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Deutsche Telekom.

Tim Höttges, CFO

March 25, 2009

Life is for sharing.



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Deutsche Telekom – Key messages.

Tim Höttges: New CFO with 15 years of financial and controlling background and six years of responsibility for operational businesses, standing for:

- Entrepreneurial approach, being very close to the business
- Strict cost management
- Sound financing and balance sheet ratios and shareholder remuneration

2008: Execution on our Focus, Fix and Grow strategy, delivering on financial targets:

- Focus: Refocusing T-Systems on Top 400 clients and with the Cognizant partnership
- Fix: Improved market position and financial in domestic businesses
- Grow: Solid double digit growth in US and SEE, strong mobile data growth

2009: To do's:

- Delivering guidance of around €19.5bn EBITDA and around €7bn FCF
- Building the new Deutsche Telekom



Strategy focus, fix & grow: Consequent execution in 2008.

- Broadband: 45% MS of net adds, > 500k winbacks, 480k Entertain customers
- Market leadership in service revenues in Germany regained
- Significantly improved service:
- Save4Service: €4.1 bn run rate
- 17,200 domestic headcount reduction

**Improve
Competitiveness
in Germany
and SEE**

**Grow abroad
with Mobile**

- 25% stake in OTE acquired, full consolidation from February 2009
- Double-digit growth rates in SEE¹⁾ and the US²⁾

- Mobile Data revenue growth: 45% Europe, 19% US (US\$)
- New devices: successful launch of iPhone 3G and G1

**Mobilize
the Internet**

**Build
Network-Centric
ICT**

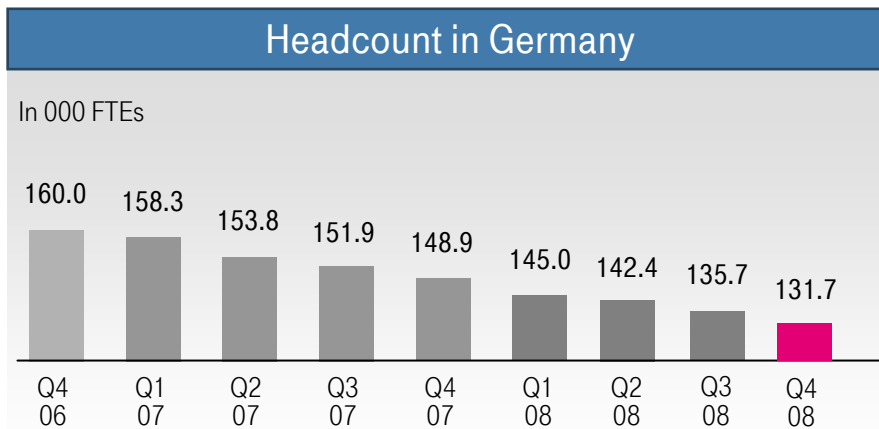
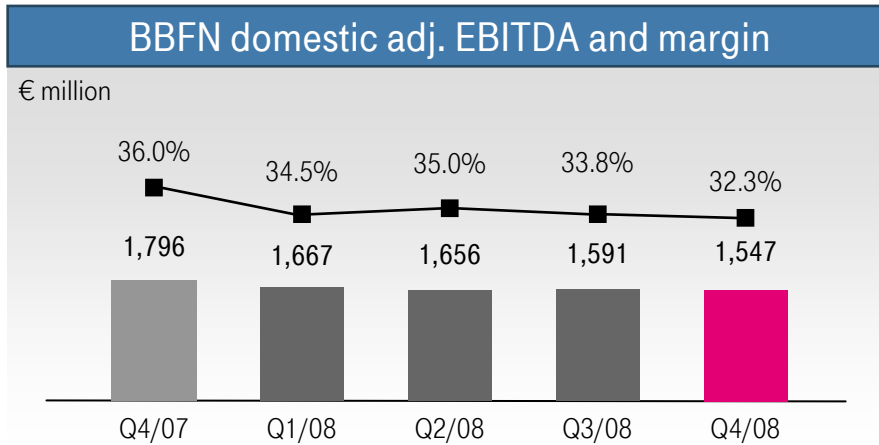
- 7.4% internat. revenue growth
- Big deals: Shell, DPWN, Sparkassen, BMW
- Refocusing: Cognizant partnership, focus on Top 400 clients



1 Poland, Czech Republic, Hungary, Croatia, Slovakia, Macedonia, and Montenegro; 2 in US\$

Improve competitiveness in Germany and SEE.

Deliver on cost and headcount reduction in Germany.



2008 Achievements:

- BBFN Germany net opex reduction of €0.8 billion
- 17,200 yoy net headcount reduction, of which 9,100 via deconsolidation

2009 To do's:

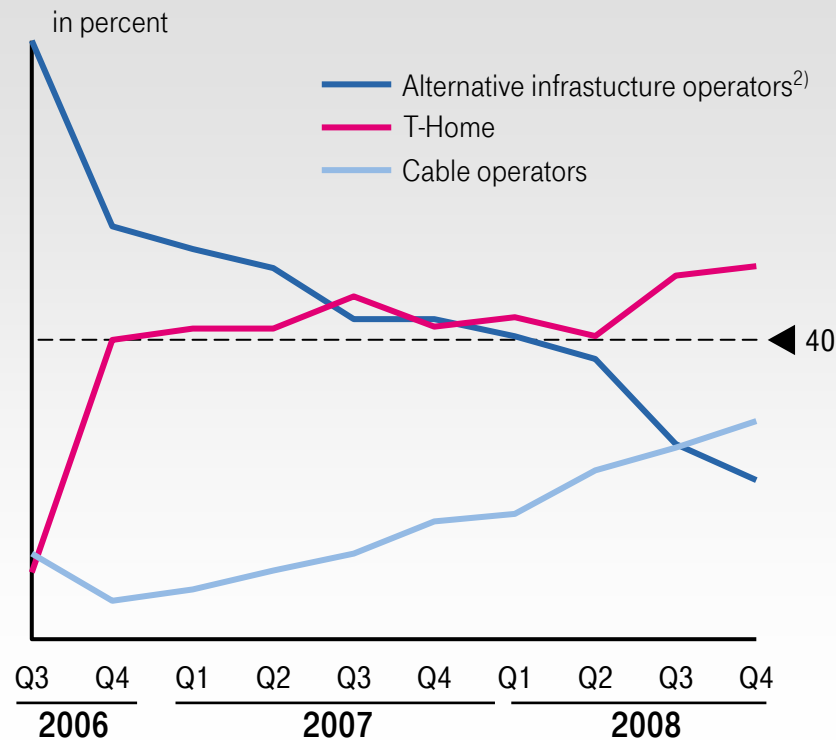
- Continue personnel restructuring efforts
- Continue Save for Service @ T-Home



Improve competitiveness in Germany and SEE.

Broadband market share stabilized since 6 quarters.

