FY 2007 Conference call.
Deutsche Telekom.

February 28, 2008
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FY 2007.
Highlights.

René Obermann, CEO
2007 Highlights: Delivering on what we promised.

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. Group EBITDA</td>
<td>Around €19 billion</td>
<td>€19.3 billion</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>Around €6.5 billion (raised from €6 bn)</td>
<td>€6.6 billion</td>
</tr>
<tr>
<td>„Save for Service“</td>
<td>€2 billion gross savings</td>
<td>€2.3 billion gross savings</td>
</tr>
<tr>
<td>Net cost reduction at BBFN domestic</td>
<td>€0.9 billion</td>
<td>€0.9 billion</td>
</tr>
<tr>
<td>Dividend policy</td>
<td>Maintain attractive dividend policy</td>
<td>€0.78 dividend proposed</td>
</tr>
<tr>
<td>Broadband net adds market share Germany</td>
<td>40-45%</td>
<td>44%</td>
</tr>
<tr>
<td>Second brand</td>
<td>Launch of “Congstar”</td>
<td>200k customers as of Jan. 08</td>
</tr>
<tr>
<td>Mobile</td>
<td>Grow abroad with mobile</td>
<td>Strong organic growth Acquisitions: Orange NL, SunCom</td>
</tr>
<tr>
<td>Business Customers</td>
<td>Build the network centric ICT business with a partner</td>
<td>In advanced negotiations</td>
</tr>
</tbody>
</table>
Management update: Focus, fix and grow.

**Achievements 2007:**
- DSL retail market share of net adds at 44% – target ratio of 40-45% achieved (FY 2006 18%)
- Successful retention: 85% of DSL retail base under contract with up to 24 months duration
- Good start for Triple Play products – 150k customers signed up as of Q4
- Quality measures significantly improved
- BBFN Germany improved quarterly adj. EBITDA margins sequentially in 2007 – Q4 margin of 36.0%
- Second brand “Congstar” successfully launched
- Exclusive launch of iPhone in Germany
- Robust contract customer growth (+962k) at T-Mobile Germany in 2007
- Appr. 8% reduction in adj. domestic personnel expenses from €10.24 billion to €9.45 billion in 2007
Deutsche Telekom more than doubles share of DSL new customer business.

**DSL broadband**

1. Broadband retail net add share in %

   - Q1 2006: 7
   - Q2 2006: 2
   - Q3 2006: 10
   - Q4 2006: 40
   - Q1 2007: 42
   - Q2 2007: 42
   - Q3 2007: 48
   - Q4 2007: 45
   - Q4: 526k
   - FY: 2.0m

2. German broadband market in %

   - DT retail: 47
   - DT resale: 18
   - ULL: 31
   - Cable: 4
   - Total: 19.4m

**PSTN lines**

1. Line losses in ’000

   - Q4’06: 31
   - Q1’07: 7
   - Q2’07: 10
   - Q3’07: 40
   - Q4’07: 42
   - Q4: -537k
   - FY: -2.1m

2. German fixed line market in %

   - DT PSTN: 82
   - Others: 18
   - Total: 38.1m

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1 Estimates.
We have significantly improved customer service.

**Achievements 2007:**
- E20 availability up to 69%, target >65%
- Deadline compliance up to 82%, target 80%
- IT stability up to 104 hours, target >100
- Order handling time 1.4 days, target 1-2
- 804 Telekom shops, target 786
- 1,011 Telekom partners, target >1,000

**Targets 2008:**
- E20 availability >80%
Continued growth in contract customers in Germany.

Achievements 2007:
- Contract net adds up more than 20% in 2007 – 385k in Q4
- Contract churn stable at 1.2% in 2007 – Q4 churn of 1.0%
- Exclusive launch of iPhone in Germany on November 9
- Max flat rate customers now 939k: more than 722k added in 2007
- Close to 100k myFaves customers in Germany
- Contract MOU per customer up about 10% yoy in 2007 – total contract MOU up 17% yoy
Personnel: Restructuring ahead of plan and showing significant cost savings in 2007.

