Deutsche Telekom

Conference call

March 10, 2003

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Deutsche Telekom cannot guarantee that its financial and operating targets for the years 2002 and 2003 can be achieved. Some aspects of the Group’s planning depend on circumstances Deutsche Telekom cannot influence. For a description of some of these factors which might influence Deutsche Telekom’s ability to achieve its objectives, please refer to the items “Forward-looking statements” and “Risk factors” in the annual report on Form 20-FA filed on June 18, 2002.

This presentation contains a number of non-GAAP figures, such as EBITDA, adjusted EBITDA, EBITDA and adjusted EBITDA margins, investments, capex, free cash-flow, cash contribution, special influences, and net debt. These non-GAAP figures should not be viewed as a substitute for our GAAP figures. Our non-GAAP measures may not be comparable to non-GAAP measures used by other companies. Please see the backup to this presentation for a more detailed discussion.

Strategy and implementation.

Kai-Uwe Ricke
CEO

Deutsche
Telekom

2002 – Group financial highlights. Continued strong operational performance.

- Group revenue up 11.1% to € 53.7 billion
- Adjusted EBITDA[1] growth of 7.8% to € 16.3 billion
- Investments[2] reduced by almost 30% to € 7.9 billion
- Free cash-flow before dividends increased to approx. € 4.8 billion[3] from € 1.1 billion in 2001
- Total net loss of € 24.6 billion
  - Special influences € 19.8 billion
  - Net loss € 4.8 billion without special influences taking into account tax effects
- Net debt decreased by € 2.9 billion to € 61.1 billion[4], compared to Q3

1 To interpret the adjusted EBITDA, please refer to the important information contained in the backup.
2 Additions to intangible assets (excl. goodwill) and property, plant and equipment.
3 Incl. € 0.8 billion tax refund (Wind) and € 0.1 billion miscellaneous.
4 Under new definition. See backup for reconciliation.

2003 objectives.
Debt reduction, cash generation and profitable growth.

6+6 deleveraging program – progressing well

- Asset sales
  € 4.4 billion out of targeted € 6.2 - 8.5 billion achieved or sale agreed
- Free cash-flow objective clearly achievable
  Free cash-flow in 2002 amounted to € 4.8 billion
  Divisional operational and investment strategies aimed at meeting 2003 targets

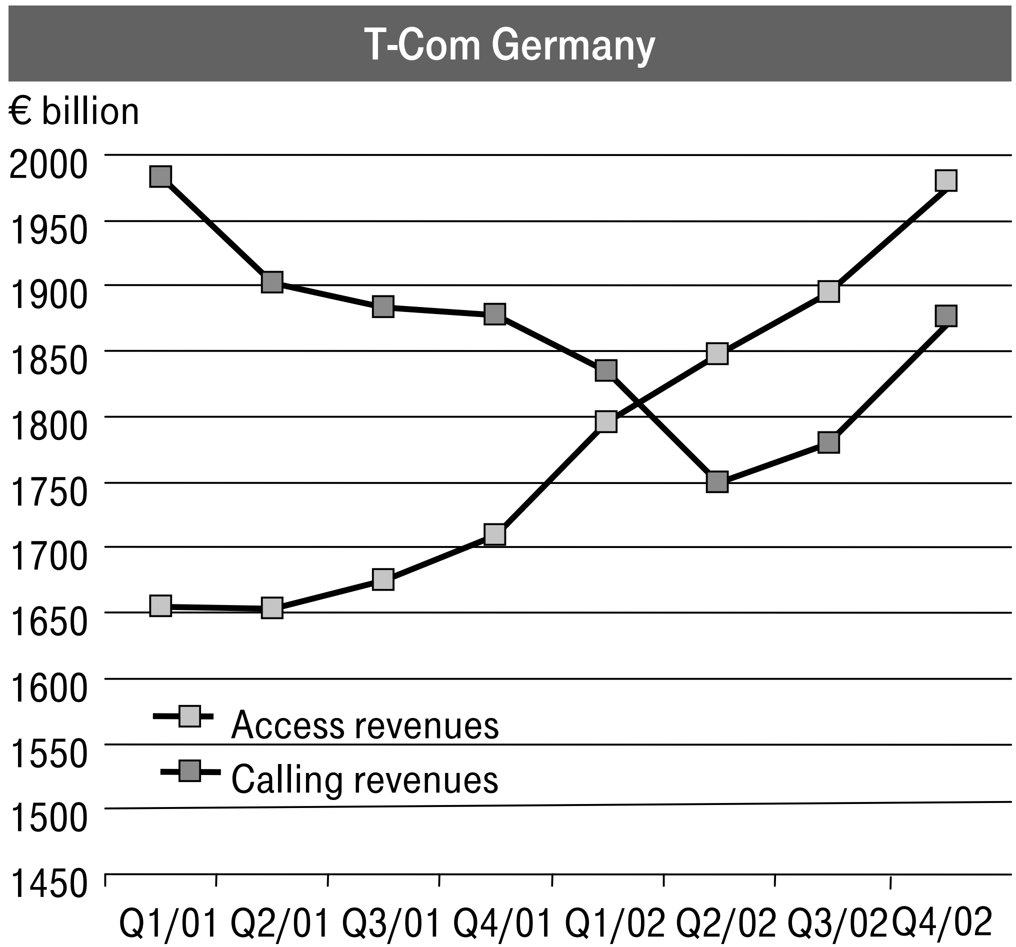
+2 € 2.1 billion (plus greenshoe) Mandatory Convertible provides additional financing and expected equity credit from rating agencies

Implementation
Efficiency for the group.

- **Lean strategic management holding:**
  - Headquarters 900 employees
  - 3,000 employees transferred to divisions
  - 1,500 job cuts
    - of which 1,000 transfers to PSA
  - Remaining headquarters functions: e.g. group strategy, IR, Treasury
- **Efficient shared services**
- **New divisional procedures**

- **Efficiency improvements**
  - € 0.3 billion marketing
  - € 0.3 billion reduced losses from accounts receivable
  - € 0.1 billion savings in consulting, salaries, and travel expenses
- **Staff reductions**
  - More than 10,000 actual personnel reductions planned in 2003
  - Personnel Service Agency (PSA): 4,500 transfers by end of February: enables 600 temporary staff to be replaced

T-Com.
Position strengthened.



