This presentation contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These forward-looking statements include statements with regard to the expected development of revenue, earnings, profits from operations, depreciation and amortization, cash flows and personnel-related measures. You should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom’s control. Among the factors that might influence our ability to achieve our objectives are the progress of our workforce reduction initiative and other cost-saving measures, and the impact of other significant strategic, labor or business initiatives, including acquisitions, dispositions and business combinations, and our network upgrade and expansion initiatives. In addition, stronger than expected competition, technological change, legal proceedings and regulatory developments, among other factors, may have a material adverse effect on our costs and revenue development. Further, the economic downturn in our markets, and changes in interest and currency exchange rates, may also have an impact on our business development and the availability of financing on favorable conditions. Changes to our expectations concerning future cash flows may lead to impairment write downs of assets carried at historical cost, which may materially affect our results at the group and operating segment levels. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, our actual performance may materially differ from the performance expressed or implied by forward-looking statements. We can offer no assurance that our estimates or expectations will be achieved. Without prejudice to existing obligations under capital market law, we do not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

In addition to figures prepared in accordance with IFRS, Deutsche Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted net income, free cash flow, gross debt and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.
Niek Jan van Damme, Board member for Germany
KEY MESSAGES

1. Leading European Telco: Among the first European Integrated Incumbents to return to Revenue stabilization & EBITDA growth.

2. Differentiation via Superior Networks, Best Customer Experience and Integrated Best in class Products.

3. Number One choice in Mobile, Fixed, Broadband, TV and Convergence supported by e-company and self-service.

4. Strong execution: Growing mobile market share, on track with INS and ALL-IP, healthy 40% EBITDA margin.

5. Strong Financial Performance ahead: Revenue stabilization and EBITDA growth fund our high Investments.
REVIEW 2013–2014
## SOLID PERFORMANCE IN COMPETITIVE MARKETS

<table>
<thead>
<tr>
<th>AMBITION LEVEL 2015 (FROM CMD 2012)</th>
<th>ACHIEVEMENTS 2014</th>
<th>DELIVERED/ON TRACK</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKET</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#1 in mobile service revenue market share ≈35%</td>
<td>36.3%</td>
<td><img src="Green" alt="Green" /></td>
</tr>
<tr>
<td>#1 broadband market share ≈43%</td>
<td>41.6%</td>
<td><img src="Green" alt="Green" /></td>
</tr>
<tr>
<td>#1 in TV growth (2012–2014)¹</td>
<td>+476k</td>
<td><img src="Green" alt="Green" /></td>
</tr>
<tr>
<td>QUALITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer loyalty index ≈+10%</td>
<td>60 points (+7%)</td>
<td><img src="Green" alt="Green" /></td>
</tr>
<tr>
<td>FINANCIALS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stable total revenues in 2014</td>
<td>-0.8% yoy</td>
<td><img src="Red" alt="Red" /></td>
</tr>
<tr>
<td>Connected home revenues +2% vs. 2012</td>
<td>-0.9%</td>
<td><img src="Red" alt="Red" /></td>
</tr>
<tr>
<td>Adj. EBITDA margin ≈40%</td>
<td>40%</td>
<td><img src="Red" alt="Red" /></td>
</tr>
</tbody>
</table>

¹ Measured in total number of net adds
MARKET TRENDS
DIGITAL TRANSFORMATION DRIVES CONVERGENCE AND DATA CENTRIC MARKET GROWTH

CHANGE IN CONSUMER BEHAVIOR

**USAGE¹**

- Video (YouTube)
  - 40% on mobile devices
- Messaging (WhatsApp)
  - 35 mn user
- Social Media (Facebook)
  - 28 mn user

