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Agenda.
Deutsche Telekom Results Presentation.

René Obermann
CEO

Timotheus Höttges
CFO
Q3 2011: Solid quarter – 75% of full year guidance achieved.

- Group revenue of €11.0 billion (-4.1%) and adj. EBITDA of €3.9 billion (-2.7%)
- FCF at €1.7 billion in Q3/11 well on track to achieve full year target
- Adj. net income increases 49% to €1.3 billion from €0.9 billion in Q3/10
- Save for service contribution of €1.5 billion in 9M.
- Germany: highest adj. EBITDA margin of 41.5% due to opex reductions of €0.3 billion in Q3 alone
  - Newly launched “Entertain” via satellite with 50k subscriptions in first month
  - 466k contract customer net adds in mobile
  - Mobile service revenue trend stabilization in Q3
  - No signs of meaningful SMS cannibalization via apps
  - Line losses in fixed improved by almost 40% year over year
- Europe: adj. EBITDA margin further improved to 35.8%
  - Greece with ongoing improvement in revenue and EBITDA trends
  - Strong increase in adj. EBITDA in the Netherlands (+24%)
  - Adj. EBITDA in the Czech Republic (-19%) impacted by regulation and one-off effect
- US: Q3 adj. EBITDA growth of 9.2%,
  - Adj. EBITDA margin at 27.8%
  - Net adds improved quarter over quarter in a challenging environment

Full year 2011 Guidance re-iterated
Q3/11 Overview.
Continuing and discontinued operations.
## Q3/11 Key financials.

<table>
<thead>
<tr>
<th>(€ million)</th>
<th>Q3/10</th>
<th>Q3/11</th>
<th>change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Continuing operations</td>
<td>11,461</td>
<td>10,990</td>
<td>-4.1%</td>
</tr>
<tr>
<td>- Revenue incl. the US</td>
<td>15,601</td>
<td>14,670</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Adj. EBITDA from Continuing operations</td>
<td>3,992</td>
<td>3,884</td>
<td>-2.7%</td>
</tr>
<tr>
<td>- Adj. EBITDA incl. the US</td>
<td>5,021</td>
<td>4,907</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Adj. net profit</td>
<td>867</td>
<td>1,291</td>
<td>48.9%</td>
</tr>
<tr>
<td>Net profit</td>
<td>933</td>
<td>1,069</td>
<td>14.6%</td>
</tr>
<tr>
<td>Adj. EPS (in €)</td>
<td>0.20</td>
<td>0.30</td>
<td>50.0%</td>
</tr>
<tr>
<td>EPS (in €)</td>
<td>0.22</td>
<td>0.25</td>
<td>13.6%</td>
</tr>
<tr>
<td>Free cash flow&lt;sup&gt;1&lt;/sup&gt;</td>
<td>1,882</td>
<td>1,706</td>
<td>-9.4%</td>
</tr>
<tr>
<td>Cash capex&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2,036</td>
<td>2,114</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

<sup>1</sup> Before dividend payments and spectrum costs in Europe of €63 million in Q3 2011
2011 guidance reiterated.

As a result of the sale of T-Mobile US guidance of “around 19.1 billion” split into:

- Discontinued operations: US with stable EBITDA over FY 2010 of around US$5.5 billion or around €4.2 billion based on F/X-rate of 1.33 (average rate of FY 2010). In 9M €163 million lost in currency translation.
- Continuing operations: around €14.9 billion
- Free cash flow guidance unchanged at stable to slightly growing over FY 2010 of €6.5 billion
- Guidance assumes constant currency (average exchange rates of 2010). Free cash flow guidance not including €0.4 billion for PTC settlement

1) US-EBITDA translated at 1.33 guidance f/x
US: cost discipline supports margin.

