

FY 2012e 0.4
FY 2015e 0.6

Life is for sharing.
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%

INCREASING MOBILE INTERNET REVENUES

Mobile Internet revenue
€ bn

FY 2012e: 1.2
FY 2015e: 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

LIFE IS FOR SHARING.
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 costs 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)

**INDIRECT COSTS**

€ bn, stable FX

- FY 2012e: 4.7
- FY 2015e: 4.4 (−6%)

### 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 costs related to growth business
- Growth in TV and ICT with additional costs e.g. licenses, content
- Increase of direct cost related to new products e.g. mobile wallet

**DIRECT COSTS**

€ bn, stable FX

- FY 2012e: 5.0
- FY 2015e: 4.9 (−2%)

LIFE IS FOR SHARING.
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-like¹
CAGR +1.4%

>14

Reported
CAGR -0.6%

ca. 1²

ca. 14

FY 2012e
FY 2015e

Regulatory effects

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

FY 2012e
FY 2015e

B2B/ICT

3% 4%

3%

17%

24%

81%

72%

Pocketsof growth³

Traditional areas⁴

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

<table>
<thead>
<tr>
<th></th>
<th>FY 2012e</th>
<th>FY 2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>50%</td>
<td>28%</td>
</tr>
<tr>
<td>Transformation</td>
<td>7%</td>
<td>44%</td>
</tr>
<tr>
<td>Traditional areas</td>
<td>0%</td>
<td>20%</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 traditional areas (e.g. Maintenance and Infrastructure) due to improving efficiency.

LIFE IS FOR SHARING.
INCREASING RETURN ON CAPITAL DUE TO OPEX SAVINGS AND LOWER ASSET BASE.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td>&gt;14</td>
<td>ca. 14</td>
</tr>
<tr>
<td>OPEX</td>
<td>9.7</td>
<td>9.3</td>
</tr>
</tbody>
</table>

OPERATING ROCE

- 2015: 9.7
- 2012: 9.3

+1.5%p

CAPEX

- 2015: 1.7
- 2012: 1.7

SPECIAL FACTORS

- 2015: 0.1
- 2012: 0.2

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>TOTAL REVENUE¹</td>
<td>€14 bn</td>
<td>In other countries All-IP migration launched</td>
</tr>
<tr>
<td>CUM. INDIRECT</td>
<td>€0.6 bn</td>
<td>TeraStream trial in HR by end of 2012</td>
</tr>
<tr>
<td>OPEX REDUCTION BY 2015²</td>
<td></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 a slow down of the historical 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.
SUMMARY.

1. We believe highspeed network quality will be key differentiator
2. We will invest significantly in LTE, Fiber and Vectoring
3. We secure broadband market leadership in fixed and mobile
4. We stabilize revenue in Germany in 2014
REVIEW 2010 – 2012
## AMBITION LEVEL 2012
- Stable market share broadband
- Stable market share service revenues (mobile)
- 2.5 – 3mn Entertain customers
- \(\approx\) €1.5 bn data revenues (mobile)
- Customer loyalty Index + >10% (2010 – 2012)
- > €1.5 bn adj. opex net reduction (2010 – 2012)
- Increasing adj. EBITDA margin
- Stable revenues
- One Company: exploit German fixed mobile integration
  - Revenue synergies \(\approx\) €0.4 bn in 2012 (mainly cross-/up-selling)
  - Share of customers with both fixed and mobile contracts > 30%

## ACHIEVEMENTS 2012
- 44.9% (-1.7PP)
- 34.2% (-0.7PP)
- 1.9 mn
- €1.8 bn (LTM)
- 56 points (+10%)
- €1.9 bn (YTD 2012)
- 41.7% YTD 2012 (+4.0PP)\(^1\)
- -2.2% yoy (YTD 2012)
- > 0.4 bn (2012e)
- \(\approx\) 25%

\(^1\) EBITDA margins FY 2009 as reported by companies within FY 2010 results. Telekom Deutschland: adj. EBITDA before online consumer restatement

\(\text{LTM} = \text{last twelve months}\)
REVIEW 2010 – 2012: CLEAR #1 IN BROADBAND.

### German Broadband Market Q3/2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>T-Telekom</td>
<td>12,424</td>
<td>+947</td>
</tr>
<tr>
<td>Vodafone</td>
<td>3,280</td>
<td>-127</td>
</tr>
<tr>
<td>United Internet</td>
<td>3,360</td>
<td>+50</td>
</tr>
<tr>
<td>Telefonica</td>
<td>2,430</td>
<td>+50</td>
</tr>
<tr>
<td>Kabelbund</td>
<td>2,111</td>
<td>+1,029</td>
</tr>
<tr>
<td>Kabel Deutschland</td>
<td>1,657</td>
<td>+751</td>
</tr>
</tbody>
</table>

### Peers Domestic Broadband Market Share Q3/2012 vs. FY 2009¹

<table>
<thead>
<tr>
<th>Service Provider</th>
<th>Subscribers Q3/2012</th>
<th>BB Net ADDS 2010 – Q3/2012</th>
<th>Score pp</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-Telekom</td>
<td>12,424</td>
<td>+947</td>
<td>2.3</td>
</tr>
<tr>
<td>Vodafone</td>
<td>3,280</td>
<td>-127</td>
<td>-1.7</td>
</tr>
<tr>
<td>United Internet</td>
<td>3,360</td>
<td>+50</td>
<td>-4.4</td>
</tr>
<tr>
<td>Telefonica</td>
<td>2,430</td>
<td>+50</td>
<td>-4.1</td>
</tr>
<tr>
<td>Kabelbund</td>
<td>2,111</td>
<td>+1,029</td>
<td>-2.9</td>
</tr>
<tr>
<td>Kabel Deutschland</td>
<td>1,657</td>
<td>+751</td>
<td></td>
</tr>
</tbody>
</table>

¹ Source: Bank of America Merrill Lynch

---

**LIFE IS FOR SHARING.**
REVIEW 2010 – 2012: HOLDING UP WELL IN A VERY COMPETITIVE GERMAN MOBILE MARKET.

GERMAN MOBILE MARKET

€ mn

<table>
<thead>
<tr>
<th>2009</th>
<th>2012</th>
<th>+4.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>O₂</td>
<td>2,861</td>
<td>3,124</td>
</tr>
<tr>
<td>e-plus</td>
<td>3,021</td>
<td>3,157</td>
</tr>
<tr>
<td>Vodafone</td>
<td>6,604</td>
<td>6,866</td>
</tr>
<tr>
<td>T-Mobile</td>
<td>6,706</td>
<td>6,827</td>
</tr>
</tbody>
</table>

SERVICE REVENUE MARKET SHARE LTM 2012 VS. 2009

- O₂: +0.7 PP
- e-plus: +0.1 PP
- Vodafone: +0.0 PP
- T-Mobile: -0.8 PP

PEER DOMESTIC SERVICE REV. MARKET SHARE Q3/2012 VS. FY 2009

pp

<table>
<thead>
<tr>
<th></th>
<th>Q3/2012</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>O₂</td>
<td>19,192</td>
<td>19,974</td>
</tr>
<tr>
<td>e-plus</td>
<td>2,861</td>
<td>3,124</td>
</tr>
<tr>
<td>Vodafone</td>
<td>3,021</td>
<td>3,157</td>
</tr>
<tr>
<td>T-Mobile</td>
<td>6,604</td>
<td>6,866</td>
</tr>
</tbody>
</table>

TDG

E-Plus

SERVICE REVENUE MARKET SHARE LTM 2012 VS. 2009

- O₂: +4.1% (2012 vs. 2011)
- e-plus: +0.7 PP
- Vodafone: +0.1 PP
- T-Mobile: -0.8 PP

Source: Bank of America Merrill Lynch

1 2012 = LTM: Last twelve months (Q4/2011 – Q3/2012)
2 Source: Bank of America Merrill Lynch

LIFE IS FOR SHARING.
REVIEW 2010 – 2012: “ONE COMPANY” SUCCESSFULLY STARTED, MORE TO COME.

