



DEUTSCHE TELEKOM
LEADING EUROPEAN TELCO

TIM HÖTTGES, CEO
UBS CONFERENCE 2015, NYC



LIFE IS FOR SHARING.

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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.

LEADING EUROPEAN TELCO

INTEGRATED
IP NETWORKS

BEST
CUSTOMER
EXPERIENCE

WIN WITH
PARTNERS

LEAD IN
BUSINESS

TRANSFORM PORTFOLIO

EVOLVE FINANCIAL TARGETS & EFFICIENCY

ENCOURAGE LEADERSHIP & PERFORMANCE DEVELOPMENT

LEADING THROUGH DIFFERENTIATION

1 BEST CUSTOMER EXPERIENCE: DIGITAL, SEAMLESS AND CONVERGENT

2 FIBER-BASED, INTEGRATED IP-NETWORKS

3 SUPERIOR PRODUCTION MODEL ACROSS FOOTPRINT

4 OPEN, INTEROPERABLE & SECURE CONNECTED DATA PLATFORMS

5 PORTFOLIO TRANSFORMATION FOLLOWS STRATEGIC FOCUS

SERVICE GOES DIGITAL: PULS AS PERSONAL COCKPIT

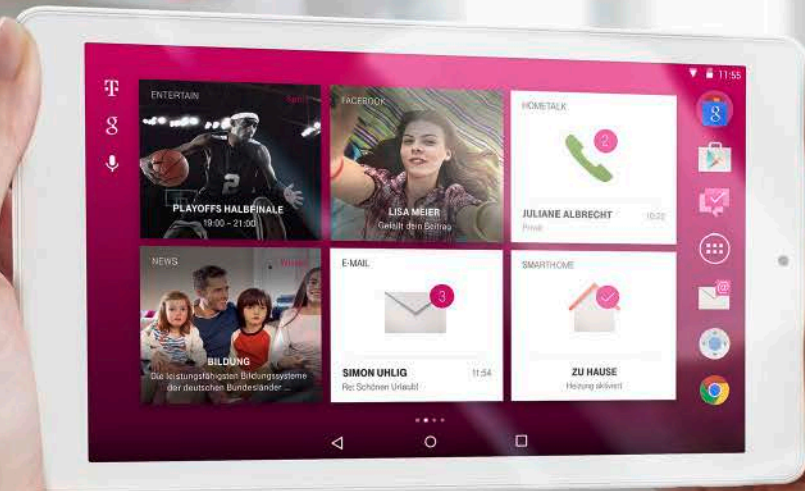
1



ALL DT
SERVICES
AT A
GLANCE

IDEAL FOR
