

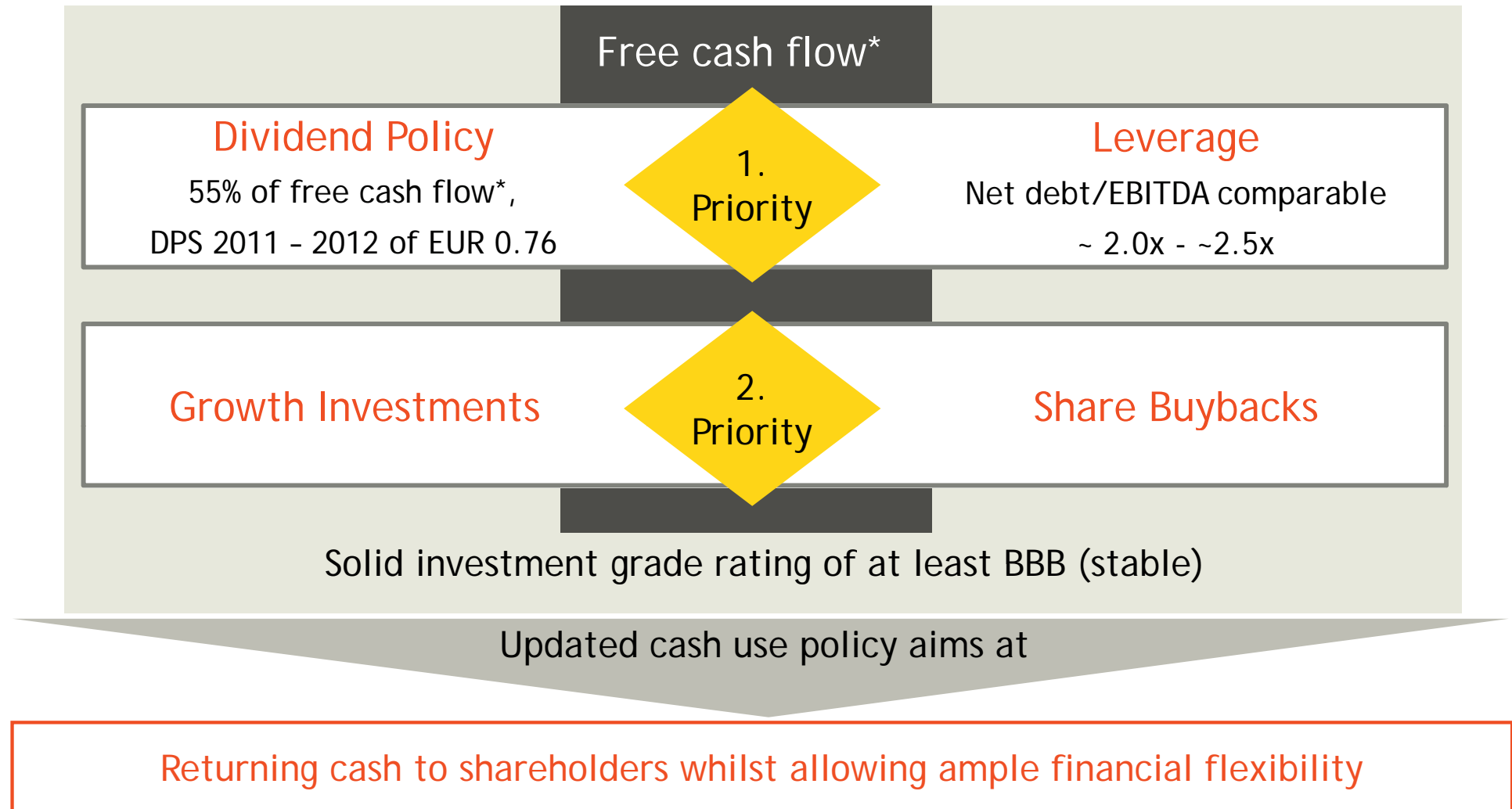
Cash Use Policy and Outlook

Cautionary Statement

“This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Forward-looking information involves risks and uncertainties that could significantly affect expected results.”

