– The spoken word shall prevail –

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Chief Financial Officer
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Thank you, René

Ladies and Gentlemen,

Before I present our plans for the individual segments, let me briefly give you an overview of the positioning of our Group companies and our general financial conditions.

Our financial strategy is built on two cornerstones: planability and reliability.

If you look at our Group companies, you will see that from a valuation perspective, around 85 percent of the sum-of-the-parts is in regions with comparatively stable economic framework conditions, namely Germany, the United States and Poland. So you see, our portfolio is relatively low-risk in terms of structure.

What's more, we have solid balance sheet ratios, a balanced maturities profile and very attractive refinancing conditions - both in absolute terms an in comparison with our peers.

We do not have maturities totaling more than EUR 5 billion in any single year other than 2013.

We are currently able to finance ourselves on the debt capital market at an interest rate of around 1.5 percent for five-year terms. These favorable bond conditions mean average financing costs have dropped since 2010 from around 5.9 percent to around 5.3 percent. As a result, our total financing costs are likely to fall by around EUR 0.4 billion this year relative to 2010.

We currently have a liquidity reserve of around EUR 14.6 billion, the majority of which comes from bilateral credit lines with an average term of around 2.5 years.

Building on this stable foundation, we are investing heavily in the growth opportunities offered by our business. Not just because we have to catch up; on the contrary, because we have the financial resources and the stability to drive our growth areas ahead now.

René Obermann already mentioned our capital expenditure plans for the coming three years amounting to almost EUR 30 billion. EUR 9.8 billion is scheduled for the coming year and we will maintain that level with investments of around EUR 9.5 billion in 2015.

In Germany, capex is set to increase in the years 2014 through 2016 to amounts between EUR 4.1 and 4.5 billion. It will then peak in 2016 and 2017.

Actually, we are spending more money – as we will, for example, reduce internal IT capex in the Germany operating segment and plow the funds this frees up into our integrated network strategy. We have earmarked around EUR 6 billion just for investment in building out our fixed-network infrastructure with optical fiber (VDSL) and vectoring from 2013 through 2020.

In the United States, capex of USD 4.7 to 4.8 billion has been planned for 2013 – pro forma, including MetroPCS and investment in integration – and around USD 3 billion in each of the two subsequent years. Around USD 4 billion of this will go into our network modernization program to roll out LTE in the U.S. We aim to cover over 200 million people already by the end of 2013, and will continue to build out beyond this.

This brings me to the individual segments.

In Germany we intend to stabilize revenue in 2014 compared with the prior year. This will be driven by high-speed Internet access in both the fixed and mobile networks, as well as converged access within a few years. We are stepping up our capital expenditure substantially over the next few years in order to implement this integrated network strategy:

- We will continue to push on with the LTE build-out and will cover 85 percent of the population with transmission rates of up to 100 Mbit/s by 2016.

- In the fixed network, we intend to roll out optical fiber technology (VDSL) to around 65 percent of the population by 2016 to give us more coverage than the cable providers. 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 a further step, we aim to combine the optical fiber and LTE technologies into one hybrid box and channel traffic over both networks. This new technology is a world first and will make download speeds of up to 200 Mbit/s possible and upload speeds of up to 90 Mbit/s. In addition, we are leveraging investment synergies and extending the lifecycle of our copper network.

These investments will form a basis for increasing revenue, especially in the growth areas of mobile Internet and connected home, which will help to offset declining revenues from traditional voice communication and text messaging. The adjusted EBITDA margin is scheduled to be around 40 percent. We intend to become 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, we intend to reinforce our position in the high-growth prepay segment with the business combination of T-Mobile USA and MetroPCS. Approval is currently being sought from the U.S. authorities. As we said, we still expect the deal to close in the first half of 2013.

