Deutsche Telekom Investor Day.
Southern & Eastern Europe.

March 18, 2010
Guido Kerkhoff

Life is 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, 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.

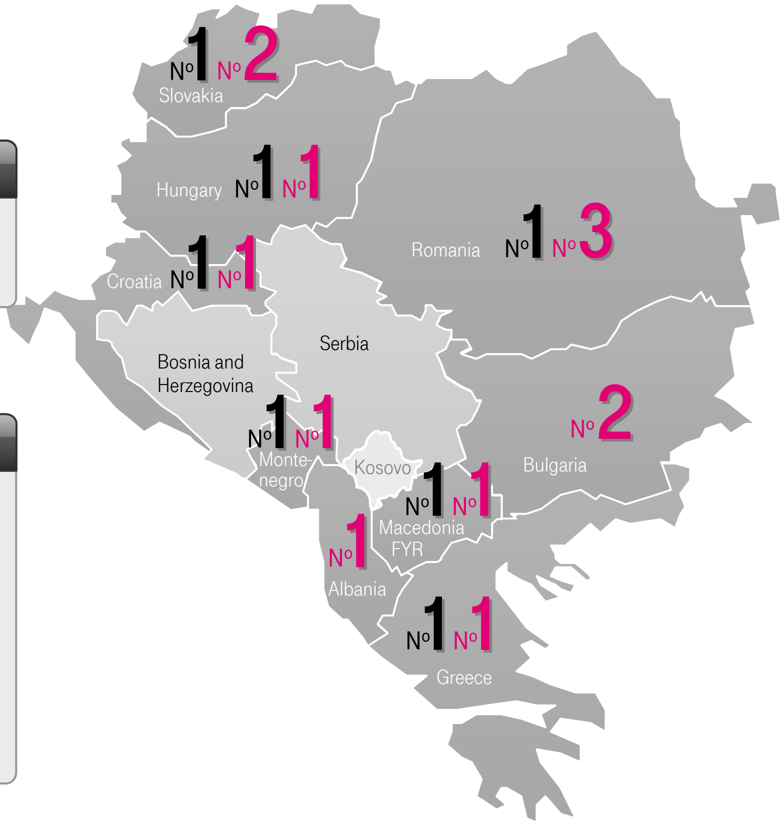
Impressive footprint in Southern and Eastern Europe.

The Region

- 9 countries
- Population of > 65 mn

Customer Figures 2009

- Fixed Network Access lines: 11.9 mn
- Broadband Access lines:
  3.8 mn, thereof retail 3.5 mn
- IPTV 425k customers, TV total 1.9 mn
- Mobile: 34.6mn customers:
  More than 50% of SEE population
  is a DT mobile customer



Top Market Position

Fixed: 7 x Nº 1

Mobile: 6 x Nº 1
2 x Nº 2
1 x Nº 3

Financials 2009

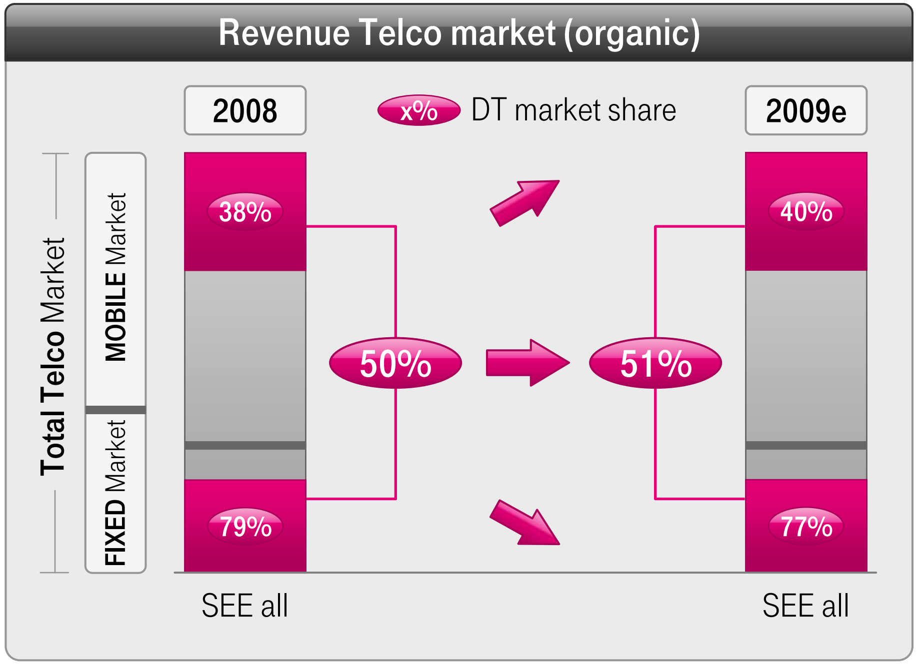
- **€9.7 bn revenues**
  15% of Group Revenues
- **€3.8 bn adj. EBITDA**
  19% of Group EBITDA