MAGENTA1
CUSTOMERS

TANGIBLE
BRAND
EXPERIENCE



SEAMLESS CONNECTIVITY: DIRECT AIR TO GROUND

1

2-SIDED
BUSINESS
MODEL

75MBit/s
via LTE

500 MILLION
PASSENGERS
PER YEAR



VALUE THROUGH CONVERGENCE: MAGENTA 1

1

INNOVATION
LEADER

1.5 MILLION
CUSTOMERS
AFTER ONE
YEAR

FOCUS ON
UPSELLING

FIBRE ROLLOUT: INVESTMENT FOR FUTURE GROWTH

2

50% FIBRE
COVERAGE
NOW

80%
COVERAGE
YE2018

HYBRID &
SUPER
VECTORING



ALL-IP TRANSFORMATION: 1CLICK + INSTANT DELIVERY

2



ACCESS AT
1 CLICK

ALL-IP IN
FOUR
COUNTRIES
ALREADY

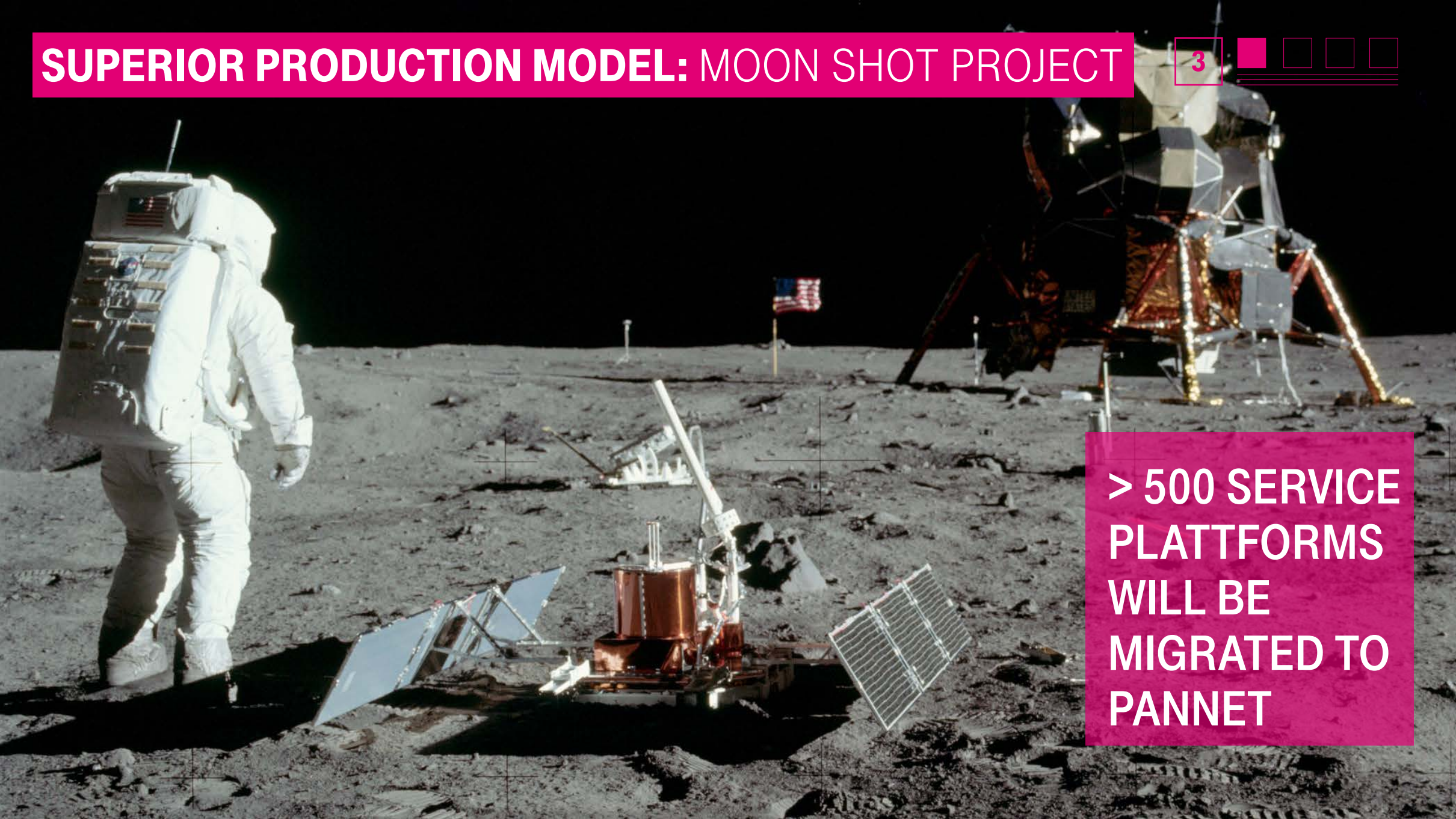
HUGE
EFFICIENCY
GAINS



SUPERIOR PRODUCTION MODEL: MOON SHOT PROJECT

3

> 500 SERVICE
PLATTFORMS
WILL BE
MIGRATED TO
PANNET



SECURE CLOUD: TRUSTED BUSINESS PARTNER

4

UNIQUE
PARTNER
NETWORK

TRUST
AS UNIQUE
SELLING
POINT

1 BILLION €
REVENUES,
+30% YoY

CONNECTED PLATFORMS: ENABLING FUTURE BUSINESS