- 14,400 domestic headcount gross reduction – 11,100 headcount net reduction (-6.9%) in 2007
- 5,000 FTE reduction in temp work and external contracting (primarily T-Home) in 2007, full impact only to be seen from 2008 onwards
- Approximately 8% reduction in adj. domestic personnel expenses from €10.24 billion to €9.45 billion in 2007

Recent developments:
- 1,600 employees of VTS transferred to Nokia Siemens Networks in January 2008
- Sale of Media & Broadcast, deconsolidation in Q1 2008: approx. 1,200 employees
- Deconsolidation of 5 call center locations in March 2008: approx. 640 VCS employees
- €1.4 billion provisions for staff restructuring taken in Q4 2007 predominantly for early retirement for civil servants
Management update: Focus, fix and grow.

**Achievements:**
- T-Mobile continues double-digit international revenue growth (12.2% yoy in 2007) and improves international adj. EBITDA (+17.8% yoy in 2007), supported by first consolidation of PTC and tele.ring
- Strong international contract net adds: 5.1 million in 2007
- Acquisition of Orange NL (consolidated as of Oct. 1, 2007) significantly improves position in NL
- Acquisition of SunCom will strengthen T-Mobile USA’s footprint (closed on February 22)
- Adj. EBITDA margin at T-Mobile UK up 2.8pp to 24.6% yoy in 2007
- Network sharing agreement with “3” UK announced in December
Grow abroad with mobile: T-Mobile USA: Delivering growth and profitability.

- Total revenues (US$) up 12.6% in 2007
- Service revenues (US$) up 16.6% in 2007
- Adj. EBITDA margin: 27.8% in 2007, up from 27.5% in 2006
- Strong ARPU in 2007:
  - Blended: $51, up from $50 in 2006
  - Contract: $57, up from $56 in 2006
- Contract churn: 1.9% in 2007 (down from 2.2%)
- 3.6 million net adds in 2007 – 74% contract
- Q4 net adds of 951k, of which 733k contract
- Unique differentiated products:
  - myFaves
  - FlexPay
  - HotSpot @ Home
Grow abroad with mobile:
T-Mobile UK: Strong margin improvement.

- Total revenues up 7.1% in 2007
- Service revenues up 9.2% in 2007
- Adj. EBITDA margin at T-Mobile UK up 2.8pp to 24.6% yoy in 2007, Q4 margin at 26.1%
- Strong ARPU in 2007:
  - Blended: €31, up from €29 in 2006
  - Contract: €66, unchanged from 2006
- Contract net adds: 165k in 2007
- Flext: 2.1 million customers, up from 1.3 million customers in 2006
- Network sharing with “3” UK
  - Savings of more than GBP1 billion over 10 years for each party
  - Increase 3G coverage to 98% within 2 years
Grow abroad with mobile: CEE\(^1\) countries: Delivering growth.

- Total revenues up 9.3% in 2007
- Service revenues up 9.8% in 2007
- Adj. EBITDA margin in CEE countries up 1.1pp to 39.4% yoy in 2007
- Contract net adds: 2.0 million in 2007
- Strong non-voice % of ARPU in 2007:
  - PTC up 3 pp to 19% in 2007
  - T-Mobile Croatia up 5 pp to 20%
- Contract churn in all CEE countries below 1.1%:
  - PTC at 0.7% in 2007
  - T-Mobile CZ at 0.6%, down 0.1%p from 2006
- Cash contribution of €1.5 billion, up 13.8%

\(^1\) Poland, Czech Republic, Hungary, Croatia, Slovakia, Macedonia, and Montenegro. Figures pro forma.
Management update: Focus, fix and grow.

