Q1/11 – Results Presentation.
Deutsche Telekom.

May 6, 2011

Life's for Sharing

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. 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, 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.

Agenda.
Deutsche Telekom Results Presentation.

René Obermann
CEO

Timotheus Höttges
CFO

Q1 2011 Highlights.

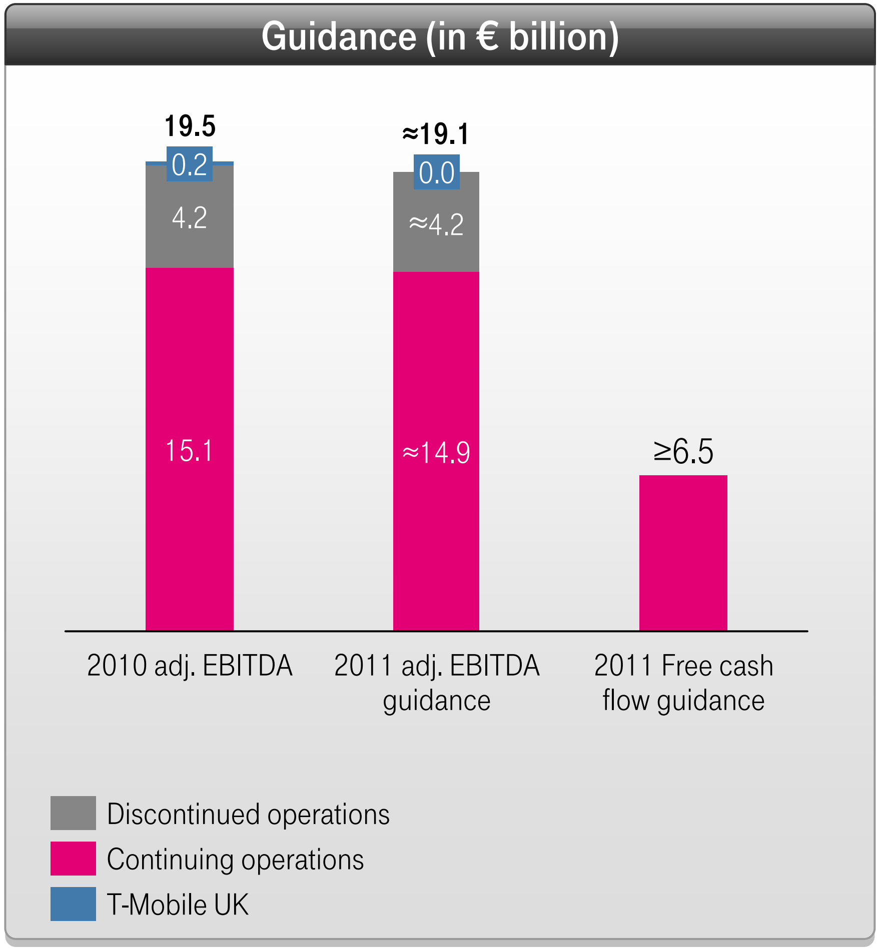
- Structural solution for US business found, regulatory process started
- Germany with 4th consecutive quarter of adj. EBITDA growth. Good momentum in key customer KPIs maintained in mobile and fixed
- Systems Solutions with strong revenue growth and almost stable EBITDA compared to last year. Order entry up more than 20%

- Ongoing cost-cutting execution. Save for Service contribution of €0.3 billion in Q1. Net cost reduction of €0.4 billion in Germany and Europe
- Purchasing JV with France Télécom expected to further improve efficiency

- Excl. UK, group revenue (-3.0%) and adj. EBITDA (-5.0%) impacted by challenging operational trends in the US and higher market invest and ongoing difficult economic environment in Europe
- Free cash flow of €1.1 billion in Q1 2011 compared to €1.4 billion in Q1 2010 reflecting different seasonality of interest and capex payments
- Adj. net income of €0.7 billion compared to €0.9 billion in Q1 2010 impacted by decline in EBITDA

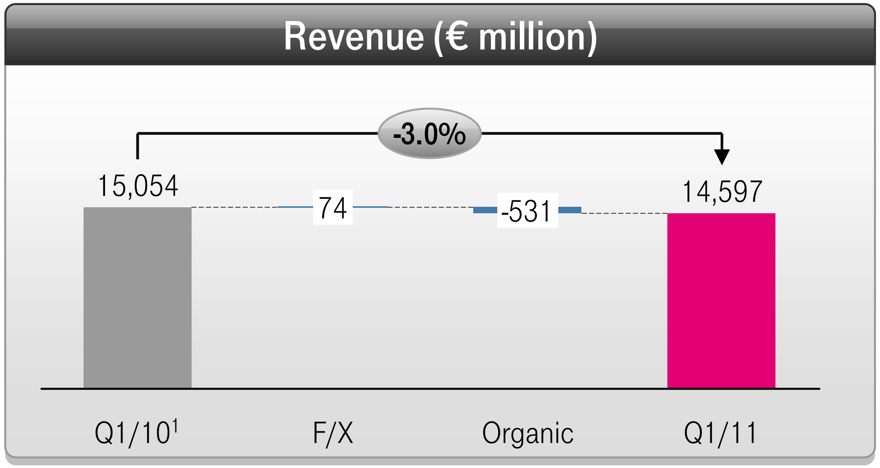
⇨ Full year 2011 guidance re-iterated

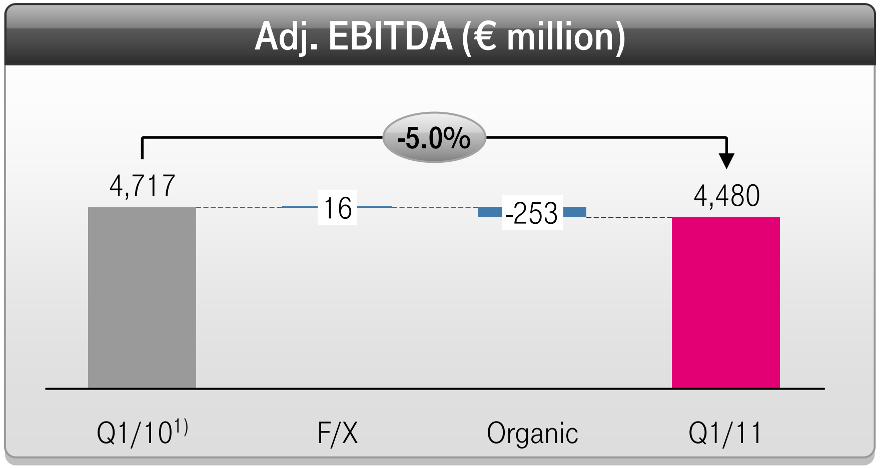
Guidance excl. the US – 2011 guidance reiterated.

