Deutsche Telekom Investor Day.
On Our Way To A New DT – “Fix – Transform – Innovate”

March 17, 2010
René Obermann
Disclaimer.

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, including those described in the sections “Forward-Looking Statements” and “Risk Factors” of Deutsche Telekom’s Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission. 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 writedowns 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. 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. For further information relevant to the interpretation of these terms, please refer to the chapter “Reconciliation of pro forma figures”, which is posted on Deutsche Telekom’s Investor Relations webpage at www.telekom.com.
Guidance 2010\(^1\) confirmed.

Guidance assumes constant currencies and no further significant economic deterioration (Basis 2009 average exchange rates: 1€ = 1.39US$)

- **Adj. Group EBITDA**: Around €20 billion
- **Free Cash Flow**: Around €6.2 billion

---

\(^1\) incl. TM UK for the full year 2010
DT Group Strategy

**Strategy achievements 2007 - 2009**

- Our strategy is driven by our core beliefs
- DT’s strategy is evolving: “Fix – Transform – Innovate”
Strategy was “Focus, Fix & Grow”: Key achievements since 2007.

- **German fixed business**: Clear No.1 in German broadband with 45% net adds share, >1 mn IPTV packages sold
- **German mobile**: service revenue market leadership, return to revenue growth in Q4 2009
- **Service**: CRMT introduced, major service KPI’s improved
- **Save4Service**: € 5.9 bn gross savings

- **Mobile Data revenue growth**: > € 1bn in rev’s per quarter
- **New devices and platforms**: iPhone 3G, G1, Android etc.
- **New innovative products**: Media center across all DT screens, program manager, MyCommunity etc.

- **Improve competitiveness in Germany and SEE**
- **Grow abroad with mobile**
- **Mobilize the Internet**
- **Build network-centric ICT**

- **Growth**: 7% revenue and 10% EBITDA growth between 2007 and 2009
- **Successful intra-market consolidation in NL**
- **OTE**: 30% stake acquired in 08/09
- **Joint Venture in UK**

- **Big deals**: Shell, DPWN, Sparkassen, BMW, Phillips
- **Restructuring**: strong cost cutting and margin improvement
- **Refocusing**: Cognizant partnership, focus on Top 400 clients
DT Group Strategy

<table>
<thead>
<tr>
<th>Strategy achievements 2007 - 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our strategy is driven by our core beliefs</strong></td>
</tr>
<tr>
<td>DT’s strategy is evolving: “Fix – Transform – Innovate”</td>
</tr>
</tbody>
</table>
Our strategy is driven by our core beliefs on the future of the telecoms industry.

1. Infrastructure remains a key value driver in light of continued traffic growth
2. NGN networks and IT infrastructure will be essential to increase efficiencies and address new strong traffic growth reality
3. Growth in mobile internet and online consumer services
4. Consumers will look for seamless customer experience across all screens
5. Significant growth potential from dynamic cloud computing
6. Potential for intelligent networks in transforming industries such as energy, healthcare, media distribution and the connected car
7. Strong local market positions are essential to drive profitability
Core Beliefs 1&2 – Infrastructure:
NGN and NG IT will be critical success factors for the strong traffic growth.

Continued strong traffic growth...

Global internet traffic forecast¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Internet Video</th>
<th>File Sharing</th>
<th>Web/Email</th>
<th>Others</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>6.0</td>
<td>8.8</td>
<td>10</td>
<td>17.5</td>
<td>≈13</td>
</tr>
<tr>
<td>2009</td>
<td>8.8</td>
<td>10.5</td>
<td>12.5</td>
<td>22.5</td>
<td>≈13</td>
</tr>
<tr>
<td>2010</td>
<td>13</td>
<td>16</td>
<td>18</td>
<td>25</td>
<td>≈19</td>
</tr>
<tr>
<td>2011</td>
<td>19</td>
<td>21</td>
<td>23</td>
<td>28</td>
<td>≈25</td>
</tr>
<tr>
<td>2012</td>
<td>25</td>
<td>27</td>
<td>29</td>
<td>32</td>
<td>≈29</td>
</tr>
<tr>
<td>2013</td>
<td>&gt;32</td>
<td>&gt;34</td>
<td>&gt;36</td>
<td>&gt;39</td>
<td>&gt;39</td>
</tr>
</tbody>
</table>