Achievements:
- Non-messaging data revenue growth 40.0% to €1.9 billion in 2007
- UMTS data volume in Q4 2007 up 61% up from Q3 2007 – 2007 total almost 8x the volume in 2006
- 3.2 million web’n’walk customers: +1.3 million in 2007
- 5.0 million myFaves customers in the US: +4.2 million in 2007
- Exclusive launch of iPhone in Germany on November 9
- Open Handset Alliance with Google and others – first Android handset to be launched in H2/08
- Strategic partnership agreed between T-Mobile and Yahoo! including mobile search
Mobilize the Internet.

**Europe**

- **web'n'walk users** (in 000)
  - 2006 YE: 1,890
  - 2007 YE: 3,239
  - +71%

- **Non-voice revenue excluding messaging** (in € million)
  - 2006: 701
  - 2007: 994
  - +42%

**USA**

- **myFaves users** (in 000)
  - 2006 YE: 4,956
  - 2007 YE: 737
  - +572%

- **Non-voice revenue excluding messaging** (in € million)
  - 2006: 682
  - 2007: 943
  - +38%

1 incl. D, UK, CZ, A and NL.
Management update: Focus, fix and grow.

Achievements:

- Partnering talks regarding Systems Integration in advanced stage, solution expected over next weeks

- Major double digit million € contracts won with Bosch (MPLS corporate network for Europe, Africa, and Middle East), MTU (Seamless Responsibility contract on computing + desktop services, network and application management) and the state of Saxony (build-out of an all-IP network) in Q4 and Airbus (mainframe management), Lidl (IP-based wide area network), and Old Mutual (ICT outsourcing) in 2008

- First worldwide company to receive the new certificate as a global SAP application management services provider (AMS) in December
6 Targets for 2008.

<table>
<thead>
<tr>
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</tr>
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<tr>
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<tr>
<td>Dividend policy</td>
<td>maintain attractive dividend policy</td>
</tr>
<tr>
<td>Broadband retail net adds market share Germany</td>
<td>minimum 45%</td>
</tr>
<tr>
<td>Grow abroad with Mobile</td>
<td>3 million organic net adds for TMUS</td>
</tr>
<tr>
<td>Mobilize the internet</td>
<td>increase data revenue excluding messaging by c. 40%</td>
</tr>
</tbody>
</table>
FY 2007.
Financials.

Dr. Karl-Gerhard Eick, CFO and Deputy CEO
Overview Group financials.

- **Revenue (€ billion)**
  - 2006: 61.3
  - 2007: 62.5 (+1.9% [+3.6%])

- **Adj. EBITDA (€ billion)**
  - 2006: 19.4
  - 2007: 19.6 (+0.8%)

- **Adj. net Income (€ billion)**
  - 2006: 3.9
  - 2007: 3.0 (-22.0%)

- **FCF adj.1 (€ billion)**
  - 2006: 6.3
  - 2007: 6.6 (+4.5%)

1 2006 excl. € 3.3 billion for spectrum capex in the US. 2 Assuming constant F/X.
BBFN Summary.

Total revenue (€ billion)

- 2006: 24.5
- 2007: 22.7
- Change: -7.4%

Domestic revenue (€ billion)

- 2006: 21.8
- 2007: 20.1
- Change: -8.0%

Adj. EBITDA (€ billion)

- 2006: 8.7
- 2007: 7.8
- Change: -11.2%

Domestic adj. EBITDA (€ billion)

- 2006: 7.9
- 2007: 6.8
- Change: -14.1%
BBFN Summary – Improved adj. EBITDA in Q4/07.

Total revenue (€ million)¹
(Excl. Club Internet and Ya.Com)

<table>
<thead>
<tr>
<th></th>
<th>Q1’07</th>
<th>Q2’07</th>
<th>Q3’07</th>
<th>Q4’07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,726</td>
<td>5,541</td>
<td>5,609</td>
<td>5,577</td>
</tr>
</tbody>
</table>

Adj. EBITDA (€ million)¹
(Excl. Club Internet and Ya.Com)

<table>
<thead>
<tr>
<th></th>
<th>Q1’07</th>
<th>Q2’07</th>
<th>Q3’07</th>
<th>Q4’07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,920</td>
<td>1,928</td>
<td>1,972</td>
<td>2,027</td>
</tr>
</tbody>
</table>

