– The spoken word shall prevail –

Press Conference
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I too would like to wish you a warm welcome to this press conference.

Today we will be presenting Deutsche Telekom's planning for the next few years. It conveys a clear message: We are investing in order to return to growth. We will be investing almost EUR 30 billion in our business operations over the new three years, a good portion of which will be in modern broadband networks in Germany and the United States, but also in Europe. This distinctly sets us apart from many of our peers across Europe. And we are doing this even though the financial and economic crisis is far from over and despite the fact that regulation and state intervention, for example in the form of special taxes, continue to make life difficult for us in various countries.

Over the last three years, Deutsche Telekom has developed well overall in this environment. A great many of our competitors have been forced to scale back their planning and trim their dividends. The market values of some European telcos have declined dramatically.

We, by contrast, have largely been able to stabilize our business. And we've been able to do that in Germany no less, while some of our peers have recorded significant losses in their home markets. Our planning was solid and we have met virtually all of our targets. We have kept our promises and shown ourselves to be a reliable partner.

Over the next few years we intend to – and will – keep following the course we have charted. And our planning is aimed at returning to growth, now that we have stabilized our business.

The cornerstones of our planning are:

- We will considerably increase our capital expenditure – particularly in Germany, where we intend to construct an integrated broadband network with VDSL vectoring and LTE. But also in the U.S., where we will be upgrading to LTE and HSPA+ to shape up our mobile network and cope with growing volumes of data traffic from mobile Internet.
- This is made possible thanks to a sound financial strategy that focuses on sustainability and stability.
- Our aim is to return to moderate growth in net revenue in 2014 and we will achieve this by:
    - Stabilizing revenues in Germany
    - Achieving organic growth, i.e., adjusted for regulatory and exchange rate effects, in revenue in the Europe segment
    - Returning to revenue growth in our U.S. operations. This includes an important aspect that will boost our competitive position in the U.S. market: T-Mobile USA and Apple have entered into a deal to sell collaborative products on the U.S. market in 2013. This introduces a key element to our strategy in the U.S. that we didn't have before.
- We also expect to see a jump in net revenue, net profit, and free cash flow as a result of integrating MetroPCS once the combination with T-Mobile USA is completed. We still expect to be able to close the transaction in the first half of 2013.

We are investing in safeguarding our company's competitiveness in the long term. And we are using surplus funds from operations to do so. We are investing some of our solid free cash flow in capital expenditure for this purpose. We are adjusting our dividend accordingly and planning to pay 50 euro cents for each of the financial years

2013 and 2014. Based on the current share price this would be an attractive dividend yield.

We intend to review our dividend policy for the next time in 2015. We have set ourselves an ambition level for free cash flow of around EUR 6 billion for the same year.

Ladies and Gentlemen,

This step is the continuation of the transformation of Deutsche Telekom that we started in 2010. At the time, I described to you how we needed to take Deutsche Telekom forward by complementing traditional communications business with ever more internet-based products and services – and thus transforming ourselves from a telco to a telco plus. We continue to focus on high-performance networks and excellent customer service to set ourselves apart from our competitors.

What have we achieved since 2010?

Let me give you a couple of examples.

We have kept our broadband market share stable and improved our margin by around 4 percentage points. In the United Kingdom we moved from a difficult fourth place in the market to holding a 50-percent stake in what is now the clear market leader – our EverythingEverywhere joint venture.

And despite various difficulties, T-Mobile USA's position has recently improved substantially:

- We have launched an extensive network modernization program. This is helped by the mobile communications frequencies we received from the termination of the sale agreement with AT&T plus the additional spectrum we acquired from Verizon. That allows us to participate in the high-paced growth of the mobile Internet.

- T-Mobile USA has closed a deal for the long-term lease and sale of around 7,100 cell towers. That generated proceeds of around USD 2.5 billion for the Group.
- On top of this is the agreement with Apple I mentioned earlier.
- And, finally, the planned combination with MetroPCS will improve our cost structure and market position.

We are also making good progress with our growth areas of mobile internet, connected home, online consumer services, external revenues at T-Systems, and intelligent networks. We have taken up position in the right areas and are keeping to the overall ambition level for 2015 in our planning.