4



VARIETY OF
USE CASES

ADDED
VALUE FOR
BUSINESS

5G IS THE
NEXT LEVEL



CONNECTED CAR: 5G ENABLES COOPERATIVE DRIVING

4

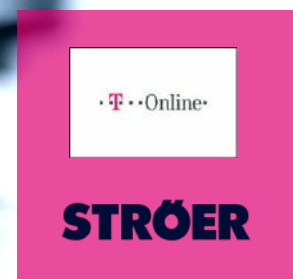
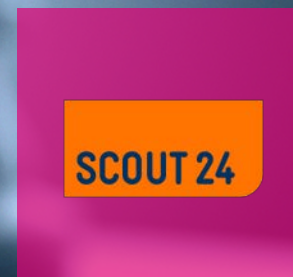
5G TAKES
LATENCY
LOWER
15ms

FIELD TEST
ON GERMAN
AUTOBAHN

DT STRONG
PARTNER
FOR OEMs

PORTFOLIO MOVES: CREATING VALUE

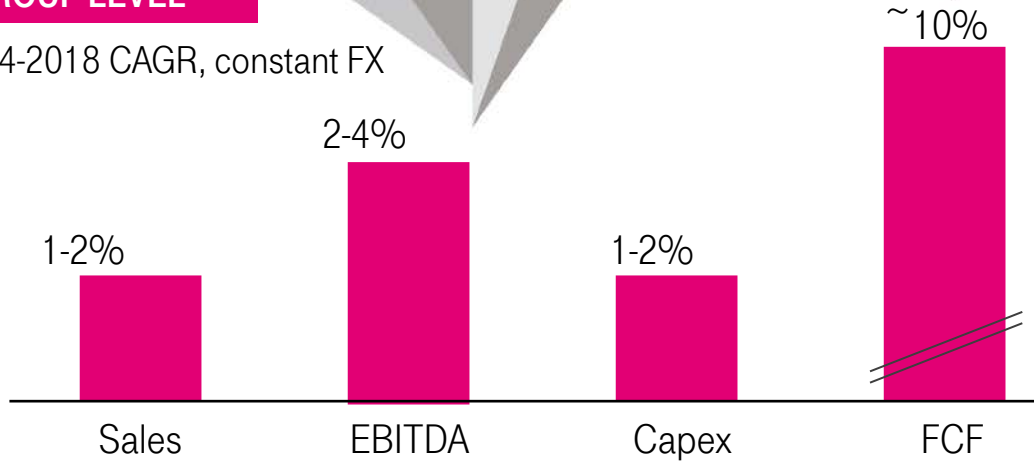
5



OUR CMD TARGETS: WE ARE WELL ON TRACK

GROUP LEVEL **

2014-2018 CAGR, constant FX



- ROCE > WACC in 2018
- Adjusted EPS ~ €1 in 2018
- Shareholder remuneration to follow FCF growth
- Minimum DPS of €0.5 pa

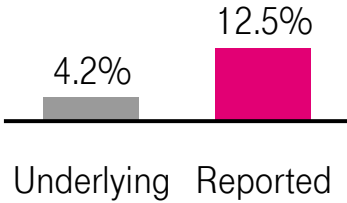
	Sales	EBITDA
*	+7-9%	+7-10%
	+0.3%	+1-2%
		+0.5%
		EBIT margin TSI MU 7%

Different timing: CAGR 2012-2017

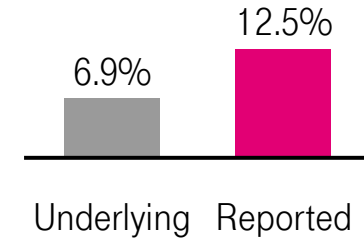
DELIVERING WHILE INVESTING IN OUR TRANSFORMATION

GROWTH RATES 9M/15 Y.O.Y.

