Telefónica Deutschland Investor Presentation

May 2015
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Telefonica Deutschland is setting the pace to become the Leading Digital Telco

1. Well positioned to lead the most attractive European Telco market

2. Strong network & distribution assets to provide the best digital customer experience

3. Enhanced profitability and cash flow generation from a clear integration plan

4. Strong value proposition for Telefónica Deutschland shareholders
The Leading Digital Telco: our priorities and success factors

**Keep the Momentum**
- Offer **Best high speed Access experience**
  - Golden Grid for 2G/3G + LTE roll-out + access to best VDSL platform

**Integrate quickly**
- Superior customer experience throughout their digital journey
  - Peace of Mind, Multi-channel & Digital first

**Transform the company**
- Achieve **Operational Excellence**
  - Synergies & Lean operating model

**Achieve Operational Excellence**
- Discover Synergies
- Improve operating model
- Simplify
Telefonica Deutschland is well positioned to lead the most attractive Telco market in Europe

**Rational and balanced market structure**

- **Non-disruptive pricing** for tiered mobile data portfolios
- **Stable ~30% households** with converged Fixed & Mobile

**Infrastructure-based competition**

- **Further opportunities ahead** from steady LTE adoption
- **Mobile (3x) and Fixed (2x)** platforms for Hi Speed access

**Steady adoption of a Digital Lifestyle**

- **Trend to 1 Gb/month; free VoD** as main usage driver
- **Digital customers & households demand for Quality**

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1. Market share of MSR based on reported financials by MNOs for FY 2014 & TEF D pro forma
2. Source: Analysys Mason Report; countries: UK, Netherlands, Sweden & Germany
3. Source: Internal representative market study
4. VoD: Video on Demand
Successful multi-brand & mobile data-centric strategy in a highly segmented mobile market

A clear multi-brand set up
Leveraging densest mobile network

O₂ postpaid customer base enabled for LTE
New O₂ Blue portfolio facilitates upselling

**3G national roaming** enabled for the whole customer base from mid-April '14

**O₂**
- Premium Brands
- Secondary Brands
- Partner Brands

**LTE4G**

<table>
<thead>
<tr>
<th>Plan</th>
<th>Speed</th>
<th>Data</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>21.1 Mbps</td>
<td>1 GB</td>
<td>€29.99</td>
</tr>
<tr>
<td>M</td>
<td>21.1 Mbps</td>
<td>3 GB</td>
<td>€39.99</td>
</tr>
<tr>
<td>L</td>
<td>50 Mbps</td>
<td>5 GB</td>
<td>€49.99</td>
</tr>
<tr>
<td>XL</td>
<td>50 Mbps</td>
<td>10 GB</td>
<td>€79.99</td>
</tr>
</tbody>
</table>

+ 100 MB (für 2 €)
+ 100 MB (für 2 €)
+ 100 MB (für 2 €)
+ 500 MB / 1 GB (für 5 € mtl.)
Tangible results from our approach to customer base development through a value-based handset sales model

### Value-based handset sales model

<table>
<thead>
<tr>
<th>O₂ Blue All-in</th>
<th>Monthly discount¹</th>
<th>€0</th>
<th>€5</th>
<th>€10</th>
<th>€15</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td></td>
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<td>M</td>
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<tr>
<td>XL</td>
<td></td>
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</tr>
</tbody>
</table>

¹ As of 21. April 2015

### LTE-driven improvement of customer base

- **Share of Gross Adds with >1GB O₂ consumer PO**
  - Q1 ’14: 15%
  - Q1 ’15: 32%
  - LTE customer base (thousands): 5,146

### Portfolio design adapted to increased demand

- **Average data usage² (MB)**
  - Q1 ’14: 786
  - Q1 ’15: 786
  - +29%

² O₂ consumer base with LTE enabled smartphone (all tariffs)

### Encouraging results from Data Automatic feature

- **O₂ Blue All-in portfolio (Feb. & March 2015)**
  - Automatic data allocation events (% of customers)
    - 1 snack: 15%
    - 2 snacks: 55%
    - 3 snacks: 35%
    - Customers with data automatic: 786
Tangible benefits from 3G National Roaming and further mobile network enhancements