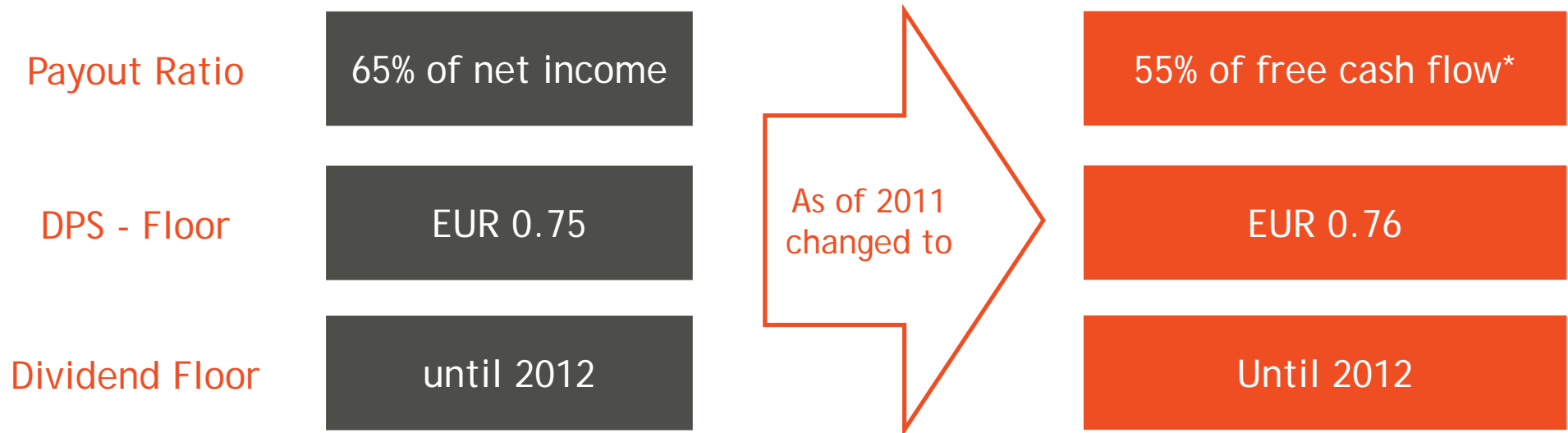
Cash Use Policy

New Cash Use Policy Balances Value Creation with Increased Financial Flexibility



* Free cash flow = Cash flow after interest rates, taxes, changes in working capital and capital expenditures in existing business

New Dividend Policy Reflects Strong Confidence in Operational Performance



- > Free cash flow is a better indicator of operational performance than net income
- > Increased dividend floor reflects confidence in strong free cash flow generation

* Free cash flow = Cash flow after interest rates, taxes, changes in working capital and capital expenditures in existing business

Increased Leverage Provides Financial Flexibility and Ensures Strong Investment Grade Rating

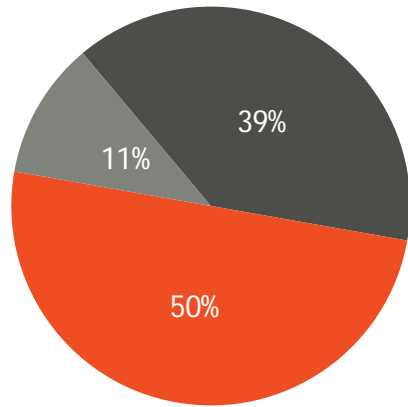


- > Ensures ample financial flexibility and
- > optimizes capital structure whilst
- > maintaining stable investment grade rating of at least BBB (stable outlook).

Solid Investment Grade Rating Supports Financial and Operational Flexibility

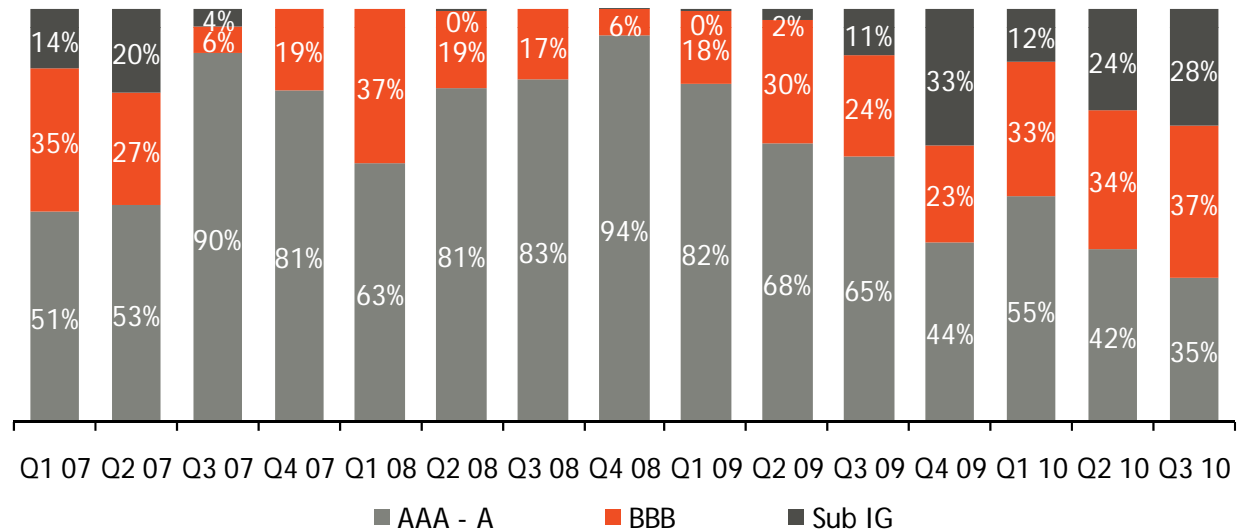
- > Current rating in line with peer group
- > Confidence and liquidity crisis caused debt capital market to dry up for sub-investment grade rated issuers
- > Solid investment grade rating ensures financial flexibility for implementation of strategies