**DEVICES²**

- Smartphone Base
  - 41 mn user
- Monthly Tablet User
  - 27 mn user

MARKET TRENDS (2014–2018)³

1. **DATA TRAFFIC**
   - Fixed: CAGR≈34%
   - Mobile: CAGR≈30%

   - Fixed: 2014 to 2018
   - Mobile: 2014 to 2018

2. **WIFI TRAFFIC ON MOBILE DEVICES**
   - CAGR≈36%
   - 2014 to 2018

REVENUE MARKET DEVELOPMENT⁴

- Mobile
  - CAGR≈0.5%
  - 2014: 18.3 € bn
  - 2018: 18.6 € bn

- Broadband
  - CAGR≈2%
  - 2014: 10.1 € bn
  - 2018: 11.0 € bn

¹ Company reporting, 2014/15 ² Statista, 2014 ³ Analysys Mason, March 2014 for Germany ⁴ Telekom estimate: broadband incl. IPTV ⁵ Without EU roaming impact of ≈€0.4 bn
DATA DEMAND AND NEED FOR CONVERGENCE INCREASE TREND TOWARDS CONSOLIDATION

CONVERGENCE

LEVEL OF CONVERGENCE

Customer Perception

Company level of Convergence

illustrative

1 Telekom estimate
STRATEGY 2015–2018
OUR STRATEGY: GERMANY

LEADING EUROPEAN TELCO

INTEGRATED IP NETWORKS
- Integrated Network Strategy
- Network Quality
- IP- & Process Transformation

BEST CUSTOMER EXPERIENCE
- MagentaEINS
- Next Generation TV
- E-Company

WIN WITH PARTNERS
- Partnering Initiatives
- Steckerleiste

LEAD IN BUSINESS
- Mid-Market Initiative
- IT-Cloud
- DeutschlandLAN
- M2M

TRANSFORM PORTFOLIO

EVOLVE FINANCIAL TARGETS & EFFICIENCY
- Stable revenues & EBITDA growth
- fund our transformation investments

ENCOURAGE LEADERSHIP & PERFORMANCE DEVELOPMENT
INTEGRATED IP NETWORKS: DIFFERENTIATION AND SUPERIOR QUALITY LEAD TO TECHNOLOGY LEADERSHIP OF TODAY

MOBILE BROADBAND

BANDWIDTH
- Fastest Network\(^1\) with 80% LTE Pop coverage

\(\varnothing\) download in Mbps

<table>
<thead>
<tr>
<th>Telekom Deutschland</th>
<th>#2</th>
</tr>
</thead>
<tbody>
<tr>
<td>37(^1)</td>
<td></td>
</tr>
</tbody>
</table>

BACKHAUL
- >80% Fiber to the cell site\(^2\)

TOWER COMPANY
- Full control

-----

FIXED BROADBAND

HIGH-SPEED FOOTPRINT
- Largest national fiber HH coverage with 44%
- Vectoring download speed up to 100 Mbps

UPLOAD
- Superior Fiber Upload

Mbps

<table>
<thead>
<tr>
<th>Telekom Deutschland</th>
<th>Coax</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>10</td>
</tr>
</tbody>
</table>

DEDICATED ACCESS
- Nationwide for Business

-----

HYBRID ACCESS

CONVERGENT TECHNOLOGY
- Market launch Q4/14

HYBRID FOOTPRINT
- 80% Pop coverage with superior bandwidth

Mbps

<table>
<thead>
<tr>
<th>upload(^3)</th>
<th>download</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 90</td>
<td>up to 200</td>
</tr>
</tbody>
</table>

\(^1\) Connect 2014 – average download speed
\(^2\) 3G/4G
\(^3\) Technically feasible upload speed; commercially 80 Mbps
## MORE COVERAGE & SPEED WITHIN THE SAME CAPEX ENVELOPE

### INTEGRATED NETWORK STRATEGY

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Status 2014</th>
<th>Ambition 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTE rollout</td>
<td>80% Pop coverage  Download up to 150 Mbps</td>
<td>95% Pop coverage with up to 300 Mbps</td>
</tr>
<tr>
<td>Fiber rollout</td>
<td>44% HH coverage</td>
<td>≈80% HH coverage with at least 50 Mbps depending on regulatory adjustments</td>
</tr>
<tr>
<td>Vectoring</td>
<td>Download 100 Mbps  Upload 40 Mbps</td>
<td>Introduction of Supervectoring with more than 250 Mbps in cable footprint</td>
</tr>
<tr>
<td>Hybrid access</td>
<td>Market launch Q4/2014</td>
<td>Top download-speed of up to 550 Mbps in cable footprint</td>
</tr>
</tbody>
</table>

> MORE COVERAGE AND HIGHER SPEED WITHIN THE SAME CAPEX ENVELOPE VS. CMD 2012
TRANSFORMATION ON TRACK TO ACHIEVE 100% IP-Customers in 2018

FROM THE “OLD PSTN WORLD”...