3G National Roaming started in April 2015

- Telefónica Deutschland to offer best 3G network experience in Germany by combining strengths of O₂ and E-Plus networks
- Improved coverage to drive mobile data usage

Network deployment plan on track

- Benefits from investing in one LTE network: 50% of 2015 synergy run-rate
- Accelerated value-driven LTE network rollout to approx. 75% of German population by end Dec. 2015
- Voice-over-LTE since April 2015
- Golden Grid network consolidation project on track
- Strong spectrum portfolio and backhaul to support network development
The right fixed infrastructure model to complement our mobile network for the best high speed access experience

Access to best available fixed NGA\(^1\) network - scalable & future-proof

<table>
<thead>
<tr>
<th>NGA coverage targets</th>
<th>Maximum Speed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(% of covered households, YE)</td>
<td>(Up- &amp; Download, Mbps.)</td>
</tr>
<tr>
<td>2013</td>
<td>VDSL</td>
</tr>
<tr>
<td>2018 ambition</td>
<td>VDSL Vectoring</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VDSL</td>
</tr>
<tr>
<td></td>
<td>VDSL Vectoring</td>
</tr>
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<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

With a very competitive bundled offer “Kombi - Vorteil”

O₂ DSL all-in
(Download speed, Mbps.)

• Immediate & nationwide access to DT’s NGA rollout
• Regulated access/pricing terms
• Coordinated NGA planning and decommission of own DSL-ULL

• Flexible aggregation of fixed & mobile lines with progressive discounts based on value (up tp €30)
• Active cross-selling of fixed propositions to former E-Plus customer base

\(^1\) NGA: Next Generation Access, including VDSL, Vectoring and future FTTX deployments
Best sales & service experience through extensive multi-channel retail and digital approach

Multi-channel to maximize efficiency

- Own branded shops
- Premium partners
- Online & telesales
- Social media
- Other & e-retailers
- Large indirect/SP

“Digital first” for every customer interaction

- Web/mobile portals
- Apps
- Chats/Forums
- Social media

- Largest physical distribution reach in the market
- Our priority is to reach operational excellence in customer service
- Shop footprint reduction (own branded & partner shops) by 1/3rd
- Increasing relevance of own online channels
- O₂ portfolio distributed in BASE branded shops
Facilitating our customers’ digital journey

Our flexible approach to a Digital Lifestyle with a smartphone-centric proposition

Digital enhancement @ Home

- Strong focus on enhancing our customers’ digital experience
- Chromecast experience as a facilitator to big screen

Flexible access

Access choice
Leveraging LTE & VDSL + Kombi

Flexible offering through Partners
Successful start of integration & transformation activities

**Start of integration**
- **Phase I**
  - D1 + 7 months
  - D1 (1 Oct 2014)

**Commercial transition**
- **Phase II**
  - D1+7 months onwards
  - Branding & network integration
  - Keep operational focus
  - Boost customer experience
  - Preparation for integration
  - Quick wins synergies
  - New operating model / organization

**Target state**
- **Phase III**
  - Year 5 onwards
  - Digital Telco
  - Brand transition & shop rationalization
  - Network consolidation and joint roll-out
  - Digitalization of structure / processes
  - Organizational transformation & legal integration

**Notes:**
1. OIBDA minus CapEx

**Leading digital Telco in Germany**
- €800m run rate OpCF^1 synergies
Expected synergies to exceed €5bn (NPV\(^1\))

Run-rate of Operating Cash Flow synergies of ca. €800m in year 5

### Distribution & Customer Service
- Leverage and scale effects of broad distribution network and customer service organizations
- Optimization of retail footprint resulting in reduction of rent and overhead
- Focus on digital customer touch points for sales and service initiatives

### Network
- Improved quality & capacity in 4G with reduced CapEx requirement
- Consolidation of 2G/3G access networks, backbone and backhaul
- Reduction of ~14,000 sites to reach “golden grid”
- Leverage scalable cooperation with Deutsche Telekom regarding fixed line services
- Overall improved network perception

### SG&A
- Elimination of duplicities in organisation
- Transformation towards lean and digital
- Focused advertising & marketing spend

### Revenue and other
- Additional cross- and upsell opportunities in consumer and SME
- Cross selling opportunity for fixed BB
- Upside potential from strong wholesale component