- Strong operating results contribute to the revenue growth
  - 3.3 million T-DSL contracts sold as of Feb. 28, 2003
  - 22.4 million ISDN channels as of Dec. 31, 2002
- Domestic revenues with decrease of 1.3% almost stabilized through
  - Strong increase in access revenues by more than 12%
  - Increase in calling revenues for the last 2 consecutive quarters
- Domestic EBITDA shows first signs of recovery with strong 4th quarter. Total decrease of 6.5% yoy

T-Com Mission.
Statement and program to deliver.

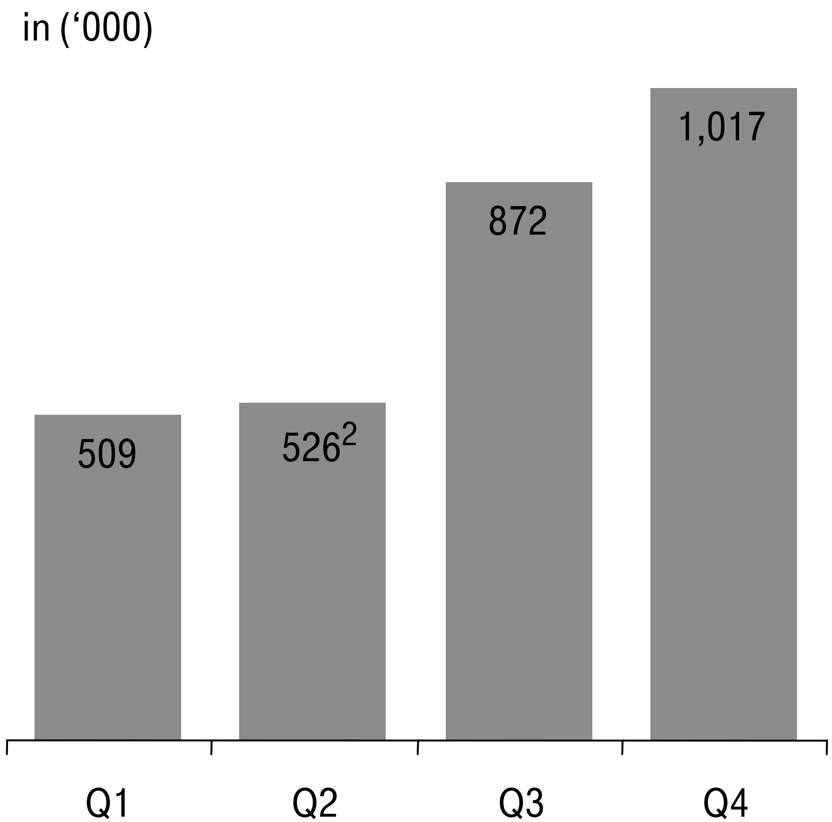
Become one of the internationally recognized leaders in fixed-line communications

- Become one of the most efficient fixed-line operators worldwide
- Be recognized by customers for the highest quality of service
- Maintain worldwide leadership in innovation

Extracts from implementation plan

2003 Goals	Example	Measured by
Cost reduction	Project WIN 2003	Job cuts and reassignments
Enhance distribution channels	Increase electronic distribution	No. of marketing initiatives
Improve service quality	Fault clearance, delivery time	Customer satisfaction
Streamline product portfolio	Reduce products offered	No. of products
Product innovation	Broadband initiative	Growth in T-DSL

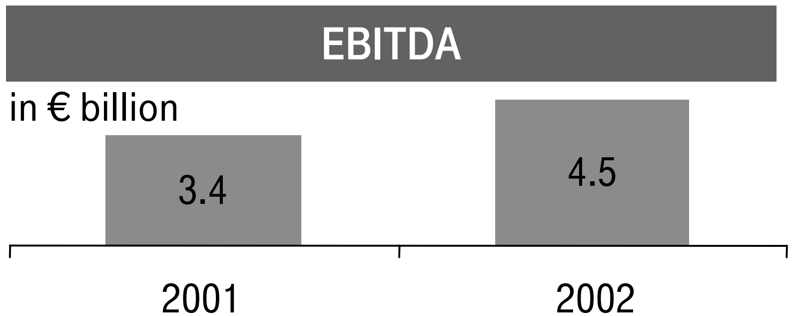
T-Mobile USA.
Net adds[1] in '02: Fastest growing U.S. wireless carrier.

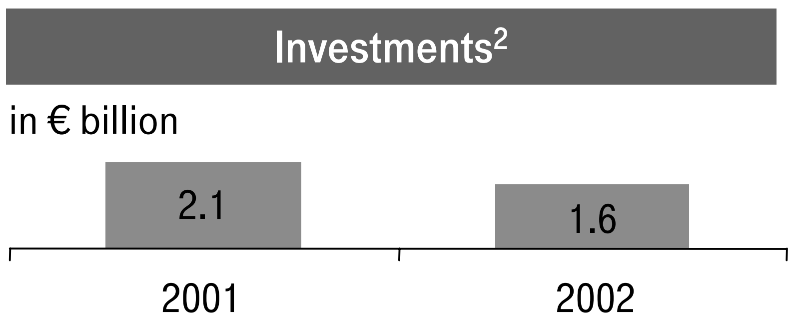


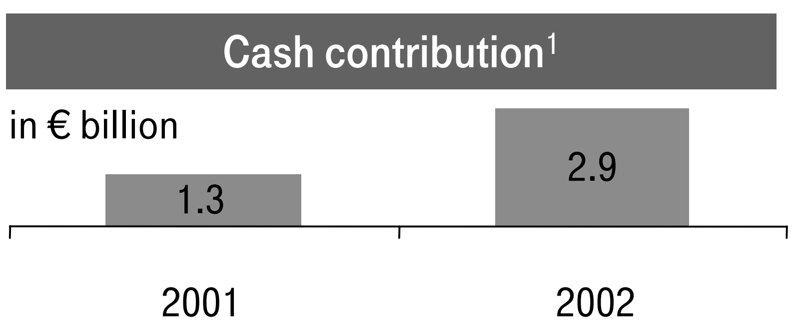
- Took No. 1 U.S. position in acquiring net adds in 2002
- ARPU levels held, contract churn and bad debt now under control
- Contribution to group revenue increased from € 2.8 billion[1] to € 6.1 billion
- EBITDA contribution improved from € - 258 million[1] to € 524 million
- Number of covered POPs increased by 66 million (from 152 million to 218 million)