<table>
<thead>
<tr>
<th>Service</th>
<th>SP</th>
<th>DP</th>
<th>TP</th>
<th>Business</th>
<th>Mobile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IAD &amp; Inhouse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SHARE OF IP-ACCESS¹

- Higher Speed & Network Quality
- Access to future Products and services
- Easy self-provisioning and set up via WEB & APP
- Less wiring at customer site

YE/14: 5.8 mn IP customer

া =60%

BENEFITS FOR CONSUMER

BENEFITS FOR BUSINESS

- Higher Speed & Network Quality
- Easy self administration
- Modular fixed mobile offers
- Seamless Cloud integration & high scalability

¹ Incl. Wholesale

FROM THE "OLD PSTN WORLD"...

TO THE "NEW IP ERA"

2012 2014 2016 2018

IP customer

100%

25%

4%
WE STRIVE FOR THE “WOW”-EXPERIENCE

SURPRISING & INNOVATIVE „WOW“-EXPERIENCE

SEAMLESS CONNECTIVITY
Consistent & unlimited high-speed access everywhere at anytime

CONVERGED COMMUNICATION
Integrated portfolio on multi devices, One brand, World class design

OMNICHANNEL SALES & SERVICE
Self-Service and Unified processes across all customer touch points

SIMPLE TO USE & HIGH QUALITY
Innovative products & services, Smart partner approach
DIFFERENTIATION IN MOBILE THROUGH SUPERIOR NETWORK AND CLEAR VALUE STRATEGY

**BRAND PORTFOLIO**
- “D-Netz” Quality
- Medium speed
- Smartphone lease
- Basic portfolio

**CONTRACT CUSTOMER BASE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Single Play</th>
<th>Double Play</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>15.0</td>
<td>35%</td>
</tr>
<tr>
<td>2018</td>
<td>16.8</td>
<td>79%</td>
</tr>
</tbody>
</table>

**SERVICE REVENUES**

<table>
<thead>
<tr>
<th>Year</th>
<th>Without EU Roaming Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6.7 bn</td>
</tr>
<tr>
<td>2018</td>
<td>16.8 bn</td>
</tr>
</tbody>
</table>

1 Without mobile wholesale  
2 Without EU Roaming impact
**LEVERS IN BROADBAND RETAIL**

1. **MagentaEINS**
   - Leverage the base
   - Increase loyalty

2. **Entertain 2.0**
   - Next Generation TV
   - Entertain on n-screens

3. **Innovations**
   - Supervectoring
   - Hybrid

4. **Regional offers**
   - Regional Pricing
   - Special Hardware Offers

**BROADBAND CUSTOMER BASE**

<table>
<thead>
<tr>
<th>Year</th>
<th># mn</th>
<th>Double Play</th>
<th>Triple Play</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>12.4</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>2018</td>
<td>13.6</td>
<td>67%</td>
<td>33%</td>
</tr>
</tbody>
</table>

**BROADBAND REVENUES**

<table>
<thead>
<tr>
<th>Year</th>
<th>€ mn</th>
<th>Double Play</th>
<th>Triple Play</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5.2</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>68%</td>
<td>32%</td>
</tr>
</tbody>
</table>

**CAGR 2%**
GROWTH IN TV BY A MULTILAYER STRATEGY AND INCREASED FIBER FOOTPRINT

NEXT GENERATION TV WITH NEW FEATURES

- Revised state of the art user interface
- Seamless multi-screen experience
- Number 1 in HD and becoming innovator in 4K
- Best on-demand content experience
- New functionalities (Instant restart, backwards EPG)

3RD PARTY TV OFFERS (WHOLESALE)

- Customized product offering as “Digital TV – provided by Telekom”
- Resale partnership
  Start Q1/2015