### In €bn

<table>
<thead>
<tr>
<th>Component</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Distribution &amp; Customer Service</td>
<td>1.1</td>
</tr>
<tr>
<td>Network</td>
<td>1.7</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>0.8</td>
</tr>
<tr>
<td>OpEx</td>
<td>3.6</td>
</tr>
<tr>
<td>CapEx</td>
<td>1.9</td>
</tr>
<tr>
<td>Integration Costs</td>
<td>0.9</td>
</tr>
<tr>
<td>NPV of oper. Synergies</td>
<td>4.6</td>
</tr>
<tr>
<td>Revenue &amp; Other</td>
<td></td>
</tr>
<tr>
<td>NPV of revenue &amp; Oper. synergies</td>
<td>&gt;€5bn</td>
</tr>
</tbody>
</table>

### Notes:
1. Calculated as the sum of the present values of forecasted future cash flows including the so-called “terminal value” (NPV of expected future cash flows beyond the explicit forecast horizon) after tax.
2. Run-rate of opCF synergies is pre-tax.
Around 30% of total target synergy run-rate to be achieved already in the first year of integration

- 2015 synergies at ~30% of €800m run rate in year 5 of integration (~80% in year 4)
- Distribution & Customer service to represent ~60% of OpEx synergies in 2015
- CapEx synergies mainly driven by a single LTE-network rollout
- A significant proportion of expected OpEx restructuring costs already booked in 2014

Headcount restructuring\(^3\)
of 1,600 FTEs by 2018
(~50% in ‘15 from Q2’15)

Shop reduction\(^3,4\)
planned by 1/3\(^{rd}\) by year 5

Decommission\(^3,4\) of
14,000 mobile sites
planned by year 5

\(^1\)OpEx savings are referred to 2014 combined financials excluding restructuring costs
\(^2\)CapEx synergies net of restructuring activities and exclude investment in spectrum
\(^3\)2014 combined KPIs: 9.1K FTEs, 1.8K shops, 39K mobile sites
\(^4\)Final internal approval expected in Q1’15
We expect a gradual progression in OIBDA for 2015 driven by synergies & operational excellence

<table>
<thead>
<tr>
<th></th>
<th>2014(^1)</th>
<th>Outlook 2015(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in €m</td>
<td>(y-o-y pct. growth)</td>
</tr>
<tr>
<td>MSR</td>
<td>5,528</td>
<td>Broadly stable</td>
</tr>
<tr>
<td>OIBDA</td>
<td>1,461</td>
<td>&gt;10%</td>
</tr>
<tr>
<td>CapEx</td>
<td>1,161</td>
<td>High single digit pct. decline</td>
</tr>
</tbody>
</table>

Main Drivers

- Stronger **focus on development of own customer base**; with value-for-money approach to customers
- Drive data monetisation, leveraging higher demand for data services & LTE
- **Lean & digital organisation** with a simplified operating model & optimised processes
- **Economies of scale** in relation to network, administration, IT, rent, procurement etc.
- **Synergies**: ~30% of €800m Operating Cash Flow synergy run-rate already in year 1
- **New investment cycle** with focus on LTE and combination of the two networks; synergies outweighing additional CapEx for accelerated LTE rollout

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\(^1\) Combined figures for 2013 and 2014 are approximate and the result of the aggregation and then consolidation of Telefónica Deutschland and E-Plus Group financials according to Telefónica Deutschland Group accounting policies. The combined figures are further adjusted by material extraordinary effects, such as capital gains or restructuring costs based on estimates made by Telefónica management and resulting in combined figures we believe are more meaningful as a comparable basis. Financials also exclude material one-offs, such as capital gains or restructuring costs (€414m in 2014).