European Telcos by Rating (S&P)



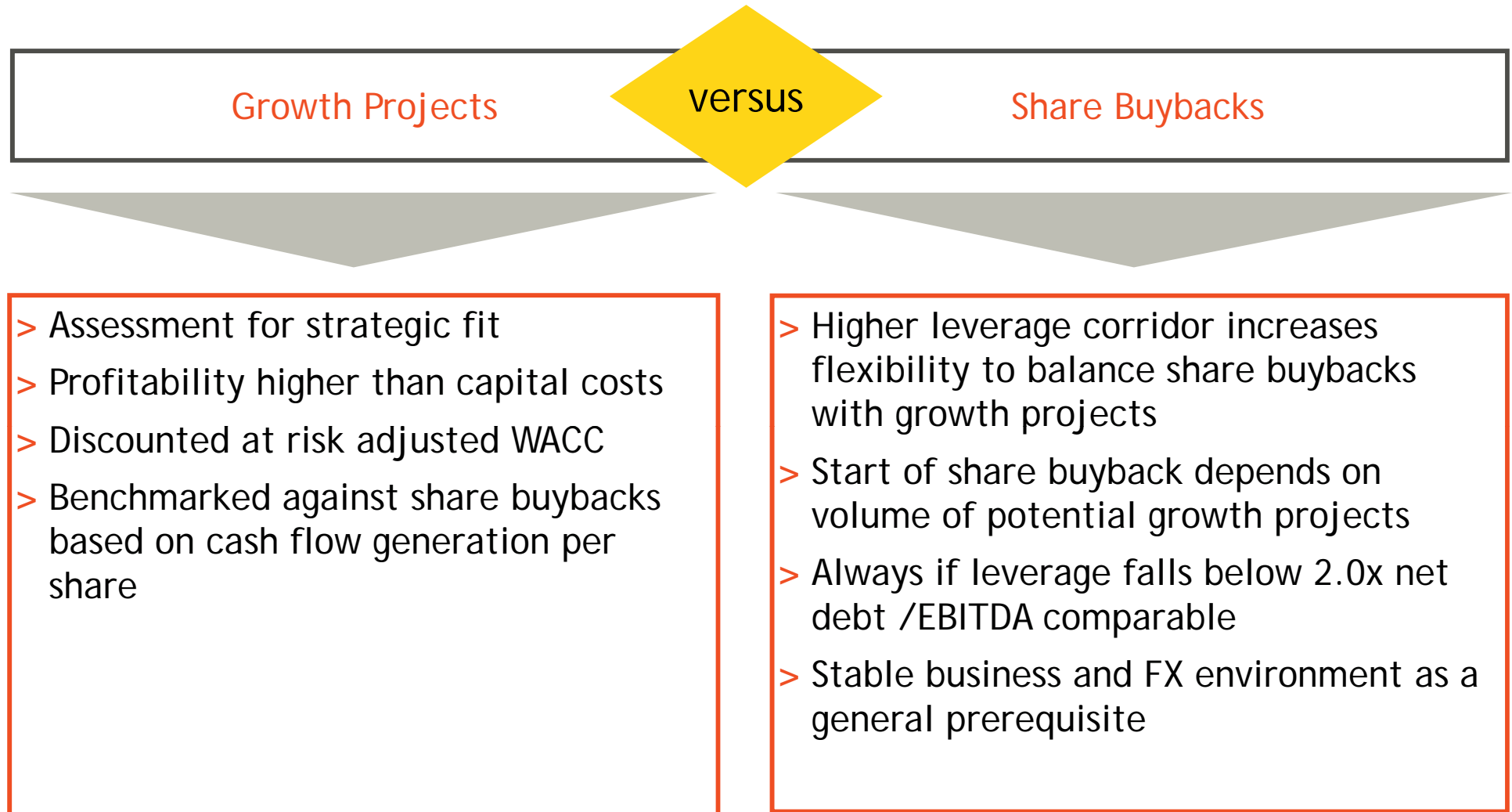
■ A category ■ BBB category ■ BB category