CROSS- AND UPSELLING REVENUE

€ mn

> 950

cum. 2010 – YTD 2012

TELEKOM DEUTSCHLAND

ONE BRAND

ONE SALES & SERVICE

ONE ORGANIZATION

INTEGRATED PROCESSES & STEERING

INTEGRATED NETWORKS

INTEGRATED IT-SYSTEMS UND PROCESS

OC DRIVEN OPEX REDUCTION

€ mn

cum. 2010 – YTD 2012

≈ -250

LIFE IS FOR SHARING.
**REVIEW 2010 – 2012: SIGNIFICANT CHURN REDUCTION BASED ON SUPERIOR NETWORK QUALITY AND CUSTOMER SERVICE.**

**OUR CUSTOMER SERVICE TODAY...**

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2009</th>
<th>YTD 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Time between assistance for DSL lines</td>
<td></td>
<td>+52%</td>
</tr>
<tr>
<td>Customer complaints</td>
<td></td>
<td>-59%</td>
</tr>
</tbody>
</table>

**... LEADS TO LOWER CHURN.**

<table>
<thead>
<tr>
<th>Type</th>
<th>FY 2009</th>
<th>YTD 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Churn Fixed Double Play</td>
<td></td>
<td>-27%</td>
</tr>
<tr>
<td>Churn Mobile Double Play</td>
<td></td>
<td>-41%</td>
</tr>
</tbody>
</table>

**% YTD/2012**

- Fixed & Mobile: 9.0
- Mobile Only: 15.4
- Mobile & Fixed: 6.8

*LIFE IS FOR SHARING.*
REVIEW 2010 – 2012: OUTPERFORMING IN PROFITABILITY TERMS.

OUTPERFORMING INTEGRATED DOMESTIC BUSINESS OF OUR PEERS...

EBITDA margin

<table>
<thead>
<tr>
<th>%</th>
<th>FY 2009</th>
<th>YTD 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>T</td>
<td>45.0 Ø</td>
<td>39.2</td>
</tr>
<tr>
<td></td>
<td>49.5</td>
<td>45.1</td>
</tr>
<tr>
<td></td>
<td>46.4</td>
<td>50.0</td>
</tr>
<tr>
<td></td>
<td>49.6</td>
<td>48.2</td>
</tr>
</tbody>
</table>

... AND NATIONAL TELCO COMPETITORS.

EBITDA margin

<table>
<thead>
<tr>
<th>%</th>
<th>FY 2009</th>
<th>YTD 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>T</td>
<td>37.7</td>
<td>39.0</td>
</tr>
<tr>
<td></td>
<td>41.7</td>
<td>35.2</td>
</tr>
<tr>
<td></td>
<td>-3.8PP</td>
<td>+0.9PP</td>
</tr>
<tr>
<td></td>
<td>24.6</td>
<td>25.5</td>
</tr>
<tr>
<td></td>
<td>41.9</td>
<td>38.8</td>
</tr>
</tbody>
</table>

MARKET TRENDS
MOBILE DATA BECOMES MASS MARKET...

WESTERN EUROPE TABLET SALES\(^1\)

\[
\begin{align*}
&2010: \text{5 million} \\
&2012: \text{21 million} \\
&2015: \text{43 million} \\
\end{align*}
\]

\(\approx +800\%\)

WESTERN EUROPE SMARTPHONE SALES\(^2\)

\[
\begin{align*}
&2010: \text{70 million} \\
&2012: \text{129 million} \\
&2015: \text{164 million} \\
\end{align*}
\]

\(\approx +130\%\)

EVERY IPHONE GENERATION DRIVES DATA APETITE

MB usage per month in October 2012

\[
\begin{align*}
&2G: \text{86 million bytes} \\
&4S: \text{461 million bytes} \\
&5: \text{732 million bytes} \\
\end{align*}
\]

\(\approx +750\%\)

MOBILE DATA MARKET GROWTH\(^3\)

Mobile data users in Germany

\[
\begin{align*}
&2010: \text{12 million} \\
&2012: \text{21 million} \\
&2015: \text{39 million} \\
\end{align*}
\]

\(\approx +230\%\)

\(\text{Ovum, September 2011} \quad 2 \text{Strategy Analytics, September 2012} \quad 3 \text{DT market model}\)}
... WHILE CUSTOMER USE CASES DRIVE HIGHSPEED AND ESPECIALLY UPLOAD DEMAND.

3 RELEVANT CUSTOMER USE CASES...

1. Video/TV
2. Cloud
3. Browsing

... WITH CLOUD BOOSTING UPLOAD ...

... ARE THE MAIN TRAFFIC DRIVERS.¹

1 IDC, Europe Wireline Traffic Share by Traffic Type, 2011 and 2015

LIFE IS FOR SHARING.
MAJOR TRENDS IN CORE MARKET.

**FIXED COMMUNICATIONS**

- Cable competition speed & TV
- Fixed mobile substitution via LTE
- Change in wholesale business

**MOBILE COMMUNICATIONS**

- Price competition via discount brands
- Full flat penetration
- Network quality perception as differentiator

*LIFE IS FOR SHARING.*
CORE MARKETS UNDER CONTINUED REGULATORY PRESSURE.

MOBILE TERMINATION RATES CUT

-80% since 2007

INTERCONNECTION CUT

-21% since 2007

POSITIVE SIGNALS HAVE TO MATERIALIZE

“I intend to produce durable regulatory guidance, to apply at least until 2020.”

Encouraging comments have to materialize and are a precondition for increased network investments

1 BNetzA November, 16 2012, subject to EU approval in 2013
2 Interconnection obligation B.1
3 Neelie Kroes: EC Digital Agenda Statement, December, 07 2012
STRATEGY 2013 – 2015

STABILIZE REVENUES IN 2014 AND MARKET LEADERSHIP
OUR PRIORITIES IN GERMANY UNDERLINE THE GROUP STRATEGY.

Seamless connectivity for the Gigabit Society

More innovation by cooperation

Secure cloud solutions

Best-in-class customer experience

INNOVATE

TRANSFORM

COMPETE

Cloud & more

Integrated network strategy (INS)

Leading in mobile and fixed based on INS

LIFE IS FOR SHARING.
OUR PRIORITIES IN GERMANY UNDERLINE THE GROUP STRATEGY.

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

- INNOVATE
- Cloud & more
- TRANSFORM
- Integrated network strategy (INS)
- COMPETE
- Leading in mobile and fixed based on INS
NETWORK QUALITY BECOMES CRUCIAL.

BANDWIDTH DEMANDING USE CASES...

1. Video/TV
2. Cloud
3. Browsing

...EVERYWHERE & SIMULTANEOUS...

...MAKE NETWORK QUALITY CRUCIAL.

- Speed
- Coverage
- Capacity

LIFE IS FOR SHARING.
INS: MASSIVE ROLLOUTS OF LTE AND FIBER WITH VECTORING COMBINED WITH REVOLUTIONARY ACCESS APPROACH.
INS: CAPEX EFFICIENT AND RAPID ROLLOUT OF BEST-IN-CLASS LTE NETWORK.

**LTE ROLLOUT PLAN**

Outdoor pop coverage

<table>
<thead>
<tr>
<th>Year</th>
<th>HSPA (42)</th>
<th>LTE 800 (Cat 4 Handset)</th>
<th>LTE 1800 (20 MHz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/2012</td>
<td>38%</td>
<td>~85%</td>
<td>~100%</td>
</tr>
<tr>
<td>2016</td>
<td>88%</td>
<td>75</td>
<td>150</td>
</tr>
<tr>
<td>long term</td>
<td>-70%</td>
<td>-70%</td>
<td>-70%</td>
</tr>
</tbody>
</table>

**PEAK PERFORMANCE**

Mbit/s

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Mbit/s</th>
<th>Approx. Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>3G (HSPA42)</td>
<td>42</td>
<td>+260%</td>
</tr>
<tr>
<td>LTE800 (Cat 4 Handset)</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>LTE1800</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

**HIGHER CAPEX EFFICIENCY**

Capex per Mbit/s

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Capex per Mbit/s</th>
<th>Approx. Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>3G (HSPA 2x5 MHz)</td>
<td>2016</td>
<td>~85%</td>
</tr>
<tr>
<td>LTE 800 (10 MHz)</td>
<td>2016</td>
<td>~70%</td>
</tr>
<tr>
<td>LTE 1800 (20 MHz)</td>
<td>2016</td>
<td>~70%</td>
</tr>
</tbody>
</table>

LIFE IS FOR SHARING.
INS: FIBER UPGRADE OF FIXED NETWORK IN COVERAGE & SPEED IS A SMART “NO REGRET MOVE” TO FTTH.