Service revenues (US$ million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3/10</th>
<th>Q4/10</th>
<th>Q1/11</th>
<th>Q2/11</th>
<th>Q3/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>4,607</td>
<td>4,615</td>
<td>4,556</td>
<td>4,543</td>
<td>4,525</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td></td>
<td>-1.8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net adds (‘000)¹

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3/10</th>
<th>Q4/10</th>
<th>Q1/11</th>
<th>Q2/11</th>
<th>Q3/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract</td>
<td>190</td>
<td>228</td>
<td>283</td>
<td>231</td>
<td>312</td>
</tr>
<tr>
<td>Prepaid</td>
<td>-54</td>
<td>-251</td>
<td>-382</td>
<td>-281</td>
<td>-186</td>
</tr>
</tbody>
</table>

Adj. EBITDA (US$ million) and adj. EBITDA margin

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3/10</th>
<th>Q4/10</th>
<th>Q1/11</th>
<th>Q2/11</th>
<th>Q3/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>1,328</td>
<td>1,360</td>
<td>1,193</td>
<td>1,283</td>
<td>1,450</td>
</tr>
<tr>
<td>Change</td>
<td>+9.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ARPU development (US$)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3/10</th>
<th>Q4/10</th>
<th>Q1/11</th>
<th>Q2/11</th>
<th>Q3/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>46</td>
<td>46</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
</tbody>
</table>

¹) Walmart Family Mobile customers reclassified as contract customers, Q3/10, Q4/10, and Q1/11 restated accordingly.
Germany: strong cost discipline results in further improved EBITDA margin.

1) Q3 includes MTR-cut of approximately €58 million, adjusted for MTRs revenue decrease would have been 4%
Germany revenue: continued focus on data & TV opportunity.

1) “Fixed network” revenues includes revenues from Fixed network, Wholesale services, Online consumer services, Value-added services and Fixed network related others

2) Adjusted for the reduction in MTR–rates (Q3 = €58 million revenue)
Germany: #1 in broadband and mobile service revenue.

- 52% of the domestic fixed customer base of 23.7 million are broadband customers.
- Line losses almost 40% below last year: 323k (525k in Q3/10).
- Solid IPTV growth continues with +32% (333k) Entertain customers now at 1,375k supported by new SAT offer.
- Retail fiber-customers (VDSL) growth to 520k (+242k yoy).
- Strong ramp up in mobile data revenues: €410 million (+26% yoy), due to successful launch of new product portfolio.
- Mobile contract net adds of 466k - as announced with strong emphasis on service provider and value segment.
- Stable contract churn of 1.1%, ongoing best in class.
- 64% smartphone share of handsets sold in Q3/11 (+11pp yoy).
- iPhone sales: 221k – impacted by launch of 4S in October.

1) Company estimates; Rounded figures; Incl. reseller (competitor resale and resale); Q1/11 adjusted mainly due to changes in KDG reporting structure.
Germany: initiatives in mobile and fixed with strong achievements.

**Successful promotion of „Special Call&Surf Mobil“**
- Share of contract Gross Adds consumer: Q2/11 18.0% vs Q3/11 31.0%
- Promotion price until Sep. 14th: 24.95 € p. month

**New segments successfully targeted via Service Provider**
- Net Adds contract in k.
  - Q3/2010: 67 (DT), -93 (Congstar)
  - Q4/2011: -59 (DT), -17 (Congstar)
  - Q1/2011: 51 (DT), 14 (Congstar)
  - Q2/2011: 25 (DT), 20 (Congstar)
  - Q3/2011: 171 (DT), 127 (Congstar)

**50k Entertain Sat sold since Sep 1st**
- Entertain Coverage up to 81%
- Marketed: 35k, Connected: 14k
- September eoy 2011

- „Special Call&Surf Mobil“ promotion successfully targeted Value segment. More than 70% of intake are new customers.
- As promised new customer segments addressed via Service Provider
- Entertain SAT combined with VDSL push as new running horse for TV success story

Entertain is available with a DSL connection of at least 3 Mbit/s
Europe – growth in key market KPIs.

1) Percentage of smartphones in dispatched devices (excl. OTE, Macedonia and Montenegro); 2) incl. customers shifted to T-Systems in Hungary as of 1.1.2011
Europe – integrated markets: focus on robust margins in difficult environment.

