

DIVIDEND ANNOUNCEMENT

On May 31, 2017, the shareholders' meeting resolved to use EUR 2,794,480,275.00 of the EUR 3,795,074,192.69 unappropriated net income generated in the 2016 financial year to pay a dividend of EUR 0.60 per no par value share carrying dividend rights, and to carry forward the remaining balance of EUR 1,000,593,917.69.

The dividend will 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 containing information about the quantity and type of shares as well as an explanation of the reasons for, and details of, the offer. This document is published on the company's website at www.telekom.com/hv. Details of the subscriptions to the new shares are given in the subscription offer, which will be published on the company's website at www.telekom.com/hv and in the German Federal Gazette on June 1, 2017. Subscription to the new shares is permitted only 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 as from June 28, 2017. 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 July 4, 2017.

As the dividend for the 2016 financial year is to be paid in full from the tax contribution account in accordance with § 27 ("Contributions other than into nominal capital") of the Corporation Tax Act (Körperschaftsteuergesetz – KStG), 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, June 2017

**Deutsche Telekom AG
The Board of Management**