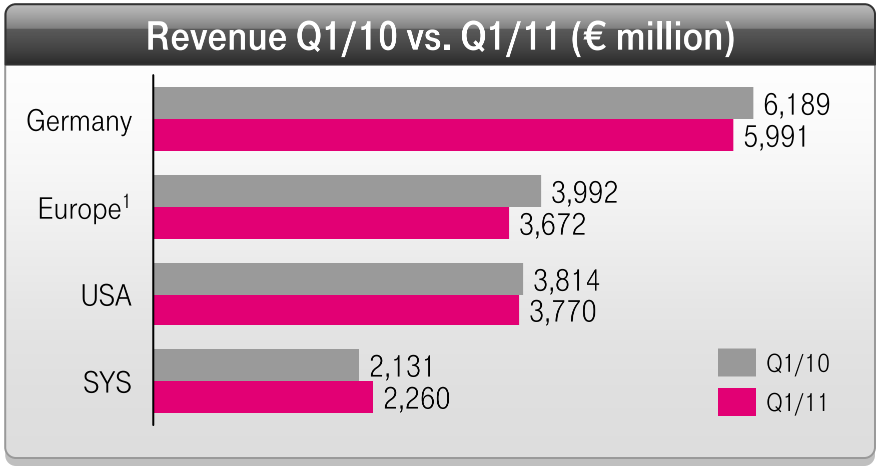


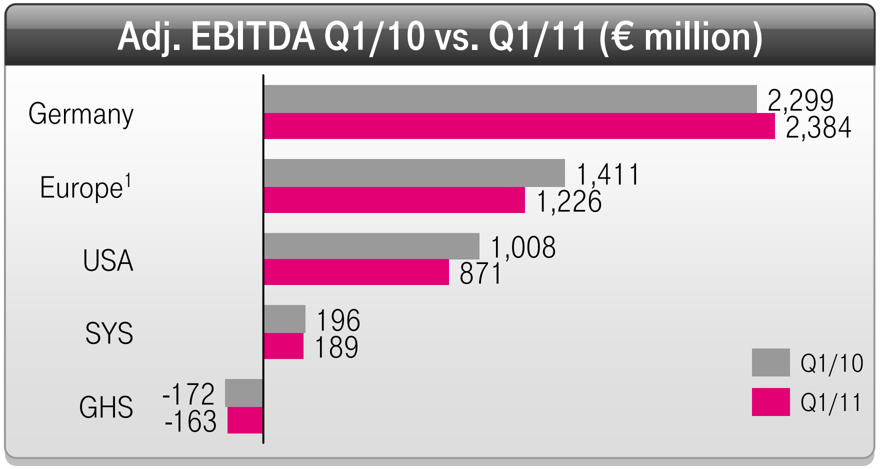
- Q1 2010 figures include €0.2 billion from the UK
- As a result of the sale of T-Mobile US guidance of "around €19.1 billion" split into:
  - Discontinued operation: US with stable EBITDA over FY 2010 of around US$5.5 billion or around €4.2 billion based on F/X-rate of 1.33 (average rate of FY 2010)
  - Continuing operations: around €14.9 billion
- Free cash flow guidance unchanged at stable to slightly growing over FY 2010 of €6.5 billion
- Guidance assumes constant currency (average exchange rates of 2010). Free cash flow guidance not including €0.4 billion for PTC settlement

Q1/11 Overview.
Continuing and discontinued operations.









1) Q1 2010 figures without T-Mobile UK: Impact group €758 million of revenue and €173 million of adj. EBITDA; Impact segment Europe: €782 million of revenue and €176 million of adj. EBITDA

Q1/11 Key financials.

in € million	Q1/10 reported	Q1/11 reported	change in %	Q1/10 ex. UK	Q1/11 ex. UK	change in %
Revenue	15,812	14,597	-7.7%	**15,054**	**14,597**	**-3.0%**
▪ from continuing operations	12,002	10,830	-9.8%	**11,244**	**10,830**	**-3.7%**
Adj. EBITDA	4,890	4,480	-8.4%	**4,717**	**4,480**	**-5.0%**
▪ from continuing operations	3,882	3,609	-7.0%	**3,709**	**3,609**	**-2.7%**
Adj. net profit	891	701	-21.3%	**966**	**701**	**-27.4%**
Net profit (loss)	767	480	-37.4%	**847**	**480**	**-43.3%**
Adj. EPS (in €)	0.21	0.16	-23.8%	**0.22**	**0.16**	**-25.9%**
EPS (in €)	0.18	0.11	-38.9%	**0.20**	**0.11**	**-45.0%**
Free cash flow[1]	1,439	1,061	-26.3%	**1,432**	**1,061**	**-25.9%**
Cash capex	1,934	2,120	9.6%	**1,873**	**2,120**	**13.2%**

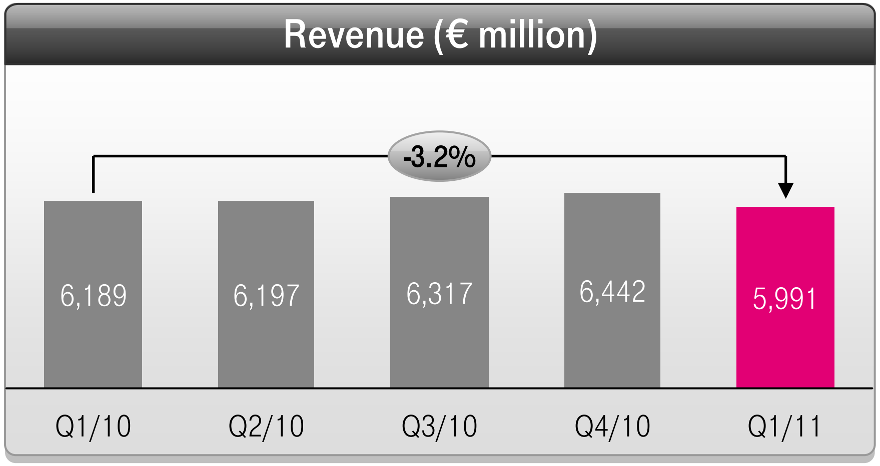
1) Before dividend payment, spectrum invest, and €400 million payment for PTC settlement

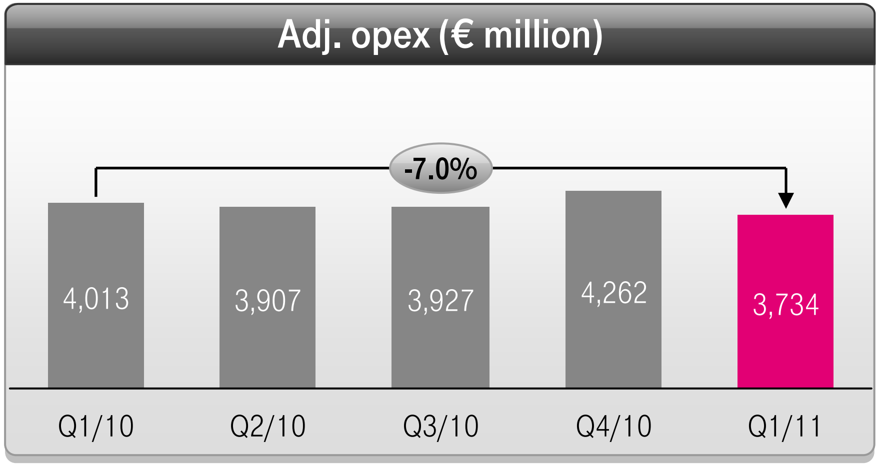
Strategy update: growth areas.