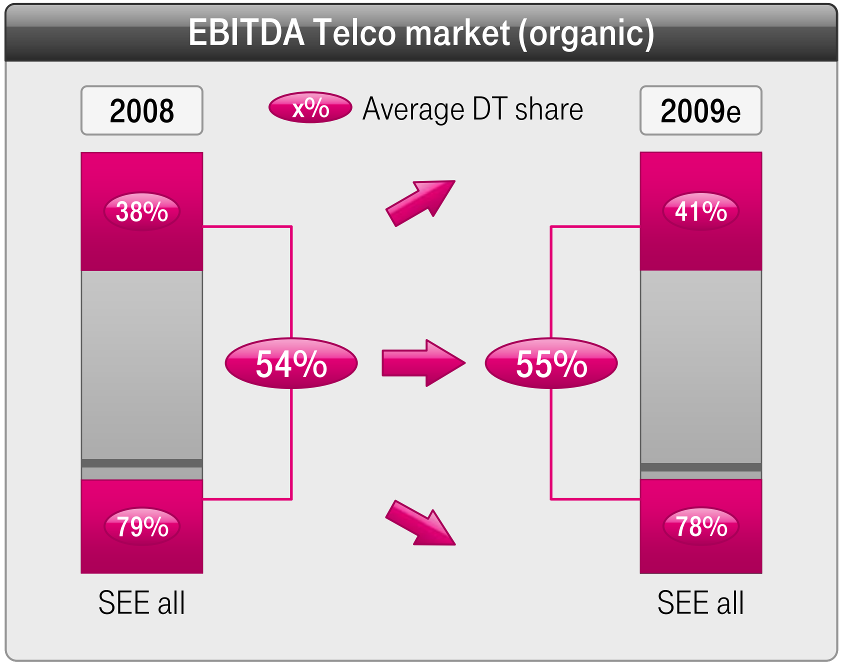
High Profitability

- **40% adj. EBITDA Margin**
  2009 at > 43% w/o OTE

1) By customer numbers. Source: company reports, in Bulgaria DT estimate due to lack of public data.

Strong market position translating into high profitability.





1) DT revenues: only core markets (connectivity markets); organic = FX-adjusted; Source: BCG market Data.

Content.

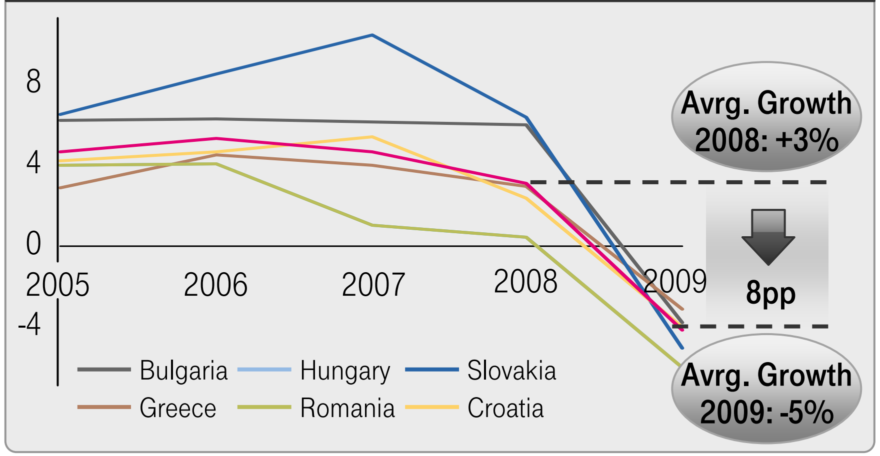
Macroeconomics/
competitive situation

SEE's Strategy
Implementation Program

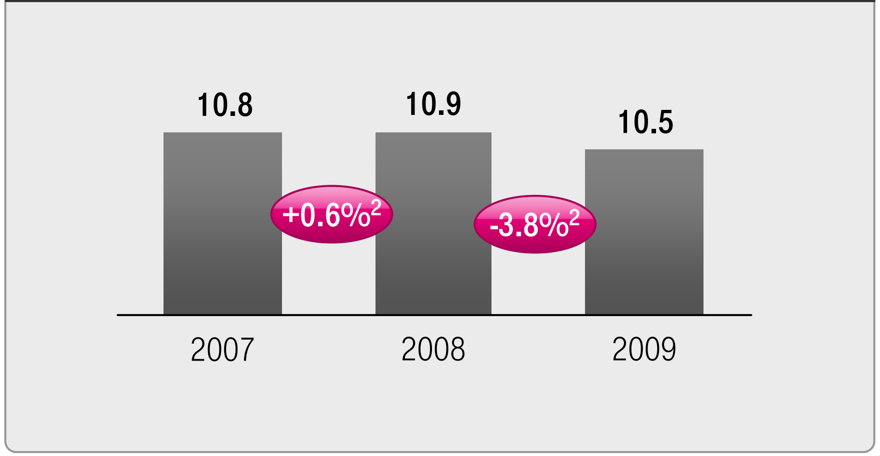
SEE
Country-by-Country
overview

Macroeconomic Situation.

GDP Growth 2005-2009[1]



Organic revenues 2007-2009[2]



- 2008: Stable revenues in times of growth
- 2009: only 3.8% revenue decline at an average drop of 8pp in GDP growth

1) Source BCG-Analysis
2) FX-adjusted on average 2007 F/X rates; OTE proforma estimate incl. January 2009

Challenges through fierce competition in different areas.

Content.