Global mobile data traffic forecast¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Audio</th>
<th>Video</th>
<th>P2P</th>
<th>Data</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>0.03</td>
<td>0.09</td>
<td>0.1</td>
<td>0.2</td>
<td>≈0.2</td>
</tr>
<tr>
<td>2009</td>
<td>0.09</td>
<td>0.2</td>
<td>0.1</td>
<td>0.3</td>
<td>≈0.2</td>
</tr>
<tr>
<td>2010</td>
<td>0.2</td>
<td>0.4</td>
<td>0.1</td>
<td>0.5</td>
<td>≈0.5</td>
</tr>
<tr>
<td>2011</td>
<td>0.5</td>
<td>1</td>
<td>0.1</td>
<td>1</td>
<td>≈1</td>
</tr>
<tr>
<td>2012</td>
<td>1</td>
<td>&gt;2</td>
<td>0.1</td>
<td>&gt;2</td>
<td>&gt;2</td>
</tr>
<tr>
<td>2013</td>
<td>&gt;2</td>
<td>&gt;2</td>
<td>&gt;2</td>
<td>&gt;2</td>
<td>&gt;2</td>
</tr>
</tbody>
</table>

...requires comprehensive response

- Broadband access in wireless and fixed
  - HSPA+/ LTE
  - VDSL
  - LTE
- Next Generation Network (NGN)
  - All-IP backbone – Germany 2015
  - Up to 10% homes passed with FTTH² in Germany by YE 2012 within current capex envelope
- Next Generation IT (NG IT)
  - Reduced number of applications
  - Focus on off-the-shelf commercial software
  - Consolidation of data centers

¹) Source: Cisco, June 2009
²) Up to 10% of all fixed line households; FTTH rollout will be based on economical efficiency; Regional focus and timing will be adopted dynamically
Core Belief 3 – Growth Segments: Overall addressable market is growing.

Total Market Revenue in DT Footprint (DE, EU, SEE, US)¹

€ bn

2009 2014

Core Access Business

IT-Services²

Consumer IP Services³

Data

Mobile⁴

Wireline⁵

Wireline Voice

Mobile Voice + Messaging

159

444

117

21

25

39

146

69

83

344

502

139

117

52

62

34

CAGR

2.5% 3.5%

10.0% 19.5%

6.0% -1.7%

-3.6%

Source: Deutsche Telekom estimates, Pyramid Research, PWC
¹) EU = UK, Poland, CZ, AT, NL; SEE = HU, HR, MK, SK, GR, BUL, ROM, ALB;
²) IT Services = Systems Integration, Desktop Services, Computing Services; WE incl. Germany only;
³) excl. Search Advertising;
⁴) excl. Messaging;
⁵) including IPTV
Future pockets of growth mainly in Mobile Data and Consumer IP Services.

<table>
<thead>
<tr>
<th></th>
<th>Wireline</th>
<th>Wireless</th>
<th>Consumer IP Services</th>
<th>Business customers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Voice access + Voice traffic</td>
<td>Internet (incl. IPTV)</td>
<td>Voice + Messaging</td>
<td>Data Access²</td>
</tr>
<tr>
<td><strong>GERMANY</strong></td>
<td>-2.7</td>
<td>1.2</td>
<td>-2.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Revenue △ (€ bn)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EUROPE + SEE¹</strong></td>
<td>-1.8</td>
<td>5.1</td>
<td>-4.7</td>
<td>4.6</td>
</tr>
<tr>
<td>(DT footprint)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue △ (€ bn)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>-9.3</td>
<td>6.9</td>
<td>-6.1</td>
<td>27.6</td>
</tr>
<tr>
<td>Revenue △ (€ bn)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Deutsche Telekom estimates; Pyramid Research; PWC; 1 EU = UK, Poland, CZ, AT, NL; SEE Wireless = HU, HR, MK, SK, GR, BUL, ROM, ALB; 2) Wireless Data Access excl. content commission; 3) Business customers excluding Rest of world, IT = Systems Integration, Desktop Services, Computing Services; EU footprint for business customers means T-Systems footprint in Western Europe.

Size of bubble represents absolute market growth (△ 2009 to 2014).

- Market shrinkage
- Market growth
Core Belief 5 – Dynamic Cloud Computing:
Significant growth potential.