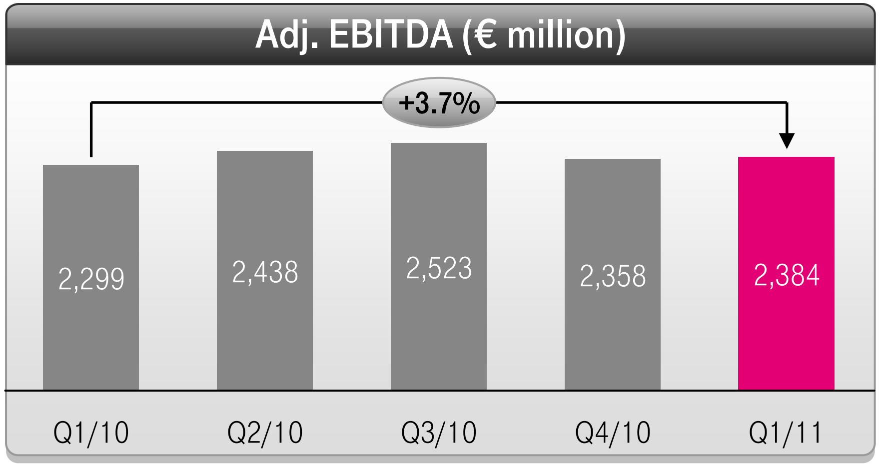
Deutsche Telekom growth areas[1]	Q1/10	Q1/11	Change[2]		Ambition 2015
Revenue (€ bn)					
Mobile Internet[3]	1.0	1.2	0.3	28%	≈ 10
Connected Home[4] Double & triple play, Home Gateway and Communication Suite	1.5	1.6	0.0	2%	≈ 7
Online consumer services[5]	0.2	0.2	0.0	2%	2 - 3
T-Systems external revenue incl. Cloud Services	1.5	1.6	0.1	6%	≈ 8
Intelligent networks in Energy, Health, Media Distribution, Connected Car	-	-	-	-	≈ 1

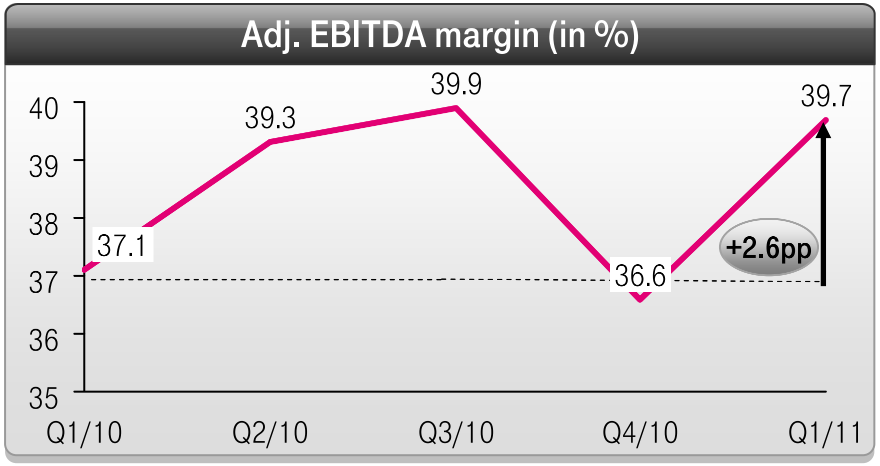
1) Figures include T-Mobile US
2) Percentage change based on exact figures
3) Q1/10 figures adjusted for T-Mobile UK
4) Q1/10 figures adjusted for new reporting logic Germany 2011
5) Figures adjusted for discontinued cash card business

Germany: strong profitability growth.



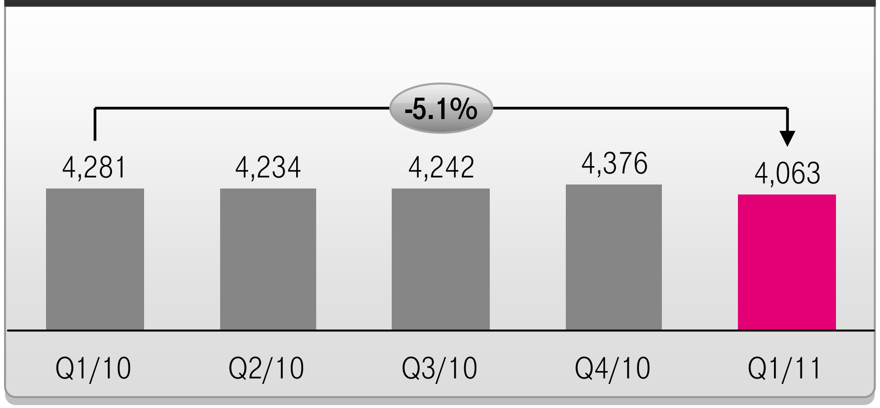




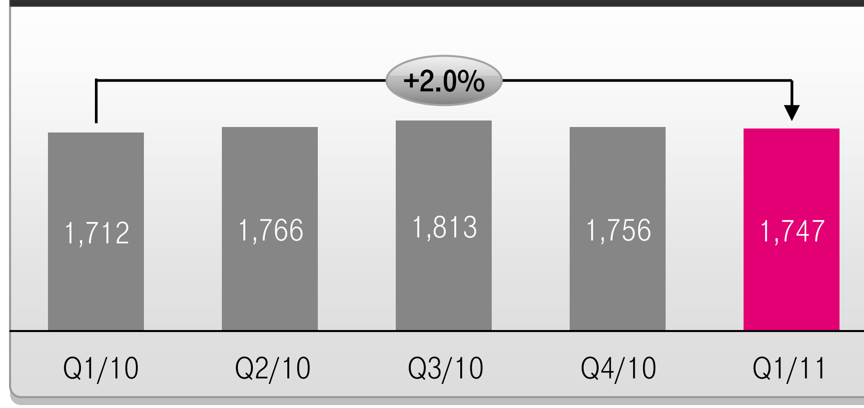


Germany revenue: continued focus on data & TV opportunity.

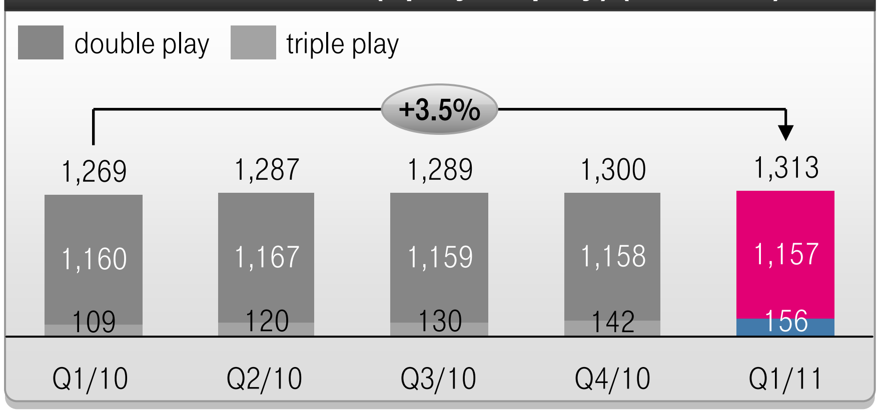
Fixed network revenues (€ million)[1,3]



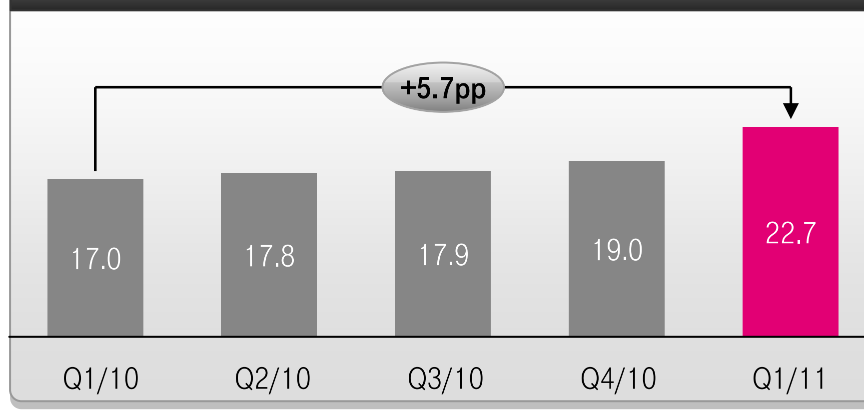
Mobile service revenue[1, 2] (€ million)



Connected Home (2play + 3play) (€ million)[1]