We have also defined four innovative areas that we are concentrating on as a Group. these chiefly cover cloud products, such as our Business Marketplace for SMEs, business with so-called machine-to-machine communication, the communication platform Joyn, and mobile payment. These business areas have priority in terms of development and funding, and they are driven forward to the same extent by all Group units.

Our internal processes for partnering with other businesses have been improved significantly as part of our efforts to make the Group faster and more flexible overall. Examples of the latest agreements include Spotify, Lookout, and Box. What is more, the newly formed Telekom Innovation Pool GmbH, as well as our hub:raum incubator and T-Venture are all dedicated to promoting and enabling start-ups from an earlier stage, as well as helping us to respond more flexibly and efficiently in the various innovation and establishment phases.

We made it very clear to our investors what they could expect from us in the three years 2010 to 2012:

- A dividend of at least 70 euro cents per year, which we have paid out twice so far and plan to do so again for the current year.
- Clear benchmarks for the company's key financials of equity ratio and leverage, as well as guidelines on potential acquisitions.

What has not been implemented is the share buy-back to extent planned. There is a simple reason for that: We see clear opportunities for our business in the recent, encouraging about-face in European regulatory policy. At long last, Brussels has recognized the need to alter the existing regulatory framework in order to encourage such huge investments in infrastructure and increasingly high bandwidths. We expect these changes to quickly be incorporated in national regulatory practice. That is the precondition for us to increase our capital expenditure in Germany. That is why we have decided to make room for greater investment in growth in the coming years and to adjust the dividend accordingly.

Ladies and Gentlemen,

Without a doubt, our industry is still facing some major challenges, including the difficult economic situation that continues to prevail in many European markets. Price pressure will remain enormous, and new rivals and new – particularly IP-based – products and services all take their toll.

In parallel, we still firmly believe that business areas such as mobile Internet, cloud-based solutions and new services such as mobile payment are a rich source of growth opportunities for us. These fast growing areas will more than offset the declines in traditional telecommunications and ICT in the medium term. Various market research studies by independent bodies predict that revenue in the national telecommunications markets covered by our footprint will grow between 2011 and 2015. A key factor is the growth in mobile Internet with an expected average annual growth rate of 19 percent. We also expect revenue in the ICT markets to increase significantly. The main drivers in this respect are cloud solutions and intelligent networks with annual growth rates of up to 18 percent expected.

We are therefore keeping to our overall ambition level for the revenue share to be generated by these growth areas in 2015. We have made some minor adjustments to online consumer services and external revenues at T-Systems. We expect to grow organically with online consumer services, i.e., without the acquisition of further companies, and for that growth to be at the lower end of the range we communicated in 2010. We are putting the focus at TSI more on quality and profitability in a competitive sector and have therefore slightly toned down our growth ambition. The net revenue share generated by growth areas is to increase by 16 to 21 percentage points by 2015, bringing it to 40 to 45 percent.

Ladies and Gentlemen,

This investment program is a continuation of our policy of finding a balance for our stakeholders. We are increasing our capital expenditure and in doing so laying the foundation for meeting future demand for bandwidth. And we finally have the planning reliability we need for capital expenditure of this kind – thanks to the about-face by Europe's regulatory policy-makers.

Let me summarize:

- We are increasing our capital expenditure with a particular focus on Germany and the United States.
- We want the Group to return to growth in 2014, in terms of both revenue and earnings.
- And this growth is to be given extra impetus once we have combined T-Mobile USA and MetroPCS.
- We will have to reduce free cash flow for a limited period, but this is expected to rise to around EUR 6 billion in 2015.
- Our shareholders are expected to receive an annual dividend of 50 euro cents for the next two years – or, alternatively, new shares. More about this in a moment from Tim Höttges.

Now is the time to be investing in modern networks and new products, entering into partnership deals, and promoting start-ups, not sitting back and simply hoping for the financial and economic crisis to pass as quickly as possible. We are giving our shareholders the distinct prospect of being part of a Deutsche Telekom that still offers good returns while laying the foundation for future growth thanks to bold capital expenditure planning and the right strategy.

I would now like to hand over to Timotheus Höttges, who will talk more about planning for the operating segments