



MEDIA INFORMATION

Bonn, December 30, 2016

Deutsche Telekom and T-Mobile US agree efficient financing framework

Deutsche Telekom and T-Mobile US have agreed to further develop their financial relationship.

Part of this agreement is a 3-year credit agreement (Revolving Credit Facility) of two tranches totaling USD 2.5 billion that Deutsche Telekom will provide to its U.S. subsidiary. USD 1.5 billion of this is secured. T-Mobile US can draw down the financing repeatedly and in varying amounts, up to the maximum amount of the credit lines.

The partially secured credit lines offer T-Mobile US a much more flexible and cost-effective liquidity reserve going forward, and makes it possible for the company to use previously unavailable cash reserves, since surplus liquidity can be used to repay high-interest debt.

The lines constitute a liquidity reserve, such that Deutsche Telekom does not have to borrow any additional long-term capital to provide it. Consequently, the Group's net debt will not be increased by this move.

In addition, Deutsche Telekom is providing T-Mobile US with a secured loan (Term-Loan B) of USD 660 million. This agreement demonstrates once again that Deutsche Telekom is prepared to be involved in the financing of T-Mobile US provided that this is also economically advantageous to Deutsche Telekom's shareholders.



Deutsche Telekom has sustainable balance sheet ratios and a comfortable liquidity reserve of some 12.9 billion euros that is currently undrawn. In addition, Deutsche Telekom has access to short-term and long-term debt capital markets.

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