1 Consolidated from June to December 2001.
2 Incl. 73,200 subscribers from acquisitions.

T-Mobile
Europe - Cash-flow generation matters







- European revenue up 15% to € 13.6 billion, EBITDA up 33% to € 4.5 billion and investments down 26% to € 1.6 billion
- European EBITDA margin improved to 33% from 29%
- Western European ARPUs improved during FY 2002 compared to FY 2001
- T-Mobile Germany continues to build quality market share,
- T-Mobile UK took No. 1 position during Q4 in contract net additions
- T-Mobile International‘s losses before tax increased to €23.7 billion due to unscheduled writedowns

1 Defined as EBITDA minus investments.

2 Additions to property, plant and equipment and intangible assets (excl. goodwill and licenses)

T-Mobile Mission.
Statement and program to deliver.

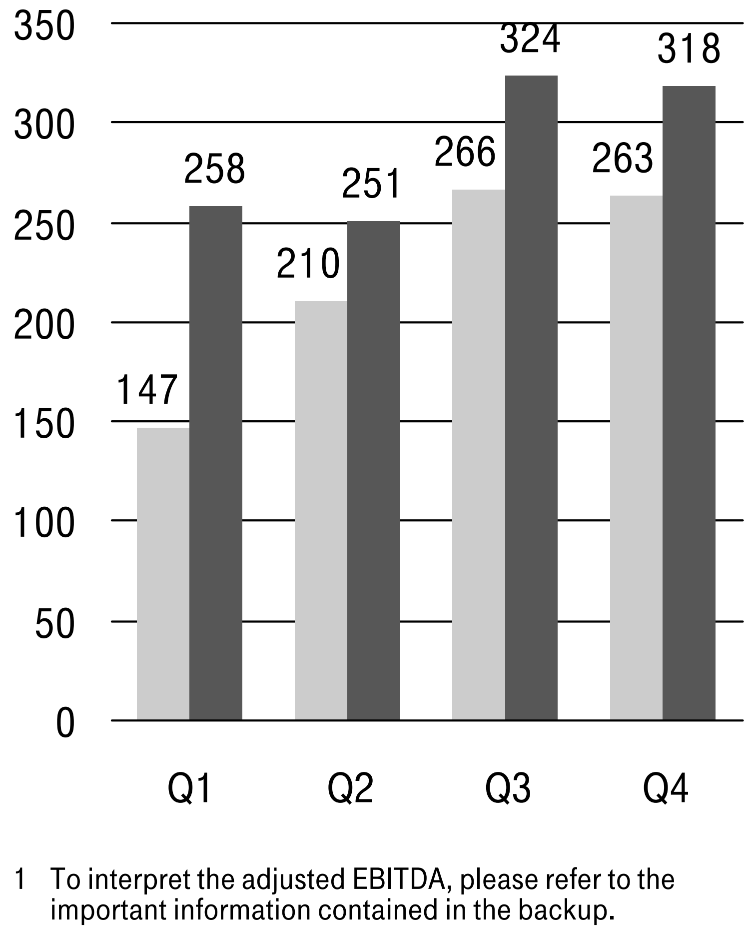
We will deliver the best customer experience in mobile communications - the true freedom to move - on a global scale

Extracts from implementation plan

2003 Goals	Example	Measured by
One Company Strategy	– Process & system harmonization – Common product & service roadmap – Eliminate duplications	Realize scale effects/ cost reduction
Improve product offerings	– t-zones relaunch – Attractive pricing & terminals – Customer-centric products & services	Increased ARPU/revenue share of non-voice: up to ~20% in EU (until year-end 2004)
Strengthen T-Mobile brand	– From renaming to rebranding – Establish & implement strong brand values, attributes, identity and architecture	Increase unaided brand awareness in all markets
Profitable growth	– Subscriber growth in US – Increase contract/business customer market share in EU – Optimize sales channels	Improve ARPU / strong market position
Technology strategy	– Evaluate co-operations and partnerships for standardization	

T-Systems.
Strong adjusted EBITDA[1] performance.

Adj. EBITDA[1] in € million



- 2002 revenues at € 11.3 billion decreased by 4.9%
- Adj. EBITDA[1] grew by 30% to € 1.15 bíllion
- Focused 'Go-to-Market Model' to increase sales effectiveness (order entry) and efficiency (sales cost)
- Improvement in efficiency and productivity in managed networks and IT Services
- Headcount reduction

1 To interpret the adjusted EBITDA, please refer to the important information contained in the backup.

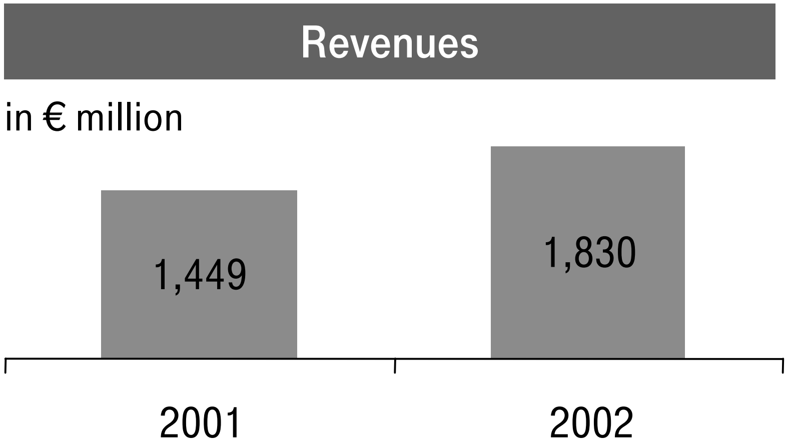
T-Systems Mission.
Statement and program to deliver.