\(^2\) All expected regulatory effects (e.g. MTR cuts) are included in the outlook. Restructuring costs from the integration of E-Plus Group are excluded from OIBDA Outlook and CapEx excludes investments in spectrum.
Improved liquidity and conservative financing policy

Extended maturity profile and further diversified financing mix

Strong liquidity position (in €m) & leverage ratio\(^2\) below 1.0x over the medium term

Notes:
1. Revolving credit facilities; €100m RCF volume maturing in 2016, €610m maturing in 2017
2. For definition of Net financial debt please refer to the published Q1 2015 materials (www.telefonica.de)
3. As measured by Net Financial Debt/OIBDA (Last 12 months)
We aim to maintain an attractive shareholder remuneration policy

Shareholder remuneration policy - main guidelines

- Maintain high payout in relation to FCF
- Consider expected future synergy generation in dividend proposals
- Keep leverage ratio at or below 1.0x over the medium term
- Dividend of more than €714m on 2014 results approved by AGM and paid in May 2015

Notes:
1 Refer to the Telefónica Deutschland website for full dividend policy (www.telefonica.de)
Main Takeaways

1. Creation of the Leading Digital Telco in the German market
   - Market leader (48m accesses)
   - Enhanced Value-for-Money competitive position
   - Significant data monetization opportunity
   - Simplification & Digitalisation at the core

2. Superior digital customer experience on strong foundations
   - Right infrastructure model for best high speed experience
   - Multi-brand strategy to enhance data monetization
   - Multi-channel retail and “digital first” approach
   - Facilitating customer’s digital journey - flexible approach

3. Enhanced profitability and cash flow generation from integration synergies and focused strategy
   - Gradual capture of synergies: €800m OpCF run rate
   - Scale benefits from a mobile data-centric approach
   - Simplified and lean operational model
   - Focused investments on single LTE network rollout

4. Strong value creation for Telefónica Deutschland shareholders
   - Conservative financing policy
   - Commitment to maintain a high FCF dividend payout ratio
   - Consider future upside from synergies in dividend proposals
   - High financial flexibility with leverage ratio at or below 1.0x
Back-up
Current spectrum landscape in Germany

Expiring in 2016

New spectrum which will be made available

BNetzA spectrum auction to take place from 27.05.2015
## O₂ Blue All-in portfolio

<table>
<thead>
<tr>
<th></th>
<th>S³</th>
<th>M⁴</th>
<th>L⁵</th>
<th>XL⁶</th>
<th>Premium⁷</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>O₂ Blue All-in</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minuten in alle dт. Netze und ins dт. Festnetz</td>
<td>FLATRATE</td>
<td>FLATRATE</td>
<td>FLATRATE</td>
<td>FLATRATE</td>
<td>FLATRATE</td>
</tr>
<tr>
<td>SMS in alle dт. Mobilfunknetze</td>
<td>FLATRATE</td>
<td>FLATRATE</td>
<td>FLATRATE</td>
<td>FLATRATE</td>
<td>FLATRATE</td>
</tr>
<tr>
<td>Surfen im Inland (Inklusiv-Volumen)</td>
<td>200 MB</td>
<td>1 GB</td>
<td>3 GB</td>
<td>5 GB</td>
<td>10 GB</td>
</tr>
<tr>
<td>Datenummerautomatik (automatisch nach Datenverbrauch)</td>
<td>bis zu 3 x 100 MB für je 2 € zusätzlich</td>
<td>bis zu 3 x 100 MB für je 2 € zusätzlich</td>
<td>bis zu 3 x 100 MB für je 2 € zusätzlich</td>
<td>bis zu 3 x 100 MB für je 2 € zusätzlich</td>
<td>bis zu 3 x 100 MB für je 2 € zusätzlich</td>
</tr>
<tr>
<td>Maximale Geschwindigkeit</td>
<td>bis zu 21,1 MBit/s LTE⁴</td>
<td>bis zu 21,1 MBit/s LTE⁴</td>
<td>bis zu 50 MBit/s LTE⁴</td>
<td>bis zu 50 MBit/s LTE⁴</td>
<td>bis zu 50 MBit/s LTE⁴</td>
</tr>
<tr>
<td>Extra-Festnetznummer</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>EU Roaming Flat (Surfen und Telefonieren im EU-Ausland)</td>
<td>+ 4,99 mtl.</td>
<td>+ 4,99 mtl.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Minuten/SMS ins EU-Ausland mtl. inkl.</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>je 200</td>
</tr>
<tr>
<td>Multicard⁸</td>
<td>+ 4,99 mtl.</td>
<td>+ 4,99 mtl.</td>
<td>1 Multicard inklusive</td>
<td>2 Multicards inklusive</td>
<td>2 Multicards inklusive</td>
</tr>
<tr>
<td>O₂ more Premium Status</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>✓</td>
</tr>
<tr>
<td>Monatliche Grundgebühr (bei 24 Monaten Mindestvertragslaufzeit)</td>
<td><strong>19,99</strong></td>
<td><strong>29,99</strong></td>
<td><strong>39,99</strong></td>
<td><strong>49,99</strong></td>
<td><strong>79,99</strong></td>
</tr>
</tbody>
</table>

