At the shareholders’ meeting on May 25, 2016, the Board of Management will submit the following proposal for the appropriation of net income generated in the 2015 financial year:

1. Distribution to shareholders: Payment of a dividend of EUR 0.55 per no par value share carrying dividend rights with maturity date on June 22, 2016 = EUR 2,522,766,909.30

2. Transfer to retained earnings: EUR 0.00

3. Unappropriated net income carried forward: The remaining balance is carried forward to the new account = EUR 1,775,310,842.58


The dividend shall be paid out in cash or in the form of shares in Deutsche Telekom AG. Details relating to dividend payment in cash and the possibility for shareholders to opt to receive shares will be explained in a document which will be made available to shareholders and contains, in particular, information about the quantity and type of shares as well as an explanation about the reasons for and details of the offer.

If the resolution is passed, the following shall apply for payment of the dividend: As the dividend for the 2015 financial year is to be paid in full from the tax contribution account in accordance with § 27 Corporation Tax Act (Körperschaftsteuergesetz - KStG), 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 entail 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 9, 2016**

Deutsche Telekom AG
Board of Management


This document is a convenience translation of the German original. In case of discrepancy between the English and German versions, the German version shall prevail.