REVENUE

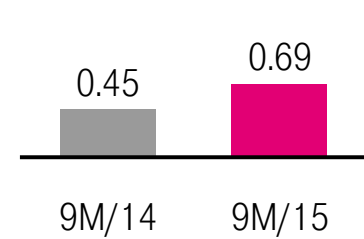


EBITDA

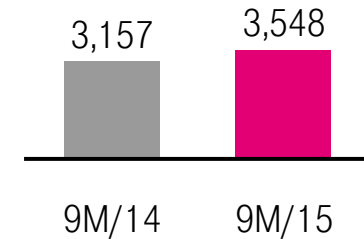


GROWTH IN BOTTOM LINE (ABS)

EPS



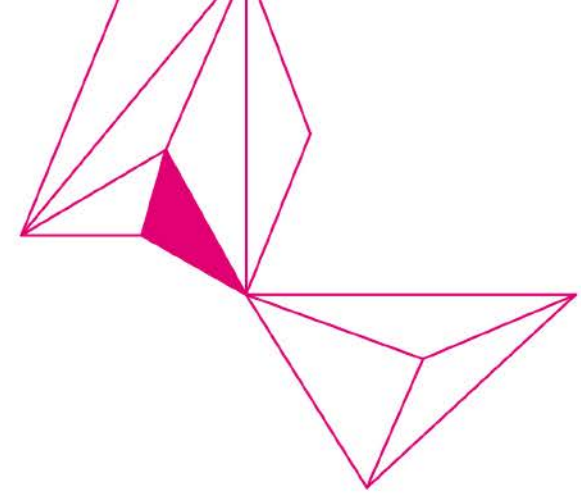
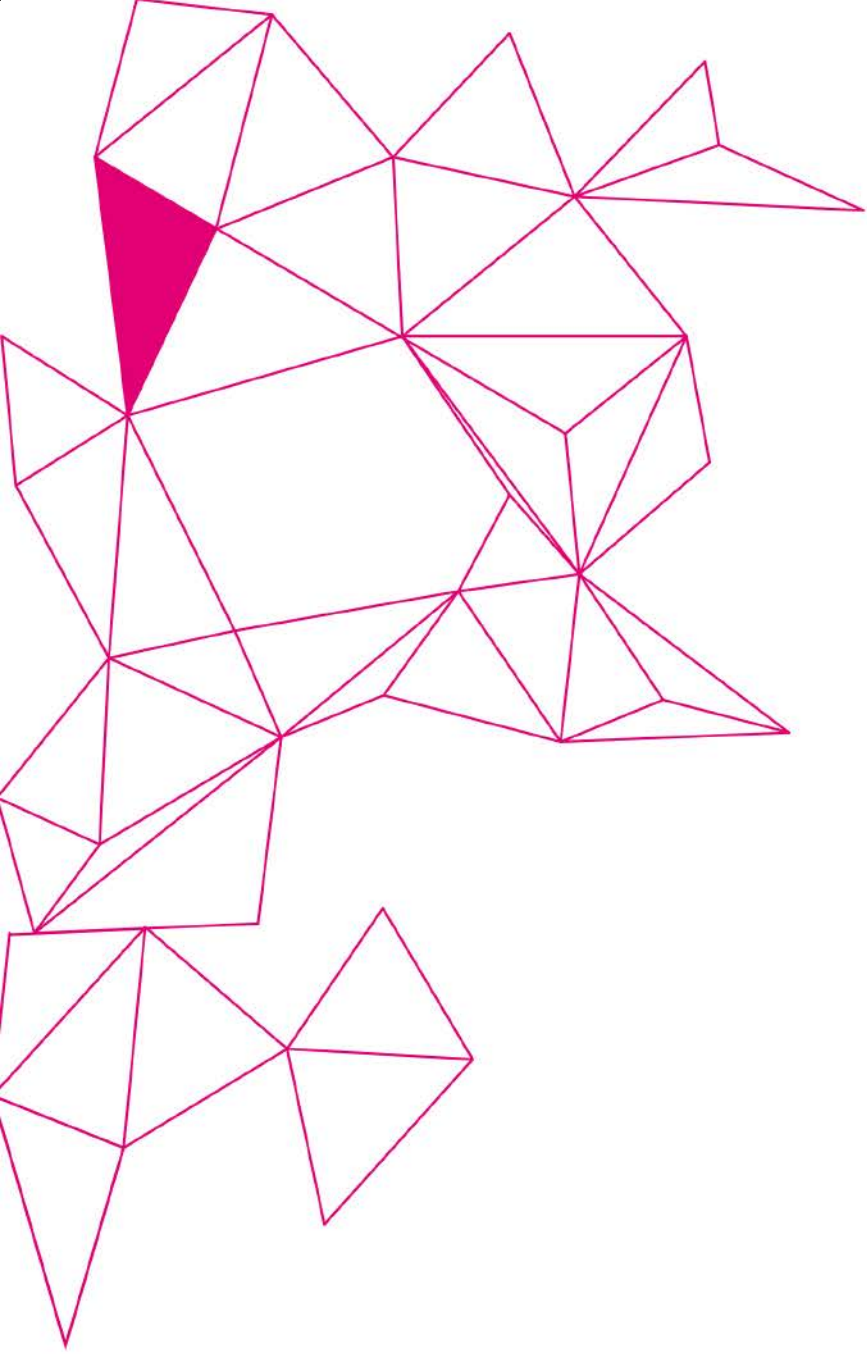
FCF (€ MILLION)