*Preise in € inkl. MwSt.*

*Weitere Informationen auf Seite 4 und siehe Hinweistext 1.*
**Datenautomatik**

Für bequemes Surfen, Streamen und mehr in allen O₂ Blue Tarifen

- Immer genug Datenvolumen für schnelles Surfen
- Nach Verbrauch Ihres monatlichen Inklusiv-Volumens erhalten Sie automatisch bis zu 3 x pro Monat 100 MB zusätzliches Datenvolumen für jeweils nur 2 €
- Automatische SMS-Benachrichtigung bei jeder Erweiterung

Nach Verbrauch des Inklusiv-Volumens werden bis zu 3×/Monat 100 MB Datenpakete zur Verfügung gestellt.

Werden in 3 aufeinanderfolgenden Monaten die mtl. zur Verfügung stehenden 3 Datenpakete genutzt, erfolgt mit Verbrauch des letzten Datenpakets ein automatisches Daten-Upgrade (Datenvolumen abhängig vom Tarif).
# O₂ DSL All-in portfolio

<table>
<thead>
<tr>
<th></th>
<th>S&lt;sup&gt;13&lt;/sup&gt;</th>
<th>M&lt;sup&gt;13&lt;/sup&gt;</th>
<th>L&lt;sup&gt;13**&lt;/sup&gt;</th>
<th>XL&lt;sup&gt;12**&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allnet-Flat:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flattarife ins dt. Festnetz</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flattarife in alle dt. Mobilfunknetze</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unbegrenzt surfen (mit bis zu 2.000 KBit/s)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Maximale Surf-Geschwindigkeit</strong></td>
<td>bis zu 8.000 KBit/s (Upload: bis zu 1.000 KBit/s)</td>
<td>bis zu 16.000 KBit/s (Upload: bis zu 1.000 KBit/s)</td>
<td>bis zu 50.000 KBit/s (Upload: bis zu 10.000 KBit/s)</td>
<td>bis zu 100.000 KBit/s (Upload: bis zu 40.000 KBit/s)&lt;sup&gt;14&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Maximale Surf-Geschwindigkeit bis</strong>* (Inklusiv-Volumen)</td>
<td>100 GB&lt;sup&gt;15&lt;/sup&gt;</td>
<td>300 GB&lt;sup&gt;15&lt;/sup&gt;</td>
<td>300 GB&lt;sup&gt;15&lt;/sup&gt;</td>
<td>500 GB&lt;sup&gt;15&lt;/sup&gt;</td>
</tr>
<tr>
<td>Fair-Use-Mechanik****</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WLAN-Router/HomeBox 2/AVM FRITZ!Box 7490&lt;sup&gt;16&lt;/sup&gt;</td>
<td>0,00/19,99/49,99</td>
<td>0,00/19,99/49,99</td>
<td>0,00/19,99/49,99</td>
<td>–/19,99/49,99</td>
</tr>
<tr>
<td>Anschlusspreis&lt;sup&gt;13&lt;/sup&gt;</td>
<td>0,00 (anstatt 49,99)</td>
<td>0,00 (anstatt 49,99)</td>
<td>0,00 (anstatt 49,99)</td>
<td>0,00 (anstatt 49,99)</td>
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</table>

*Preise in € inkl. MwSt.*
*Weitere Informationen auf Seite 4 und siehe Hinweistext 1.
**In vielen regionalen Gebieten verfügbar.*
Q1’15: Mobile-centric strategy driving top line performance

Revenue Structure (in €m)

