

Q1-Q3 2003. Results.

Kai-Uwe Ricke
CEO

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Deutsche Telekom cannot guarantee that its financial and operating targets for the year 2003 and beyond 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 that 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-F/A filed on June 27, 2003.

This presentation contains a number of non-GAAP figures, such as EBITDA and EBITDA adj. for special factors, EBITDA margin adj., capex, adj. net income, free cash flow, and gross 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. To interpret the non-GAAP measures, please refer to the Backup materials accompanying this presentation and the “Reconciliation to pro forma figures” in the Q3/03 interim report or the “Reconciliation to pro forma figures” posted on Deutsche Telekom`s Investor relations link under www.telekom.de.

Targets.

Year end targets already overachieved

	Sept 2003 actual	Original target FY 2003
- Net debt	€ 49.2 billion	€ 49.5 – 52.3 billion ¹
- Cash contribution ²	€ 10.2 billion	€ 10 billion ¹
- Net income	€ 1.6 billion	Positive ³
- Adj. Net income	€ 0.7 billion	

1 Announced in connection with the Strategic Review in Nov. 2002.

2 Defined as adjusted EBITDA minus Capex (excluding Goodwill).

3 Announced Q1/03

6+6 target exceeded.

15 months targets exceeded after 12 months



¹ Including sale agreed for Globe and ABS transaction T-Mobile

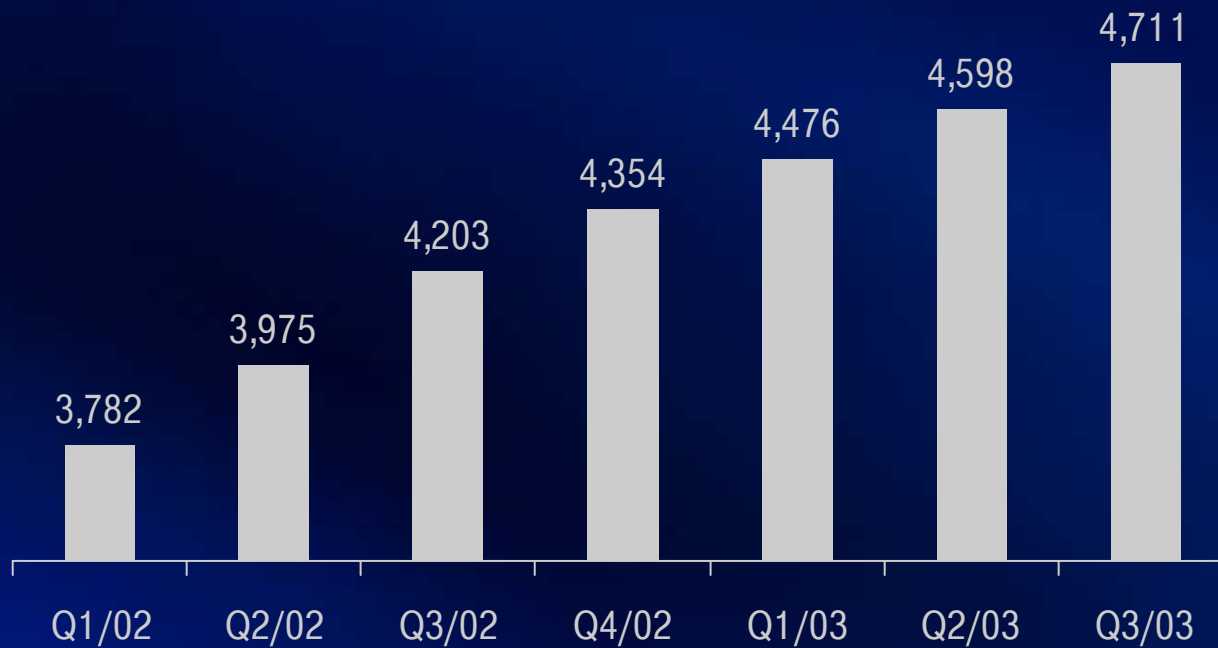
Group financial highlights. Profitable growth continues.