Domestic broadband net add share¹⁾ by competitor



2008 Achievements:

- Market share of net adds 45%, close to 50% in the last 2 quarters
- 500k broadband customers won back
- 480k Entertain customers

2009 To do's:

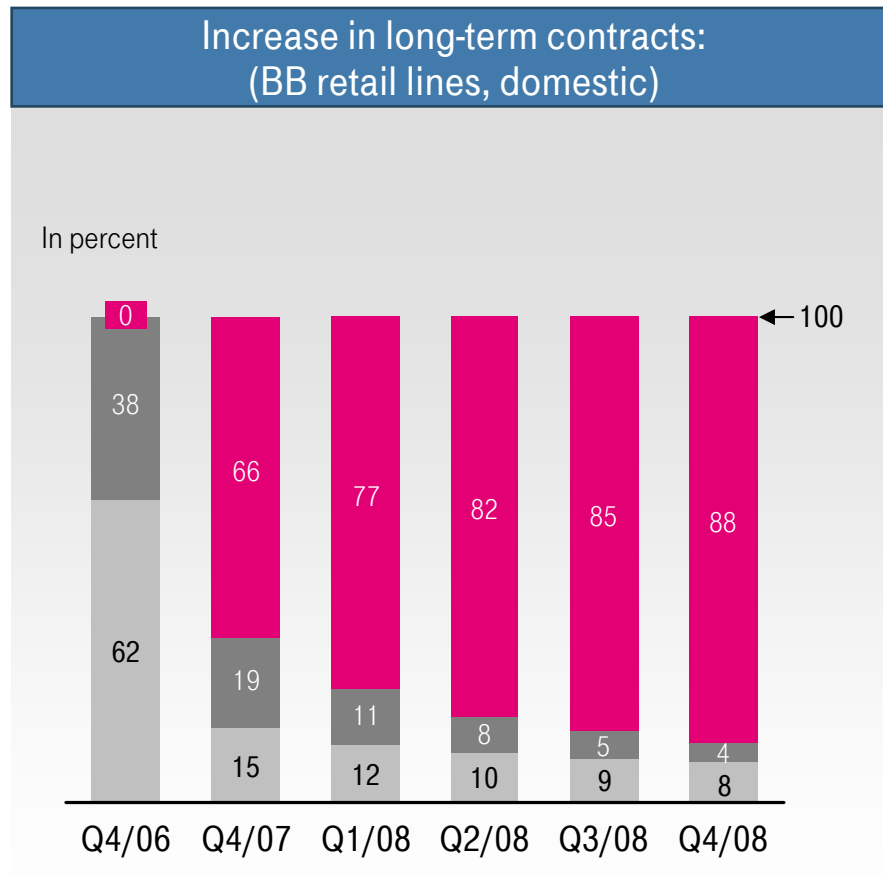
- Maintain broadband market leadership with a market share of net adds of $\geq 45\%$
- 1 m Entertain customers



1 DTAG view (retail). 2 Incl. reseller (competitor resale and T-Home resale)

Improve competitiveness in Germany and SEE.

Long term contracts support the reduction in churn.



2008 Achievements:

- Increased long-term contracts to 92% of broadband customer base and 49% of overall customer base
- Broadband churn reduced by one third

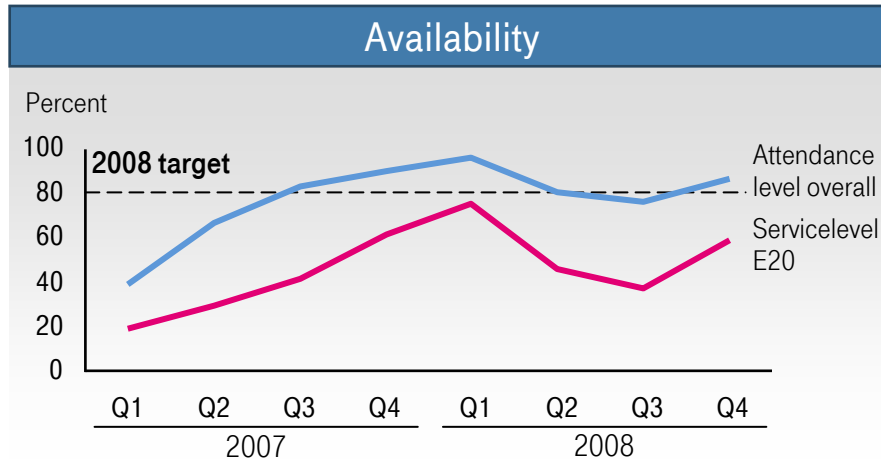
2009 To do's:

- Proactively address customer whose 2-year contracts expire in 2009
- Further reduce/stabilize broadband churn
- Expand win-back program
- Use integration of German fixed and mobile businesses as tool to up-sell into the T-Home customer base
- Reduce line losses vs. 2008



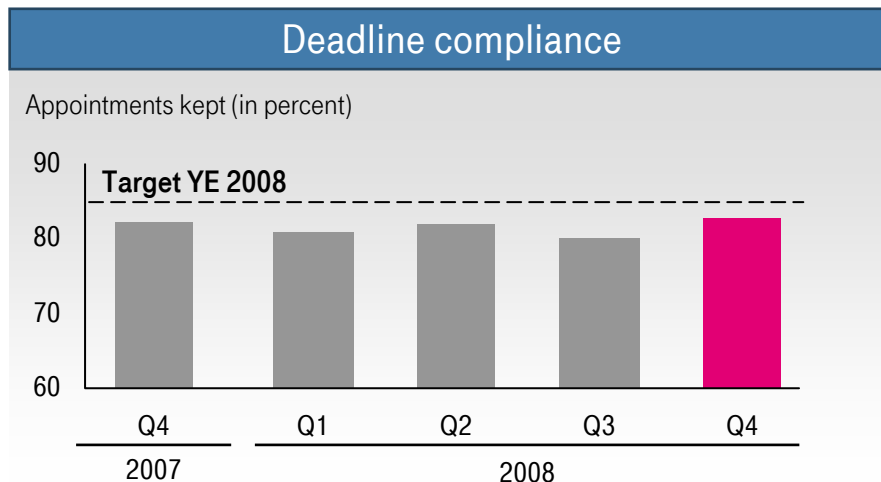
Improve competitiveness in Germany and SEE.

Major Customer Service KPIs improved.