FIBER ROLLOUT PLAN

Coverage
%

- Q3/2012: 36%
- 2016: ≈ 65%
- further option: >80%

VECTORING PERFORMANCE UPGRADE¹

- Download: 50 Mbit/s → 100 Mbit/s (+100%)
- Upload: 10 Mbit/s → 40 Mbit/s (+300%)

HIGHER COVERAGE WITH LOWER CAPEX

- Capex per connected home:
  - FTTH: ~ -70%
  - Vectoring

¹ with short distribution cable length

LIFE IS FOR SHARING.
INS: HYBRID REVOLUTION THROUGH COMBINATION OF FIXED AND MOBILE FOR SUPERIOR SPEED EXPERIENCE.

SUPERIOR OFFERING FOR CUSTOMERS...

Speed up your access @ home

CABLE FOOTPRINT (24MN HH)
- FTTC
- Hybrid (Fiber + LTE)
- Cable

MAX. DOWNLOAD
- Mbit/s
- 50
- 100
- 150+

COPPER ONLY (16MN HH)
- ADSL
- Hybrid (ADSL + LTE)
- Mobile only

MAX. UPLOAD
- Mbit/s
- 10
- 40
- 6+

LIFE IS FOR SHARING.

1 broadband speed communication for consumer
2 LTE 1800Mhz
3 Vodafone LTE Zuhause
INS: VECTORING AND HYBRID PROLONGATE THE COPPER LIFECYCLE UP TO 10 YEARS.

INS FULLY COVERS CUSTOMER USE CASES FOR THE NEXT DECADE.

Customer use cases covered

% 100 80 60 40 20 0

- ADSL
- ADSL-Hybrid
- FTTC Vectoring
- FTTC Vectoring-Hybrid

LIFE IS FOR SHARING.
OUR PRIORITIES IN GERMANY UNDERLINE THE GROUP STRATEGY.

Seamless connectivity for the Gigabit Society

More innovation by cooperation

Secure cloud solutions

Best-in-class customer experience

INNOVATE

Cloud & more

TRANSFORM

Integrated network strategy (INS)

COMPETE

Leading in mobile and fixed based on INS

LIFE IS FOR SHARING.
KEY DIFFERENTIATORS ACROSS ENTIRE VALUE CHAIN SECURE MARKET LEADERSHIP.

Mobile
- Superior Network Quality
- Innovative Products & Tariffs
- Best-in-class Sales & Service
- Successful Up- & Cross-Selling

Fixed

Broadband market leadership in fixed & mobile

LIFE IS FOR SHARING.
UNRIVALED CUSTOMER EXPERIENCE IN ALL USE CASES – EVERYWHERE!

HIGHSPEED BROWSING

TV ON ALL SCREENS

CLOUD

100 Mbit/s

100 Mbit/s

Same speed everywhere

Entertain everywhere

Safe & trusted cloud services

Life is for sharing.
# Best-in-class Sales and Service

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Customer Service</th>
<th>Technical Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 750 Telekom shops</td>
<td>&gt; 10,000 agents</td>
<td>&gt; 10,000 experts</td>
</tr>
<tr>
<td>≈ 1,000 Distribution partners</td>
<td>Improve process quality</td>
<td>Innovative service products</td>
</tr>
</tbody>
</table>

**Best Shopping Experience**

**Increase Customer Satisfaction**

**Best Partner for Customer**

*LIFE IS FOR SHARING.*
MOBILE STRATEGY: THE MARKET LEADER HAS TO ENSURE FAIR SHARES THROUGHOUT ALL SEGMENTS.

PREMIUM T BRAND COMPLEMENTED BY CONGSTAR

BEST IN CLASS OFFERS FOR ALL SEGMENTS

1. Unmatchable LTE speeds & coverage
2. Excellent spectrum (800 & 1800MHz)
3. World-class device portfolio bundled with exclusive extras (e.g. Spotify, Hotspot)
4. Monetization: LTE only incl. in high-end tariffs & on-top options.

Compete

1. Fast follower via service provider & discount brands
2. Additional segments, avoid cannibalization of T brand
3. congstar for smart shoppers & discount, mainly online & less subsidized tariffs

LIFE IS FOR SHARING.
MOBILE STRATEGY: DESPITE TOUGH PRICE PRESSURE, WE SUCCESSFULLY GROW GROSS ADDS ARPU.

MARKETING FOCUS

Value based customer acquisition

Retention & up selling of customer base

T-BRANDED CONSUMER CONTRACT CUSTOMER MIX

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Play</td>
<td>73%</td>
<td>59%</td>
</tr>
<tr>
<td>Double Play</td>
<td>27%</td>
<td>41%</td>
</tr>
</tbody>
</table>

T-BRANDED CONSUMER CONTRACT ARPU

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross adds</td>
<td>32.8</td>
<td>37.0</td>
</tr>
<tr>
<td>Existing customer</td>
<td>35.8</td>
<td>35.2</td>
</tr>
</tbody>
</table>
MOBILE STRATEGY: SERVICE REVENUE RETURNS TO GROWTH AS A RESULT OF AN EXPANDING & HIGHER-VALUE BASE.

SHARE OF LTE SMARTPHONES
% based on TDG smartphone sales

STRONG DOUBLE PLAY UPTAKE

SERVICE REVENUE GROWTH

FIXED STRATEGY: WE COMPETE WITH CABLE BY ADDRESSING NEW MARKETS AND REINFORCED WHOLESALE PARTNERSHIPS.

INTEGRATED NETWORK STRATEGY

1. LTE rollout
2. Fiber rollout
3. Vectoring
4. Hybrid access

Competitive integrated offerings

TV STRATEGY

German TV market

Sat, DVB-T, Housing Association, Direct cable, Entertain

Fastest growing TV player

WHOLESALE STRATEGY

Attractive Pricing

Competitive Products

Kontingent-modell

Fiber

Strengthen Wholesale partnership

LIFE IS FOR SHARING.

T...
FIXED STRATEGY: “KONTINGENTMODELL" STRENGTHENS WHOLESALE PARTNERS TO SECURE NETWORK UTILIZATION.

MECHANICS OF „KONTINGENTMODELL“

- Logic supports nationwide and regional players
  - upfront investment
  - risk sharing
- Long-term contract (up to 10 years) with commitment
  - price (upfront & monthly fee)
  - volume
- Allows rational retail pricing

ARPA UPLIFT

High utilization of fiber network
Stabilize revenue in wholesale

LIFE IS FOR SHARING.

1 Calculation: 85% ULL, 15% IP BSA
FIXED STRATEGY: COMPENSATE LINE LOSSES BY UPSELLING RETAIL BASE TO FIBER AND ENTERTAIN.

FIBER CUSTOMERS

- Fiber retail customers: >12.4mn broadband customers, Q3/2012 = 0.8mn, 2015 = 2.7mn
- Approx. +240%

ENTERTAIN CUSTOMERS

- Entertain customers: Q3/2012 = 1.9mn, 2015 = 3.0mn
- > +60%

CONNECTED HOME GROWTH

- €bn: 2012 = 5.3, 2015 = 5.4
- +2%

LIFE IS FOR SHARING.
OUR PRIORITIES IN GERMANY UNDERLINE THE GROUP STRATEGY.

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

INNOVATE

Cloud & more

TRANSFORM

Integrated network strategy (INS)

COMPETE

Leading in mobile and fixed based on INS

LIFE IS FOR SHARING.
GROWTH INITIATIVES WITH INNOVATIONS FROM OWN DEVELOPMENTS, PARTNERING AND VENTURES.

GROWING BUSINESS (OPERATING SEGMENT GERMANY)

€ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Cloud(^1)</th>
<th>Intelligent networks(^1)</th>
<th>Connected Home</th>
<th>Mobile Data</th>
<th>De-Mail</th>
<th>Growth Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td>5.3</td>
<td>2.0</td>
<td>0.2</td>
<td>7.5</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td>5.4</td>
<td>3.0</td>
<td>0.7</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+1.7</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.7</td>
</tr>
</tbody>
</table>

\(^1\) Revenues in the operating segment Germany.
FINANCIAL OUTLOOK
REVENUE STABILIZATION IN 2014 DUE TO MARKET LEADERSHIP AND INNOVATION.