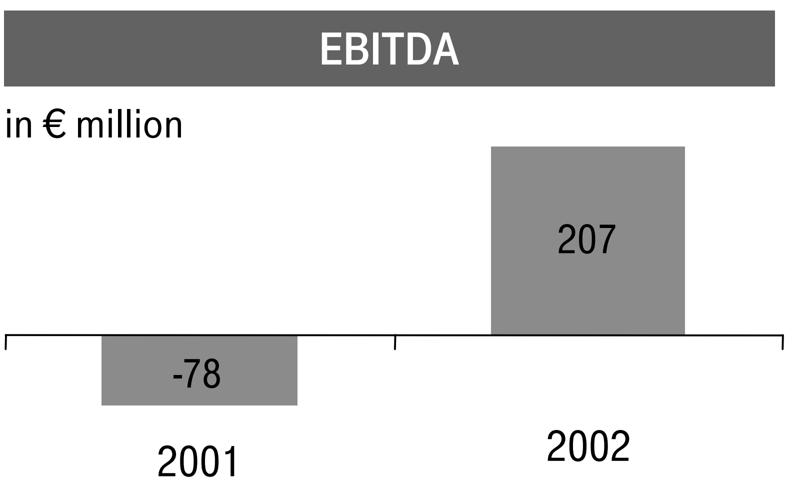
Establish T-Systems as a leading provider of IT and network solutions for major companies and key customers of Deutsche Telekom

Extracts from implementation plan

2003 Goals	Example	Measured by
Focus on top accounts	Exploit expansion and cross-selling potential	Order entry
Verticalize Build industry knowledge and expertise	4 industry lines	Market awareness and reputation
Win strategic deals	Install a strategic project acquisition team	Hit rate
Gain production efficiency	Data center consolidation Partnering Offshore programming	Cost reduction
Grow internationally	Follow our customers (expansion)	Profitable international revenue

T-Online.[1]
Focus on profitability pays off.





- 26% revenue increase at the T-Online division (incl. DeTeMedien) on year-on- year comparison to € 1.8 billion
- EBITDA of € 207 million, from € –78 million in 2001
- Approx. 1.5 million new subscribers in 2002
- Over 12.2 million subscribers in the TOI group, with 10 million in Germany
- About 2.7 million T-Online Group subscribers are using DSL

1 The division T-Online includes T-Online International AG and DeTeMedien.

T-Online Mission.
Statement and program to deliver.

Become a leading Internet media house to deliver the best online experience

– Lead through new innovations and formats/platforms

– Monetizing the direct subscriber relationship

Extracts from implementation plan

2003 Goals	Example	Measured by
Strengthen broadband positioning	Broadband tariffs & T-Online Vision	Number of broadband subscribers
Manage cost efficiency	Cash contribution (= EBITDA - capex)	Balanced scorecard
Develop new areas of Internet experience	Video on demand	Increase in gross margin

Summary.
Debt reduction, cash generation and profitable growth.

- **Debt reduction program under way**
  - Asset sales with € 4.4 billion achieved or sale agreed
  - Q4 results provide basis for cash-flow growth in 2003
- **Structural changes in place**
  - Decentralized structure now in place (incl. structure of Management Board)
  - Headquarters streamlined
  - Program for staff reduction and PSA established
  - Cost reduction measures introduced
- **Divisional strategies set for sustainable cash generation and profitable growth**

Financials.

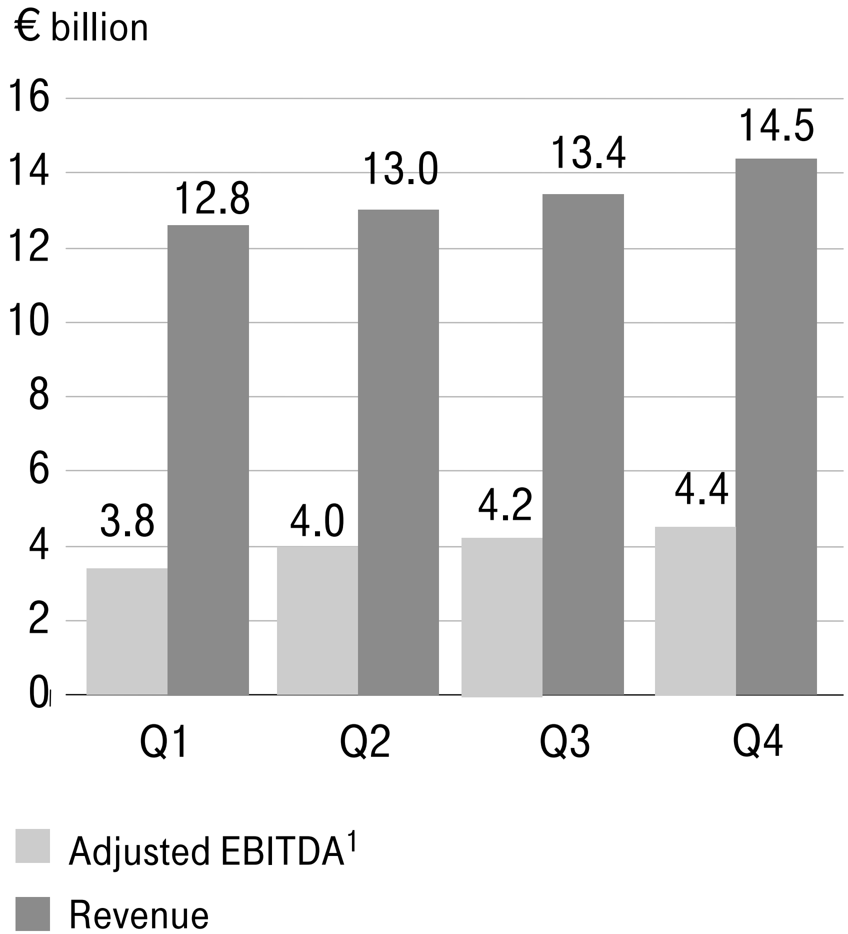
Dr. Karl-Gerhard Eick
CFO

Q4 – Group financial highlights. Excellent quarter.