2008 Achievements:

- Volume of customer complaints reduced by 40%
- Availability increased significantly



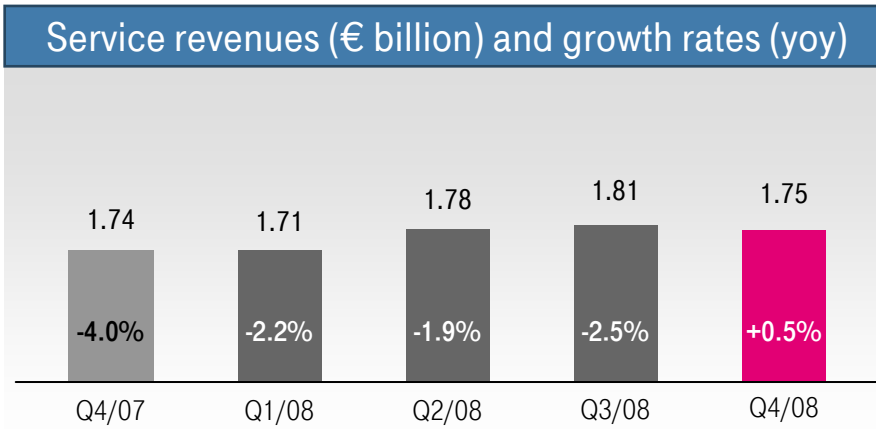
2009 To do's:

- Increase deadline compliance to 85%
- Increase service level availability within 20 seconds to 75%
- Reduce volume of customer complaints by another 20%



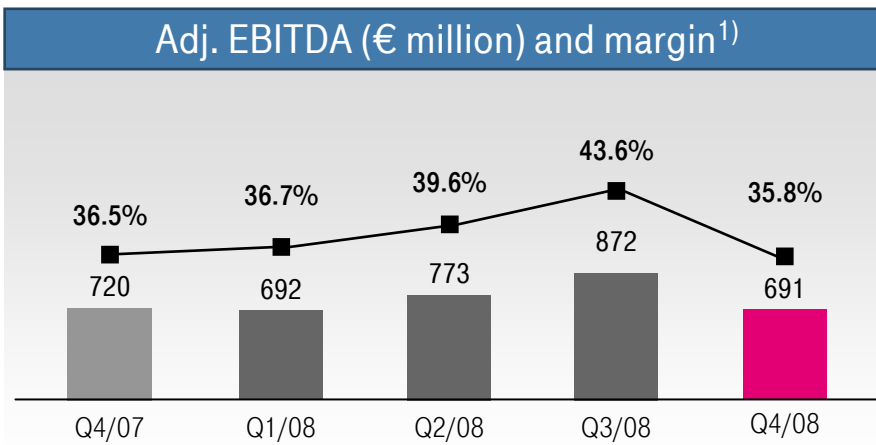
Improve competitiveness in Germany and SEE.

T-Mobile Germany.



2008 Achievements:

- Service revenue leadership gained
- Service revenue growth in Q4
- EBITDA growth of 3.1%



2009 To do's:

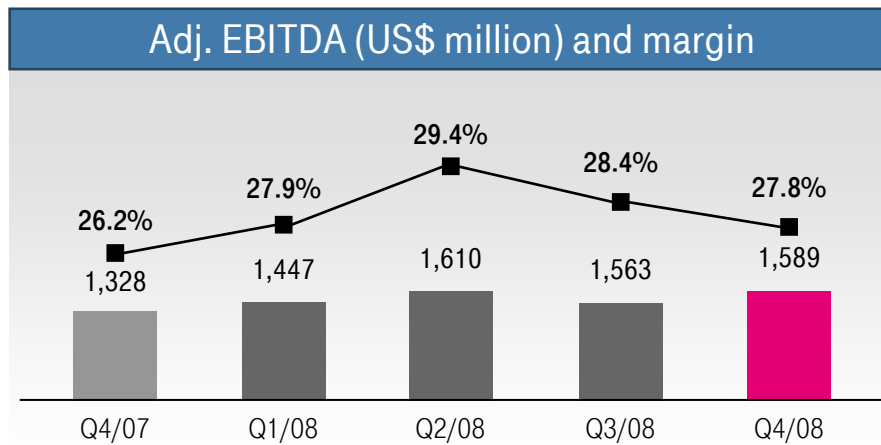
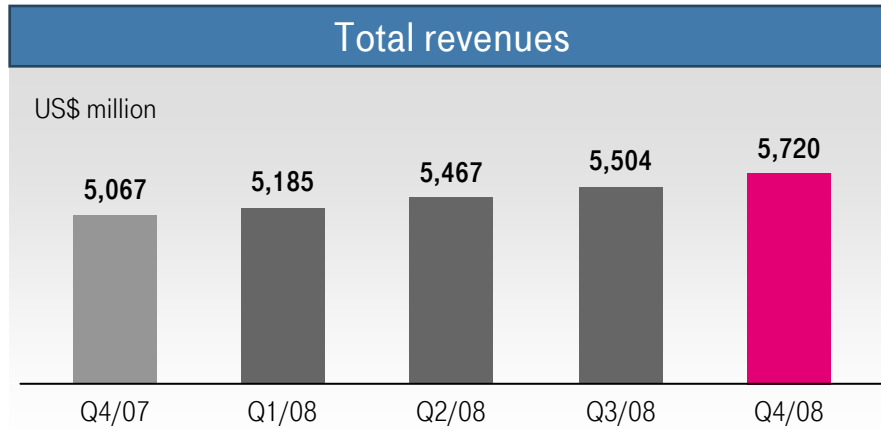
- Defend service revenue leadership
- Reduce inactivity level in prepay
- Drive further mobile data growth



¹ Adj. EBITDA benefitted from intangible asset sale of €0.1 billion in Q3/08.

Grow abroad with mobile: T-Mobile USA.

Setting the stage for continued future growth.



2008 Achievements:

- Double digit revenue and EBITDA growth
- Further improved EBITDA margin
- Over 2.9m net adds

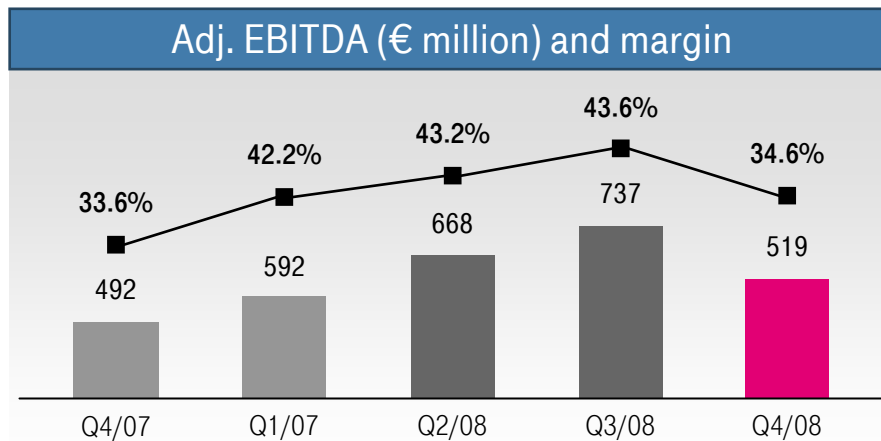
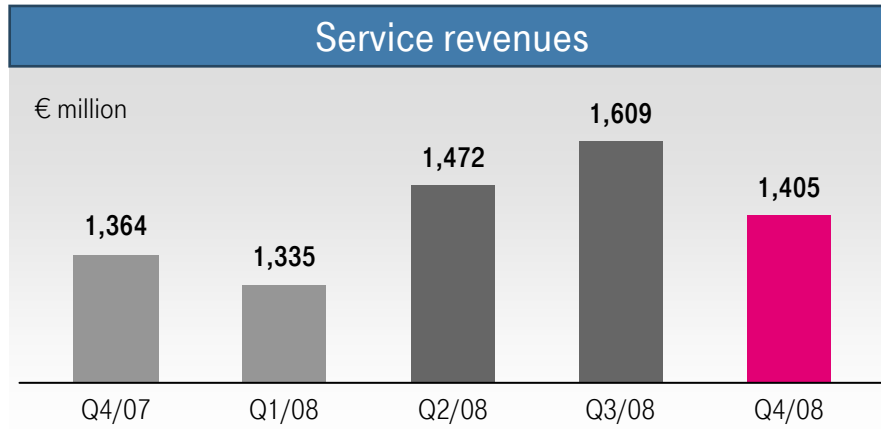
2009 To do's:

- Speed up 3G network coverage to 205m pops
- Reduce contract churn
- Regain leadership as the best value proposition in the market
- Grow market share in terms of service revenues



Grow abroad with mobile.