- Macroeconomics/ competitive situation
- SEE's Strategy Implementation Program
- SEE Country-by-Country overview

SEE's Fix – Transform – Innovate strategy implementation program.

	TRANSFORM		INNOVATE	
DTAG Strategy	**Leverage One Company in integrated assets**	**Build networks and processes for the Gigabit Society**	**Connected Life across all screens**	**Connected Work with unique ICT solutions**
Measures	1 Customer life time value 2 Channel mix & differentiate service 3 **Customer centric organization** 4 Platforms consolidation 7 **Drive cost efficency**	5 **Optimize access strategy** 6 Align wholesale approach 7 **Drive cost efficiency**	8 **Leverage three screens** 9 Defend price premium 10 Grow beyond core	11 Business customer segment 9 Defend price premium 10 Grow beyond core

SEE's Fix – Transform – Innovate strategy implementation program.

	TRANSFORM		INNOVATE	
DTAG Strategy	Leverage One Company in integrated assets	Build networks and processes for the Gigabit Society	Connected Life across all screens	Connected Work with unique ICT solutions
Measures	1 Customer life time value 2 Channel mix & differentiate service **3 Customer centric organization** 4 Platforms consolidation **7 Drive cost efficency**	**5 Optimize access strategy** 6 Align wholesale approach **7 Drive cost efficiency**	**8 Leverage three screens** 9 Defend price premium 10 Grow beyond core	11 Business customer segment 9 Defend price premium 10 Grow beyond core

Integration nearly completed in SEE ex OTE subsidiaries.

- **Hungary** March 2006 ✓
- **Montenegro** May 2009 ✓
- **Croatia** Jan. 2010 ✓
- **Slovakia** July 2010 ✓
- FYRO[1] **Macedonia** Mid 2010

New integrated structure

	Fixed Business / Mobile Business
Sales:	▪ Integrated own shop network ▪ Systematic development of an integrated online platform
Customer Service and Self Service:	▪ Operational excellence in customer service, including multi skilled agents for fixed and mobile
Value Based steering:	▪ Optimization of sales channel mix (short and long term) ▪ Integrated sales commission system
Bundle Products and FMC:	▪ Dedicated bundles for specific customer demand ▪ Discount offerings

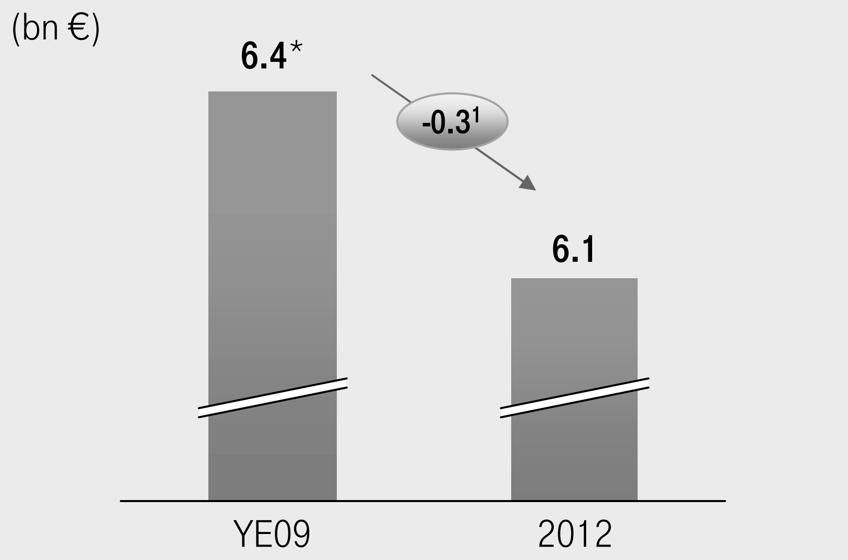
1) Former Yugoslavian Republic of Macedonia

SEE's Fix – Transform – Innovate strategy implementation program.

	TRANSFORM		INNOVATE	
DTAG Strategy	Leverage One Company in integrated assets	Build networks and processes for the Gigabit Society	Connected Life across all screens	Connected Work with unique ICT solutions
Measures	1 Customer life time value 2 Channel mix & differentiate service 3 **Customer centric organization** 4 Platforms consolidation 7 **Drive cost efficiency**	5 **Optimize access strategy** 6 Align wholesale approach 7 **Drive cost efficiency**	8 **Leverage three screens** 9 Defend price premium 10 Grow beyond core	11 Business customer segment 9 Defend price premium 10 Grow beyond core

Save4Service@SEE: Reduction of SEE cost base by € -0.3 bn.

OPEX SEE 2010-2012



Measures

- Adjusted **net savings:** €0.3 bn[1]
- **Gross savings** volume: €0.5 bn
- Bundling of regional efficiency initiatives in **3 overarching program streams**
  - Sales/marketing/channel mix (25%)
  - Network/IT/field services (25%)
  - End-to-end processes & other (50%)
- **Reinvest** to **strengthen competitiveness** and realize growth according to local market strategy

* Adjusted for € +0.5 bn M&A effects: mainly OTE Group fully consolidated from Feb. 2009, Zapp (Romania) fully consolidated from Nov. 2009, PosAm fully consolidated from February 2010.