- Group revenue up 9.0% from Q4/01 to € 14.5 billion
- Adjusted EBITDA[1] growth to € 4.4 billion or +14.6%, compared to Q4/01
- Investments[2] of € 2.5 billion
- Free cash-flow of € 0.2 billion despite high investments in Q4 compared to previous quarters
- Total net loss:
  - including special influences: € - 0.1 billion
  - excluding special influences: € - 0.5 billion
- Net debt decreased by € 2.9 billion to € 61.1 billion[3], compared to Q3

1 To interpret the adjusted EBITDA, please refer to the important information contained in the backup.
2 Additions to intangible assets (excl. goodwill) and property, plant and equipment.
3 Under new definition. See backup for reconciliation.

Deutsche Telekom Group 2002. Continuous improvement in revenue and adj. EBITDA[1].



Growth in 2002:

- Revenue of € 53.7 billion vs. € 48.3 billion in 2001 - 11.1% growth year-on-year
- Adjusted EBITDA[1] of € 16.3 billion vs. € 15.1 billion in 2001 - 7.8% growth year-on-year

Growth in Q4/02:

- Adjusted EBITDA[1] grew by 14.6%, compared to Q4/01
- Revenue grew by 9.0%

1 To interpret the adjusted EBITDA, please refer to the important information contained in the backup.

Revenue and adj. EBITDA[1] development. T-Com stable – strong growth at T-Mobile and T-Online.

Total revenue (€ billion)	2002	2001	Δ €	Δ%
T-Com	30.2	29.4	0.8	3%
T-Mobile	19.7	14.6	5.1	35%
T-Systems	11.3	11.9	- 0.6	- 5%
T-Online	1.8	1.4	0.4	29%
Other	4.3	5.1	- 0.8	- 14%

Adj. EBITDA[1] (€ billion)	2002	2001	Δ €	Δ%
T-Com	10.2	10.1	0.1	1%
T-Mobile	5.0	3.1	1.9	61%
T-Systems	1.2	0.9	0.3	33%
T-Online	0.2	- 0.1	0.3	n/a
Other	0.0	1.1	- 1.1	n/a

1 To interpret the adjusted EBITDA, please refer to the important information contained in the backup.

Capex status.
Significant reductions achieved in 2002.

€ billion	2002	2001
T-Com	2.8	4.7
T-Mobile	3.1	3.2
T-Systems	0.7	1.3
T-Online and Others	0.5	0.7
Total capex[1]	7.1	9.9
Inv. in intangible assets[2]	0.8	1.3
Investments[3]	7.9	11.2

1 Additions to property, plant and equipment.
2 Excluding goodwill.
3 Additions to intangible assets (excl. goodwill) and property, plant and equipment.

Deleveraging contribution.
Positive contribution from each division.

€ billion	Adjusted EBITDA[1]	Invest-ments[2]	Net interest expense	Sum[3]
T-Com	10.2	- 3.2	- 0.6	6.4
T-Mobile	5.0	- 3.5	- 1.0	0.5
T-Systems	1.2	- 0.8	- 0.1	0.3
T-Online	0.2	- 0.1	0.1	0.2
Other[4]	- 0.3	- 0.3	- 2.4	- 3.0
Group	16.3	- 7.9	- 4.0	4.4[5]

1 To interpret the adjusted EBITDA, please refer to the important information contained in the backup.
2 Investments in property, plant and equipment and intangible assets (excl. goodwill).
3 Defined as sum of adjusted EBITDA, investments, and net interest expense.
4 Incl. reconciliation.
5 Not incl. working capital improvement (€ 0.3 billion) and miscellaneous (€ 0.1 billion). Miscellaneous is due to difference between cash-flow and accounting figures (i.e. cash outflows from investments of € 7.6 billion vs. investments of € 7.9 billion and net interest payment of € 4.2 billion vs. net interest expense of € 4.0 billion).

Free cash-flow.
Further increase despite high investments in Q4.

€ billion[1]	Q4/02	2002	2001	%[2]
Cash generated from operations	3.6	16.7	16.3	2.4%
Net interest payment	- 1.3	- 4.2	- 4.4	3.1%
Net cash provided by operating activities	2.3	12.5	11.9	4.4%
Cash outflows from investments in				
– property, plant and equipment	- 1.9	- 6.8	- 9.8	31.1%
– intangible assets	- 0.3	- 0.8	- 1.0	17.6%
Free cash-flow before dividends	0.2	4.8	1.1	353.8%