SEE¹⁾ countries – good growth in 2008.



2008 Achievements:

- Double digit revenue and EBITDA growth in EUR
- Strong cash contribution of €1.8bn
- Continued good net adds, low churn rates and low bad debt levels in Q4 despite worsening economic situation

2009 To do's:

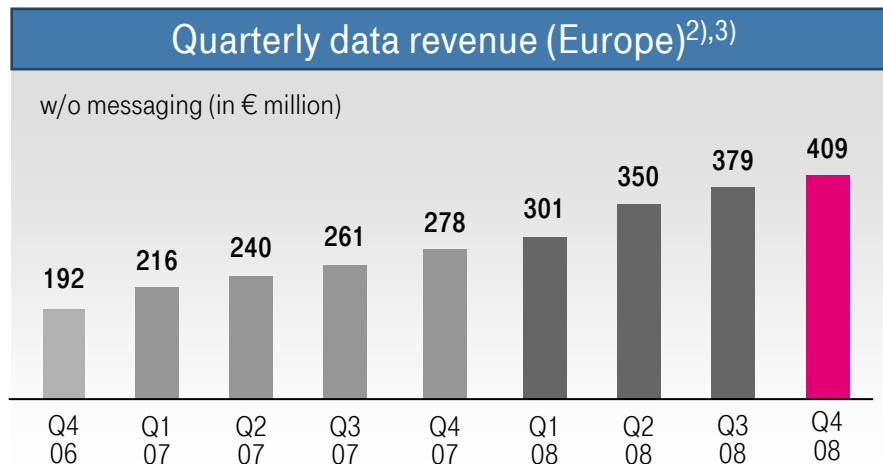
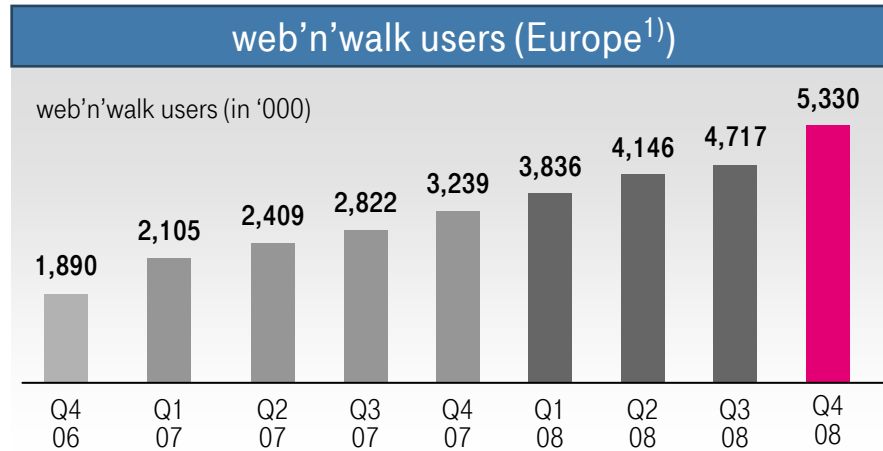
- Tackle currency impact
- Safeguard cashflow via strict opex and capex management



¹ Poland, Czech Republic, Hungary, Croatia, Slovakia, Macedonia, and Montenegro.

Mobilize the Internet.

Data growth ex messaging picking up significantly.



2008 Achievements:

- Mobile data growth in Europe 45%
- Mobile data growth in Germany in Q4 64%

2009 To do's:

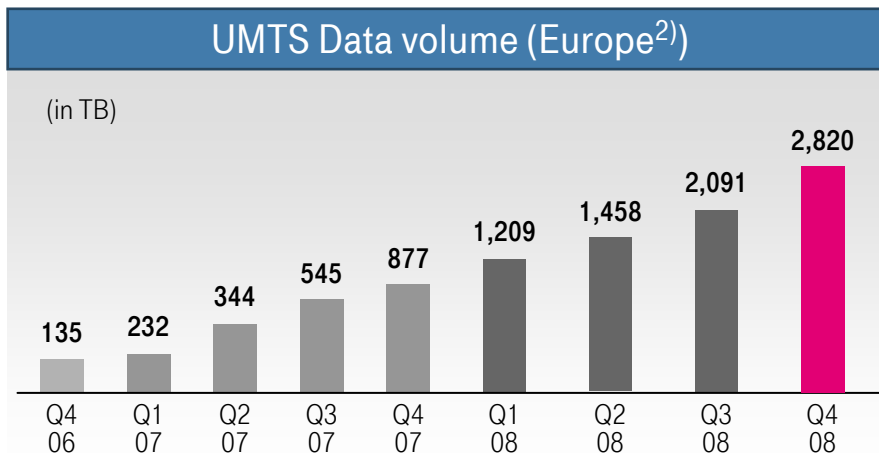
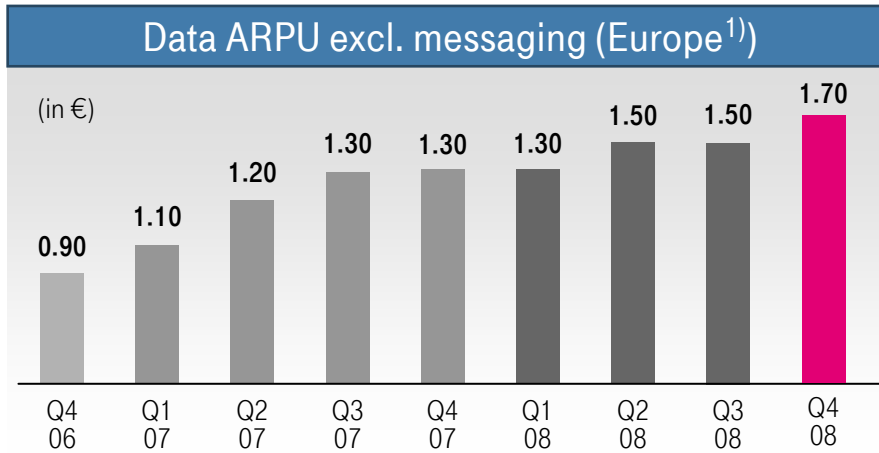
- Further stimulate data usage by innovative and cutting edge devices and tariff bundles
- Differentiated product roadmap for "Connected Life and Work"



1 Germany, UK, Netherlands, Austria, Czech Republic.
2 Germany, UK, Netherlands, Austria, Czech Republic, Poland, SEE.
3 Incl. reallocation of access revenue (mainly WiFi in USA) between Q1/07 and Q2/07.