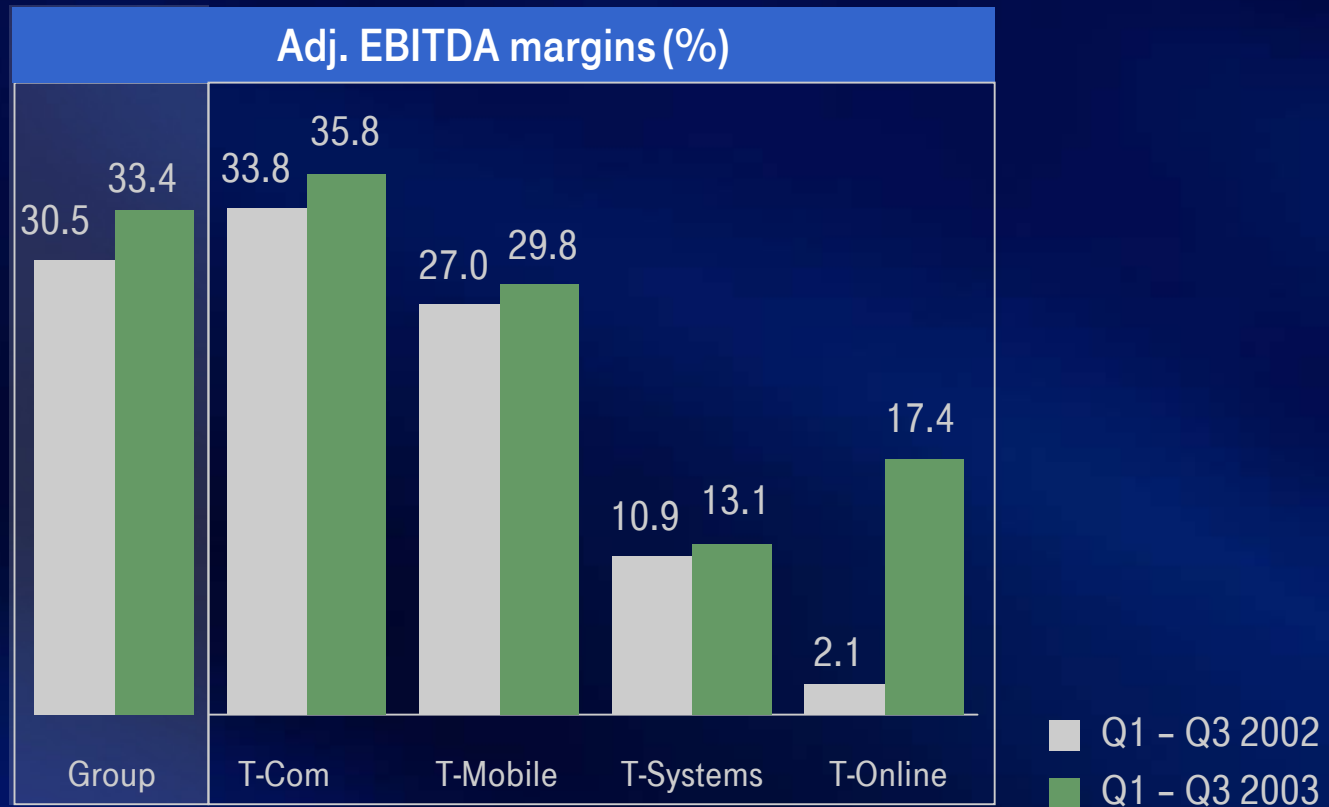
Group financial highlights.

Continuous improvement in adj. EBITDA.

Adjusted EBITDA (€ million)



Margin improvements. Significant efficiency improvements across all divisions.



DT - The values are in the brand.

The Brand



Our vision:

As the leading services provider in our industry, we **network** society for a better future.

With **top quality, efficiency and innovation**, to the benefit of our customers.

Objectives:

To become the leading connectivity provider of **fixed and mobile broadband** services.

To capitalize on our **portal** and **IT Services** businesses.

DT - Exploiting the Business Opportunities.

Divisions as operational interface with customers.

Objectives: To be the leader in earnings-enhancing growth within our peer group

T · · Com ·

Efficiency savings and broadband growth opportunities within our German and Central & Eastern European base.