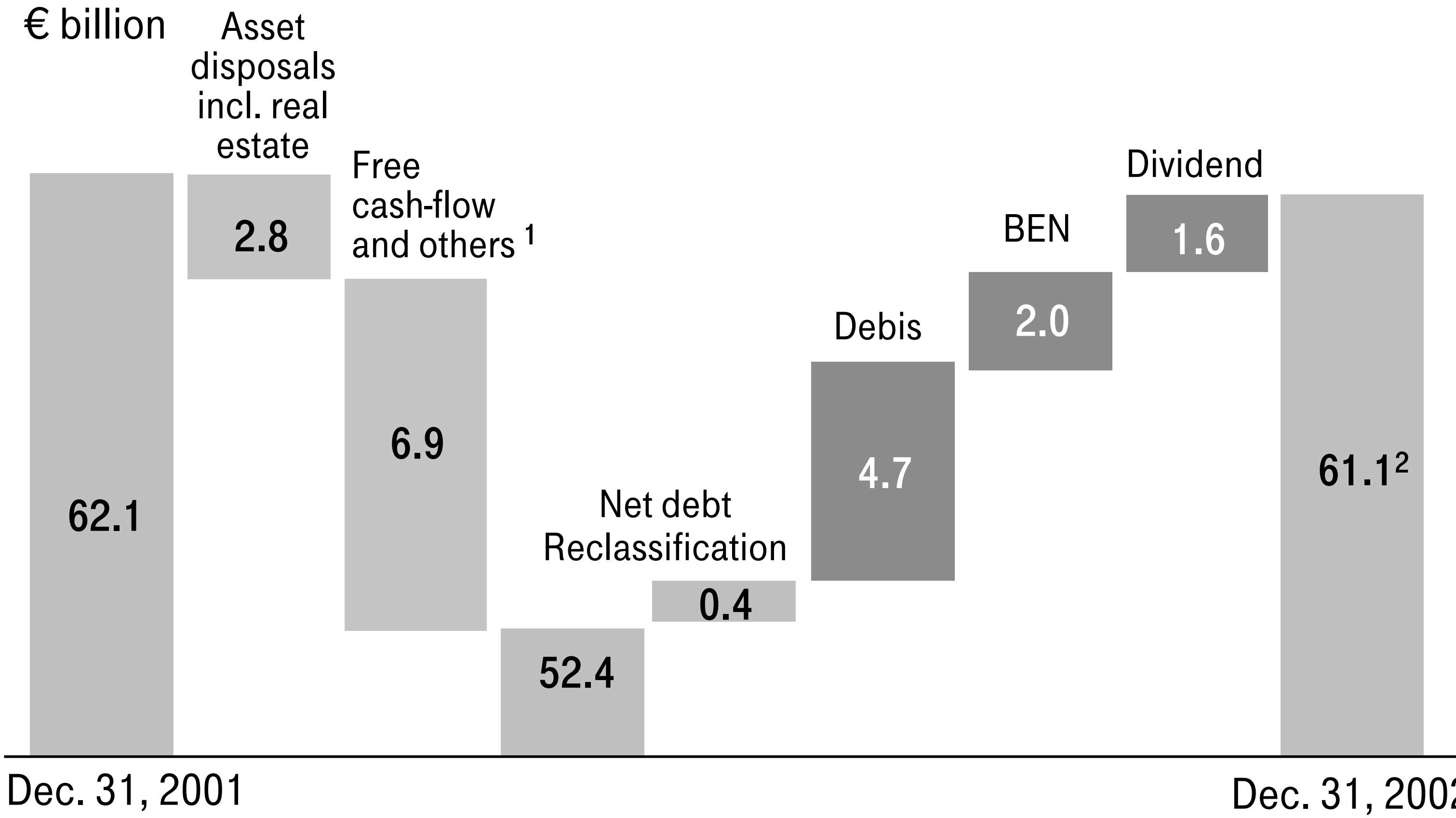
1 Figures rounded to the nearest € 100 million figure.
2 Calculated on the basis of exact million figures.

Development of net debt.
Reduction by € 2.9 billion in Q4/02.

Net debt as of September 30, 2002 (old definition)	**64.0**
Sale of T-Online shares	- 0.7
Real estate	- 1.1
T-Systems ABS and Sale and leaseback	- 0.3
Free cash-flow	- 0.2
Others (e.g. foreign exchange effects)	- 1.0
Net debt as of Dec. 31, 2002 (old definition)	**60.7**
Reclassification of net debt[1]	0.4
Net debt as of Dec. 31, 2002 (new definition)	**61.1**

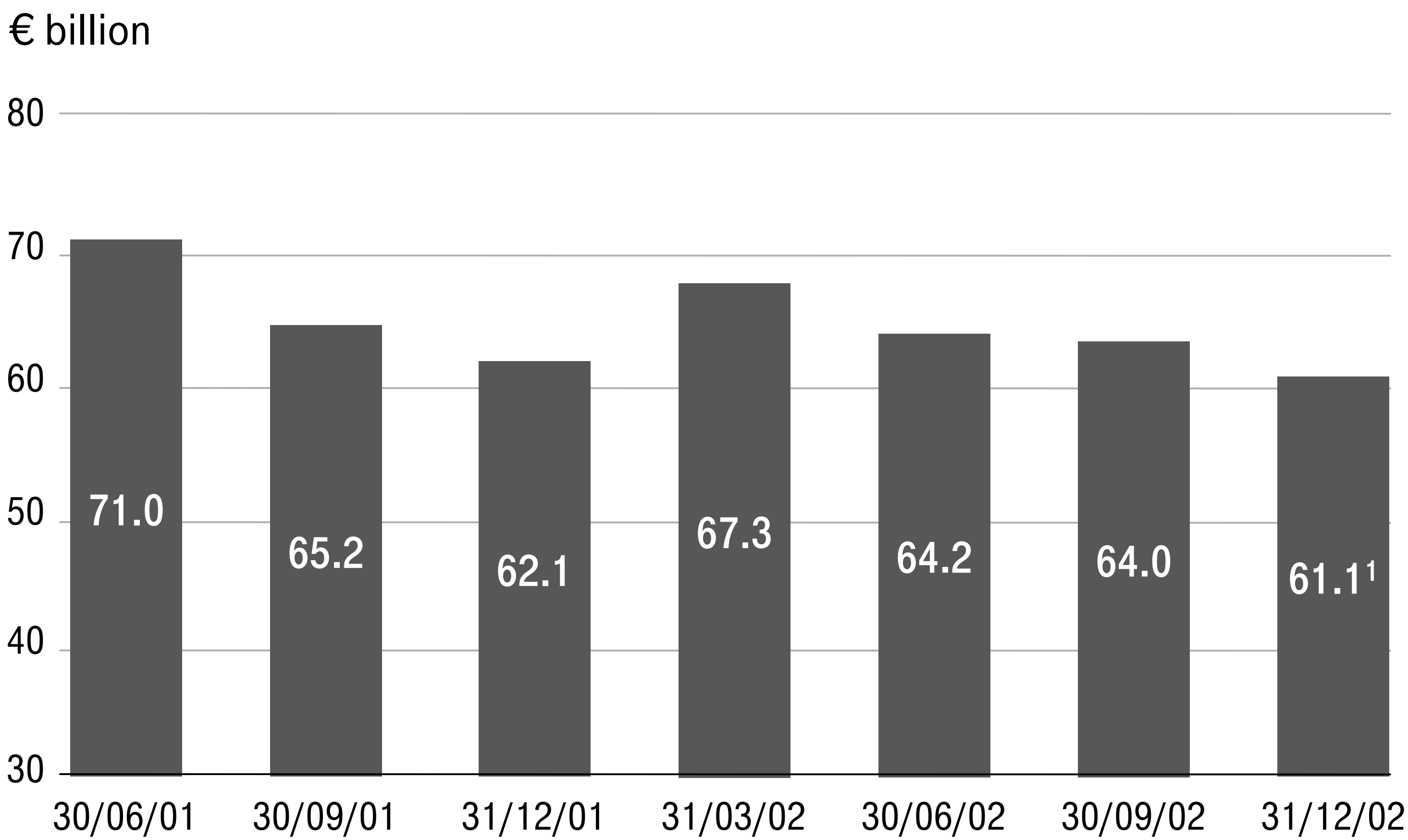
1 See backup for detailed explanation.