Measures identified in three areas of focus.

Sales/Marketing/Channel mix	Network Techn./IT/Field Service	End2End–Processes & other
▪ Consolidation of shop presence ▪ Enhance role of procurement to decrease spending for advertisement & agency costs ▪ Renegotiations of Customer Premise Equipment and handsets ▪ CRM systems consolidation	▪ Field technicians – optimization of field work force & variable salaries ▪ Optimize SLAs without jeopardizing network availability and quality ▪ TV: Joint content, middleware and settop box negotiations ▪ CRM systems consolidation	▪ Focus on roll-out e-Bill ▪ Consolidation of customer services, (e.g. larger scale call centers) ▪ Regional best practice for reducing bad debt ▪ Real estate ▪ Fleet services
25%	25%	50%

Total gross savings € 0.5 bn

SEE's Fix – Transform – Innovate strategy implementation program.

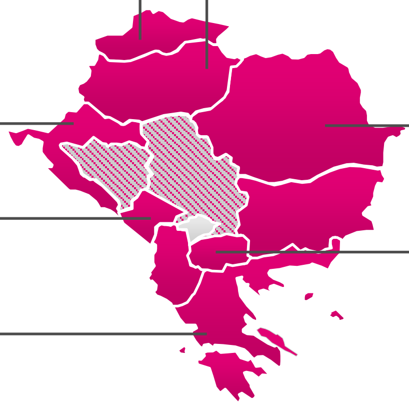
	TRANSFORM		INNOVATE	
DTAG Strategy	Leverage One Company in integrated assets	Build networks and processes for the Gigabit Society	Connected Life across all screens	Connected Work with unique ICT solutions
Measures	1 Customer life time value 2 Channel mix & differentiate service 3 **Customer centric organization** 4 Platforms consolidation 7 **Drive cost efficency**	5 **Optimize access strategy** 6 Align wholesale approach 7 **Drive cost efficiency**	8 **Leverage three screens** 9 Defend price premium 10 Grow beyond core	11 Business customer segment 9 Defend price premium 10 Grow beyond core

Fiber rollout: more than 500,000 homes passed.

Slovakia
- Fiber coverage 315,000 homes
- DSL coverage > 60% of homes

Croatia
- Fiber rollout started in 2009
- DSL coverage > 95% of homes

Hungary
- Fiber coverage 170,000 homes
- DSL coverage > 80% of homes



Montenegro
- Fiber rollout started end of 2009
- DSL coverage > 70% of homes

Romania
- Fiber coverage 5,200 homes
- DSL coverage > 35% of homes

Greece
- 2010 start of VDSL/FTTC rollout
- DSL coverage > 90% of homes

FYRO Macedonia
- Fiber coverage 6,000 homes
- DSL coverage > 30% of homes

Coverage as of YE2009. Fiber: homes passed; xDSL: technical availability.

Mobile broadband development in SEE.

Recent 3G Network

DT's 3G coverage*

Greece	> 87%
Hungary	> 55%
Croatia	> 57%
Slovakia	> 14%/>77% F-OFDM
Macedonia	> 53%
Montenegro	> 70%
Romania	> 55%
Bulgaria	> 69%
Albania	no 3G licence yet

Next Generation Mobile Network

Drivers

1) Demand
- Rapidly growing demand for mobile data
  - ➡ Increase speed & capacity with NGMN

2) Competitiveness
- Drastic cost-performance ratio improvement
  - ➡ Reduce network costs by less complex flat all-IP network architecture

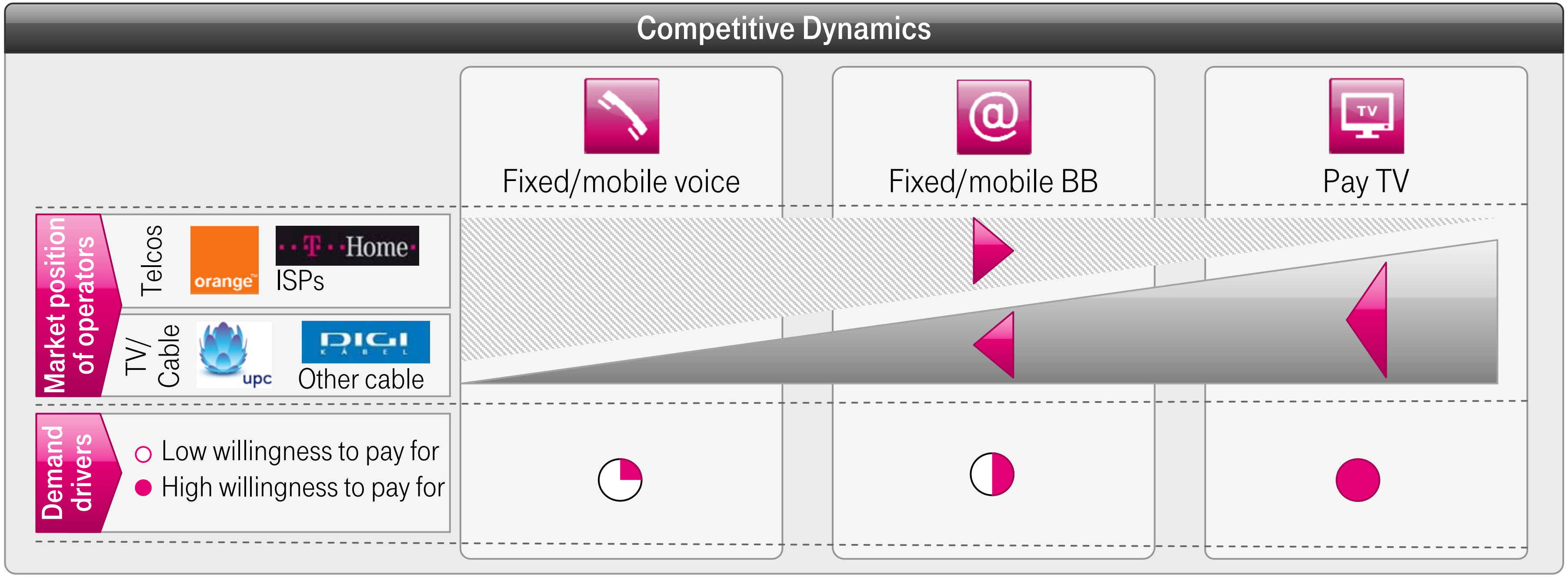
Rollout in SEE
- Group-wide coordination
  - Common spectrum strategy
  - Common strategic supplier decision and rollout plan
- Ongoing LTE showcases and trials in 2010
- Start of implementation in 2011/12 onwards