Greece:
- Financials show signs of progress: both revenue and adj. EBITDA trends improved compared to Q1 and Q2
- Recent agreement with unions on working hours and wage reduction will result in €160 million cost reductions in next three years
- Leadership in mobile safeguarded with 42k contract and 98k prepay net adds in Q3

Croatia:
- Underlying revenue decline 1.6%. Underlying adj. EBITDA decline 0.6%
- Growth in IPTV (+19.9%) and broadband (+7.7%) partially compensate line losses. Smartphone share doubled to 35%

MT (Hungary and others):
- Underlying revenue -2.2%. Underlying adj. EBITDA -9.1%
- Growth in IPTV +68% (Hungary +85.4%)

Slovakia:
- Underlying revenue decline of 5.9%. Underlying adj. EBITDA -6.4%
- IPTV +16.9%. Smartphone share at 46% in Q3

1) Figures adjusted for special tax in Q3/11 - impact: €20 million on revenue and adj. EBITDA, 0.1% on margin Q3/10 figures adjusted for shift of business customers to T-Systems segment.
Europe – mobile centric: focus on profitability.

<table>
<thead>
<tr>
<th>Country</th>
<th>Revenue (€ million)</th>
<th>Adj. EBITDA (€ million)</th>
<th>Adj. EBITDA margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>472 -7%</td>
<td>159 -2%</td>
<td>33.7 Q3/10 35.6 Q3/11</td>
</tr>
<tr>
<td>Netherlands</td>
<td>450 +1%</td>
<td>98 +33%</td>
<td>21.8 Q3/10 28.6 Q3/11</td>
</tr>
<tr>
<td>Czech</td>
<td>296 -8%</td>
<td>143 -19%</td>
<td>48.3 Q3/10 42.6 Q3/11</td>
</tr>
<tr>
<td>Austria</td>
<td>254 -8%</td>
<td>69 -0%</td>
<td>27.2 Q3/10 29.5 Q3/11</td>
</tr>
</tbody>
</table>

**Poland:**
- Underlying revenue -1.1%. Adj. EBITDA underlying +5%
- Rebranding with positive impact on contract net adds

**Netherlands:**
- Underlying revenue +1.1% and adj. EBITDA +32.7%. EBITDA improvement predominantly due to iPhone driven expenses in Q3/10.
- Smartphone sales increased again: now 62% of devices in Q3. Contract net adds 53k. SMS revenues increased by 12% with majority of traffic within bundles

**CZ:**
- Decline in revenue due to regulation and competition driven price decreases
- Adj. EBITDA declining due to revenue shortfall and bankruptcy of a service provider

**Austria:**
- Revenue impacted by regulation and competition
- Revenue decline fully compensated by opex savings
- Solid contract (16k) and prepay (40k) net adds

---

1) Q3/11 adjusted for regulatory impact
Systems Solutions: revenue growth of 2.3% in Q3/11.

- Revenue increase yoy of +2.3% up to €2,256 million
- External revenues up +2.1% to €1,587 million
- Strong order entry vs. Q3/10 of €1,926 million due to renewals and additional business in customer base (e.g. Daimler)
Systems Solutions: Save for Service cost savings.

- Adj. EBITDA at €204 million with a margin of 9.0%
- Adj. EBIT margin in Q3/11 down to 2.4% from 3.3% in Q3/10
- Ongoing impact of higher opex related to big deal execution and quality assurance
- Both EBITDA and EBIT margin improved quarter on quarter
- Capex reduced by €65 million in order to protect cash flow

**Adj. EBITDA/margin**

<table>
<thead>
<tr>
<th></th>
<th>Q3/10</th>
<th>Q2/11</th>
<th>Q3/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>222</td>
<td>197</td>
<td>204</td>
<td></td>
</tr>
<tr>
<td>10.1%</td>
<td>8.7%</td>
<td>9.0%</td>
<td></td>
</tr>
</tbody>
</table>