Domestic revenue (€ billion)

<table>
<thead>
<tr>
<th></th>
<th>Q1’07</th>
<th>Q2’07</th>
<th>Q3’07</th>
<th>Q4’07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,146</td>
<td>4,948</td>
<td>5,002</td>
<td>4,982</td>
</tr>
</tbody>
</table>

Domestic adj. EBITDA (€ billion)

<table>
<thead>
<tr>
<th></th>
<th>Q1’07</th>
<th>Q2’07</th>
<th>Q3’07</th>
<th>Q4’07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,658</td>
<td>1,656</td>
<td>1,682</td>
<td>1,796</td>
</tr>
</tbody>
</table>

¹ Calculated on the basis of BBFN total minus BBFN Western Europe.
Net Opex savings of €0.9 billion at BBFN Domestic.

- Gross cost savings 2007 of €1.2 billion:
  - €0.4 billion personnel costs
  - €0.4 billion IT/Billing
  - €0.4 billion rent, consulting and other
- Termination costs reduced by €0.2 billion
- Domestic net cost savings of €0.9 billion
- €0.5 billion of savings invested in customer base and better service e.g.:
  - higher DSL retail net adds
  - higher number of shops
  - better customer service

1 Based on revenue minus adj. EBITDA plus other income (excl. SF).
Mobile summary.

- **Customers (million)**
  - 2006: 108.5
  - 2007: 119.6 (+10.3%)

- **Total revenue (€ billion)**
  - 2006: 32.0
  - 2007: 34.7 (+8.4% [+12.0%1])

- **Adj. EBITDA (€ billion)**
  - 2006: 9.9
  - 2007: 11.0 (+8.4% [+11.4%1])

- **International adj. EBITDA (€ billion)**
  - 2006: 6.7
  - 2007: 7.9 (+17.8% [+22.3%1])

1 Assuming constant F/X.
Business Customers summary.

**Total revenue (€ billion)**
- 2006: 12.9
- 2007: 12.0
- Change: -6.9%

**External revenue (€ billion)**
- 2006: 9.3
- 2007: 9.0
- Change: -3.5%

**International revenue (€ billion)**
- 2006: 2.3
- 2007: 2.5
- Change: +7.1%

**Adj. EBITDA (€ billion)**
- 2006: 1.3
- 2007: 1.1
- Change: -17.7%
Save for Service – gross savings and opex development.

- 2007 “Save for Service” (S4S) target with €2.3 billion overachieved
- Thereof €1.2 billion BBFN, €0.5 billion T-Mobile, €0.2 billion Business customers and €0.3 billion GHS
- 40% of cost savings personnel expenses
- Net cost base reduction of €0.9 billion at BBFN

Cost base development¹

1 Defined as revenue less adj. EBITDA plus other income (excl. SF).
2007 – Free cash flow.

<table>
<thead>
<tr>
<th>€ billion</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (reported)</td>
<td>16.9</td>
<td>16.3</td>
</tr>
<tr>
<td>Non cash items and others</td>
<td>-0.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Change in working capital and accruals</td>
<td>-0.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Income taxes</td>
<td>0.2</td>
<td>-1.2</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>16.2</td>
<td>17.0</td>
</tr>
<tr>
<td>\textit{Incl. Restructuring payments}</td>
<td>-1.7</td>
<td>-0.7</td>
</tr>
<tr>
<td>Net interest payment</td>
<td>-2.5</td>
<td>-2.8</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>13.7</td>
<td>14.2</td>
</tr>
<tr>
<td>Investments in PP&amp;E and intangible assets</td>
<td>-8.0</td>
<td>-8.5\textsuperscript{1}</td>
</tr>
<tr>
<td>Proceeds from disposition of assets</td>
<td>0.8</td>
<td>0.6</td>
</tr>
<tr>
<td>- of which proceeds from real estate sales</td>
<td>0.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Free cash flow (excl. spectrum capex)\textsuperscript{1}</td>
<td>6.5</td>
<td>6.3</td>
</tr>
<tr>
<td>Free cash flow adj. (excl. spectrum capex)\textsuperscript{1,2}</td>
<td>6.6</td>
<td>6.3</td>
</tr>
</tbody>
</table>