* Area coverage excl. unpopulated areas with no inhabitants.

SEE's Fix – Transform – Innovate strategy implementation program.

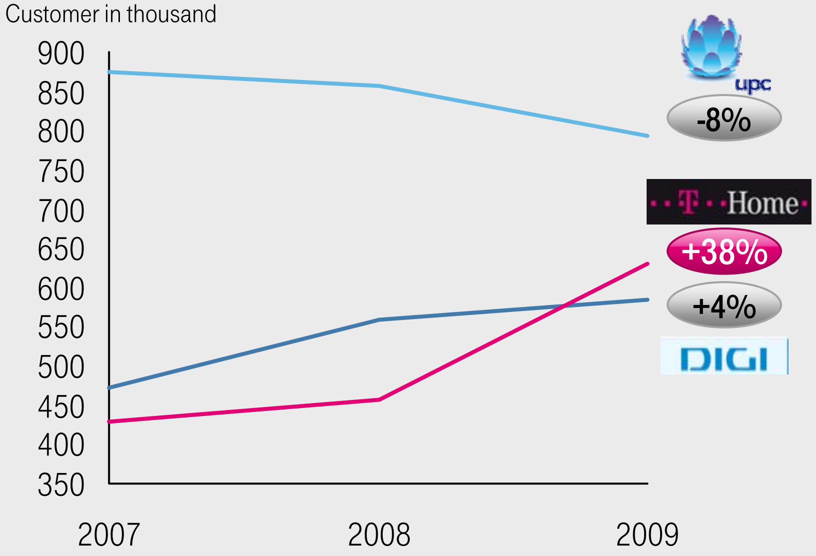
DTAG Strategy	TRANSFORM		INNOVATE	
	Leverage One Company in integrated assets	**Build networks and processes for the Gigabit Society**	**Connected Life across all screens**	**Connected Work with unique ICT solutions**
Measures	1 Customer life time value 2 Channel mix & differentiate service 3 **Customer centric organization** 4 Platforms consolidation 7 **Drive cost efficency**	5 **Optimize access strategy** 6 Align wholesale approach 7 **Drive cost efficiency**	8 **Leverage three screens** 9 Defend price premium 10 Grow beyond core	11 Business customer segment 9 Defend price premium 10 Grow beyond core

To compete effectively in the future, TV is a must have.



Positive impact of TV: case study Hungary.

Strong Growth Momentum



TV Key for Upselling and Retention

- **Customer growth:**
  Captured # 2 market position.
- **Upselling into bundles:**
  More than 2/3 of TV customers subscribe for at least one other service.
- **Retention/Churn reduction:**
  2% of TV customers with voice subscription intend to churn vs. 8% of voice only customers services.

Sources: company data

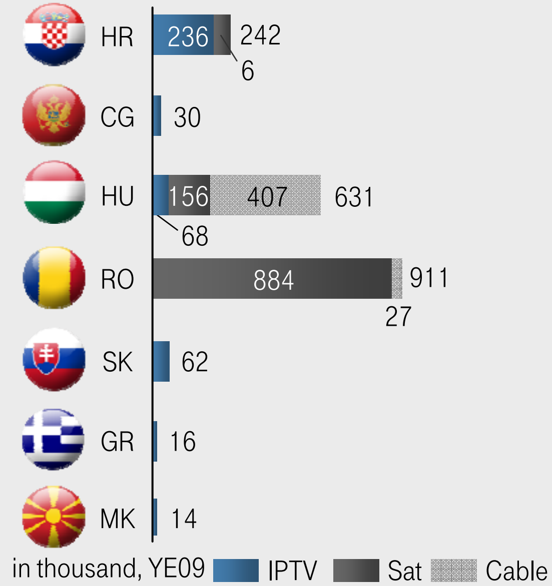
Significant differences in proposition maturity and access technology.