Cloud Computing Strategies

<table>
<thead>
<tr>
<th>Type of service</th>
<th>Provider (examples)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Clouds</td>
<td>Selected DC, Dedicated DC</td>
</tr>
<tr>
<td>Public Clouds</td>
<td>Shared DC</td>
</tr>
</tbody>
</table>

Cloud Computing Characteristics

Customers are using IT-Services
- when they need it (dynamic),
- how much they need it (scalable),
- and to pay just for how much they need it (pay per use)

Private Cloud Services Market Western Europe (in €bn)

- 2009: 2.9
- 2010: 4.0
- 2011: 5.2
- 2012: 6.6
- 2013: 8.2
- 2014: 10.2

+29%

1 Source: Gartner, Deutsche Telekom estimates
Core Belief 6 – Intelligent Networks:
Growth opportunities in transforming industries.

Classical Telco Business

Core competencies Telecoms

- IT-Design/Network operations
- Customer service across the country
- Technical field service
- Connectivity

Transforming industries

- Energy
- Health
- Media
- Automotive

Opportunities for DT

- ICT enabled networks for E-Metering and balancing of supply and demand in a decentralized energy generation environment
- Digital health monitoring for chronic diseases and IT solutions to improve efficiency in the health system
- New business models for the world of online media including mobile content distribution
- “Connected Car”

Ambition Level 2015

≈ €1 bn revenues
Core Beliefs 3 to 6 – Growth Opportunities:
Aim to almost double revenues from growth areas until 2015

<table>
<thead>
<tr>
<th>DT’s Growth Areas</th>
<th>2009</th>
<th>Ambition Level 2015</th>
<th>CAGR 09-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Internet</td>
<td>4</td>
<td>≈10</td>
<td>+17%</td>
</tr>
<tr>
<td>Connected Home</td>
<td>5</td>
<td>≈7</td>
<td>+6%</td>
</tr>
<tr>
<td>Double &amp; triple play, Home Gateway and Communication Suite</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online Consumer Services</td>
<td>0.8</td>
<td>2 - 3</td>
<td>+16-25%</td>
</tr>
<tr>
<td>T-Systems external revenue incl. Cloud Services</td>
<td>6</td>
<td>≈8</td>
<td>+5%</td>
</tr>
<tr>
<td>Intelligent Networks in Energy, Health, Media Distribution, Connected Car</td>
<td>0</td>
<td>≈1</td>
<td>-</td>
</tr>
</tbody>
</table>
Core Belief 7 – Local Strength:
Strong local market positions are essential to drive profitability.

- There is a strong correlation between market share and profitability
- Market leaders in key European wireless markets enjoy an average 37% EBITDA margin vs. an average 28% for No. 3/No. 4 players
- We are striving for market leading positions in all our businesses
DT Group Strategy

Strategy achievements 2007 - 2009

Our strategy is driven by our core beliefs

DT’s strategy is evolving: “Fix – Transform – Innovate”
Our strategy is evolving.

- Grow
- Fix
- Focus
  2007 to 2009

- Innovate
- Transform
- Fix
  2010 to 2015
“Fix – Transform – Innovate” will be implemented through five initiatives.

- **Fix**
  - Improve performance of mobile-centric assets

- **Transform**
  - Leverage one company in integrated assets
  - Build networks and processes for the gigabit society

- **Innovate**
  - Connected life across all screens
  - Connected work with unique ICT solutions
Improve performance of mobile-centric assets.

<table>
<thead>
<tr>
<th>Fix</th>
<th>Transform</th>
<th>Innovate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve performance</td>
<td>Leverage one company in integrated assets</td>
<td>Connected work with unique ICT solutions</td>
</tr>
<tr>
<td>of mobile-centric</td>
<td>Build networks and processes for the</td>
<td>Connected life across all screens</td>
</tr>
<tr>
<td>assets</td>
<td>gigabit society</td>
<td></td>
</tr>
</tbody>
</table>

- Regain attractive market position in the US
- Make Joint Venture in the UK a success story
- Continue operational and financial improvements in the Netherlands and Austria
- Further strengthen competitiveness in Poland and Czech Republic

**Regain attractive market position in the US**
- Service revenue OIBDA margin ambition of 35% by 2012
- Contract Churn rate below 1.8% by 2012
- Closing of data APPU gap to competitors by 60% until 2012
Leverage one company in integrated assets.