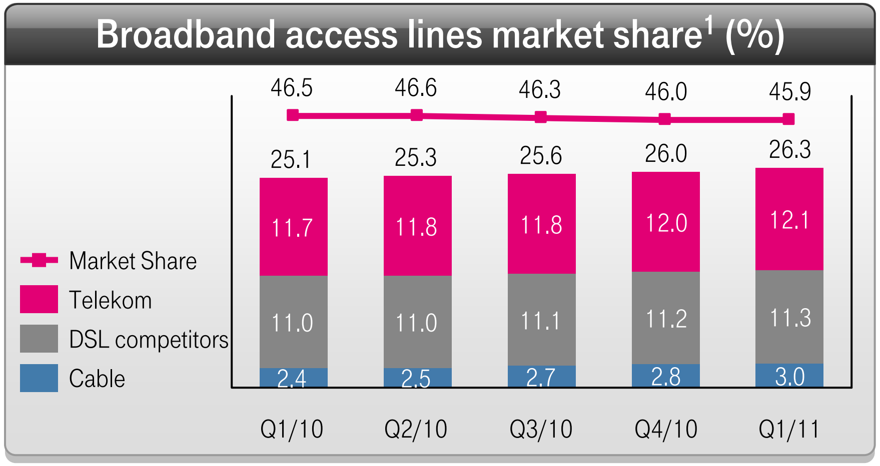


Mobile data % of service revenue

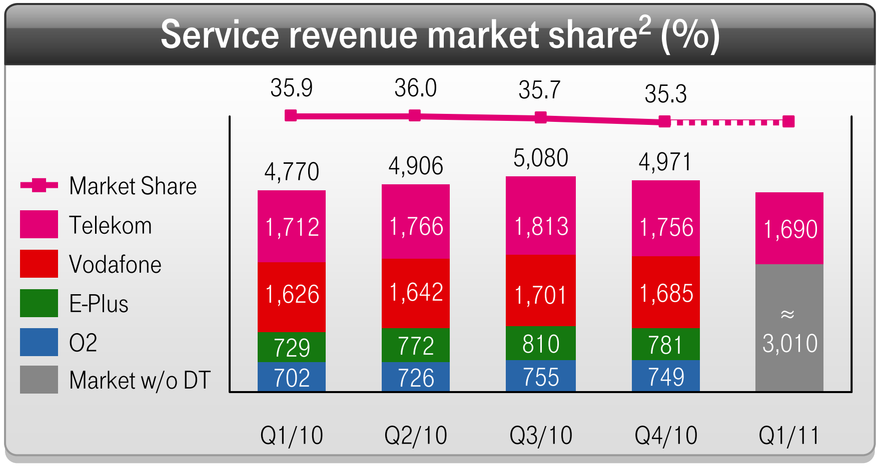


1) Since 1.1.2011 total revenue and service revenue as well as derived KPIs are shown without country-internal revenues as fixed network and mobile communications have been integrated. Prior-year figures are adjusted accordingly on a pro forma basis.
2) Adjusted for the reduction in MTR–rates (€57 million revenue)
3) "Fixed network" revenues includes revenues from fixed network, wholesale services, online consumer services, value-added services and fixed network-related others

Germany: unique market position to target data market segment.



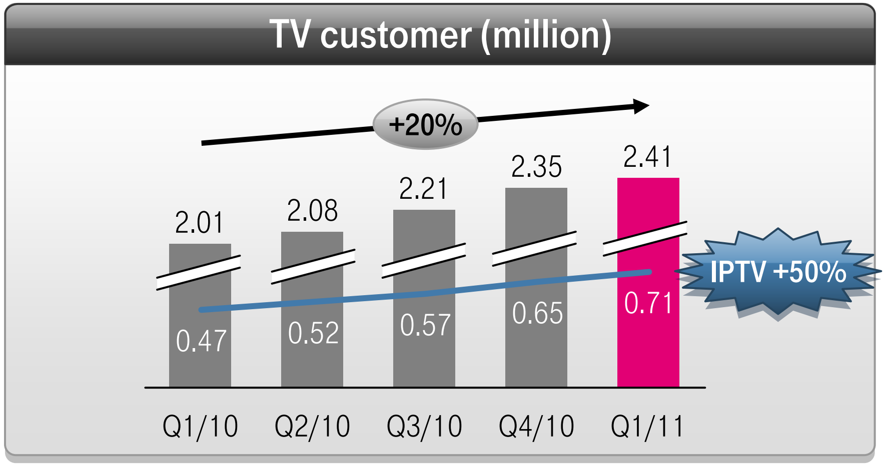
- Retail fiber customers (VDSL) at 403k (+221k yoy)
- Solid IPTV growth continues with +40% (361k) Entertain customers yoy now at 1,257k
- Share of triple play customers increased approx. 3pp to 10.4% of broadband customer base
- Improved line losses of 339k (372k in Q1/10)

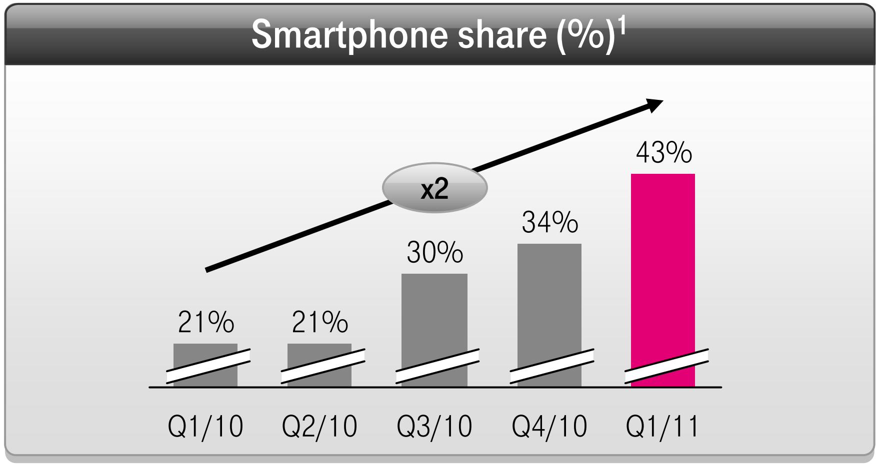


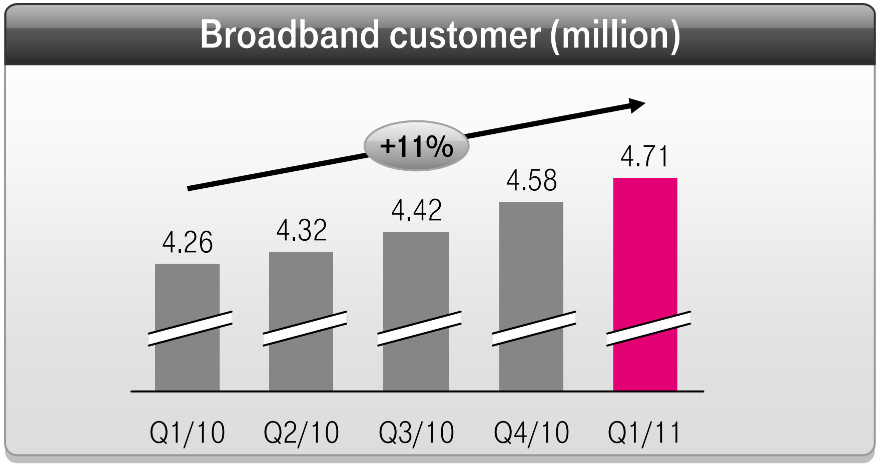
- Strong ramp up in mobile data revenues: €384 million (+32% yoy), due to successful launch of new product portfolio. Approx 1.5 million customers signed a contract, with a double play share of more than 60%
- 58% smartphone share of handsets sold in Q1/11 (+22pp yoy)
- Estimated total mobile market decline due to MTR cut
- MTR impact of €57 million on service revenues in Q1/11