SEE footprint

TV

	Penetration*	Market Shares*
HR	40%	36%
CG	56%	26%
HU	85%	25%
RO	79%	15%
SK	62%	5%
GR	14%	4%
MK	31%	2%

Customers



* Company data, management estimates; YE2009; overall TV market, across all technical methods

With IPTV, and Satellite, DT Group offers digital TV everywhere. Case study: Magio TV in Slovakia.

Magio Fiber: € 22 DSL: € 12 + € 7.95

Fiber or ADSL2+/VDSL: IPTV

Magio DSL: € 12 + € 7.95

ADSL: Hybrid Satellite

Magio € 7.95

No Broadband: Satellite

- Streamed VoD
- PC/Mobile remote control

- Interactive Magio Portal (Web-on-TV)

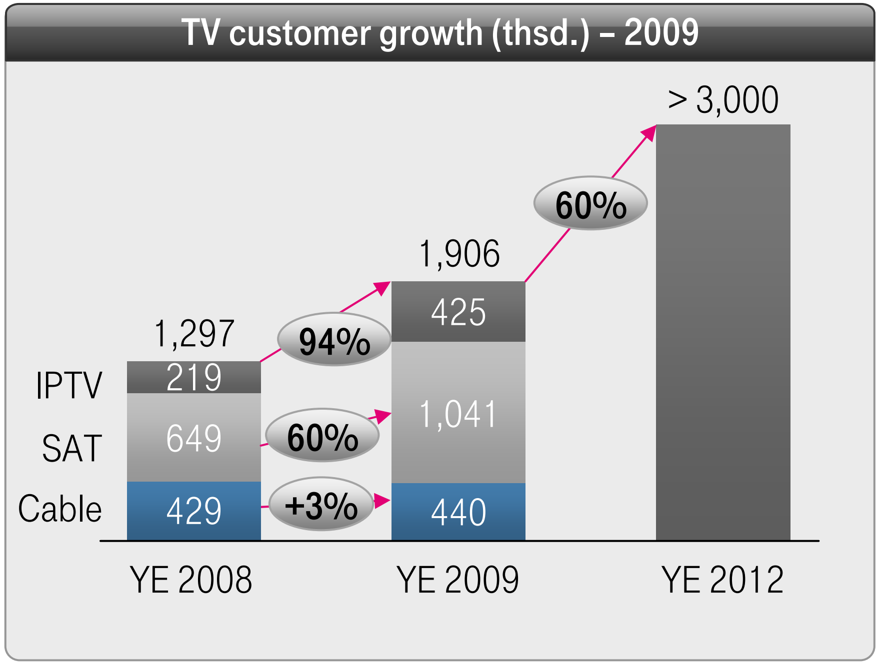
- Standard and HD Broadcast TV with Basic and Premium channel packages
- Hard Disk based PVR and Time Shift TV
- Basic Electronic Program Guide (EPG) for broadcast channels

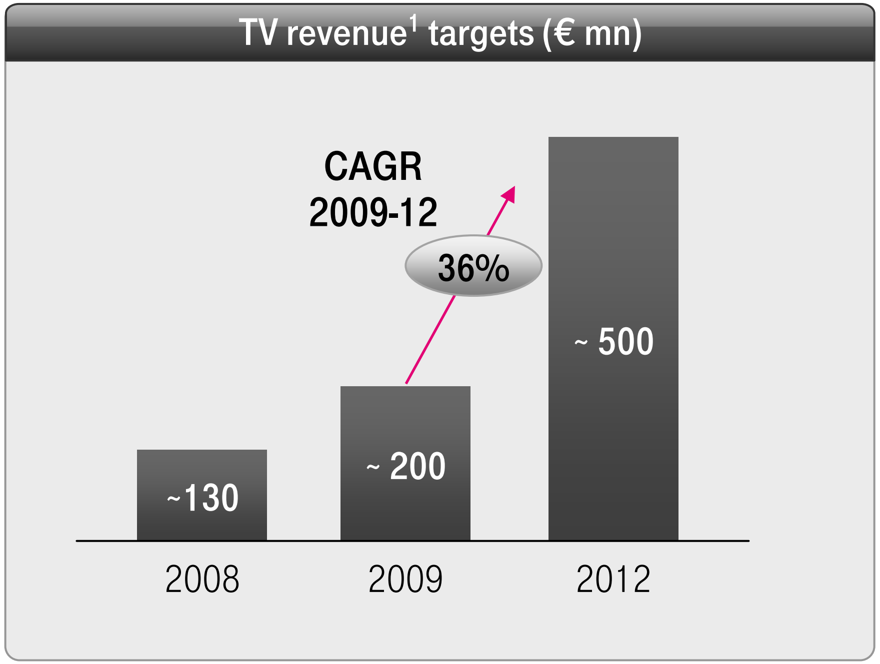
IP Settop Box

Hybrid Settop Box and Dish

Satellite Settop Box and Dish

Large – and growing: DT Group TV business in SEE.

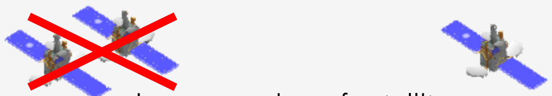




1) Total TV revenues, IPTV mainly incl. access revenues (retention & up-selling effects)

Slovakia/Hungary case study: Sat cooperation leveraging significant synergies.