Mobilize the Internet.

Dynamic growth in data ARPU and volumes.



2008 Achievements:

- Dynamic increase in data ARPU excl. messaging
- Exponential growth in data volumes

2009 To do's:

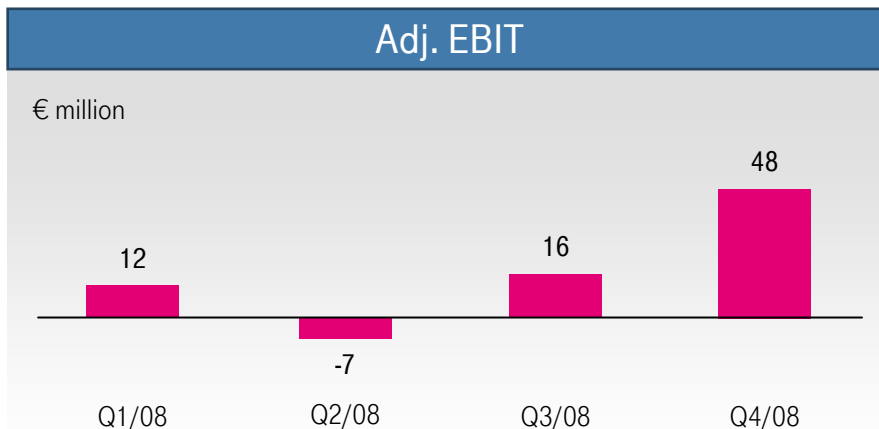
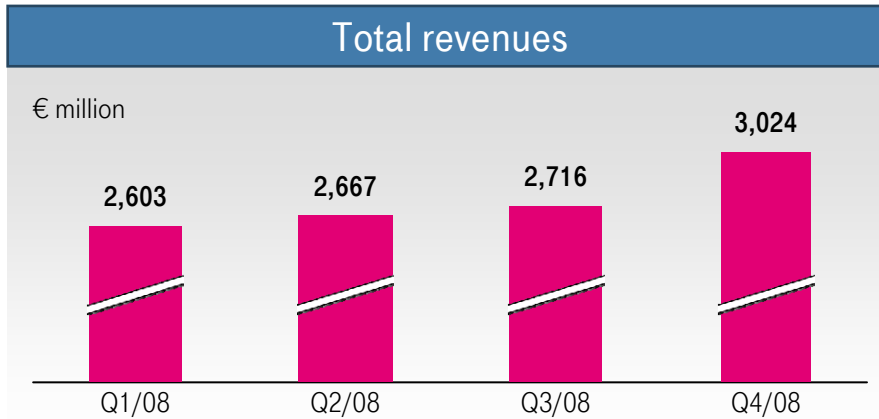
- Aggressive 3G rollout and devices offering in the US in order to catch up on data ARPU



¹ Germany, UK, Netherlands, Austria, Czech Republic.
² Germany, UK, Netherlands, Austria

Build network-centric ICT.

Refocusing and improving profitability.



2008 Achievements:

- Sequential improvement in revenues over all 4 quarters, sequential improvement in EBIT since Q2
- Major big deals won
- Partnership with Cognizant, focus on 400 international top clients

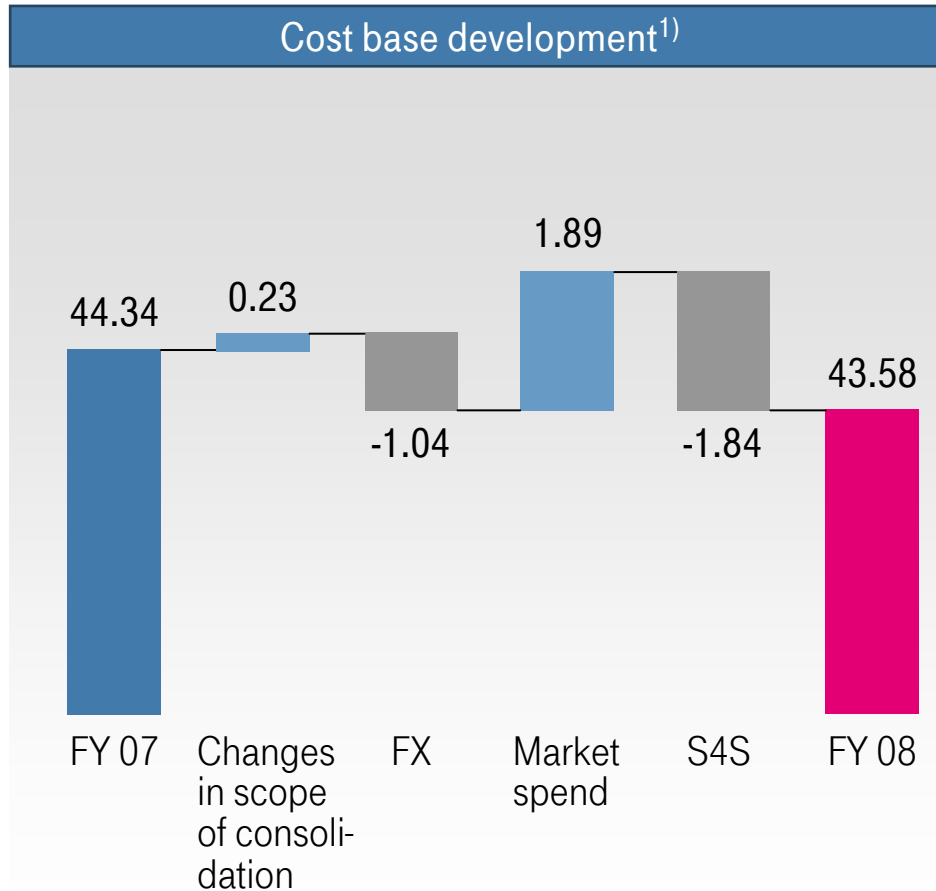
2009 To do's:

- Improve EBIT margin towards 2010 target of a mid-single digit EBIT margin
- Continue big deal wins
- Strengthen Cognizant partnership



Save for Service – Gross savings and opex development.

Total run rate of program at €4.1 billion.