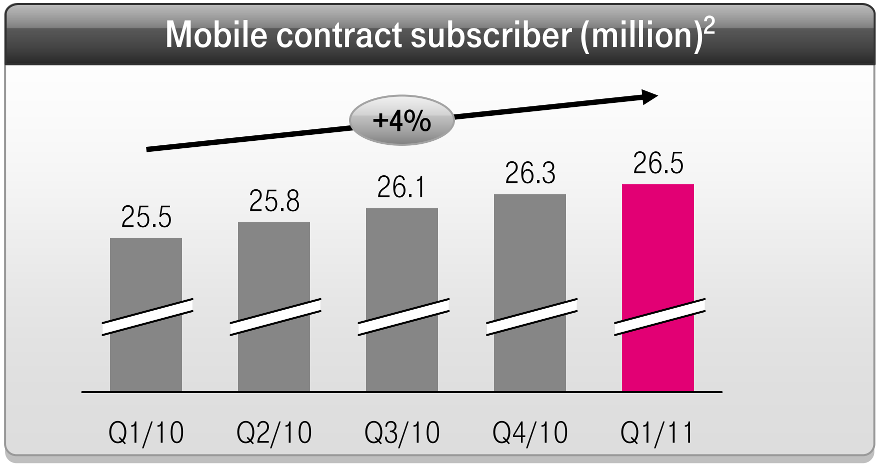
1) Company estimates: Q1/10 and Q2/10 adjusted by one-time item wholesale. Rounded figures. Incl. reseller (competitor resale and resale)
2) Q1/2011 company estimates

Europe – ongoing sustainable growth for future profitability.



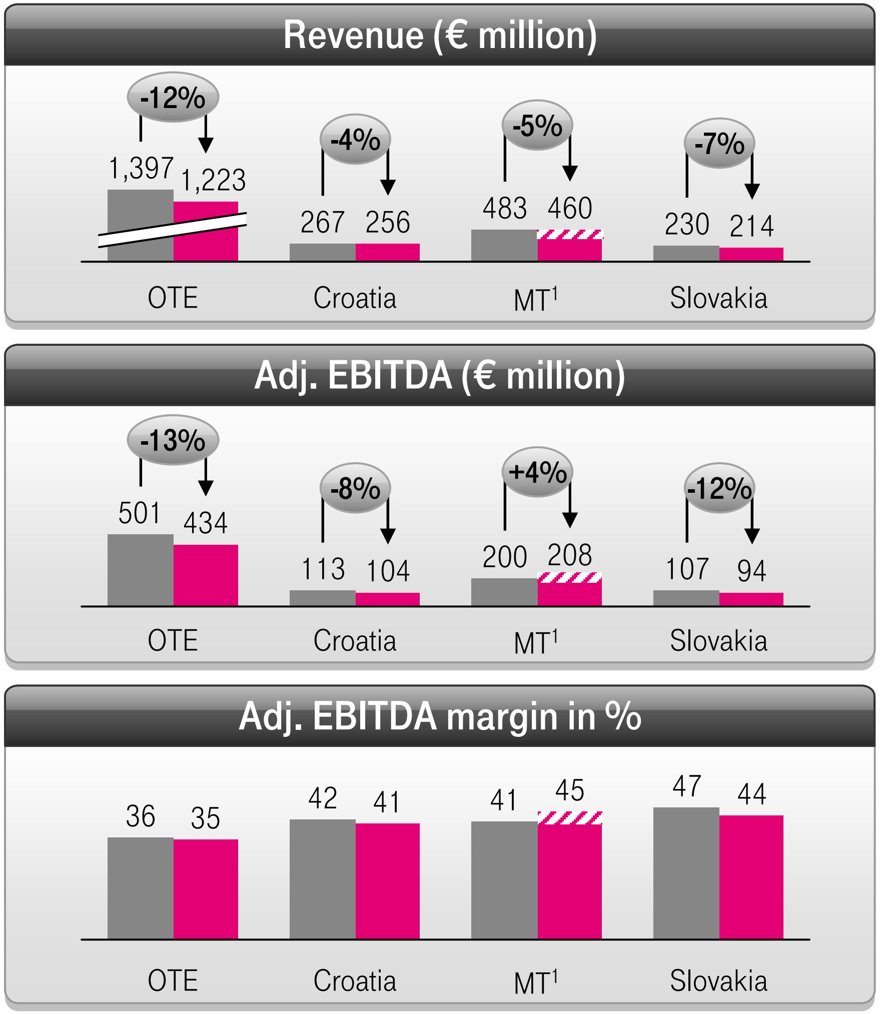






1) Percentage of smartphones in dispatched devices (excl. OTE, Macedonia, and Montenegro)
2) Incl. 429k customers shifted to T-Systems in Hungary as of 1.1.2011

Europe – integrated operations: strong profitability despite economic and regulatory headwind and austerity measures.



OTE:

- Despite challenging regulation no BB losses in Greece. TV subs. exceed 1 million within OTE group up to 1.1 million
- Maintained margin in tough environment

Croatia:

- IPTV +24% up to 310k and ADSL +12% up to 642k, overcompensating line losses (fixed -44k).
- Strong market invest in mobile – iPhone sales more than doubled; decline in mobile revenue partly compensated by fixed network growth

MT:

- TV customers (Sat, Cable, IP) up 14% to 827k yoy in group
- Revenue and EBITDA impacted by €20 million tax in Q1

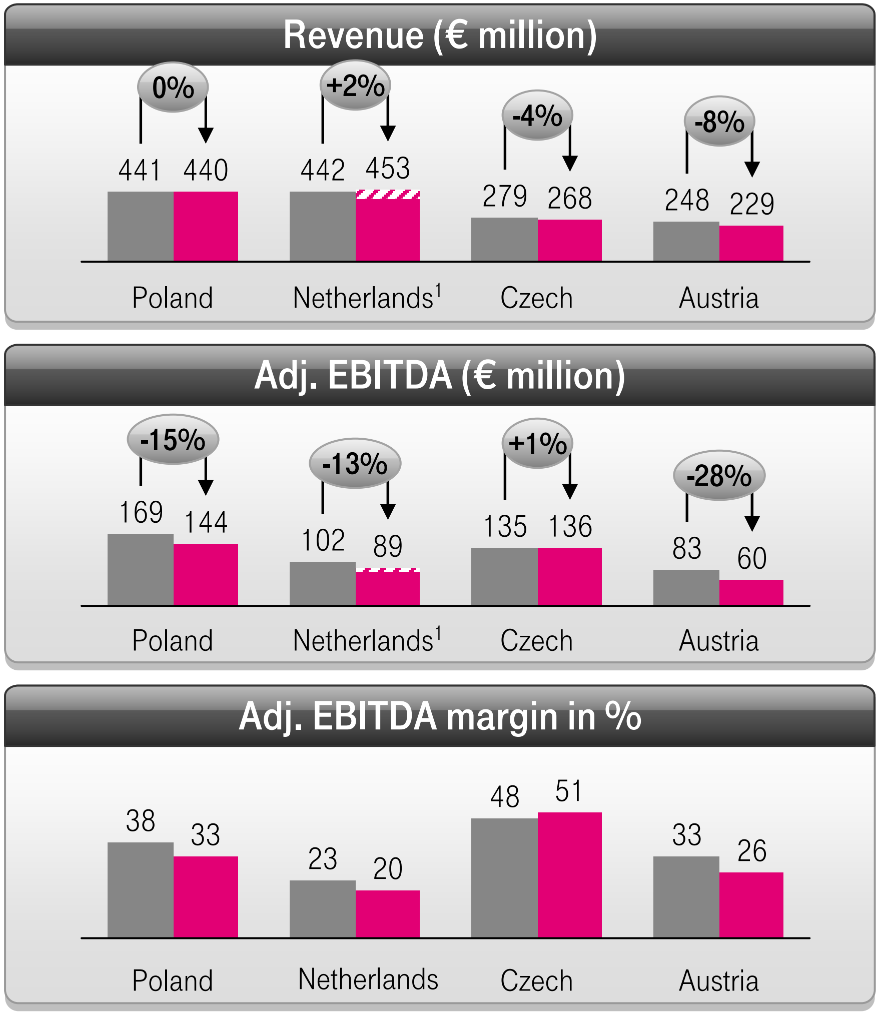
Slovakia:

- TV customers almost doubled yoy: driven by Sat TV, IPTV customers increase of +25%

Q1/10 Q1/11

1) Figures adjusted for special tax in Q1/11 – shaded area illustrates impact: €20 million on revenue and adj. EBITDA, 2pp on margin. Q1/10 figures adjusted for shift of business customers to T-Systems

Europe – mobile centric: front loading of market invest.