REVENUE STABILIZATION

€ bn

2012/15 Growth business ≈ +25%

2014 Stable revenues

2015
- Basic revenue < 60%
- Growth revenue > 40%

2012 2013 2015

7.5 9.2

15.2 13.0

22.7 22.2
As already indicated FTTC/Vectoring CAPEX of around €6 BN until 2020.

<table>
<thead>
<tr>
<th>Year</th>
<th>FTTC/Vectoring Capex</th>
<th>Basic Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.4</td>
<td>0.6</td>
</tr>
<tr>
<td>2014</td>
<td>4.1</td>
<td>0.9</td>
</tr>
<tr>
<td>2015</td>
<td>4.3</td>
<td>1.7</td>
</tr>
<tr>
<td>2016</td>
<td>4.3</td>
<td>2.0</td>
</tr>
<tr>
<td>2017</td>
<td>4.3</td>
<td>2.0</td>
</tr>
<tr>
<td>2018</td>
<td>3.8</td>
<td>2.2</td>
</tr>
<tr>
<td>2019</td>
<td>3.5</td>
<td>2.5</td>
</tr>
<tr>
<td>2020</td>
<td>3.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Basic Capex: $\approx$ €-4.4 bn cum.
FTTC/Vectoring Capex: $\approx$ €+6 bn cum.
FTTC/VECTORING WILL BE FUNDED PARTLY BY REDUCTION OF BASIC CAPEX.

<table>
<thead>
<tr>
<th>Year</th>
<th>FTTC/Vectoring Capex</th>
<th>Basic Capex</th>
<th>Total Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>€1.1 bn</td>
<td>€-1.3 bn</td>
<td>€-0.2 bn</td>
</tr>
<tr>
<td>2014</td>
<td>€+2.4 bn</td>
<td></td>
<td>€+1.3 bn</td>
</tr>
<tr>
<td>2015</td>
<td>€1.1 bn</td>
<td></td>
<td>€-0.4 bn</td>
</tr>
</tbody>
</table>

Total Capex ≈ €11.8 bn cum.
(≈ €+1.1 bn above 2010 – 2012 cum.)
INVEST IN MARKET LEADERSHIP OVERCOMPENSATED BY INDIRECT OPEX REDUCTION.

**DIRECT COST**

€ bn

2012: €4.8
2015: €5.1

+0.3

Invest in revenue

**INDIRECT COST**

€ bn

2012: €9.1
2015: €8.7

-0.4

2013 - 2015

≈ €1.0 bn cum.

1 Indirect cost w/o capitalized labor

LIFE IS FOR SHARING.
INCREASING RETURN ON CAPITAL DUE TO OPEX SAVINGS AND LESS RESTRUCTURING PARTIALLY OFFSET BY INCREASING CAPEX.
OUR AMBITION: SECURE SUSTAINABLE BROADBAND MARKET LEADERSHIP IN GERMANY.

<table>
<thead>
<tr>
<th>MID-TERM AMBITION LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MARKET</strong></td>
</tr>
<tr>
<td>- #1 in mobile service revenue market share ≈ 35% 2015</td>
</tr>
<tr>
<td>- #1 broadband market share ≈ 43% 2015</td>
</tr>
<tr>
<td>- #1 in TV growth 2012 - 2015</td>
</tr>
<tr>
<td><strong>QUALITY</strong></td>
</tr>
<tr>
<td>- Customer loyalty index ≈ +10% 2015 vs. 2012</td>
</tr>
<tr>
<td><strong>FINANCIALS</strong></td>
</tr>
<tr>
<td>- Stable total revenues 2014</td>
</tr>
<tr>
<td>- Connected home revenues +2% 2015 vs. 2012</td>
</tr>
<tr>
<td>- EBITDA margin ≈ 40% 2012 - 2015</td>
</tr>
</tbody>
</table>
YOUR KEY TAKEAWAYS.

1. The best network: LTE + Fiber + Vectoring + Hybrid Access

2. Strong differentiators: best broadband coverage + largest distribution + best service

3. Revenue stabilization: monetization of mobile, fixed and integrated offerings

4. Solid financial performance: continued high margin
DEUTSCHE TELEKOM
CAPITAL MARKETS DAY 2012
T-SYSTEMS

REINHARD CLEMENS, KLAUS WERNER

LIFE IS FOR SHARING.
REVIEW 2010 – 2012
2010 – 2012: T-SYSTEMS’ ACHIEVEMENT SINCE WE MET LAST TIME.

<table>
<thead>
<tr>
<th>AMBITION LEVEL 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>· Revenue growth above industry average</td>
</tr>
<tr>
<td>· Fair market share in innovative “industry solutions”*1</td>
</tr>
<tr>
<td>· Strong TRI*M Index over peer average and above 75 pt</td>
</tr>
<tr>
<td>· Grow adj. EBIT margin towards peer level (ca. 7%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ACHIEVEMENTS 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXTERNAL REVENUE</strong> € bn</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>6.1</td>
</tr>
<tr>
<td><strong>REVENUE INTELLIGENT NETWORKS</strong> € mn</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td><strong>CUSTOMER SATISFACTION TRI*M</strong></td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>74</td>
</tr>
<tr>
<td><strong>ADJ. EBIT MARGIN</strong> € mn</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>2.6%</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.

Total Contract Value 2010 – 2012: ~€8 bn

2008
2009
2010
2011
2012

Seeding phase
Harvesting phase

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
2. UTILIZATION
3. PRODUCTIVITY
4. COST OPTIMIZATION

Fix Quality: Zero Outage
Cost Contingency: “Save 4 Service”
Service Account Excellence

NEARSHORE/OFFSHORE QUOTA PRODUCTION

YE 2010 – YE 2012:
- Nearshore/Offshore Quota Production

FREELANCER GLOBAL PRODUCTION

YE 2010 – Sept. 2012:
- Freelancer Global Production

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

- Benchmark 2015: €3.16bn
- Actual 2011: €4.15bn
- Reduction: €1bn

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
ATTRACTION MARKET ENVIRONMENT FOR ICT BUSINESS.

BUSINESS AREAS

<table>
<thead>
<tr>
<th>SCALABLE ICT SERVICES (GROWTH AREAS)</th>
</tr>
</thead>
</table>

| CONVENTIONAL ICT BUSINESS |

MARKET DEVELOPMENT TSI FOOTPRINT

€ bn

- 2011: 525 (CAGR) +18%
- 2015: 631

- 2011: 443 +2%
- 2015: 473

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, Analysys 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)

BIG DATA MARKET FORECAST

- **CAGR (IDC)** 40% (2012 – 2016)
- Market forecast worldwide (till 2017)
- **EUR 53 billion**
- **1.8 Zettabytes** of data volume worldwide

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

NETWORK SECURITY BECOMING MORE RELEVANT

- Direct damage caused by cyber crime 2011 (worldwide)
  - EUR 85.2 billion
  - **10% CAGR (2012 – 2016)**

LIFE IS FOR SHARING.

---

1. Source: IDC, DTAG  
3. Source: DTAG, research2guidance 2012, Pike Research  
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

Big Data

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.

**TELEKOM IT**

- **TDG**
  - Customer Solutions
- **CIT**
  - Technology Solutions
- **TSI**
  - Market & Corp. Solutions
- **EU**
  - GHS & ERP Solutions
  - T-Systems Solutions
  - EU Solutions

**TSI Market Unit Production**

**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

**LIFE IS FOR SHARING.**
2013 – 2015: COST CUTS BY OPTIMIZING PORTFOLIO & PRODUCTION.

- INNOVATION
- STANDARDIZATION
- PARTNERING

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

- INNOVATION
- STANDARDIZATION
- PARTNERING

<table>
<thead>
<tr>
<th>Offering/topic</th>
<th>Continue to offer</th>
<th>Make</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Quit to offer</td>
<td></td>
</tr>
</tbody>
</table>

Near-/Offshore ratio

- 2012e: 40%
- 2015e: 50%

LIFE IS FOR SHARING.
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

€ bn

CAGR >30%

2012e 2015e

0.4 -1

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

POSITIONING OF RELEVANT PROVIDERS

Attractiveness of portfolio

Competitive strength

100%

0%

T-SYSTEMS

NTT

Terremark/Verizon

Savvis

Nionex

Colt

Fujitsu

HP

ATOS

IBM

CSC

Accenture

Tata Consultancy

Orange Business Services

Computacenter

Dell

Capgemini

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
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.