2008 Achievements:

- Gross savings of €1.8bn for the group, net opex reduction €0.8bn
- Domestic headcount reduction of 17,200 employees
- T-Home biggest contributor with €0.8bn cost savings, primarily headcount and IT (increased automation, zero touch initiative) via 60 individual initiatives

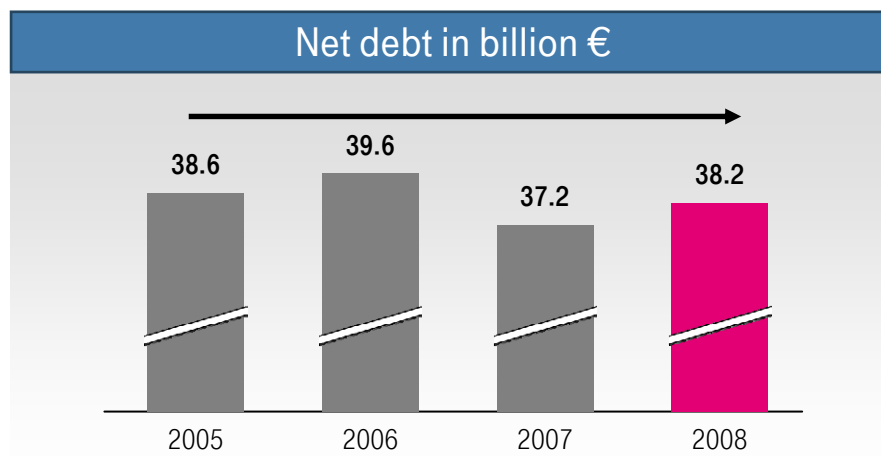
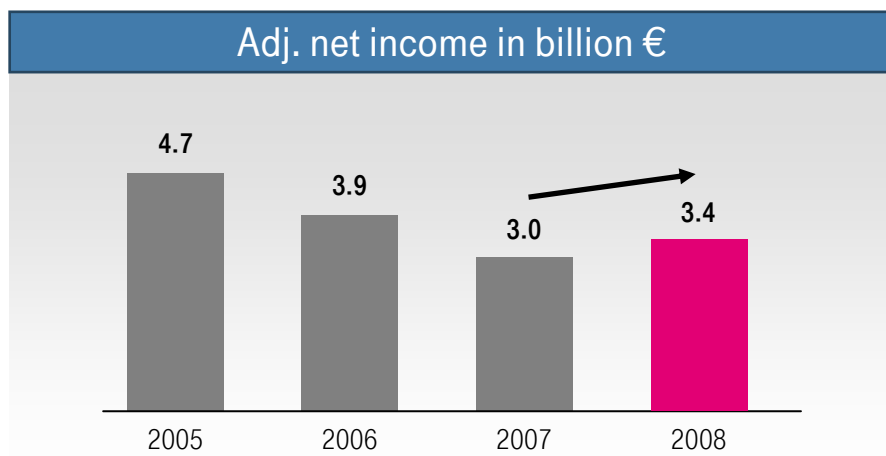
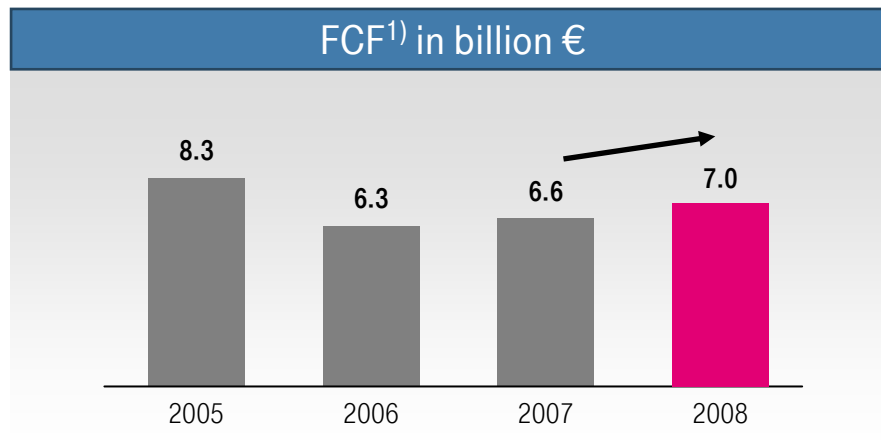
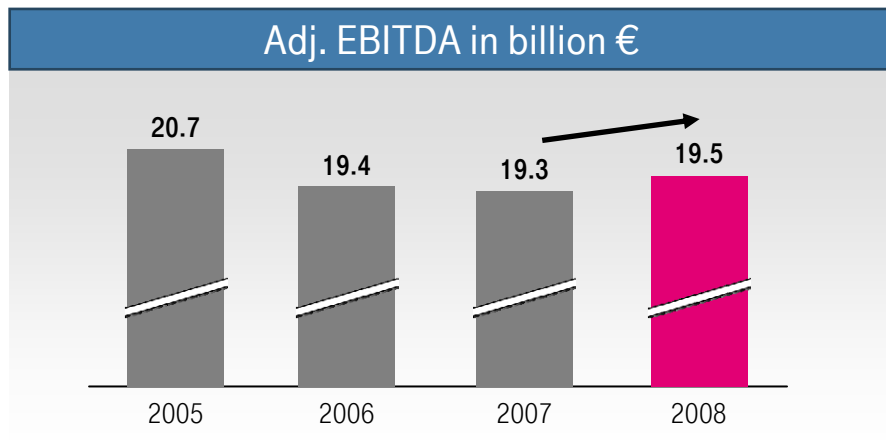
2009 To do's:

- Further progress towards target of min. €4.7bn gross savings p.a. by 2010
- Continue Save for Service at T-Home



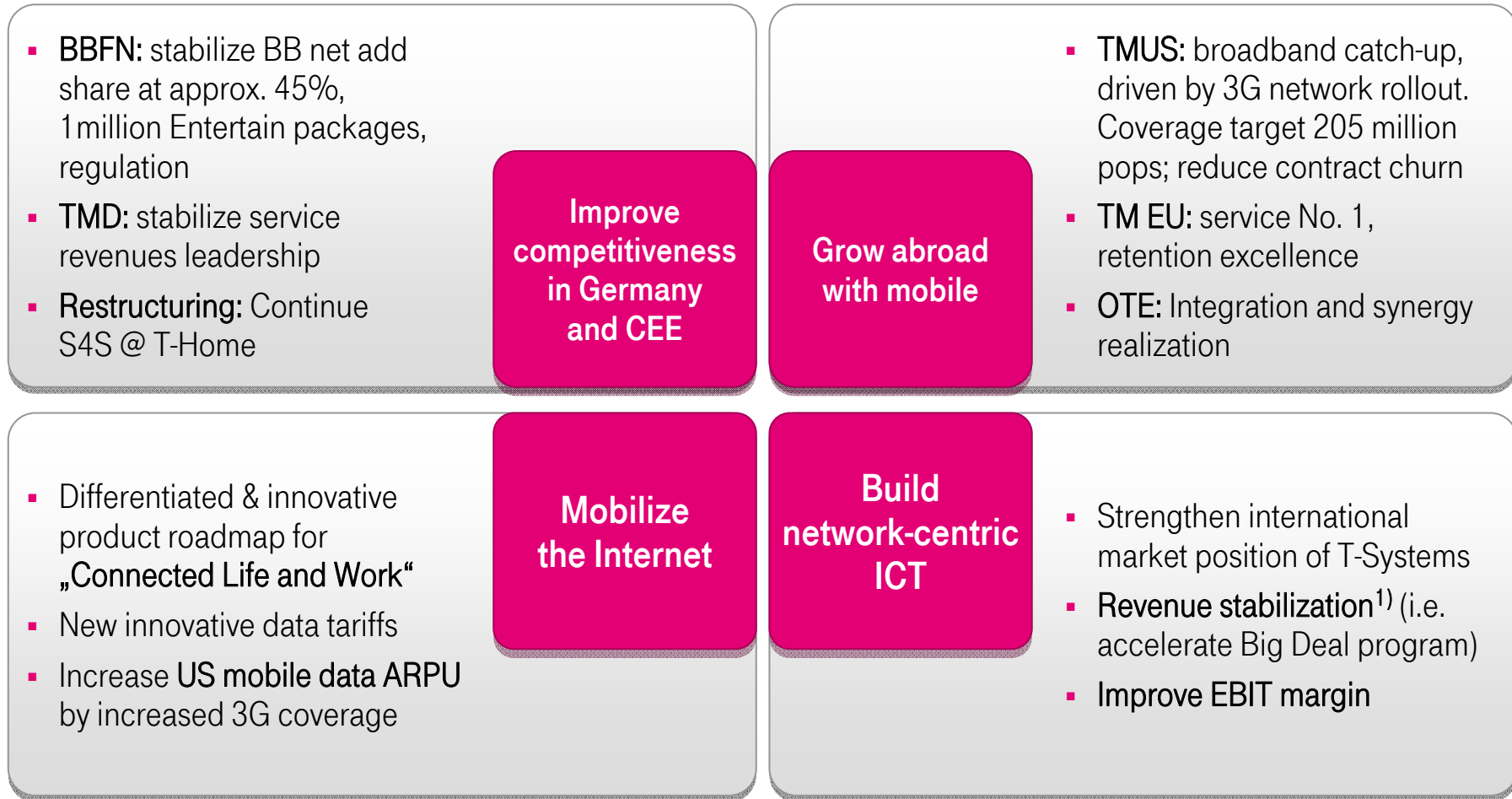
¹ Defined as revenue less adj. EBITDA plus other income (excl. SF).