Poland:

- Revenue stable despite regulation.
- Attack via smart investment in high-value customers: Smartphone share > 38% – stronger data growth +26%

Netherlands:

- Decline in revenue fully from regulation (MTR -50%), but continued outperformance of incumbent
- Continued mobile data revenue growth of 37% through smart value-centric market invest
- Contract churn at stable 1.3% – contract base up by 13%, outperforming incumbent

CZ:

- Impressive adj. EBITDA margin of 51%
- Adj. EBITDA excl. regulation +3%
- Contract churn at 0.5%, high number of retained customers (242k)

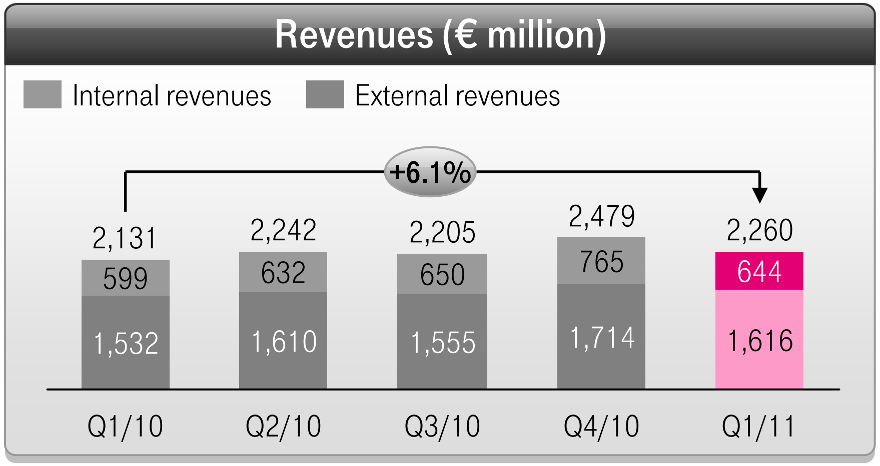
Austria:

- Higher net adds and contract churn below 1%
- 33% non-voice share of ARPU

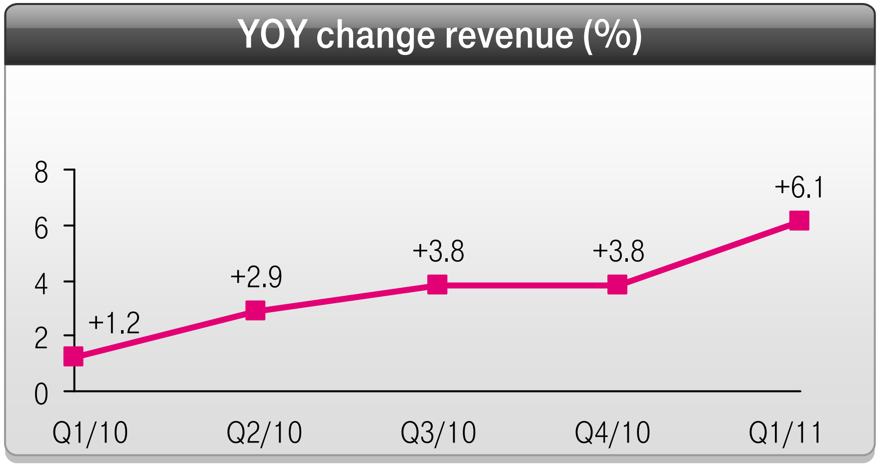
Q1/10 Q1/11

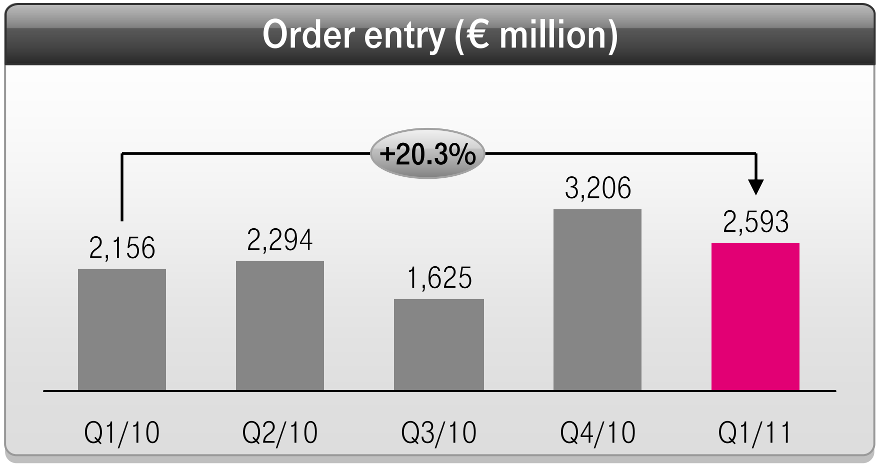
1) Shaded area illustrates regulatory impact on TMNL: €35 million revenue and €7 million EBITDA

Systems Solutions: revenues up 6.1% in Q1/11.

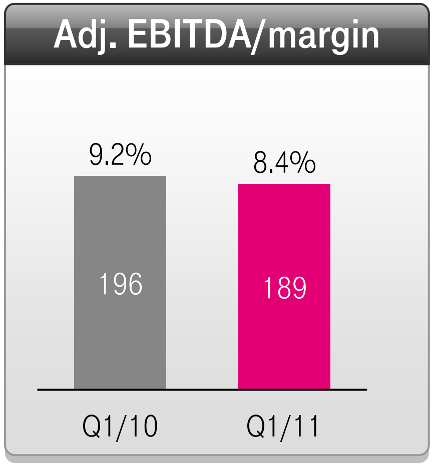


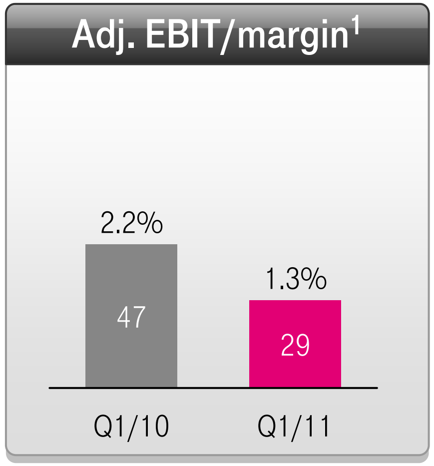
- Strong revenue increase yoy of +6.1 % up to €2,260 million
- External revenues up +5.5% to €1,616 million
- Strong order entry of €2,593 million due to deals such as
  - Everything Everywhere
  - Fraport
- Voltaris – first significant smart metering deal