**ENERGY**
- Energy Data Platform
- Energy Efficiency Management
- Home Management

**HEALTH**
- Integrated Care
- Utilization of care management
- SAP Health Insurance Model
- Telematic Services for Health

**CONNECTED CAR**
- Enabling Services and processes
- Telematics infrastructure
- Backend integration projects
- Connectivity & operations

**REVENUE DEVELOPMENT IN'S DT GROUP**

€ bn

CAGR >60%

-1

0 0.1

2010 2012e 2015e

**INNOVATE**

Partner for top national & international utilities

Remote monitoring at EU's biggest university hospital

Internet access for more than 1 mn cars in 2013

**LIFE IS FOR SHARING.**
2013 – 2015: BIG DATA.

TSI FOOTPRINT BIG DATA MARKET

Market Forecast € bn\(^1\)

- Key topic on CxO level at our customers
- Emerging Blue Ocean Market (high margins)

T-SYSTEMS OFFERING STRATEGY
- Consulting capabilities and vertical solutions
- Cloud based Big Data platform
- On demand delivery Model

\(^1\) Source: Gartner/IDC

<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>23.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR >40%
2013 – 2015: SECURITY.

TSI FOOTPRINT SECURITY SERVICES MARKET

Market Forecast € bn\(^1\)

- **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**

\(^1\) Source: Gartner/IDC

**INNOVATE**

- **TRUSTED PARTNER STRATEGY**
  - Enterprise Security Mgmt.
  - Identity & Access Mgmt.
  - Infrastructure Security Serv.

**LIFE IS FOR SHARING.**

\[ \text{CAGR >10%} \]

\[ \begin{array}{c|c}
  2012 & 8.9 \\
  2015 & 11.9 \\
\end{array} \]
FINANCIAL OUTLOOK
NEW ORGANISATION: INTERNAL IT SEPARATED FROM EXTERNAL IT.

**TSI MARKET UNIT**
- Revenue volume 2012e ≈ €7.8 bn
- Push revenue growth
- Goal: EBIT margin improvement
- Profit Center

**TELEKOM IT**
- Revenue volume 2012e ≈ €2.3 bn
- EBIT margin = 0
- Go-live July 1, 2012
- Cost Center, focus: Germany

---

**TOTAL IT SPEND**
- Telekom IT Day1
- After margin elimination

---

**LIFE IS FOR SHARING.**
## CHANGES IN FINANCIALS 2011.

### TSI TOTAL

<table>
<thead>
<tr>
<th>Category</th>
<th>Old TSI</th>
<th>New TSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9,249</td>
<td>9,953</td>
</tr>
<tr>
<td>adj. EBIT</td>
<td>23</td>
<td>252</td>
</tr>
<tr>
<td>adj. EBITDA</td>
<td>872</td>
<td>672</td>
</tr>
<tr>
<td>Capex</td>
<td>1,462</td>
<td>1,462</td>
</tr>
</tbody>
</table>

### MARKET UNIT

<table>
<thead>
<tr>
<th>Category</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>
</tbody>
</table>

### TELEKOM IT

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenue</th>
<th>adj. EBIT</th>
<th>adj. EBITDA</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSI TOTAL</td>
<td>2,180</td>
<td>0</td>
<td>101</td>
<td>925</td>
</tr>
</tbody>
</table>
ADJ. EBIT MARGIN TSI: DROP DUE TO NEW STRUCTURE.

ADJ. EBIT DEVELOPMENT AND EXPECTATION

€ mn

TEL IT RESTATEMENT

-0.5% 0.7% 2.6% 3.7% 2.7% 3.5% 0.2% -1%


LIFE IS FOR SHARING.
WAY FORWARD: T-SYSTEMS TOTAL.

TSI TOTAL – REVENUE
€ bn

Telekom IT

Market Unit

CAGR >2%

CAGR 1%

2012e 2015e

TSI TOTAL – ADJ. EBIT
€ bn

CAGR >40%

2012e 2015e

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.

- 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
WAY FORWARD: MARKET UNIT – EFFICIENCY MEASURES.

PUSH NEAR-/OFFSHORING PRODUCTION

2012e  |  2015e
--- | ---
40% | 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

Growth
Target Margin = 4%
Efficiency

Country A
Country B

LIFE IS FOR SHARING.
MARKET UNIT: KEY LEVERS FOR ROCE IMPROVEMENT ADDRESSED.

**REVENUE GROWTH**
€bn
- CAGR >2%

<table>
<thead>
<tr>
<th>2012</th>
<th>2015e</th>
</tr>
</thead>
</table>

**CAPEX/SALES**
- 8.1%

<table>
<thead>
<tr>
<th>2012</th>
<th>2015e</th>
</tr>
</thead>
</table>

**IMPROVING MARGINS**
- 4%

<table>
<thead>
<tr>
<th>2012</th>
<th>2015e</th>
</tr>
</thead>
</table>

**OPERATING ROCE**
- 5.0%

<table>
<thead>
<tr>
<th>2012</th>
<th>2015e</th>
</tr>
</thead>
</table>

**RESTRUCTURING**
- 0.2€bn

<table>
<thead>
<tr>
<th>2012</th>
<th>2015e</th>
</tr>
</thead>
</table>
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

Revenue: 2% CAGR expected for addressable market weighted by TSI revenue split TC/IT
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

Subject to board approval and AGM resolution

1 As per Guidance 2010
2 2012 estimated w/o TMUS impairments & US tower deal
2010 – 2012: DISCIPLINED EXECUTION.

- Adj. EBITDA-margin improved by 4 pp\(^1\)
- oFCF virtually stabilized despite difficult economy
- AT&T break-up fee and tower monetization fund spectrum and network modernization
- S4S: Gross opex reduction of €4.5 bn – margin gap to peers closed by almost 2pp
- Net debt reduced by €3.2 bn
- Joint Ventures
  Procurement: BUYIN
  Network: UK, CZ, PL

\(^1\) 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

Source: Company Information, FactSet, Citi, Bloomberg

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

ROLE OF FINANCE

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

INNOVATE
TRANSFORM
COMPETE

LIFE IS FOR SHARING.
INCREASING ROCE.

**REVENUE**

<table>
<thead>
<tr>
<th></th>
<th>€ bn</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012e</td>
<td>2015e</td>
<td>2012e</td>
</tr>
<tr>
<td>Metro</td>
<td>58.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OPEX**

<table>
<thead>
<tr>
<th></th>
<th>€ bn</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012e</td>
<td>2015e</td>
<td>2012e</td>
</tr>
<tr>
<td>Metro</td>
<td>41.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CAPEX**

<table>
<thead>
<tr>
<th></th>
<th>€ bn</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012e</td>
<td>2015e</td>
<td>2012e</td>
</tr>
<tr>
<td>Metro</td>
<td>8.3</td>
<td></td>
<td>9.5</td>
</tr>
</tbody>
</table>

**SPECIAL FACTORS**

<table>
<thead>
<tr>
<th></th>
<th>€ bn</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012e</td>
<td>2015e</td>
<td>2012e</td>
</tr>
<tr>
<td>Metro</td>
<td>1.1</td>
<td></td>
<td>0.7</td>
</tr>
</tbody>
</table>

LIFE IS FOR SHARING.
INVESTING INTO DT’S FUTURE – CAPEX AND FCF PROFILE.

