

Deutsche Telekom AG,
Bonn,
-security code number 555 750-

Dividend announcement

The ordinary Shareholders' Meeting of Deutsche Telekom AG on May 29, 2001 approved the payment of a dividend of EUR 0.62 per individual no par value share of the dividend-bearing capital stock of December 31, 2000 of EUR 7,748,949.36, payable on May 30, 2001.

The dividend will be paid by Clearstream Banking AG, Frankfurt am Main, via the depositary banks after deduction of 25 % withholding tax and 5.5 % solidarity surcharge on the withholding tax (total of 26.375 %).

The dividend is subject to a tax imputation credit on EUR 0.02 of this portion of the gross amount to be issued per share amounting to 3/7 of the dividend; this corresponds to EUR 0.01. This credit, as well as the withholding tax amount and the solidarity surcharge, is offset against the income tax or corporate income tax of the shareholders resident in Germany and who are subject to unlimited German tax liability. The remaining EUR 0.60 of the dividend is funded by tax-exempt equity (foreign earnings in accordance with § 30 para. 1 (1) of the Corporation Income Tax Law) and is therefore not subject to an imputed tax credit.

The withholding tax and the solidarity surcharge on the withholding tax are not deducted in the case of shareholders who have submitted to their depositary bank a certificate from their local tax office confirming their exemption from assessment. In this case, the bank making the payment will also pay the tax credit. The same applies in full or in part for shareholders who have submitted an application for exemption to their depositary bank, insofar as the volume to be exempted by this application is not already taken up by other income from assets.

Bonn, May 2001

Deutsche Telekom
Board of Management