Synergy Potential



Lower number of satellites

1 Head Uplink for 2 countries

Overlapping Content

Identical Hardware

Impact

- **Sat bandwith cost** savings of approximately **30%**
- Slovak Telekom to **outsource Head End operations** to Magyar Telekom (1 operation)
- **Economies of scale due to** joint content and hardware sourcing
- **Know how sharing** due to increased collaboration

Content.

Macroeconomics/
competitive situation

SEE's Strategy
Implementation Program

SEE
Country-by-Country
overview

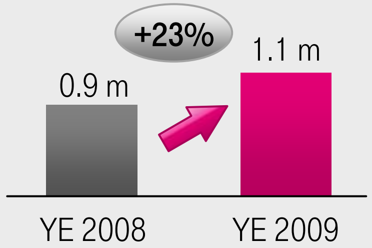
Greece.

Strategic focus 2010 to 2012

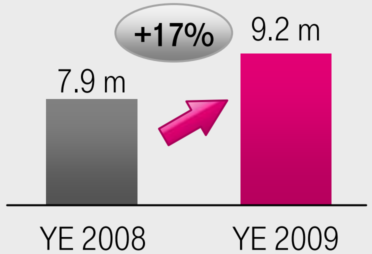
- Efficiency: realize DTAG synergies with SEE Strategy Implementation Program and increase profitability in line with S4S
- TV: Push via DSL and satellite to retain telco customers and create new revenue streams
- Mobile data: introduce new services and create new revenue streams
- Business customer: build-up B2B/ICT operations
- Network: further DSL and 3G rollout to ensure leading position in the fast growing broadband market
- Improve processes and enhance operational excellence
- Continue with successful differentiation strategy

Highlights 2009

Fixed broadband access lines retail



Mobile customers



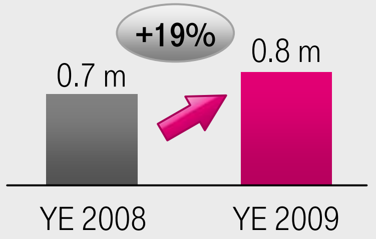
Romania.

Strategic focus 2010 to 2012

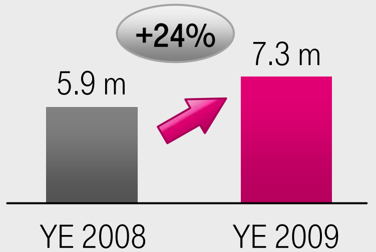
- Efficiency: realize DTAG synergies with SEE Strategy Implementation Program and increase profitability in line with S4S and maximize synergies from Zapp acquisition
- Mobile broadband: utilize 3G license from Zapp to enter mobile broadband market
- TV: further push offers to capture leadership position in broadband and TV market
- Network: continue with broadband network rollout and introduce low cost fiber offers (2nd Brand, NextGen)
- Business customer: build-up B2B/ICT operations
- Network: further 3G roll out

Highlights 2009

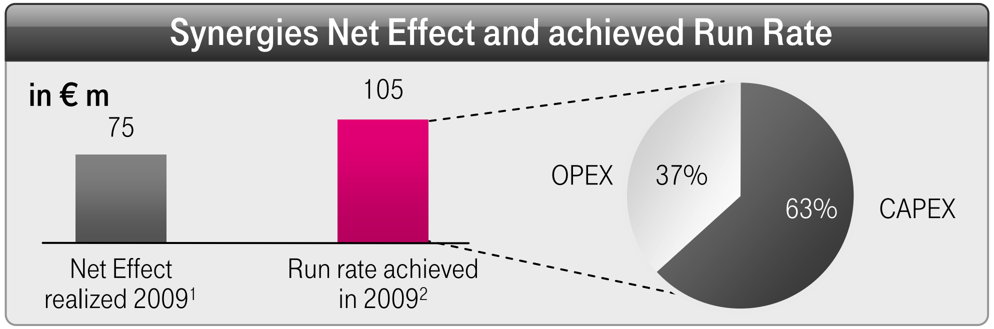
Fixed broadband access lines retail

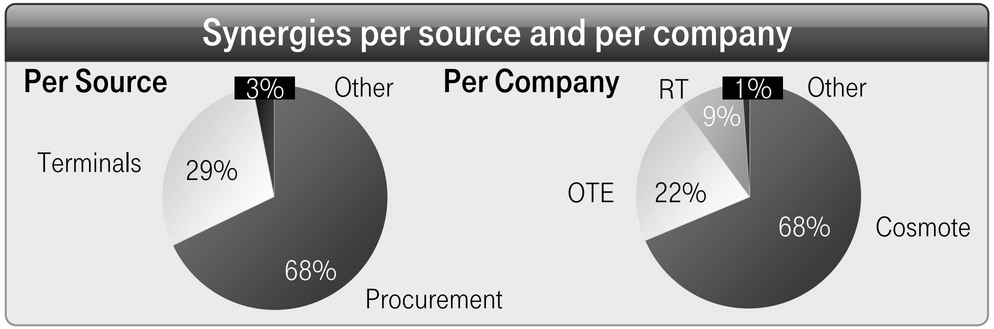


Mobile customers



OTE Synergies 2009 –Overachievement on run rate driven by Procurement & Terminals.