**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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex (€ bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012e</td>
<td>8.3</td>
</tr>
<tr>
<td>2013e</td>
<td>9.8</td>
</tr>
<tr>
<td>2015e</td>
<td>9.5</td>
</tr>
</tbody>
</table>

**FCF PROFILE 2011 – 2015**

<table>
<thead>
<tr>
<th>Year</th>
<th>FCF (€ bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>6.4</td>
</tr>
<tr>
<td>2012e</td>
<td>≈6</td>
</tr>
<tr>
<td>2013e</td>
<td>≈5</td>
</tr>
<tr>
<td>2015e</td>
<td>≈6</td>
</tr>
</tbody>
</table>
**OPERATIONAL PERFORMANCE ENABLES INVESTMENTS.**

<table>
<thead>
<tr>
<th>FCF 2013 (INCL. METRO)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€ bn</strong></td>
</tr>
<tr>
<td>FCF 2012e</td>
</tr>
<tr>
<td>EBITDA operational</td>
</tr>
<tr>
<td>OWC Restructuring</td>
</tr>
<tr>
<td>cash outs</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Market Invest Ger (EBITDA)</td>
</tr>
<tr>
<td>INS Capex Ger</td>
</tr>
<tr>
<td>Capex US</td>
</tr>
<tr>
<td>WC impact *All value plans - all devices&quot; TM US</td>
</tr>
<tr>
<td>Cash Capex savings Ger</td>
</tr>
<tr>
<td>FCF 2013e (incl. Metro)</td>
</tr>
<tr>
<td>FCF 2013e (excl. Metro)</td>
</tr>
<tr>
<td>FCF 2015e (incl. Metro)</td>
</tr>
</tbody>
</table>

**Financial Overview**

**Operations Investments Guidance**

2015 FCF: around €6 bn

**LIFE IS FOR SHARING.**

184
STRIVING FOR € 2BN COST SAVINGS.

**INDIRECT COSTS**

<table>
<thead>
<tr>
<th>% of revenue</th>
<th>2012e</th>
<th>2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Germany</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€1.0 bn¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Opex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€0.6 bn¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Opex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shared Services (GHS)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4% p.a. Indirect Opex Reduction</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DIRECT COSTS**

<table>
<thead>
<tr>
<th>% of revenue</th>
<th>2012e</th>
<th>2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TMUS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1 bn¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Savings</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TSI MARKET UNIT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€0.3 bn²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. EBIT Improvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TEL IT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€1 bn¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Spend Reduction (Opex &amp; Capex)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Cum. delta vs. 2012 baseline by 2015
² By 2015

LIFE IS FOR SHARING.
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

ROCE IMPROVEMENT ONGOING

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012e</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROCE</td>
<td>3.5%</td>
<td>3.8%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

NET OPERATING PROFIT AFTER TAX

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012e</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ bn</td>
<td>4.2</td>
<td>4.2</td>
<td>4.3</td>
</tr>
</tbody>
</table>

AVERAGE NET OPERATING ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012e</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ bn</td>
<td>118.9</td>
<td>112.7</td>
<td>107.2</td>
</tr>
</tbody>
</table>

CHALLENGES

External:
- Market environment
- Expensive UMTS License:
- Regulatory factors:

Internal:
- US Impairment & tower deal:
- Special factors personnel:
- Personnel cost disadvantages (GER):

General:
- €1 bn CAPEX △ ROCE:
- €-0.1 bn EBITDA △ ROCE:

1 2012 estimated w/o TMUS impairments & US tower deal
2 Estimated ROCE impact 2012
3 Minimum ROCE impact 2012 incl. TELCO tax Hungary
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

Efficiency Management

- Focus on INS
- Rigorous CAPEX Management
- Network sharing (CZ, PL)
- Support attacker case by regionally targeted investments
- Increased Network utilization by NewCo
- Improve cost efficiency
- Consolidation of platforms
- Shift CAPEX towards transformation
- Prioritize budget
- Net savings

LIFE IS FOR SHARING.

**EBIT TAKES PREVIOUS AND FUTURE CAPEX INTO ACCOUNT**

<table>
<thead>
<tr>
<th>%</th>
<th>CAPEX</th>
<th>Asset base</th>
<th>EBITDA</th>
<th>D&amp;A</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013e</td>
<td>11</td>
<td>9.5</td>
<td>9.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DEPRECIATION**

<table>
<thead>
<tr>
<th>€bn</th>
<th>2012e</th>
<th>2013e</th>
<th>2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro</td>
<td>11</td>
<td>9.5</td>
<td>9.3</td>
</tr>
</tbody>
</table>

**INCREASING ADJ. EBIT MARGIN (INCL. METRO PCS)**

<table>
<thead>
<tr>
<th>%</th>
<th>2012e</th>
<th>2013e</th>
<th>2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.8</td>
<td>12.6</td>
<td>13.9</td>
<td></td>
</tr>
</tbody>
</table>

**IMPROVEMENT OF ADJ. EPS**

<table>
<thead>
<tr>
<th>€</th>
<th>2012e</th>
<th>2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.6</td>
<td>≈0.8</td>
<td></td>
</tr>
</tbody>
</table>

Efficiency Management

LIFE IS FOR SHARING.
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

LIFE IS FOR SHARING.
EE: SUCCESS STORY READY FOR NEXT STEP.

**MARKET SHARE**

<table>
<thead>
<tr>
<th></th>
<th>Mobile Service Revenue</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/11</td>
<td>35</td>
<td>30</td>
</tr>
<tr>
<td>Q3/11</td>
<td>33</td>
<td>25</td>
</tr>
<tr>
<td>Q4/11</td>
<td>95</td>
<td>30</td>
</tr>
<tr>
<td>Q1/12</td>
<td>95</td>
<td>30</td>
</tr>
<tr>
<td>Q2/12</td>
<td>95</td>
<td>30</td>
</tr>
</tbody>
</table>

**CONTRACT CUSTOMERS**

<table>
<thead>
<tr>
<th></th>
<th>'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/09</td>
<td>10,974</td>
</tr>
<tr>
<td>Q4/10</td>
<td>11,948</td>
</tr>
<tr>
<td>Q4/11</td>
<td>12,842</td>
</tr>
<tr>
<td>Q3/12</td>
<td>13,393</td>
</tr>
</tbody>
</table>

**BROKER VALUATION ENTERPRISE VALUE**

<table>
<thead>
<tr>
<th></th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>TM-UK Q4/09</td>
<td>3.5</td>
</tr>
<tr>
<td>50% EE Q4/12$</td>
<td>5.3</td>
</tr>
</tbody>
</table>

**LTE ROLL-OUT PLAN**

<table>
<thead>
<tr>
<th></th>
<th>HSPA+</th>
<th>LTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012e</td>
<td>95</td>
<td>33</td>
</tr>
<tr>
<td>2014e</td>
<td>95</td>
<td>98</td>
</tr>
</tbody>
</table>

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

LIFE IS FOR SHARING.
LOW RISK PORTFOLIO.

MONITORING OF ECONOMIC ENVIRONMENT

IMPROVED REFINANCING COSTS

WELL-BALANCED MATURITY PROFILE

STRONG LIQUIDITY RESERVE POSITION

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

LIFE IS FOR SHARING.
STABLE PAYOUTS FOR PENSION PLANS.

DEFINITE BENEFIT OBLIGATIONS (DBO)

<table>
<thead>
<tr>
<th>Year</th>
<th>€ bn</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6.8</td>
<td>5.25%</td>
</tr>
<tr>
<td>2010</td>
<td>7.0</td>
<td>5.16%</td>
</tr>
<tr>
<td>2011</td>
<td>7.0</td>
<td>5.31%</td>
</tr>
<tr>
<td>9/30/12</td>
<td>8.7</td>
<td>3.51%</td>
</tr>
</tbody>
</table>

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

FORECAST: PAYOUTS FOR PENSIONS (GER)

<table>
<thead>
<tr>
<th>Year</th>
<th>€ bn</th>
<th>Civil Servant Pensions</th>
<th>Pension Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012e</td>
<td>0.9</td>
<td>0.3</td>
<td>0.6</td>
</tr>
<tr>
<td>2015e</td>
<td>0.9</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>2018e</td>
<td>0.9</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>2021e</td>
<td>0.9</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>2024e</td>
<td>0.8</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>2027e</td>
<td>0.7</td>
<td>0.5</td>
<td>0.2</td>
</tr>
</tbody>
</table>

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

LIFE IS FOR SHARING.
MAINTAIN UNDISPUTED ACCESS TO DEBT CAPITAL MARKETS.