European Corporate Bond Issuance by Rating Category (in %)



Source: Dealogic and BAML Internal Database, as of Nov. 23, 2010

Continued Benchmarking of Growth Projects Against Share Buybacks



Guidance 2011 and Medium-Term Outlook

Guidance Full Year 2011- Strong Operational Performance Mitigates External Challenges

Based on a constant currency basis

Revenues	Up to EUR 4.60 bn
EBITDA comparable*	Up to EUR 1.60 bn
CAPEX	Up to EUR 0.80 bn**
Operating free cash flow***	Approx. EUR 0.8 bn
Dividend	55% of free cash flow, DPS of 76 Eurocents minimum 2011 - 2012

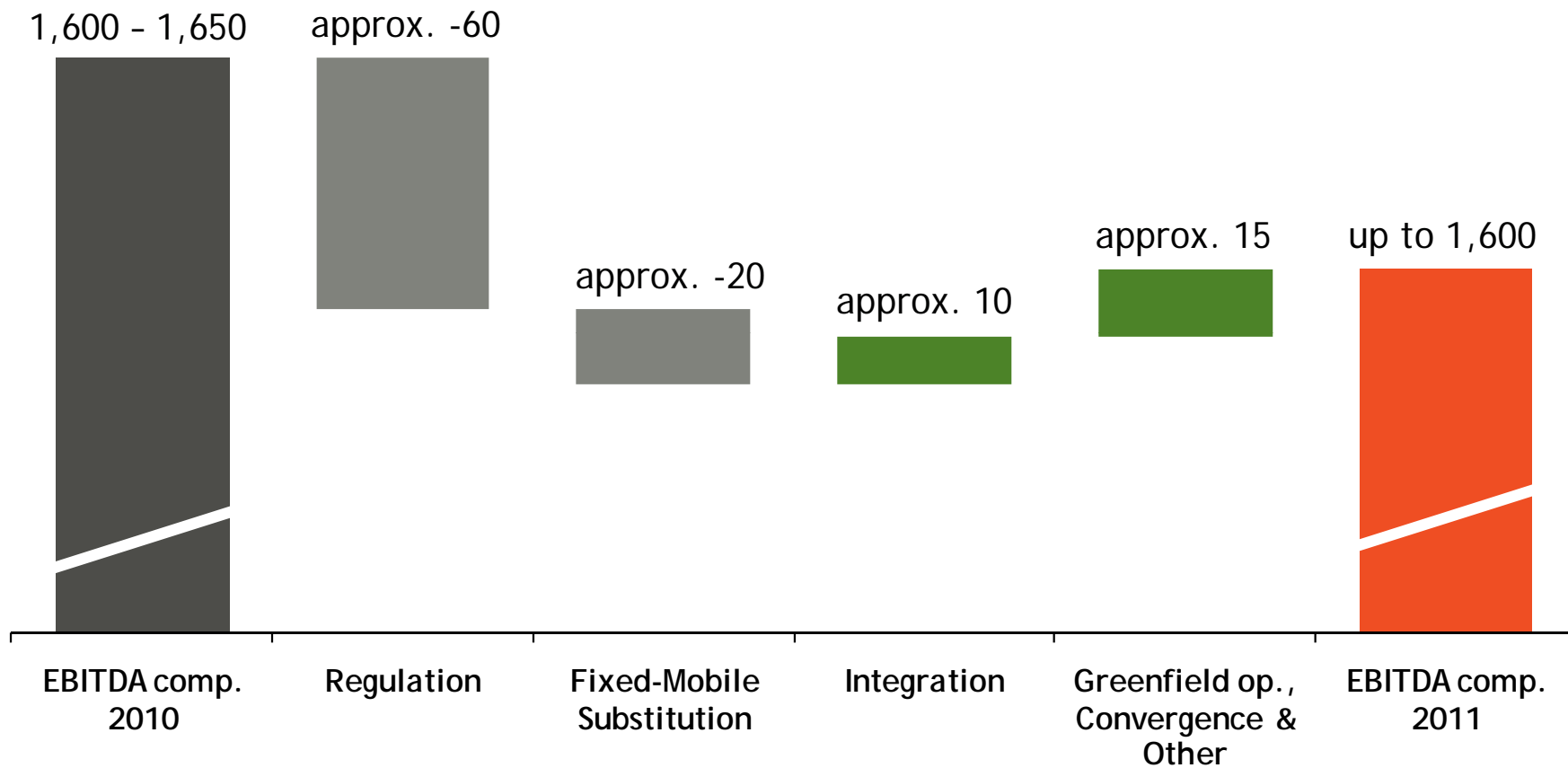
* EBITDA excluding restructuring and impairment charges