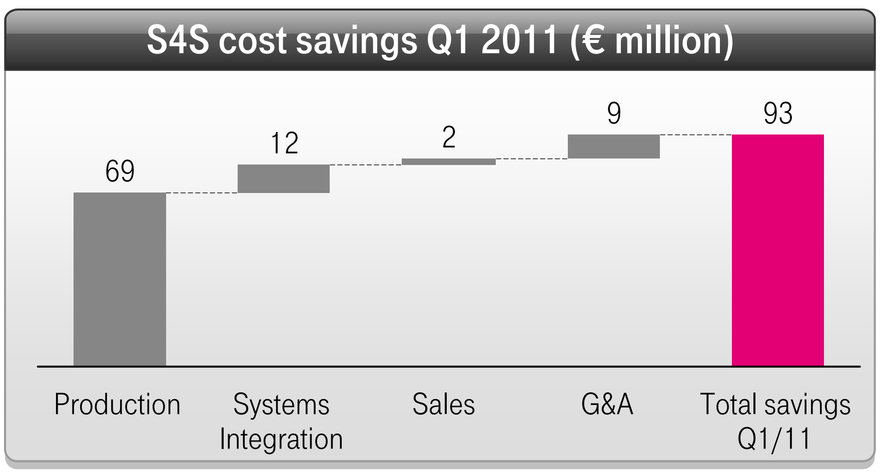


Systems Solutions : Q1 margins impacted by higher transformation costs.



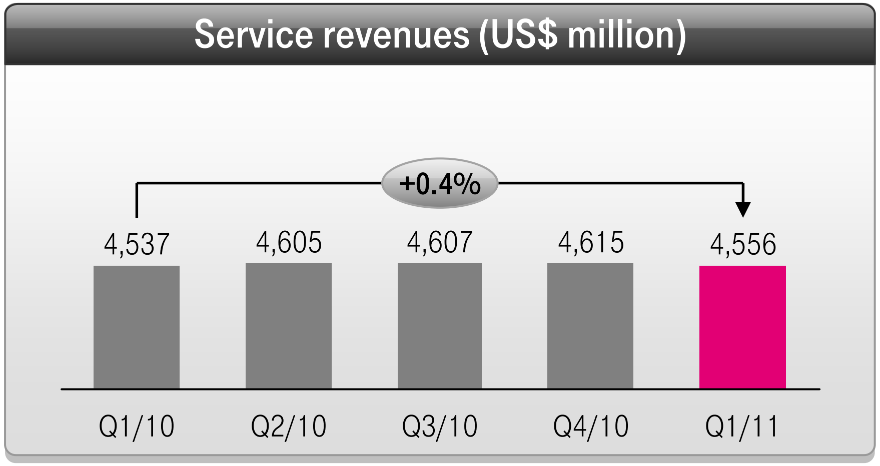


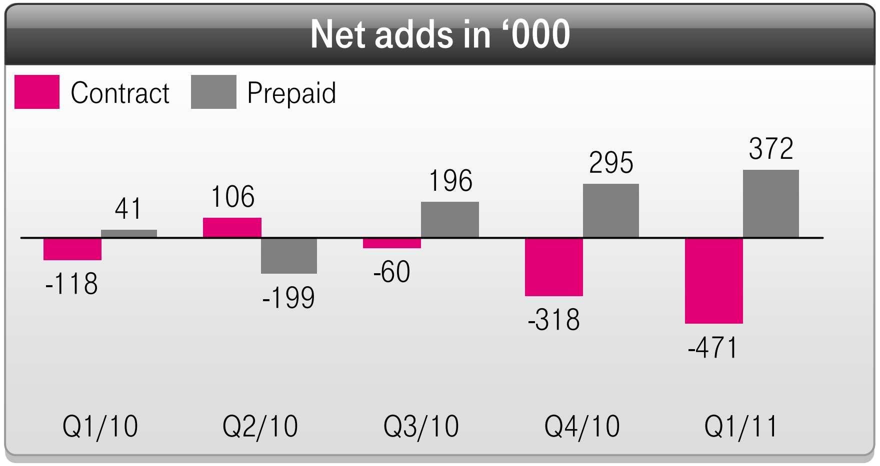
- Adj. EBITDA slightly down to €189 million with a margin of 8.4%
- Higher transformation costs for new contracts and to safeguard quality in deals
- Adj. EBIT margin in Q1/11 down to 1.3% from 2.2% in Q1/10
- Higher depreciation and amortization due to extended investments in 2010

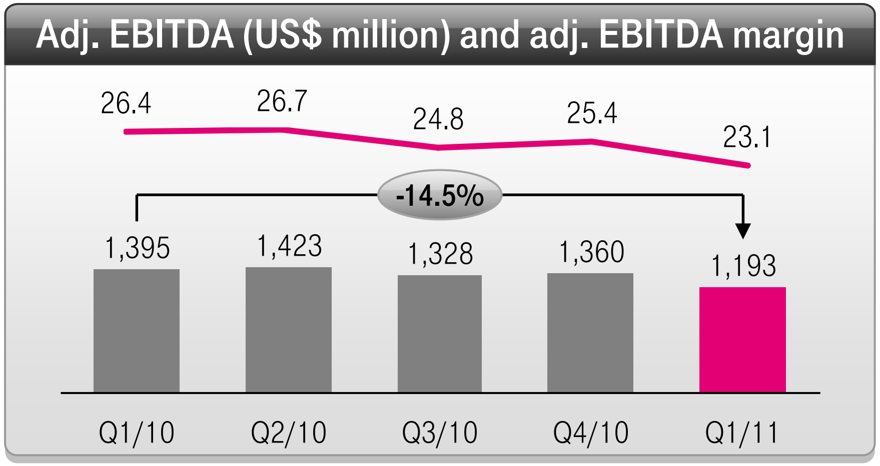


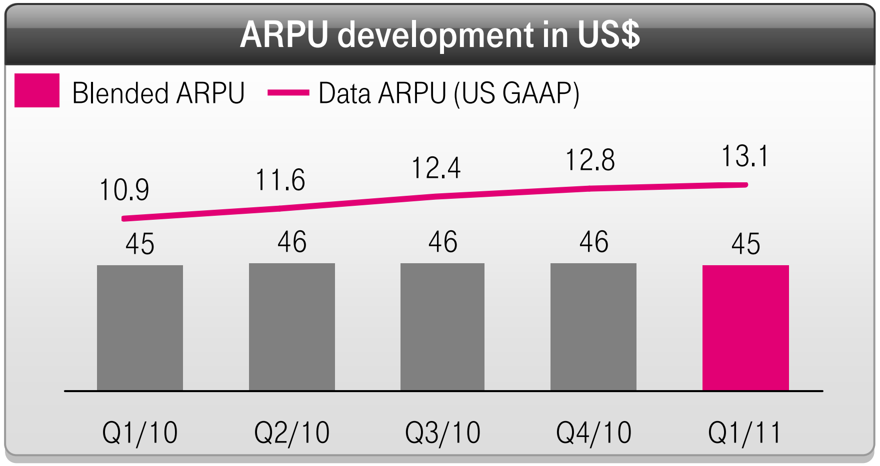
- €0.1 billion Save for Service contribution in Q1 2011
  - Improvements on global production setup, sourcing improvements, production platform optimization, reduction of freelancer costs
  - At Systems Integration focus on Next Generation products, test services and innovations as well as freelancer reduction and sourcing optimization
  - Optimization of Sales Operations and organizational setup for international growth
  - Internal optimization and standardization at G&A

US: continued revenue stabilization and strong data ARPU.