RATING TRENDS

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deutsche Telekom</td>
<td>BBB +</td>
<td>BBB +</td>
</tr>
<tr>
<td>BT</td>
<td>A -</td>
<td>BBB</td>
</tr>
<tr>
<td>France Telecom</td>
<td>BBB +</td>
<td>A -</td>
</tr>
<tr>
<td>KPN</td>
<td>A -</td>
<td>BBB</td>
</tr>
<tr>
<td>Telecom Italia</td>
<td>BBB +</td>
<td>BBB</td>
</tr>
<tr>
<td>Telefonica</td>
<td>A</td>
<td>BBB</td>
</tr>
<tr>
<td>Telekom Austria</td>
<td>BBB</td>
<td>BBB</td>
</tr>
<tr>
<td>Vodafone</td>
<td>A</td>
<td>A -</td>
</tr>
<tr>
<td>Average Rating</td>
<td>A -</td>
<td>BBB +/BBB</td>
</tr>
</tbody>
</table>

DT COMFORT ZONE RATIOS

- **Equity Ratio**: 25 – 35%
- **Net Debt/Adj. EBITDA**: 2.0 – 2.5x

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

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
UPDATED FINANCE STRATEGY TO EMBRACE TRANSITION TO GROWTH.

<table>
<thead>
<tr>
<th>EQUITY</th>
<th>TELCO PLUS</th>
<th>DEBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Shareholder Remuneration policy</td>
<td>COMPETE</td>
<td>Undisputed access to debt capital markets</td>
</tr>
<tr>
<td>• Dividend(^1)</td>
<td></td>
<td>• Rating: A-/BBB</td>
</tr>
<tr>
<td>• FY 2012: €0.70</td>
<td></td>
<td>• Net debt/adj. EBITDA: 2-2.5x</td>
</tr>
<tr>
<td>• FY 2013: €0.50</td>
<td></td>
<td>• Equity ratio: 25 – 35%</td>
</tr>
<tr>
<td>• FY 2014: €0.50</td>
<td></td>
<td>• Liquidity reserve: covers maturities of coming 24 months</td>
</tr>
<tr>
<td>• FY 2015: re-visit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Attractive option: dividend in kind</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STAKEHOLDER MANAGEMENT</strong></td>
<td></td>
<td><strong>STAKEHOLDER MANAGEMENT</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VALUE CREATION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EFFICIENCY MANAGEMENT</strong></td>
<td>Reduce indirect costs by €2 bn(^2) and increase ROCE to 5.5% (+150bp)</td>
</tr>
<tr>
<td><strong>PORTFOLIO MANAGEMENT</strong></td>
<td>No big M&amp;A, Strategic review of Scout and EE</td>
</tr>
<tr>
<td><strong>RISK MANAGEMENT</strong></td>
<td>Low risk country portfolio (85% of SotP)</td>
</tr>
</tbody>
</table>

---

1. Subject to necessary AGM approval and board resolution
2. Cum Delta by 2015 vs. 2012 Baseline
GUIDANCE 2013 & MID TERM AMBITION
DT GROUP GUIDANCE 2013 AND MID TERM AMBITION.

<table>
<thead>
<tr>
<th></th>
<th>GUIDANCE 2013 (EXCL./INCL. PCS)</th>
<th>MID TERM AMBITION (INCL. PCS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GROUP ADJ. EBITDA</td>
<td>( \approx \€17.4 \text{bn}/\approx \€18.4 \text{bn} )</td>
<td>Growing 2014</td>
</tr>
<tr>
<td>GROUP FCF</td>
<td>( \approx \€5 \text{bn}/\approx \€5 \text{bn} )</td>
<td>Growing 2014</td>
</tr>
<tr>
<td>GROUP ADJ. EPS</td>
<td></td>
<td>( \approx \€6 \text{bn} )</td>
</tr>
<tr>
<td>GROUP ROCE</td>
<td></td>
<td>Improvement to ( \approx \€0.8 )</td>
</tr>
<tr>
<td>SHAREHOLDER REMUNERATION POLICY</td>
<td>DPS \€0.50/DPS \€0.50</td>
<td>Improvement to ( \approx 5.5% )</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review 2015</td>
</tr>
</tbody>
</table>
Please do not hesitate to contact the Investor Relations team!

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E-Mail  investor.relations@telekom.com
Media information

Bonn, December 6, 2012

Deutsche Telekom invests almost EUR 30 billion over three years in the future of telecommunications

- EUR 6 billion to be invested in broadband roll-out in Germany using optical fiber (FTTC) and vectoring
- Innovative hybrid box combines the strengths of LTE and vectoring
- USD 4 billion for network modernization in the United States
- T-Mobile USA has entered into an agreement with Apple to bring products to market together next year
- Dividend for 2012 confirmed, attractive dividend of EUR 0.50 planned for 2013 and 2014
- Forecast for 2013 (including MetroPCS): free cash flow of around EUR 5 billion, adjusted EBITDA of around EUR 18.4 billion
- Group targets revenue growth from 2014 and free cash flow of around EUR 6 billion for 2015

The demand for broadband will continue to grow significantly both in mobile communications and in the fixed network. Deutsche Telekom is therefore substantially stepping up investments in broadband networks and products over the coming three years in order to improve its competitive position in the long term. Group capex including MetroPCS is to grow to around EUR 9 to 10 billion, bringing the total up to almost EUR 30 billion. The focus is on Germany, where activities will center around building out the LTE network as well as rolling out optical fiber and vectoring technology in the fixed network. On top of that, a hybrid solution is planned for launch that combines LTE and vectoring, thereby increasing bandwidths. In the U.S., the roll-out of the national LTE
network is on the agenda. In addition, T-Mobile USA has entered into an agreement with Apple to bring products to market together next year.

At its Capital Markets Day in Bonn, Deutsche Telekom also announced its overall planning which factors in this period of higher investments, and a free cash flow guidance for 2013 of around EUR 5 billion from which a dividend of 50 euro cents is to be paid out both in 2013 and in the following year. Free cash flow of around EUR 6 billion is targeted for 2015. Deutsche Telekom forecasts adjusted EBITDA of around EUR 17.4 billion for 2013. Once the MetroPCS deal is closed in the first half of 2013 as planned, this figure – on a pro-forma basis assuming the inclusion of MetroPCS from the beginning of the year – will increase to EUR 18.4 billion. The Group’s net revenue and adjusted EBITDA are scheduled to grow again from 2014. The Board of Management has approved the corresponding planning and passed it on to the Supervisory Board for resolution along with a recommendation to that effect from the Finance and Audit Committees.

"Hesitation now means playing catch-up later. We are investing in the future – with resolve and a clear strategy," said René Obermann, Chairman of the Board of Management of Deutsche Telekom. "The investment plans we have presented today will lay the foundation for future growth. And it is the people in Germany in particular who will benefit more than ever from the modern infrastructure."

"These investment plans will ensure Deutsche Telekom remains absolutely sound and reliable over the long term," added CFO Timotheus Höttges. "We are going against the flow with our high investments in these times of economic challenges – because we have worked hard to establish sound balance sheet ratios and now have the necessary leeway. Our dividend planning offers our investors both an attractive return and planning reliability."
With clear statements regarding targeted financial ratios – net debt to adjusted EBITDA is to stay between 2 and 2.5, and a liquidity reserve that at a minimum is able to cover all maturities of the next 24 months – the Group intends to keep its A-/BBB rating and safeguard unrestricted access to the capital market. Along with a two-year dividend proposal for 2013 and 2014, looking ahead beyond the period of increased investments, the shareholder remuneration policy will be considered again from 2015. The plan is to give shareholders the choice of a dividend in kind or a cash dividend. This gives investors the opportunity to leave funds in the company, to improve financial ratios further and to benefit even more from the success of their investment in the long term. "We are pioneers of this innovative solution in Germany," said Chief Financial Officer Timotheus Höttges. Both the cash dividend and the share-based dividend in kind is tax-free for investors resident in Germany. All statements relating to dividends are subject to resolutions by the relevant boards and committees as well as the shareholders' meeting.

The finance strategy continues to focus on absolute transparency and reliability; a strategy that, in the period since 2010, has already generated a total return (dividend plus share price performance) for investors of 11.2 percent, clearly outperforming other former state-owned telecommunications industry monopolists across Europe. It contributes to the Group strategy of transforming the company from a "telco" to a "telco plus". Options for changes to the portfolio are also examined as part of the finance strategy, in particular the possibility of Everything Everywhere going public, as well as the strategic evaluation of the Scout group.