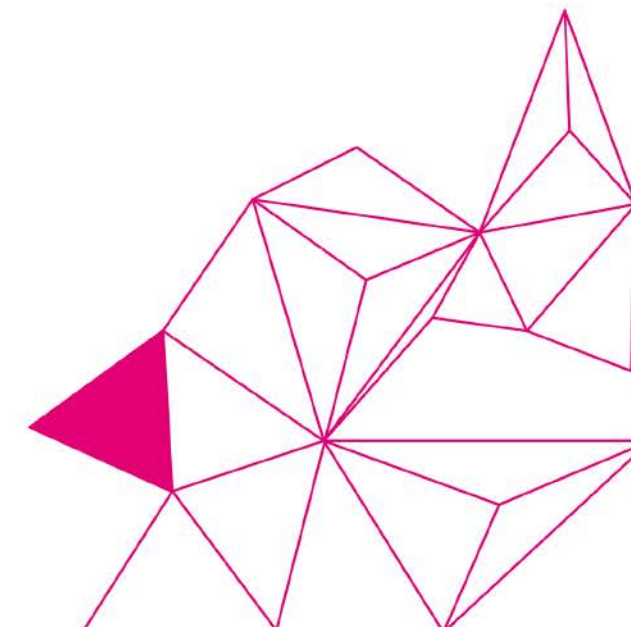
KEY MESSAGES

- **Strong growth** in revenue, adj. EBITDA and FCF
- **Ahead of track** in key KPI's (Fibre, All-IP, Magenta EINS, US postpaid)
- **Heavy investments** in our network transformation, funded by strict cost management
- **Well on track for our 2015 guidance and our Capital Markets Day targets**





THANK YOU!



FURTHER QUESTIONS

PLEASE CONTACT THE IR DEPARTMENT

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IR WEBPAGE

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IR TWITTER ACCOUNT

www.twitter.com/DT_IR



IR YOUTUBE PLAYLIST

www.youtube.com/deutschetelekom



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