\textsuperscript{1} Excl. €3.3 billion for spectrum capex in the US in 2006.  \textsuperscript{2} 2007 Excl. Centrica. Rounded figures.
## 2007 – Income taxes.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash income taxes</td>
<td>0.2</td>
<td>-1.2</td>
</tr>
<tr>
<td>Reported income taxes</td>
<td>-1.4</td>
<td>1.0</td>
</tr>
<tr>
<td>- of which actual taxes</td>
<td>-0.2</td>
<td>-0.2</td>
</tr>
<tr>
<td>- of which deferred taxes</td>
<td>-1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Adjusted income taxes</td>
<td>-1.7</td>
<td>-1.3</td>
</tr>
</tbody>
</table>

Taxes impacted by non-cash write-down of deferred tax assets in 2007 (€0.7 billion, due to German tax reform). 2006 benefited from a tax gain on the NOLs in the US (€1.3 billion).
2007 – Reported net income.

<table>
<thead>
<tr>
<th>€ billion</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>16.9</td>
<td>16.3</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-11.6</td>
<td>-11.0</td>
</tr>
<tr>
<td>Net financial expense</td>
<td>-2.8</td>
<td>-2.7</td>
</tr>
<tr>
<td>- of which net interest expense</td>
<td>-2.5</td>
<td>-2.5</td>
</tr>
<tr>
<td>EBT</td>
<td>2.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-1.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Earnings after taxes</td>
<td>1.1</td>
<td>3.6</td>
</tr>
<tr>
<td>Minorities</td>
<td>-0.5</td>
<td>-0.4</td>
</tr>
<tr>
<td>Net income</td>
<td>0.6</td>
<td>3.2</td>
</tr>
</tbody>
</table>

D&A increased due to PTC & Telering (€0.6 billion)

2006 better due to gain from sale of financial assets (€0.2 billion)

Rounded figures
2007 – Adjusted net income.

<table>
<thead>
<tr>
<th>€ billion</th>
<th>2007 adjusted</th>
<th>2006 adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>19.3</td>
<td>19.4</td>
</tr>
<tr>
<td>Depreciation and amortization¹</td>
<td>-11.2</td>
<td>-11.0</td>
</tr>
<tr>
<td>Net financial expense</td>
<td>-2.8</td>
<td>-2.9</td>
</tr>
<tr>
<td>- of which net interest expense</td>
<td>-2.5</td>
<td>-2.5</td>
</tr>
<tr>
<td>EBT</td>
<td>5.3</td>
<td>5.6</td>
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<tr>
<td>Income taxes</td>
<td>-1.7</td>
<td>-1.3</td>
</tr>
<tr>
<td>Earnings after taxes</td>
<td>3.5</td>
<td>4.3</td>
</tr>
<tr>
<td>Minorities</td>
<td>-0.5</td>
<td>-0.4</td>
</tr>
<tr>
<td>Net income</td>
<td>3.0</td>
<td>3.9</td>
</tr>
</tbody>
</table>

¹ Of which PPA effects: - 0.5 billion in 2007, - 0.3 billion in 2006.
Rounded figures

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Balance sheet total</td>
<td>120.7</td>
<td>130.2</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>45.2</td>
<td>49.7</td>
</tr>
<tr>
<td>Net debt</td>
<td>37.2</td>
<td>39.6</td>
</tr>
<tr>
<td>Net debt/adjusted EBITDA</td>
<td>1.9x</td>
<td>2.0x</td>
</tr>
<tr>
<td>Equity ratio(^1)</td>
<td>34.7%</td>
<td>35.8%</td>
</tr>
</tbody>
</table>

\(^1\) After dividends.
Thank you for your attention!