High-speed Internet access on a scale never seen before – this is the goal of Deutsche Telekom for its domestic market. The key aspects are:

- Acceleration of the LTE build-out in order to have 85 percent of the population covered by 2016 with data transmission rates of up to 150 Mbit/s.
• Build-out of the optical fiber network (FTTC) to cover around 65 percent of the population within the same time frame, thereby enabling more coverage than the cable network operators. Deployment of the new vectoring technology, provided a corresponding regulatory framework is in place, will increase VDSL data transmission rates to up to 100 Mbit/s.

• In future, innovative hybrid-box technology will feed traffic in both directions via vectoring and LTE. This will make download speeds of up to 200 Mbit/s possible and upload speeds of up to 90 Mbit/s.

Investments in Germany from 2014 through 2016 are to increase to EUR 4.1 to 4.5 billion, respectively, compared with an average of EUR 3.6 billion in the preceding three years. In addition to increasing overall investments in Germany, expiring investments in other areas free up additional funds to drive ahead restructuring and innovation, bringing the total capital expenditure in connection with the integrated network strategy for optical fiber and vectoring in these areas to around EUR 6 billion. Deutsche Telekom’s approach is based on the assumption that the about-face in European regulatory policy recently announced will be adopted in national regulation.

By the end of 2014, the Company aims to have stabilized revenue in Germany compared to 2013. The increased capital expenditure is intended to lay the foundation for compensating for the decline in revenues from traditional fixed-network and mobile telephony as well as text messaging. Bundled products, Entertain and cloud solutions are expected to drive revenues in the growth areas of mobile Internet and connected home in particular. This is to bring the adjusted EBITDA margin to around 40 percent. Deutsche Telekom intends to be the number one both in terms of mobile service revenues and the number of broadband lines, with market shares of 35 percent and 43 percent, respectively.

In the United States, capital expenditure of around USD 4.7 billion has been planned for 2013 and around USD 3 billion in each of the two subsequent years
compared with USD 2.7 billion per year on average from 2010 to 2012. The focus in the U.S. is on building out the LTE network, which alone will result in capex of around USD 4 billion. T-Mobile USA is now in an extremely good position to benefit from growth, in particular of mobile Internet in the U.S., thanks to the mobile licenses it received from AT&T following the termination of the sale agreement, the spectrum from the Verizon deal, and the improved financial structure as a result of the long-term cell tower deal with Crown Castle.

In addition, T-Mobile USA benefits from the agreement with MetroPCS to combine their operations, a move designed to strengthen T-Mobile USA's standing in the fast-growing prepay segment. Approval is currently being sought from several U.S. authorities. Deutsche Telekom still expects the deal to close in the first half of 2013.

In the coming year, T-Mobile USA will continue to reinforce its market presence with additions to its rate plan and product portfolio, including Apple products. "Following on from the preceding steps such as the spectrum swap with Verizon, the towers deal with Crown Castle and the transaction with MetroPCS that we have announced, we have now added the final piece to the jigsaw to boost the competitiveness of T-Mobile USA sustainably," said René Obermann.

T-Systems marked a significant milestone in July with the launch of the Telekom IT unit, where the Group's internal IT activities in Germany are now pooled. The aim of the new unit is to sustainably reduce the Group's IT costs by EUR 1 billion by 2015. In external business, T-Systems is focusing even more squarely on cloud-based solutions. Experts are forecasting annual average growth rates in this market of 17 percent through 2017, which is significantly higher than the 2 percent annual growth rate projected for the traditional ICT business. Profitability is to improve by means of focusing on growth markets, enhancing standardization, and intensifying the use of capacities in low-wage
countries (offshoring). The adjusted EBIT margin of the market unit is expected to grow to 4 percent by 2015.

In the Europe operating segment stronger collaboration across the national companies under the One DT Europe program aims to leverage economies of scale by centralizing shared tasks. Revenue is expected to grow moderately again from 2014 on an organic basis – i.e., excluding the effects of exchange rates, special taxes, and regulation. This growth will see a revenue mix that continues to shift towards the growth markets of B2B/ICT, mobile data, and TV business. One example of this is the mobile payment solution recently launched in Poland that is also to be rolled out at other Group companies. Deutsche Telekom is also planning further network partnerships in addition to those already in place in the United Kingdom, the Czech Republic, and Poland.
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Safe Harbor Statement

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Participants in the solicitation
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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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Ad hoc

Deutsche Telekom steps up investment in growth in 2014 and adjusts dividend planning to 50 euro cents.

The Board of Management of Deutsche Telekom today approved the financial planning for the Group for the years 2013 through 2015. The relevant committees of the Supervisory Board, the General and Finance Committees, then addressed the plans and formulated a recommendation for the Supervisory Board to approve them at its next meeting.

The plans are for the Group to increase its capital expenditure considerably over the next three years (including expenditure following the closing of the business combination of MetroPCS with T-Mobile USA, which is expected in the first half of 2013). Capital expenditure (excluding spectrum investment) of EUR 9.8 billion is scheduled for 2013 compared with an expected total of EUR 8.3 billion in the current year. The increased level of capital expenditure is intended to generate year-on-year growth both in revenue and adjusted EBITDA as soon as 2014. To create a basis for comparison, MetroPCS is assumed to be included for the full 2013 financial year based on a pro forma calculation.

The dividend for the 2013 and 2014 financial years is to be adjusted to these plans, with a payment of 50 euro cents per dividend-bearing share planned for both years. The plans for dividend payments are subject to approval by the relevant bodies and the fulfillment of other legal requirements.

The higher investment volume is to be used to roll out the broadband infrastructure in Germany and the United States in particular. In the mobile communications network, this will be done using the state-of-the-art technology LTE. Around EUR 6 billion is earmarked for rolling out the broadband infrastructure in the German fixed network with optical fiber and vectoring between 2013 and 2020. In addition, T-Mobile USA has entered into an agreement with Apple to bring products to market together in 2013.

Expected development of revenue in the operating segments and the Group.

Deutsche Telekom expects its revenues in the Germany segment to stabilize in 2014. The Europe segment is expected to record organic growth again in 2014, i.e., without the impact of regulatory decisions, exchange rate effects and exceptional state measures such as the imposition of additional taxes. The U.S. business is to return to growth in the planning period. The activities of the Digital Business Unit are expected to generate double-digit growth rates until 2015. Deutsche Telekom expects T-Systems to generate profitable revenue growth in its business with customers outside the Deutsche Telekom Group.

Deutsche Telekom therefore expects the Group to generate additional revenue in 2014 compared with the prior year (including MetroPCS on a comparable basis).

Expected development of adjusted EBITDA in the Group for 2013 and 2014.
The forecast for the Group in its current structure is for adjusted EBITDA of around EUR 17.4 billion in 2013 (forecast for 2012: around EUR 18 billion). Based on a pro forma calculation that assumes inclusion of MetroPCS for the entire financial year 2013, adjusted EBITDA would amount to around EUR 18.4 billion. Deutsche Telekom is planning a year-on-year increase in adjusted EBITDA in 2014 (including MetroPCS on a comparable basis).

Expected development of free cash flow in the Group for 2013 through 2015.

The Group's free cash flow is expected to decrease to around EUR 5 billion in 2013 (scheduled figure for 2012: around EUR 6 billion), primarily as a result of the increased capital expenditure and the systematic implementation of the Challenger strategy in the U.S. market, including the agreement with Apple. The Group's free cash flow is expected to be around EUR 6 billion in 2015 (including MetroPCS).

Dividend planning for 2013 and 2014.

Subject to approval by the relevant bodies and the fulfillment of other legal requirements, a dividend of 50 euro cents per dividend-bearing share is to be paid for each of the financial years 2013 and 2014. The Company also plans to offer shareholders the option of receiving payment in the form of shares (dividend in kind). Both forms of payment are tax-free for domestic shareholders.

Planning for key financial indicators.

The ratio of net debt to adjusted EBITDA from 2013 through 2015 is to remain within the range of 2.0 to 2.5 as in the previous three years. The equity ratio is also scheduled to remain in the same range as for the previous period of 25 to 35 percent.

Deutsche Telekom continues to manage its liquidity reserve such that at least capital market maturities for the forthcoming 24 months are covered at any given time. Closely linked to this is the approach of a balanced maturities profile.

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