TV CUSTOMER BASE

<table>
<thead>
<tr>
<th>Year</th>
<th>Wholesale</th>
<th>Housing Associations</th>
<th>Entertain</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2.4</td>
<td>0.1</td>
<td>2.6</td>
</tr>
<tr>
<td>2018</td>
<td>2.6</td>
<td>0.1</td>
<td>2.6</td>
</tr>
</tbody>
</table>

CAGR ≈20%

TV FOR HOUSING ASSOCIATIONS

- Deutsche Annington deal executed
- New deals won and direct roll-out
- Enlarge regional TV footprint

ENTERTAINMENT IN BUSINESS

SUPERIOR PRODUCTION MODEL

EUROPE

GERMANY

T-MOBILE USA

FINANCE
INCREASE NETWORK UTILIZATION BY UPSELLING WHOLESALE PARTNERS TO FIBER SERVICE REVENUES

**KEY GOALS**

1. Utilization of Fiber Infrastructure with ≈35% of Fiber Footprint in active service
2. Invest-Sharing via upfront Payment
3. Competitive Fiber Wholesale prices for Partners (ARPA of ≈20€) and innovative Products (IPTV)

**WHOLESALE ACCESS BASE**

<table>
<thead>
<tr>
<th>Year</th>
<th>FTTC</th>
<th>ADSL/ULL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11.3</td>
<td>94%</td>
</tr>
<tr>
<td>2018</td>
<td>6%</td>
<td>60%</td>
</tr>
</tbody>
</table>

CAGR -3%

**WHOLESALE REVENUES**

<table>
<thead>
<tr>
<th>Year</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3.4</td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>

CAGR 0%

† Unbundled local loops
MAGENTA EINS: FIXED AND MOBILE ARE CONVERGING...

**OUR FIRST CONVERGED OFFER**

<table>
<thead>
<tr>
<th>63% MARKET RESEARCH¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers prefer bundles from a single source</td>
</tr>
</tbody>
</table>

**KEY GOALS**

1. **CROSS-/UPSELLING**
   - Leverage customer base

2. **ADD ON MOBILE SIM’S**
   - 1.5 SIM cards per household

3. **LOYALTY INCREASE**
   - Reduce churn

4. **NEW CUSTOMERS**
   - Value based customer acquisition

**2018 (CONSUMER) CUSTOMER BASE**

- Fixed-Mobile Household: 2.0
- Add-on Mobile: 1.0
- MagentaEINS: 3.0

¹ Market research based on customer survey (2014)
... AND GENERATING ADDITIONAL VALUE THROUGH CROSS-/UPSELLING

FMC CUSTOMER POTENTIAL

<table>
<thead>
<tr>
<th>Mobile</th>
<th>Fixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>no</td>
<td>Cross-/Upsell</td>
</tr>
<tr>
<td>yes</td>
<td>Upsell/Fencing</td>
</tr>
</tbody>
</table>

HIGHLIGHTS AFTER 4 MONTH

1. **TRIPLE PLAY SHARE**
   - >50%

2. **GROWING SIM CARD PENETRATION**
   - ≈2 SIMs per HH

3. **BOOST CUSTOMER LOYALTY**
   - 75 Points TRI*M

4. **INCREASED MAGENTAEINS REVENUES**
   - ≈4€/m per HH

MagentaEINS CUSTOMER BASE

<table>
<thead>
<tr>
<th>sim cards k</th>
<th>Add on SIM</th>
<th>Upsell/Fencing</th>
<th>Cross/Up</th>
<th>New Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>506</td>
<td>357</td>
<td>50%</td>
<td>13%</td>
<td>37%</td>
</tr>
<tr>
<td>11/14</td>
<td>10/14</td>
<td>50%</td>
<td>13%</td>
<td>37%</td>
</tr>
<tr>
<td>12/14</td>
<td>11/14</td>
<td>50%</td>
<td>13%</td>
<td>37%</td>
</tr>
</tbody>
</table>

1 TRI*M Index MagentaEINS customers

1 MagentaEINS Households ARPU ≈+4€/m within ≈250k HH
E-COMPANY TRANSFORMATION WITH FOCUS ON E-SERVICE AND E-SALES

EXCELLENT CUSTOMER EXPERIENCE “24/365”