Net debt development in 2002.
Reduction despite € 8.3 billion one-time cash-outs.



1 Free cash-flow (€ 4.8 billion) plus foreign exchange effects (€ 2.4 billion) minus writedown of financial assets (€ 0.3 billion).
2 Under new definition. See backup for reconciliation.

Development of net debt since June 2001.
€ 10 billion reduction despite € 8.3 billion cash-outs.



1 Under new definition. See backup for detailed explanation.

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Preliminary unaudited figures

Debt reduction track record.
Sales of more than € 4 billion since November 2002.

November/ December 2002	
Sale of UMC/Eutelsat S.A.	€ 0.2 billion
Sale of 120 million T-Online shares[3]	€ 0.7 billion
ABS transaction of T-Systems[3]	€ 0.2 billion
Sale and leaseback at T-Systems[3]	€ 0.1 billion
Proceeds from real estate[3]	€ 1.1 billion
January/February 2003	
Sale of remaining cable business[1]	€ 1.7 billion
Proceeds from real estate[2, 3]/TeleCash	€ 0.4 billion
Total	**€ 4.4 billion**

Status asset disposals:

50% to 2/3 of target[1] already achieved.

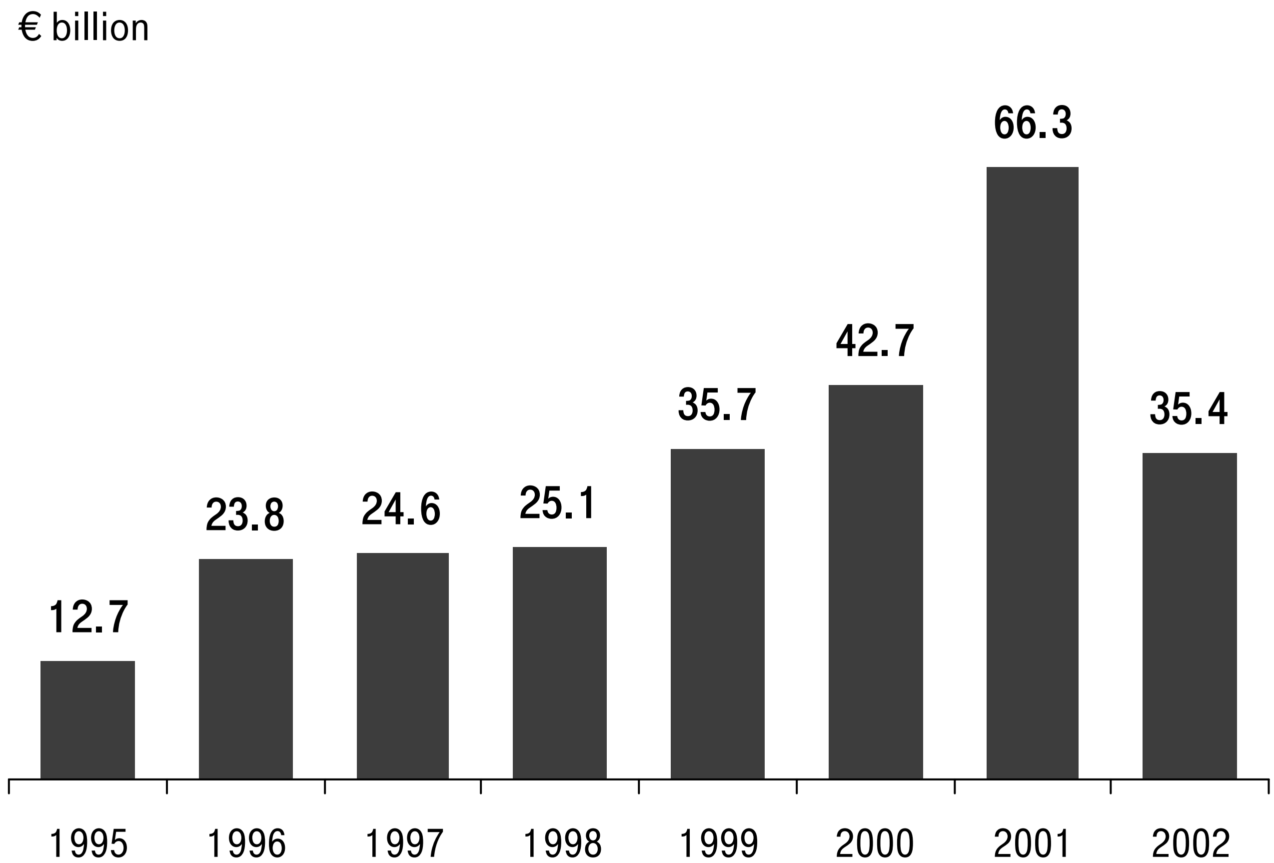
1 Target for asset disposals of € 6.2-8.5billion
(consisting of real estate € 2-4billion, cable € 2-2.3billion, and other assets € 2.2billion) by 2003.
2 Remaining cash proceeds from the € 1.7 billion real estate package announced in 2002.
3 Cash received.

Key financial ratios.
Improvement of net debt/adj. EBITDA[1] ratio.

	2002	2001	2000
Net debt/adj. EBITDA[1]	3.7[2]	4.1	4.4
Adj. EBITDA[1]/net interest exp.	4.0	3.7	4.2
Net debt/shareholders‘ equity	1.7	0.9	1.3

1 To interpret the adjusted EBITDA, please refer to the important information contained in the backup.
2 Ratio calculated using net debt under new definition. See backup for detailed explanation.

Shareholders’ equity.