**Adj. EBIT/margin**

<table>
<thead>
<tr>
<th></th>
<th>Q3/10</th>
<th>Q2/11</th>
<th>Q3/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>73</td>
<td>45</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>3.3%</td>
<td>2.0%</td>
<td>2.4%</td>
<td></td>
</tr>
</tbody>
</table>

**S4S cost savings Q1-Q3 2011 (€ million)**

<table>
<thead>
<tr>
<th></th>
<th>Production</th>
<th>Systems Integration</th>
<th>Sales</th>
<th>G&amp;A</th>
<th>Total savings Q1-Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/10</td>
<td>334</td>
<td>67</td>
<td>32</td>
<td>43</td>
<td>476</td>
</tr>
<tr>
<td>Q2/11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3/11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Besides quality assurance focus remains on S4S program to improve overall efficiency:
- Standardized tools & processes within Sales
- Improvements on global production setup: sourcing, platforms, standardization
- Further sourcing optimization at Systems Integration
- G&A: general cost reduction

In total €0.5 billion S4S contribution in Q1-Q3/11
Free cash flow: full year guidance confirmed.

- Guidance for cash flow confirmed
- Q3 cash flow impacted by higher capex, esp. in Germany, and interest payments
- We expect reversal of capex trends in Q4 which will support free cash flow generation

### Development of free cash flow Q3/11 vs. Q3/10 (€ million)

<table>
<thead>
<tr>
<th>Q3/10</th>
<th>Cash generated from operations</th>
<th>Net interest payments</th>
<th>Cash capex(^1)</th>
<th>Proceeds</th>
<th>Q3/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,882</td>
<td></td>
<td>-41</td>
<td>-58</td>
<td>-78</td>
<td>1</td>
</tr>
<tr>
<td>1,706</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Adj. for €63 million of spectrum invest
Q3 2011 Save for Service: 3.9 billion out of 4.2 achieved.

- Total run rate of S4S program now at €3.9 billion of €4.2 to be achieved 2010 to 2012
- Net reduction of DT cost base by -7.4% (€2.46 billion) on corporate level driven by S4S, deconsolidation of UK and reduction of Mobile Termination Rates.
- Contribution to net cost reduction
  - Germany €0.8 billion
  - USA € 0.8 billion
  - Europe €1.1 billion (incl. €0.6 billion UK deconsolidation)
Ongoing solid balance sheet ratios and improved rating outlook.

<table>
<thead>
<tr>
<th>in € billion</th>
<th>30/09/2011</th>
<th>30/06/2011</th>
<th>31/03/2011</th>
<th>31/12/2010</th>
<th>30/09/2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet total</td>
<td>124.6</td>
<td>123.1</td>
<td>123.2</td>
<td>127.8</td>
<td>127.8</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>40.7</td>
<td>39.3</td>
<td>42.7</td>
<td>43.0</td>
<td>43.4</td>
</tr>
<tr>
<td>Net debt</td>
<td>43.4</td>
<td>43.3</td>
<td>41.8</td>
<td>42.3</td>
<td>43.7</td>
</tr>
<tr>
<td>Net debt/adj. EBITDA¹</td>
<td>2.3</td>
<td>2.3</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Gearing</td>
<td>1.1x</td>
<td>1.1x</td>
<td>1.0x</td>
<td>1.0x</td>
<td>1.0x</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>32.7%</td>
<td>31.9%</td>
<td>34.6%</td>
<td>33.7%</td>
<td>34.0%</td>
</tr>
</tbody>
</table>

Comfort zone ratios

- 2 - 2.5x Net debt/adj. EBITDA
- 25 - 35% Equity ratio
- Gearing: 0.8 to 1.2
- Liquidity reserve covers redemption of the next 24 months

Current Rating

- Fitch: BBB+ positive outlook
- Moody’s: Baa1 watch positive
- S&P: BBB+ positive outlook
- R&I: A stable outlook

¹ Calculation based on adj. EBITDA of continuing and discontinued operations over the last four quarters
Q&A - Please press “*1” to ask a question.

For remaining questions please contact the IR department after the call.
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