BOARD OF MANAGEMENT PROPOSAL ON THE APPROPRIATION OF NET INCOME IN ACCORDANCE WITH § 170 (2) OF THE GERMAN STOCK CORPORATION ACT (AKTIENGESETZ):

At the shareholders’ meeting on May 16, 2013, the Board of Management will submit the following proposal for the appropriation of net income generated in the 2012 financial year:

1. Distribution to shareholders: Payment of a dividend of EUR 0.70 per no par value share carrying dividend rights with maturity date on June 12, 2013 = EUR 3,010,238,191.10

2. Transfer to retained earnings: € 0.00

3. Unappropriated net income carried forward: The remaining balance is carried forward = EUR 39,761,808.90.

4. Unappropriated net income: € 3,050,000,000.00

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 and Supervisory Board shall submit to the shareholders’ meeting a suitably amended resolution proposal regarding the appropriation of net income, which contains an unchanged payment of EUR 0.70 per no par value share carrying dividend rights; this shall be without prejudice to the offer to receive the dividend in the form of shares in place of cash. 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.

If the resolution proposal is accepted, the following shall apply to the tax accounting treatment of the dividend: As the dividend for the 2012 financial year is to be paid in full from the tax contribution account in accordance with § 27 KStG, Corporation Tax Act (contributions other than into nominal capital), no capital gains tax or solidarity surcharge will be deducted. Dividends paid to shareholders in Germany are not subject to taxation. This applies both to dividends paid in cash and – where available – also to dividends paid in shares. Dividends do not involve tax refunds or tax credits. In the German tax authorities’ view the dividend payment reduces the acquisition costs of the shares for tax purposes.

Bonn, February 12, 2013

Deutsche Telekom AG
Board of Management

Rene Obermann
(Chairman)

Reinhard Clemens
Niek Jan van Damme
Timotheus Höttges

Dr. Thomas Kremer
Claudia Nemat
Prof. Dr. Marion Schick