Fix
- Improve performance of mobile-centric assets

Transform
- Leverage one company in integrated assets
- Create differentiating services and tariffs
- Superior customer experience across all touch points
- Synergies from integration in marketing, sales and service in Germany and SEE
- Build networks and processes for the gigabit society

Innovate
- Connected life across all screens
- Connected work with unique ICT solutions

Create differentiating services and tariffs
- Share of customers with both fixed and mobile DT contracts in Germany: >30% in 2012
Build networks and processes for the gigabit society.

Fix
- Improve performance of mobile-centric assets

Transform
- Leverage one company in integrated assets
- Build networks and processes for the gigabit society
  - Superior access experience through fibre rollout and LTE/HSPA+ push
  - Migrate to all-IP
  - Aggressive standardization of IT factory
  - Leading enabling services

Innovate
- Connected life across all screens
- Connected work with unique ICT solutions

Superior access experience through fiber rollout and LTE/HSPA+ push
- Up to 10% FTTH in Germany by 2012
- White spot coverage with integrated networks

---

1 10% of all fixed line households; FTTH rollout will be based on economical efficiency; Regional focus and timing will be adopted dynamically
Connected life across all screens.

**Fix**
- Improve performance of mobile-centric assets

**Transform**
- Leverage one company in integrated assets
- Build networks and processes for the gigabit society

**Innovate**
- Connected life across all screens
- Connected work with unique ICT solutions

**Grow in data access and push online services**
- Mobile data revenues at least €6 bn by 2012 and at least €10 bn by 2015
- Entertain revenues at least €1 bn by 2012 in Germany
- Online consumer revenues at least €1 bn by 2012 in Germany

- Grow in data access and push online services
- Seamless delivery of services across all screens
- Leverage large customer base into partnerships with leading internet players
- Increase customer loyalty through user centric services
Connected work with unique ICT solutions.

<table>
<thead>
<tr>
<th>Fix</th>
<th>Transform</th>
<th>Innovate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve performance of mobile-centric assets</td>
<td>Leverage one company in integrated assets</td>
<td>Build networks and processes for the gigabit society</td>
</tr>
<tr>
<td>Connected work across all screens</td>
<td>Connected life across all screens</td>
<td>Connected work with unique ICT solutions</td>
</tr>
</tbody>
</table>

**Intelligent Networks for energy, Healthcare, media distribution and connected car**
- Revenues in energy, healthcare, media, connected car around €1 bn by 2015

- Intelligent Networks for energy, healthcare, media distribution and connected car
- Exploit growth opportunities in premium cloud services
On our way to a new DT – What is going to change.

- Moving from an “access only” business model towards “access plus”
- Exploit pockets of growth in mobile internet, non-access business, ICT opportunities like Cloud Services and intelligent networks
- Moving towards integration of fixed and mobile in network, product & innovation and services where reasonable
- Efficient capital allocation: No major M&A and capex focus on transformation and growth
- Strong commitment to shareholder value generation and shareholder remuneration
- New stakeholder-oriented incentive program incl. EPS/ROCE, based upon share ownership
DT group ambition level 2012.

<table>
<thead>
<tr>
<th>Ambition Level 2012</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Group wide TV customers</td>
<td>5.5 – 6 million</td>
</tr>
<tr>
<td>Group wide mobile customers</td>
<td>&gt; 140 million(^1)</td>
</tr>
<tr>
<td>Group wide fixed broadband retail customers</td>
<td>&gt; 18 million</td>
</tr>
<tr>
<td>Revenues</td>
<td>&gt; €6bn mobile internet revenues</td>
</tr>
<tr>
<td>Save for Service 2010-2012</td>
<td>German revenues stabilized</td>
</tr>
<tr>
<td>FCF</td>
<td>€4.2bn savings, of which €1.8bn net savings in Germany and SEE</td>
</tr>
<tr>
<td>ROCE</td>
<td>Increasing from 2010 level of around €6.2bn</td>
</tr>
<tr>
<td>Shareholder Remuneration 2010-2012</td>
<td>+ &gt;150bps</td>
</tr>
<tr>
<td></td>
<td>€3.4bn per annum, €0.70 minimum dividend per share + share buybacks</td>
</tr>
</tbody>
</table>

\(^1\) Excluding TM UK, which will be deconsolidated from 2010