Digital touch points & omni-channel approach
- Products and services are e-Channel enabled
- Seamless customer experience across all touch points

Increase customer self service
- All sales and service processes are self-service enabled
- Customer self service via portal, app & magic button functionalities

Optimized usability
- Plug and Play functionalities incl. optimized incident management
- One Identity Management

1 Increase E-SALES
   10% in 2014
   ≈ 17% in 2018

2 Reduce SERVICE CONTACTS
   -16% in 2018

3 Enhance LOYALTY (TRI*M)
   60 PP in 2014
   ≈ 64PP in 2018

1 Without IVM and Congstar  2 TRI*M Index for all Telekom customers
PARTNERING ACTIVITIES CONTRIBUTE TO REVENUE GROWTH

KEY GOAL: LEADING PARTNERS TO DIFFERENTIATE CORE PRODUCTS

- **SMART HOME**: € mn
  - 100 (2014)
  - 300 (2018)

- **SECURITY**:  # mn
  - 2 (2014)
  - 6 (2018)

- **ENTERTAINMENT**:  
  - Enrich portfolio with innovative services
  - Leverage customer demand through de-risking revenue share model
  - Platform with standardized interface for efficient integration

**REVENUE & SUBSCRIBER DEVELOPMENT**
OUR STRONG NATIONWIDE DISTRIBUTION AND ICT COMPETENCE ARE THE BASIS FOR A LEADING POSITION IN THE BUSINESS MARKET

**MARKET LEADER IN BUSINESS...**

**MOBILE MARKET**
- Telekom: 51%
- Others: 49%

**BROADBAND MARKET**
- Telekom: 64%
- Others: 36%

**...BASED ON SUPERIOR ICT COMPETENCES**

1. **Nationwide sales** and service presence & comprehensive end-to-end responsibility

2. **One-stop-shop** product portfolio including customized bundle offers for any need

3. **Cloud services** with the highest safety standards (“made in Germany”)

**MID-MARKET INITIATIVE AS A GROWTH DRIVER**

**IT/CLOUD PRODUCT PORTFOLIO EXPANSION**
- 19 products in 2014
- >30 in 2018

**IT PARTNERING NETWORK**
- 38 partners in 2014
- ≈500 in 2018

+€0.4 bn B2B revenue in GER by 2018

Source: GfK Tele.Basics b2b 2014
- Cards in frame contacts
- Access market share in 2014
GROWTH INITIATIVES AND MID-MARKET APPROACH DRIVE OUR HIGH AMBITION IN BUSINESS

FOCUSED BUSINESS INITIATIVES

1. IT Cloud
   - BMP\(^1\)-Seats mn
     - 2014: 0.05
     - 2018: 0.6
     - Growth: +90%

2. M2M
   - SIM mn
     - 2014: 3.7
     - 2018: ≈10
     - Growth: +29%

3. DeutschlandLAN
   - Lines\(^2\) mn
     - 2014: 0.2
     - 2018: 1.6
     - Growth: +63%

... LEAD TO REVENUE GROWTH

<table>
<thead>
<tr>
<th></th>
<th>IT</th>
<th>Fixed</th>
<th>Mobile</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telekom</td>
<td>+21%</td>
<td></td>
<td></td>
<td>5.7</td>
</tr>
<tr>
<td>Market</td>
<td>+4.8%</td>
<td>-1.7%</td>
<td>4.8%</td>
<td>6.1</td>
</tr>
</tbody>
</table>

CAGR 2%

1 Business Marketplace
2 Includes expansion of DLAN brand family into other access products
FINANCIAL OUTLOOK
REVENUE STABILIZATION YOY IN 2016

REVENUE DEVELOPMENT

€ bn

EU Roaming

22.3

CAGR 0.3%¹

2014 2016 2018

REVENUE DRIVER

1. Increased Mobile Service Revenues
   growing contract customer base & multibrand portfolio

2. Stable Wholesale Wireline Revenues
   driven by fiber access “Kontingentmodell” and high utilization

3. Growing IT-Revenues
   driven by Mid-Market Initiative

¹Without EU roaming impact
FURTHER FOCUS ON COST REDUCTION THROUGH SIMPLICITY, EFFICIENCY AND TRANSFORMATION

