



MEDIA INFORMATION

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Telefónica Germany and Telekom Intend to Expand Cooperation for Fixed Network

- Telefónica to extend its position as fixed network provider
- Telefónica's transition from common subscriber line to high speed network of Telekom
- Customers benefit from the integrated and future-proof range of fixed and mobile network
- Risk sharing enables faster network expansion for Telekom

Telefónica Germany and Telekom want to expand their cooperation for fixed line network and therefore have signed a Memorandum of Understanding. Telefónica Germany wants to increase the use of Telekom's high-speed infrastructure for fixed line network products in the future. With this cooperation, Telefónica can realize the transition from its own ADSL infrastructure to a sustainable NGA platform. Telefónica will use VDSL- and vectoring products of Telekom. The transition is supposed to be carried out in steps, with a final completion on 2019. In doing so, Telekom can share investment risks and accelerate the further expansion of the network. The cooperation will be submitted to the Federal Network Agency as well as the Federal Cartel Office. It is planned to start the collaboration next year.

„High-speed internet is the future. Together with our heavy duty mobile data network, we will be able to further advance our convergence strategy. The big winners are our customers and partners. Thereby we can offer them best fixed network products on top of our mobile offerings,“ explains René Schuster, CEO of Telefónica Germany. „Telekom is willing to heavily invest into the German

fixed line network. But we need partners to split the investment risk as well as accelerate the expansion of the new high performance networks,“ underlines Niek Jan van Damme, head of Telekom Germany.

There will be no change for fixed line customers of Telefónica at the beginning, but they will get the possibility to change to a high-speed connection based on the infrastructure of Telekom in the future. It's crucial for Telefónica that, with vectoring, Telekom will use a technology, which will enhance the competitive position in the fixed line business compared to cable network operators. Telekom will consider the needs of Telefónica in their roll-out plan. Using vectoring, households can achieve download rates up to 100 Megabit per second which is twice as much as the previous speed via VDSL.

Telekom and Telefónica are already cooperating within the scope of the so called VDSL contingent model. In this process competitors can procure a certain number of VDSL-connections of Telekom. In a further cooperation both companies agreed to connect mobile phone network locations from Telefónica to Telekom fiber.

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Further information for media:

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About Deutsche Telekom

Deutsche Telekom is one of the world's leading integrated telecommunications companies with more than 132 million mobile customers, 32 million fixed-network lines and over 17 million broadband lines (as of December 31, 2012). The Group provides fixed-network, mobile communications, Internet and IPTV products and services for consumers, and ICT solutions for business and corporate customers. Deutsche Telekom is present in some 50 countries and has over 230,000 employees worldwide. The Group generated revenue of EUR 58.2 billion in the 2012 financial year - over half of it outside Germany (as of December 31, 2012).

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