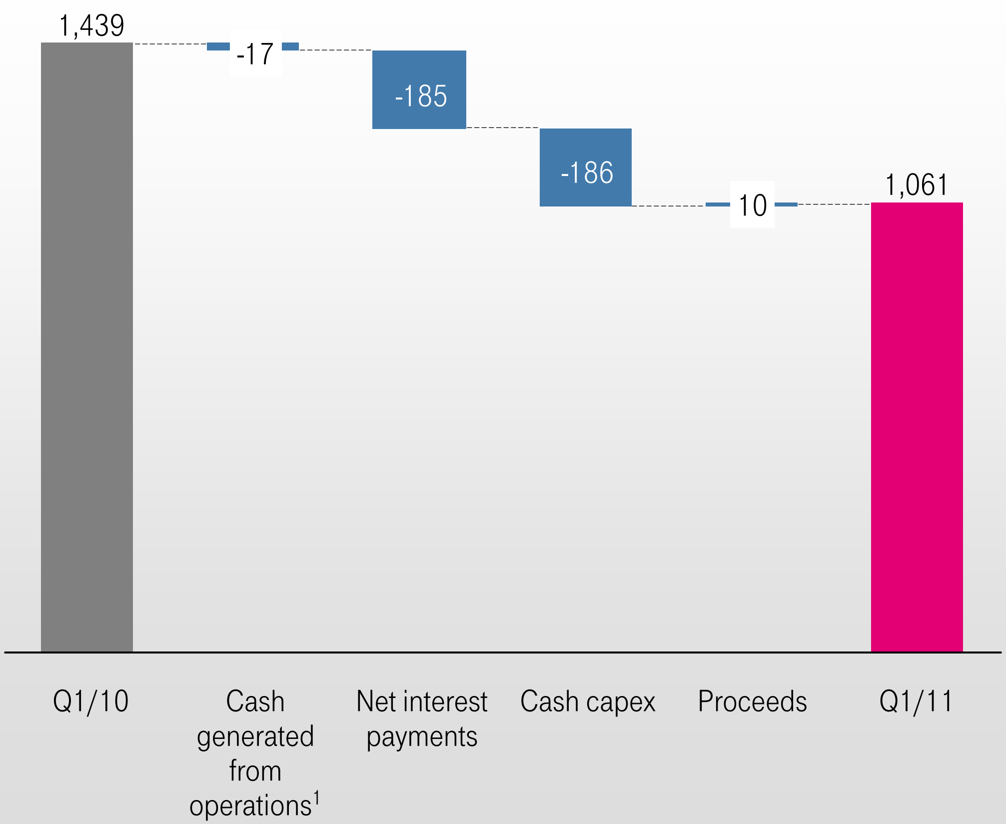






Free cash flow: full year guidance confirmed – Q1 impacted by different seasonality of interest payments and cash capex.

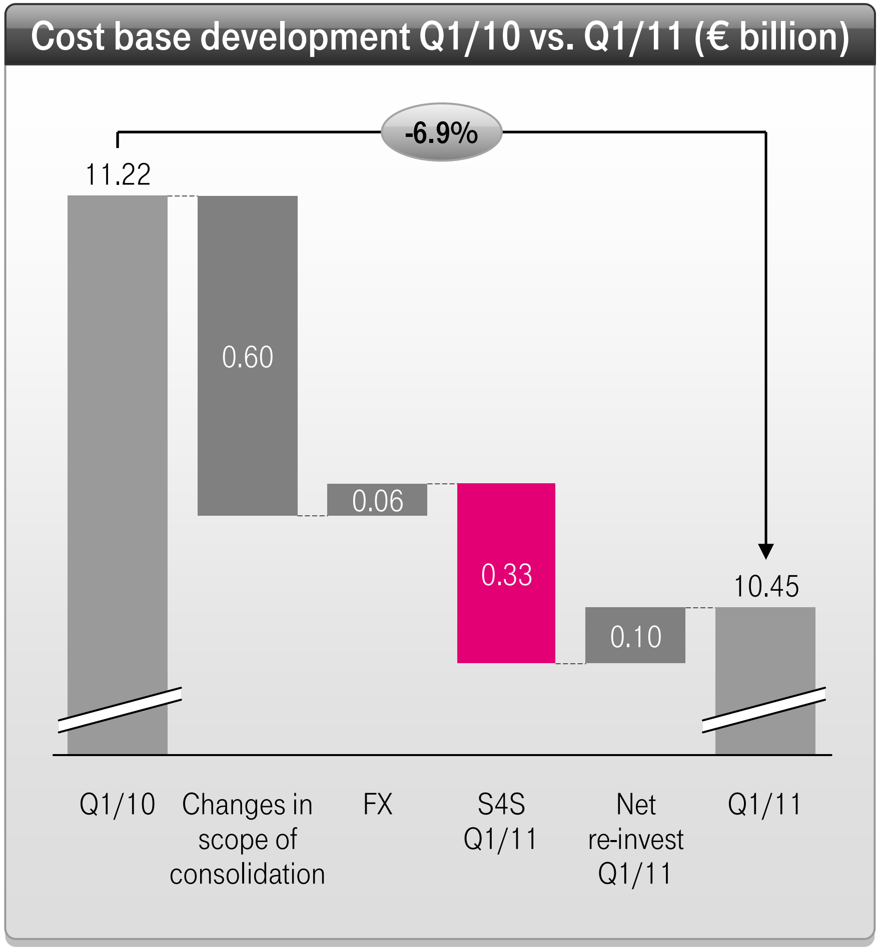
Development of free cash flow Q1/11 over Q1/10 (€ million)



- Guidance of slightly growing to stable free cash flow over 2010 level of €6.5 billion confirmed
  - Cash flow generated from operations stable over last year (excl. €400 million for PTC settlement)
  - Higher level of interest payments and capex in Q1/11 will be balanced out in the upcoming quarters

1) Excl. €400 million for PTC settlement booked as change in other liabilities carried as working capital liabilities

Q1 2011 Save for Service results.



Contribution by business unit (€ million)	Q1/11 Realized
Germany	134
USA	52
Europe	55
Systems Solutions	93
GHS	-
DT Group	**334**

- Savings realized in Q1 of €334 million results in run-rate total of €2.7 billion so far. 2010-12 target of €4.2 billion remains unchanged
- Net reduction of DT cost base by 6.9% (€0.7 billion) on corporate level, net OPEX savings in:
  - Germany €280 million
  - Europe €165 million (excl. UK)

Ongoing solid balance sheet ratios and improved rating outlook.

in € billion	31/03/2011	31/12/2010	30/09/2010	30/06/2010	31/03/2010
Balance sheet total	**123.2**	**127.8**	**127.8**	**132.8**	**130.8**
Shareholders' equity	42.7	43.0	43.4	44.8	44.3
Net debt	41.8	42.3	43.7	46.3	40.4
Net debt/adj. EBITDA[1]	2.2	2.2	2.2	2.3	1.9
Gearing	1.0x	1.0x	1.0x	1.0x	0.9x
Equity ratio	**34.6%**	**33.7%**	**33.9%**	**33.7%**	**33.9%**

Comfort zone ratios	
2 - 2.5x Net debt/adj. EBITDA	✓
25 - 35% Equity ratio	✓
Gearing: 0.8 to 1.2	✓
Liquidity reserve covers redemption of the next 24 months	✓

Current Rating			
Fitch:	**BBB+**	positive outlook	✓
Moody's:	**Baa1**	watch positive	✓
S&P:	**BBB+**	positive outlook	✓
R&I:	**A**	stable outlook	✓

1) Calculation based on adj. EBITDA of last four quarters

Q&A - Please press “*1” to ask a question.

René Obermann
CEO

Timotheus Höttges
CFO

Thank you for your attention!