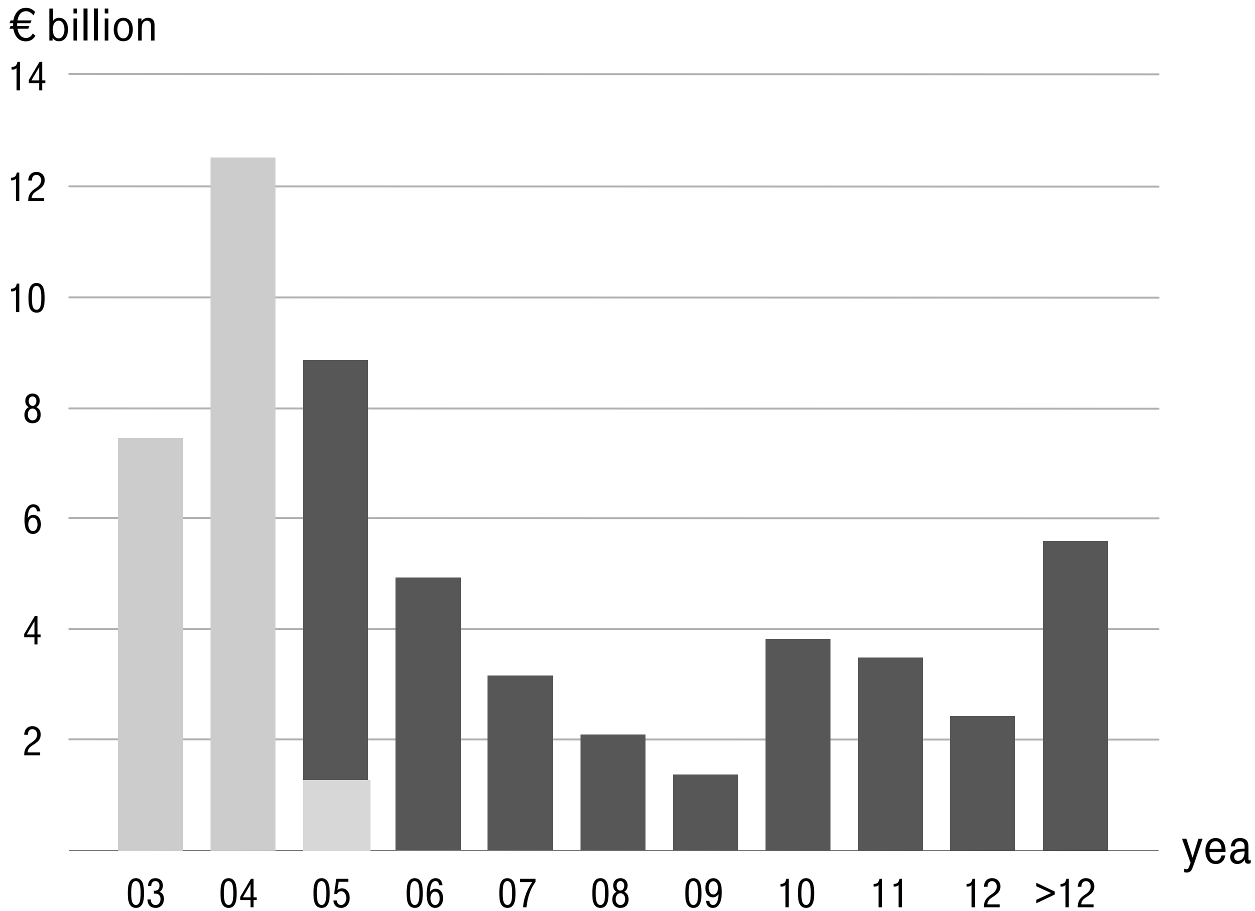


Mandatory convertible.
Successful issue strengthens investment grade position.

Rationale:	To strengthen the balance sheet and therefore Deutsche Telekom's investment grade position, as instrument is expected to receive significant equity credit from rating agencies
Size:	Up to 178 million shares (+10 % overallotment option)
Maturity:	June 2006
One-off measure:	New authorized capital for the issuance of convertibles will NOT be sought at the 2003 AGM

Maturity profile.
Financed through to Q2/05.

Bonds and Medium Term Notes (MTN) maturities as of March 2003



Deutsche Telekom

Preliminary unaudited figures

Debt reduction: current status. Substantial progress already achieved.

€ billion	Scenario Q3/02	Measures in Q4/02	Measures announced	Measures still needed to reach target
Net debt	64.0	61.1	58.8	
Free cash-flow	5.5 – 6.0	0.2		5.3 – 5.8
Real estate	2 - 4	1.1	0.3[5]	0.6 – 2.6
Cable	2.0 – 2.3		1.7	n/a
Asset sales and ABS (TSI)	2.2	1.0[1]	0.3[2]	1.2 – 1.5[3]
Other		0.6[4]		- 0.6[6]
Net debt 2003	49.5 – 52.3			49.5 – 52.3
Adjusted EBITDA 2003	16.7 – 17.7			16.7 – 17.7
Net debt/ adjusted EBITDA	**2.8 – 3.1**			**2.8 – 3.1**

1 T-Online transaction (€ 0.7 billion), ABS transaction and sale and leaseback T-Systems (€ 0.3 billion).
2 Eutelsat, UMC, und TeleCash (combined € 0.3 billion) announced, but no cash received yet.
3 Calculated as residual to reach net debt target.
4 Incl. balance sheet effects, and reclassification of net debt. See backup for detailed explanation.
5 Remaining cash proceeds from the € 1.7 billion real estate package announced in 2002.
6 Cushion for adverse foreign exchange effects.

2003 Outlook.
Targets reconfirmed.

- Adjusted EBITDA growth to € 16.7 - 17.7 billion
- Investments[1] of € 6.7 - 7.7 billion
- Free cash-flow of € 5.3 - 5.8 billion
- Remaining asset sales of € 1.8 – 4.1 billion[2]
- Decrease net debt to approx. 3 x adj. EBITDA by year-end 2003

1 Investments in property, plant and equipment plus investments in intangible assets.
2 Excl. € 4.4 billion of asset sales already announced in Q4 and Q1.