T-Mobile USA will continue to strengthen its market presence in the coming year. On the technical side, we are building up our LTE network with the aforementioned capital expenditure. On top of that, we will also expand our portfolio of calling plans and products – a key element of which is Apple's products, which we will market jointly next year. The associated increase in inventories and receivables will reduce the company's free cash flow in 2013 by a gross amount of around EUR 0.7 billion. This effect has already been included in the Group's free cash flow forecast. I believe we have reached a very good deal with Apple that will give us the opportunity to recoup the money we are investing. And that – given everything we have heard – is certainly not the case for all of our competitors.

Ladies and Gentlemen,

If you take a look at development in the U.S. in recent quarters, you will see that we have been working vigorously to tackle the central challenges bit by bit. The cash inflows from the AT&T break-up fee and the cell tower deal mean we were able to avoid having to deploy extra cash to take T-Mobile USA forward. This applies also, and in particular, to the agreement with MetroPCS. And I am already looking forward to the extra boost to our U.S. subsidiary's competitiveness from the Apple deal next year.

This brings me to T-Systems:

In external business at T-Systems, we believe that cloud-based solutions will be a major source of continued growth. In this context, we intend to improve our earnings. The adjusted EBIT margin is expected to grow to 4 percent by 2015.

We also expect to generate cost savings across the Group of around EUR 1 billion by pooling the Group's IT activities into one unit assigned to T-Systems.

In the Europe segment, we intend to expand collaboration between our natcos to achieve economies of scale and cost benefits by centralizing common tasks. Revenue is expected to grow moderately again from 2014 on an organic basis – i.e., excluding the effects of exchange rate fluctuations, 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.

We intend to launch mobile payment solutions in Hungary, the Czech Republic, Slovakia and, of course, Germany in the coming year. We are also planning further network partnerships in addition to those already in place in the UK, the Czech Republic, and Poland. Cost savings and additional revenue are expected to improve the earnings of the Europe operating segment by a gross amount of around EUR 1 billion by 2015.

That wraps up our plans for the operating segments.

Ladies and Gentlemen,

Our shareholders have profited from our planability and reliability in the past.

Since the start of 2010, the Telekom share has generated a total shareholder return of 13.5 percent. This is far higher than the return of any other former monopolist in Europe.

Behind this is a strategy that has been implemented systematically and which helped us achieve a great deal, as René Obermann has already mentioned. Our finance strategy supports the Group in its transformation process, be it thanks to the savings from Save for Service, a strict debt capital market strategy, or intelligent solutions that generated value, such as the EverythingEverywhere joint venture or our procurement joint venture, BuyIn.

We will continue to follow this course. We intend to evaluate a stock market flotation of EverythingEverywhere, for example, as part of our portolio policy.

We have achieved considerable value growth with our UK joint venture over recent years – which is currently by far the number one on the mobile communications market. Stock market flotation would give the company and the management a further boost. And we would be able to realize part of the value generation for Deutsche Telekom.

We will also perform a strategic review of the Scout group. But no decisions have been made yet in either case.

The productivity of our capital remains on our agenda. Our goal – based on an expectation of 4 percent for the current year after adjusted for the impairment loss and other one-time effects – is to achieve ROCE of around 5.5 percent in 2015. The major landmarks on the route that will take us there have been presented today – revenue growth, cost reductions, intelligent investments, and better utilization of capital deployed. We are constantly reviewing and improving our cost structures.

So our finance strategy supports the operating segments in the implementation of their measures and therefore contributes to increasing the value of Deutsche Telekom. At the same time, it safeguards the Group's financing, with clear directives for the target financial ratios, a balanced maturities profile, and a strong liquidity reserve. What is more, we are once again giving our shareholders statements on expected dividends that offer them planning certainty.

And we have introduced a new element to our shareholder orientation: We are the first DAX company to offer its shareholders the choice of having their dividend paid in the form of shares instead of cash – with that dividend in kind being tax-free for domestic shareholders, the same as the cash dividend is. This option allows for the capital to stay with the Company and gives shareholders an even bigger stake in our future growth potential.

Our balanced stakeholder policy has proven successful over the past three years, which is why we will continue to pursue this approach.

We now look forward to your questions. Thank you.