DT 2008: Positive development in all financials; turnaround in adj. EBITDA and FCF.



¹ Pre dividend, including Special Factors; excluding Spectrum, Licenses, etc. (2005-2007); excl. Centrica (2007).

“Focus, fix and grow” 2009: Ongoing execution needed.



¹ On a like-for-like basis.

DT 2008: Solid balance sheet and financing position.

€ billion	31/12/2008	30/9/2008	31/12/2007
Balance sheet total	123.1	123.4	120.7
Shareholders' equity	43.1	44.8	45.2
Net debt	38.2	39.4	37.2
Net debt / adj. EBITDA	2.0	n.a.	1.9
Gearing	0.9x	0.9x	0.8x
Equity ratio	35.0%	36.3%	37.5%

Comfort zone ratios:

2 - 2.5x Net debt/adj. EBITDA

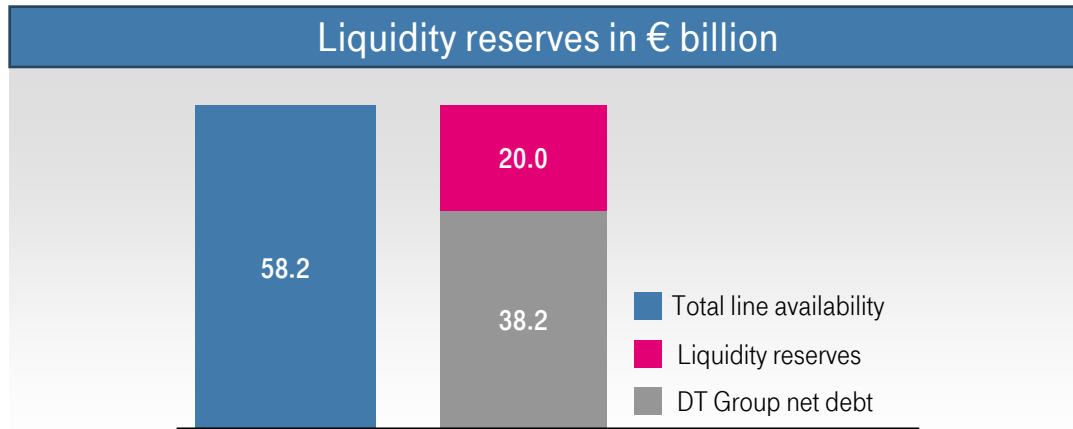
25 - 35% Equity ratio

Gearing: 0.8 to 1.2

30% Liquidity reserve

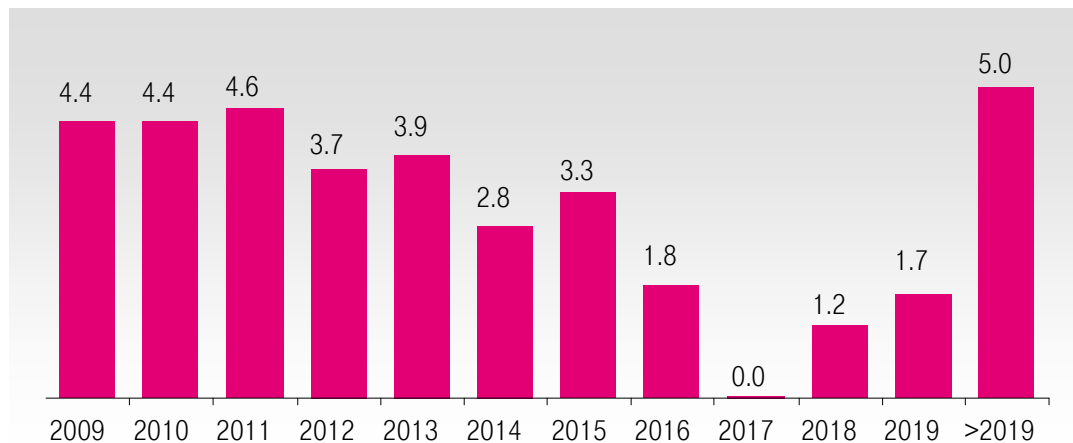


DT 2008: Strong liquidity bolster.