** Does not include investments for licence and spectrum acquisitions

*** Operating free cash flow = EBITDA comparable - CAPEX

Significant Operational Efforts Required to Limit Impact of Regulatory Burden

In EUR mn



Medium-Term Outlook 2012 - 2013

Based on a constant currency basis

Revenues	Approx. EUR 4.7 bn by 2013
EBITDA comparable* margin	Stable at approx. 34%
CAPEX** /Revenues	Up to 16% by 2013
Operating free cash flow***	Approx. EUR 0.80 bn per annum
Dividend	55% of free cash flow DPS of 76 Eurocents minimum 2011 - 2012

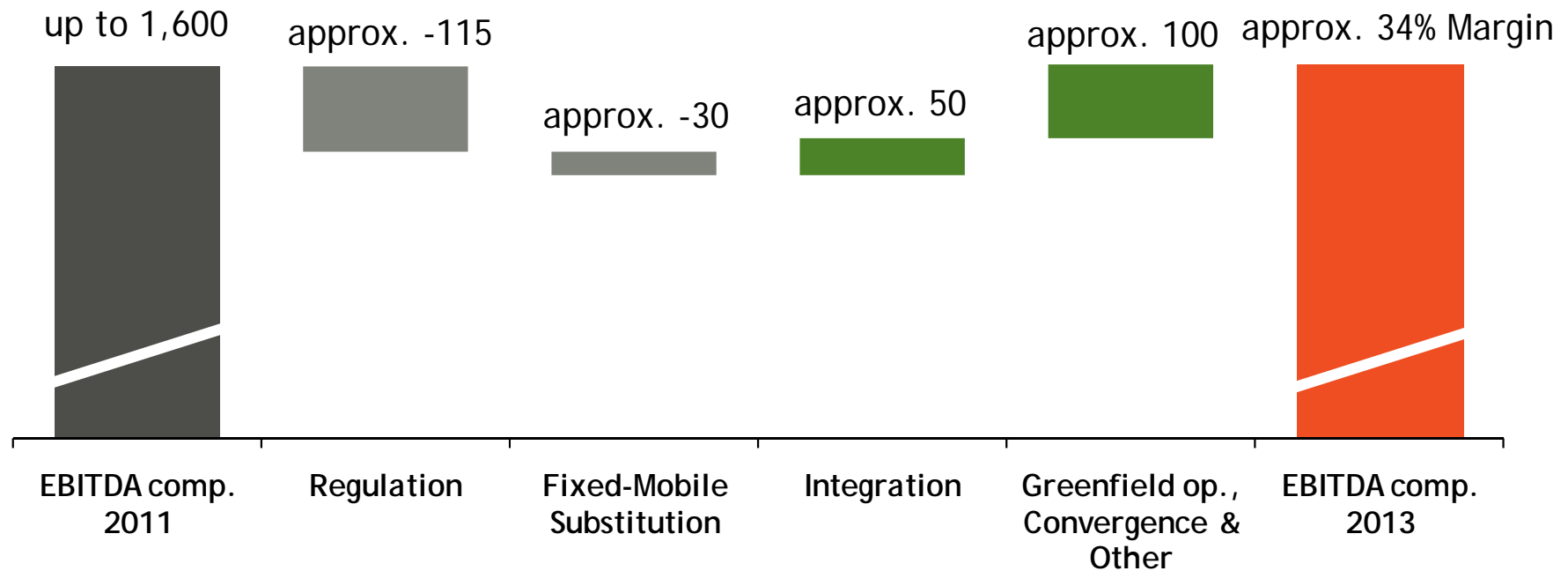
* EBITDA excluding restructuring and impairment charges

** Does not include investments for licence and spectrum acquisitions

*** Operating free cash flow = EBITDA comparable - CAPEX

Operational Excellence Forms the Basis for EBITDA Comparable Stabilization

In EUR mn



Thank you!