Main areas:
- Continuous right-sizing of overhead functions
- Generation of further productivity gains
- Keep driving for optimization of IT-cost

1 Before capitalization of labor  2 Reduction of €0.8bn due to rounding
LONG TERM IP & PROCESS TRANSFORMATION DRIVE OPEX SAVINGS OF €0.7 BN IN EARLY 2020’S

**BENEFITS OF IP & PROCESS TRANSFORMATION**

**IMPROVED PROCESSES**
- Zero Touch provisioning
- Plug & Play installation for customer
- Zero touch repair without assignment of technicians

**NEW IP PRODUCT & SERVICES**
- Innovative product- & service portfolio
- Future-proof product concepts
- Accelerated time-to-market
- Lower development cost

**MAIN OPEX SAVINGS**

**CUSTOMER AND TECHNICAL SERVICE**

- €0.5 bn
- 2013: €0.5 bn
- Early 2020’s: €0.0 bn

**OPERATING PLATFORM COST**

- €0.2 bn
- 2013: €0.7 bn
- Early 2020’s: €0.5 bn

1 2013 = 100%; gross measure-related opex savings after accomplished transformation before any counter effects e.g. from personnel cost increases

2 Measure-related energy, maintenance and personnel platform cost

---

GROUP STRATEGY  COST AND PORTFOLIO TRANSFORMATION  LEAD IN BUSINESS  SUPERIOR PRODUCTION MODEL  EUROPE  GERMANY  T-MOBILE USA  FINANCE
WE FUND OUR INVESTMENTS THROUGH GROWING EBITDA

**ADJ. EBITDA & EBITDA-MARGIN**

€ bn

- **CAGR 1–2%**
  - 2014: 8.8 € bn
  - 2015: 8.8 € bn
  - 2018: 8.8 € bn

**margin:** 2014: 40%
2015: 40%
2018: 42%

**CASH) CAPEX**

€ bn

- **CAGR ≈1%**
  - 2014: 3.8 € bn
  - 2015: 3.0 € bn
  - 2018: 3.8 € bn

**ADJ. CASH CONTRIBUTION**

€ bn

- **CAGR ≈2%**
  - 2014: 5.0 € bn
  - 2015: 5.0 € bn
  - 2018: 5.0 € bn
KEY LEVERS FOR STABLE ROCE

**REVENUES**

€ bn

- 2014: 22.3 (CAGR 0.3%)
- 2018: 22.3

**ADJ. EBITDA**

€ bn

- 2014: 8.8 (CAGR 1-2%)
- 2018: 8.8

**OPERATING ROCE**

- 2014: WACC
- 2018: WACC

**CASH CAPEX**

€ bn

- 2014: 3.8 (CAGR ≈1%)
- 2018: 3.8

**SPECIAL FACTORS (EBITDA)**

€ bn

- 2014: 0.3
- 2018: 0.6

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1 Without EU roaming impact
2 Restructuring
MID TERM AMBITION LEVEL
### MID TERM AMBITION LEVEL

<table>
<thead>
<tr>
<th>MARKET</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 in FMC with MagentaEINS: 3mn customers</td>
<td>2018</td>
</tr>
<tr>
<td>#1 in mobile service revenue: CAGR ≈1%/market share &gt;36%</td>
<td>2018</td>
</tr>
<tr>
<td>#1 broadband: CAGR ≈2%/market share &gt;40%</td>
<td>2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>QUALITY</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer loyalty index: ≈64 points</td>
<td>2018</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>FINANCIALS</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA margin: ≈42%</td>
<td>2018</td>
</tr>
<tr>
<td>Growing adj. EBITDA: CAGR 1–2%</td>
<td>2014–2018</td>
</tr>
<tr>
<td>Growing adj. cash contribution: CAGR ≈2%</td>
<td>2014–2018</td>
</tr>
<tr>
<td>Revenue stabilization</td>
<td>2016</td>
</tr>
</tbody>
</table>

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1. Without EU roaming impact
2. Access market share in 2018