2008 Achievements:

- Strong liquidity reserves of €20bn, of which €16.8bn via bilateral credit facilities with 3-year maturities
- Average time to maturity of credit lines per YE 2008 2.2 years
- Liquidity reserve comfort zone lowered to 30%

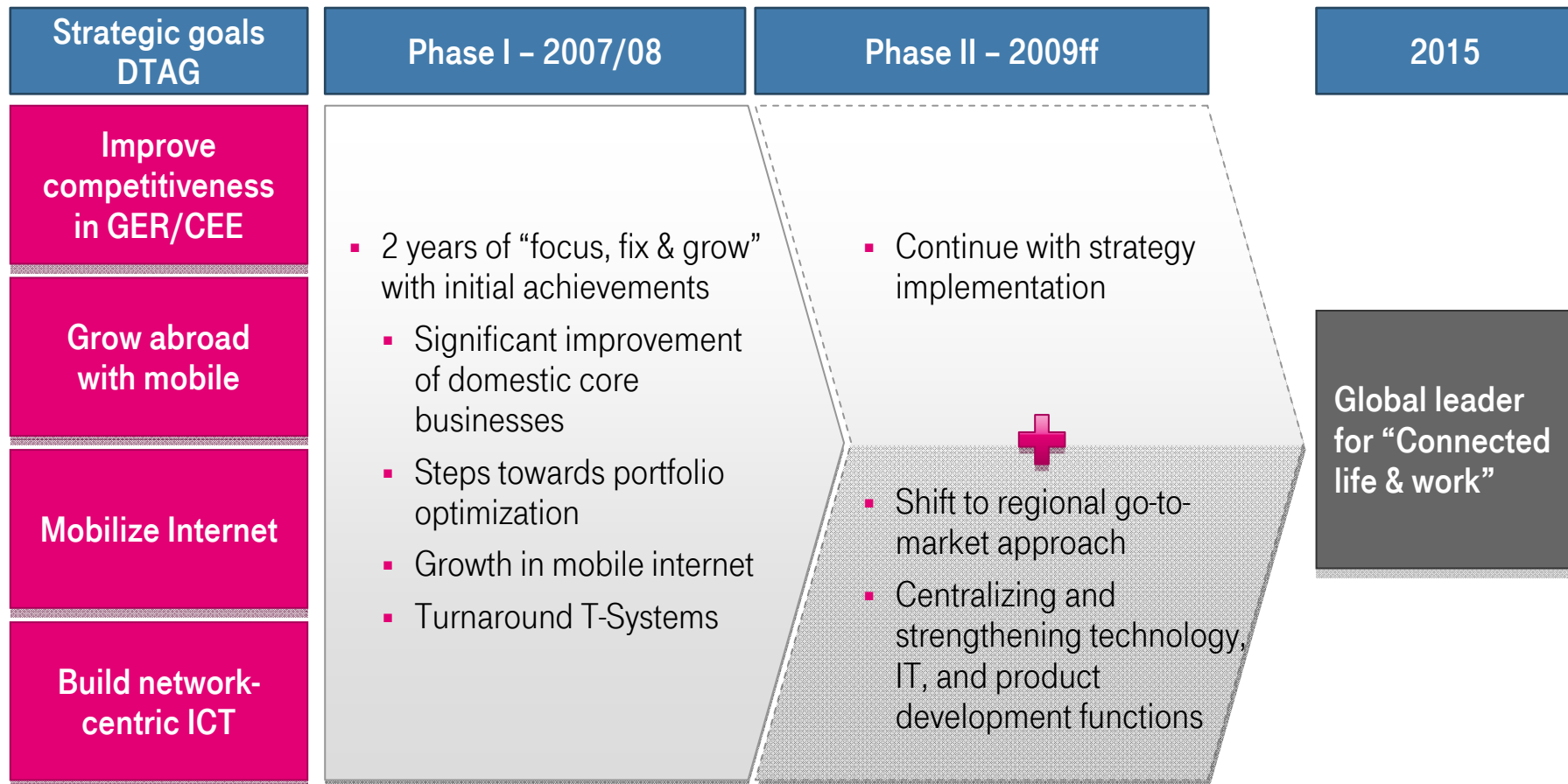


2009 To do's:

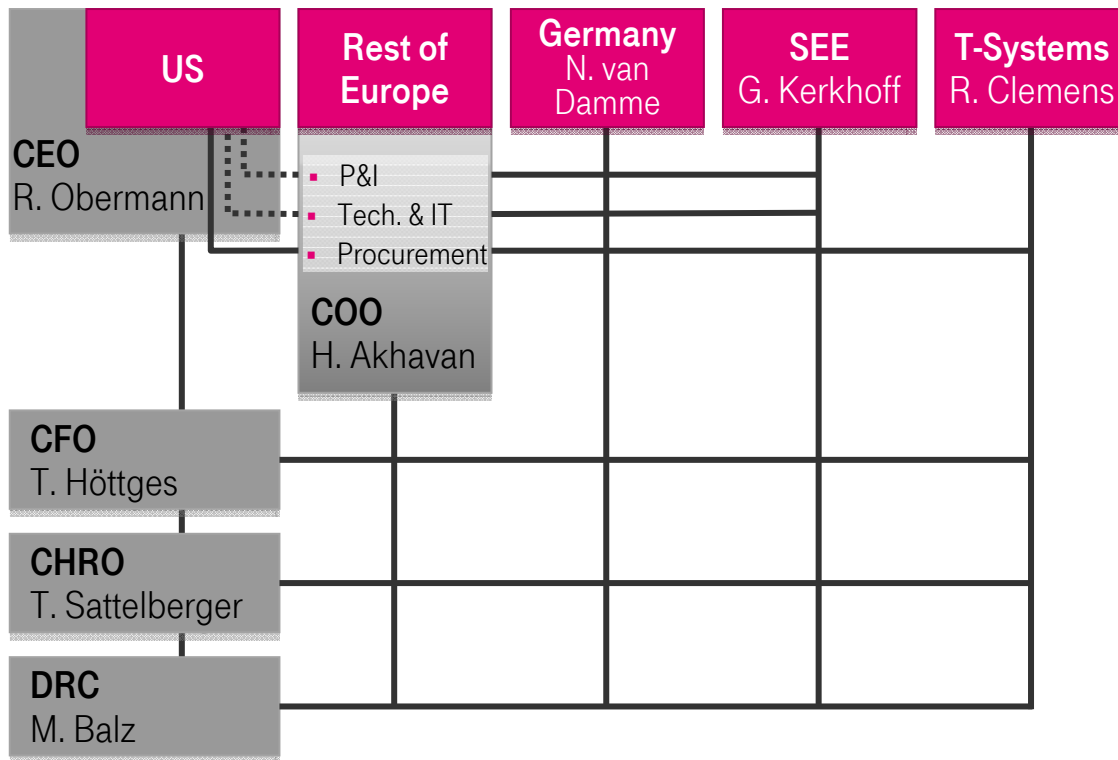
- Maturities of ca. €4.4bn
- Already financed €2.2bn so far



The next step in forming a new DT: Towards a Global Leader for “Connected Life & Work”.



The next step in forming a new DT: Target structure of Regional responsibility and integrated COO function.



Why are we doing this:

- Streamlining and focusing management functions: Structure follows management
- Clear focus on customer needs
- Improved transparency
- Focus on innovation
- Efficiency improvements

2009 To do's:

- Finalizing project work including management responsibilities until mid year
- Address German market with converged products/tariffs



Deutsche Telekom – Leveraging the financial strength to build a new DT.

- DT successfully managed the financial turnaround and is in a very solid financial shape:
 - Positive net income development
 - Positive adj. EBITDA development
 - Positive FCF development
 - Stable net debt and net debt/adj. EBITDA ratio despite acquisitions
 - Strong balance sheet ratios
 - Strong liquidity bolster
- DT after two years of successful execution on the group strategy is now starting engines to further build the new DT, moving towards a regional go-to-market approach and streamlining central functions like innovation and product development, technology and IT and procurement!



Thank you for your attention!

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