- Cosmote: Synergies 60% in CAPEX & 40% in OPEX
- OTE fixed-line: Synergies nearly 100% in CAPEX
- Procurement projects with highest synergy impact driven by Cosmote, e.g. "wireless access" totaling to €36 m and "core & control" €14 m
- Terminals: Significant hand set price reductions for Cosmote achieved as a result of a common portfolio selection process between DT and Cosmote

1) Net Effect = Net effect of implemented measures as per YE 2009; 2 achieved Run Rate = Annualized synergies out of successfully implemented measures as per YE 2009

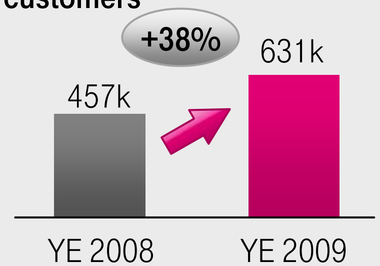
Hungary.

Strategic focus 2010 to 2012

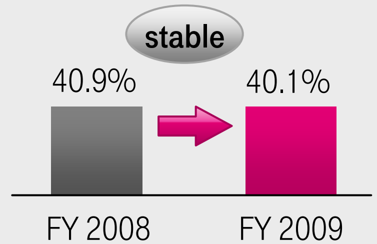
- Efficiency: realize DTAG synergies with SEE Strategy Implementation Program and increase profitability in line with S4S
- TV: Push access agnostic TV offering with consistent user interface and platform across three screens
- Grow beyond core: service innovation pilots/market launch in energy, smart security, e-health, finance
- Processes: drive automation & servicing and simplify IT systems landscape, i.e. merge CRM systems to one company wide platform

Highlights 2009

TV customers



Adj. EBITDA margin

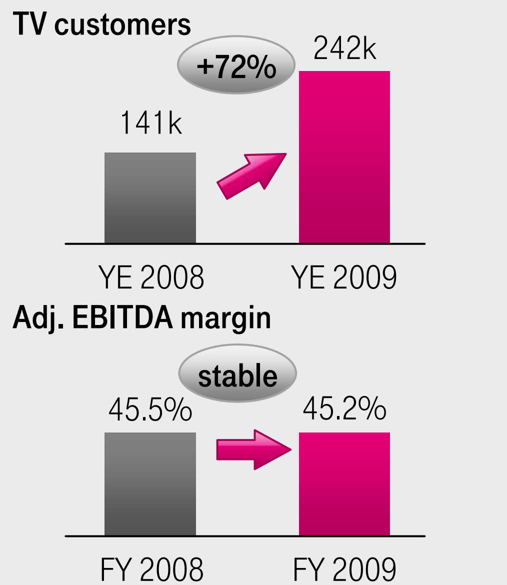


Croatia.

Strategic focus 2010 to 2012

- Efficiency: realize DTAG synergies with SEE Strategy Implementation Program and increase profitability in line with S4S
- Bundles: introduce bundles containing fixed and mobile components
- Fixed: expand in broadband and TV
- Mobile broadband: push by focusing on business and residential segment with redesigned customer-segment oriented tariff plans
- Business customer: build-up B2B/ICT operations
- Network: further fiber roll out

Highlights 2009



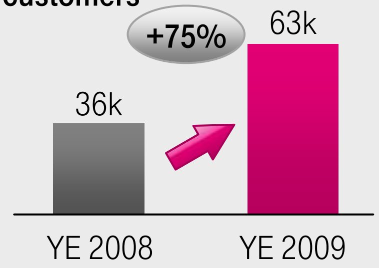
Slovakia.

Strategic focus 2010 to 2012

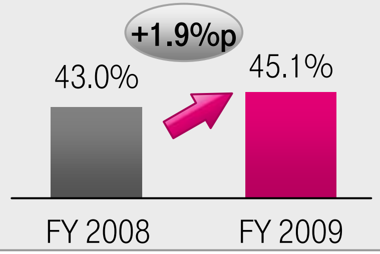
- Efficiency: realize DTAG synergies with SEE Strategy Implementation Program and increase profitability in line with S4S
- One Company: Integration of Slovak Telekom and T-Mobile Slovensko in July 2010
- Bundles: introduce bundles containing fixed and mobile services
- TV: push with introduction of “Magio Sat” (interactive satellite TV)
- Mobile broadband: push with attractive offers
- Mobile: churn management, cross-sell and up-sell to fixed base
- Business customer: drive consolidation in ICT business by organic/inorganic growth. i.e. acquisition “Posam”

Highlights 2009

TV customers



Adj. EBITDA margin



Country specific strategies reflected in the ambitions.

		2009	Ambition level 2012
Market shares[1]	Market share service revenues	51%	stable
	Market share EBITDA	55%	stable
OPEX	OPEX	€6.4 bn[2]	€0.3 bn net savings
TV	TV revenues[3]	around €200 mn	around €500 mn
	TV customers YE	1.9 mn	> 3.0 mn

1) Total telco markets in SEE footprint; stable FX; non disclosing competitors estimated by DT
2) Including inorganic effects
3) Total TV, IPTV mainly including access revenues