

**Proposal by the Board of Management on the appropriation of net income  
as per § 170 (2) of the German Stock Corporation Act (AktG):**

At the shareholders' meeting on May 12, 2011, the Board of Management will submit the following proposal for the appropriation of net income generated in the 2010 financial year:

- |   |   |
|---|---|
| 1. Distribution to shareholders:              | Payment of a dividend of EUR 0.70 per no par value share carrying dividend rights<br>= EUR 3 010 644 620.90 |
| 2. Transfer to retained earnings:             | EUR 0.00  |
| 3. Unappropriated net income carried forward: | The remaining balance is carried forward to the new account<br>= EUR 3 007 916 676.58                       |
| 4. Unappropriated net income:                 | EUR 6 018 561 297.48  |

The above total dividend and the above remaining balance to be carried forward to unappropriated net income are based on the dividend-bearing capital stock of EUR 11 010 357 470.72, divided up into 4 300 920 887 no par value shares, on the day of the preparation of the annual financial statements on February 18, 2011.

The number of shares carrying dividend rights may change up to the date on which the vote on the resolution regarding the appropriation of net income is taken. In this case, the Board of Management will submit a suitably amended motion for resolution regarding the appropriation of net income to the shareholders' meeting if the payment of EUR 0.70 per no par value share carrying dividend rights remains unchanged. The adjustment shall be made as follows: If the number of shares carrying dividend rights and thus the total dividend decreases, the amount to be carried forward to unappropriated net income increases accordingly. If the number of shares carrying dividend rights and thus the total dividend increases, the amount to be carried forward to unappropriated net income decreases accordingly.

The dividend will be paid out in full from the tax contribution account according to § 27 KStG (Corporation Tax Act) (not contributions to nominal capital). Payment will be therefore made without the deduction of capital gains tax or the solidarity surcharge.

This translation is for courtesy proposes only. The German original prevails.

Bonn, February 18, 2011

Deutsche Telekom AG  
Board of Management

René Obermann  
(Chairman)

Dr. Manfred Balz

Reinhard Clemens

Niek Jan van Damme

Timotheus Höttges

Guido Kerkhoff

Edward R. Kozel

Thomas Sattelberger

This translation is for courtesy proposes only. The German original prevails.