Q1’14

1,333

219

293

1,847

+2.9%

Q1’15

1,354

282

261

1,901

+2.9%

Broadly stable MSR¹ expected in 2015

- Better tariff renewal profile within Premium postpaid brands
- Churn management
- SMS volume decline stabilization
- Focus on customer base retention, mainly in premium brands

Fixed Revenue y-o-y (in%)

Q1’14

DSL retail

-6.8

-0.3

-7.1

Q1’15

Other fixed

-6.9

-4.0

-10.9

Notes:
1 From a 2014 baseline of €5,528m
OIBDA in Q1 '15 driven by revenue flow-through and a focused commercial approach

Structure of Q1 '15 OIBDA (in €m)

- Revenue: 1,901
- Other income: 29
- Supplies: -659
- Personnel expenses: -179
- Other expenses: -713
- OIBDA before extraordinary effects: 378
- Sale of yourfone: 17
- OIBDA: 395

Hardware margin\(^1\)

- Q1 '14: 19.9%
- Q1 '15: +45%

Focus on development of customer base

- Q1 '15 y-o-y:
  - Retention: +15%
  - Advertising: -12%
  - Acquisition: -7%

\(^1\) Hardware margin defined as handset revenues less cost of sales
Q1’15: Keeping financial flexibility ahead of significant expected cash outflows in the year

**Reconciliation of Free Cash Flow**

<table>
<thead>
<tr>
<th>OIBDA</th>
<th>CapEx Reversal</th>
<th>Prepayments</th>
<th>other Working Capital movements</th>
<th>other</th>
<th>FCF pre dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>395</td>
<td>-221</td>
<td>-87</td>
<td>-230</td>
<td>210</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Working Capital Movements</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
</tr>
</tbody>
</table>

**Strong liquidity position (in €m) & leverage ratio** below 1.0x over the medium term

<table>
<thead>
<tr>
<th>Cash and cash equivalents</th>
<th>Undrawn RCFs</th>
<th>Total liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,997</td>
<td>2,707</td>
<td>2,707</td>
</tr>
</tbody>
</table>

---

1. Free cash flow is defined as the sum of cash flow from operating activities and cash flow from investing activities.
2. Revolving credit facilities: €100m RCF volume maturing in 2016, €610m maturing in 2017.
3. Leverage Ratio: For definition of Leverage Ratio please refer to additional materials of Q1’15 results.
Quarterly detail of relevant combined financial and operating data for Telefonica Deutschland from Q4 2013

| Financials (Euros in millions) | 2013 |  |  |  |  |  |  |
|-------------------------------|------|---|---|---|---|---|
|                               | Q4   | Q1 | Q2 | Q3 | Q4 | FY |
| Revenues                      | 2.022| 1.847| 1.925| 2.002| 2.019| 7.793|
| Mobile service revenues       | 1.391| 1.333| 1.380| 1.424| 1.391| 5.528|
| OIBDA post Group fees (1)     | 462  | 357 | 399 | 350 | 354 | 1.461|
| CapEx                         | 471  | 215 | 224 | 286 | 438 | 1.161|

| Accesses (EoP) (in k) | 2013 |  |  |  |  |  |  |
|-----------------------|------|---|---|---|---|---|
|                       | Q4   | Q1 | Q2 | Q3 | Q4 | FY |
| Total Accesses        | 46.899.093 | 46.897.309 | 47.302.730 | 47.802.754 | 47.661.550 | 47.661.550 |
| o/w mobile            | 41.133.167 | 41.168.484 | 41.622.532 | 42.200.853 | 42.124.881 | 42.124.881 |

- Combined figures for 2014 and 2013 are approximate and the result of the aggregation and then consolidation of Telefónica Deutschland and E-Plus Group financials according to Telefónica Deutschland Group accounting policies. The combined figures are further adjusted by material extraordinary effects if any, such as capital gains or restructuring costs based on estimates made by Telefónica Deutschland management and resulting in combined figures we believe are more meaningful as a comparable basis.

- The combined financials are not necessarily indicative of results that would have occurred if the business had been a separate standalone entity during the year presented or of future results of the business. The presentation of the combined consolidated financial information is based on certain assumptions and is intended for illustrative purposes only. The combined information describes a hypothetical situation and thus, due to its nature, the presentation does not reflect the actual results of operations. The assumed acquisition date had been the beginning of the annual period.