

DIVIDEND ANNOUNCEMENT

On May 21, 2015, the shareholders' meeting approved the use of EUR 2,257,379,056.00 of the EUR 4,666,823,501.86 unappropriated net income generated in the 2014 financial year for dividend payment of EUR 0.50 per no par value share carrying dividend rights, and the carrying forward of the remaining balance of EUR 2,409,444,445.86.

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 are explained in a document which contains information about the quantity and type of shares as well as an explanation about the reasons for and details of the offer. This document is published on the company's website at www.telekom.com/agm. Details relating to subscriptions to the new shares are explained in the subscription offer, which will be published on the company's website at www.telekom.com/agm and in the Federal Gazette on May 22, 2015. Subscription to the new shares is only permitted if, at the time of making the declaration of subscription, the shareholder is not residing in the United States of America, Canada, Australia or Japan, or in any other jurisdiction under which subscription to shares is subject to restrictions or would not be permissible.

Cash dividends will be paid to shareholders by the depository banks from June 17, 2015. The settlement agent is Citigroup Global Markets Limited, London, acting through Citibank N.A., London. Dividends in the form of new shares are expected to be delivered on June 23, 2015.

As the dividend for the 2014 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, May 2015

**Deutsche Telekom AG
The Board of Management**