T · · Mobile ·

Focus is on earnings-enhancing growth through scale and broadband within our existing footprint.

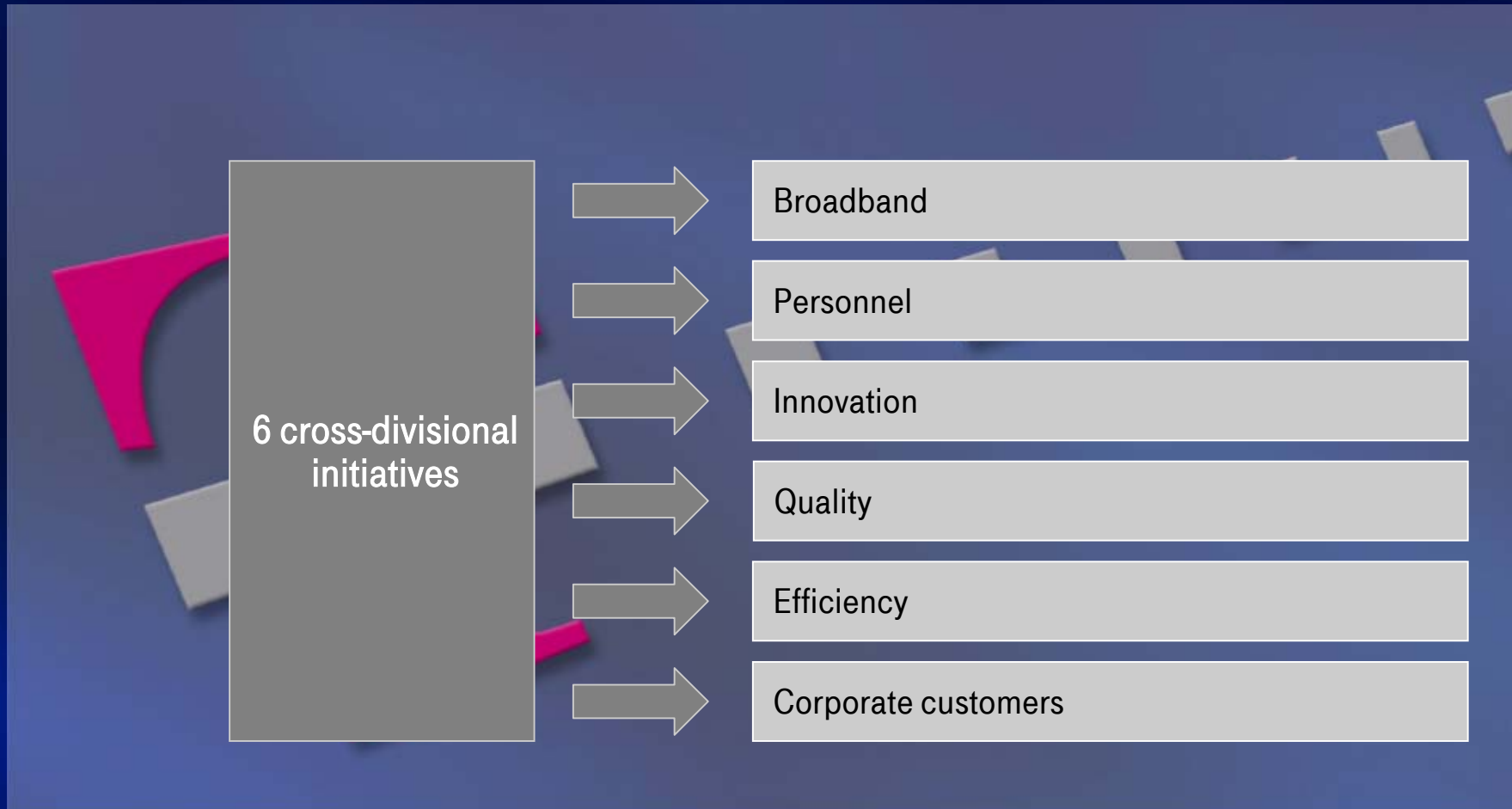
T · · Systems ·

To safeguard and enhance our customer relationship with large corporations.

T · · Online ·

To better exploit the broadband opportunity and to strengthen our customer relationships.

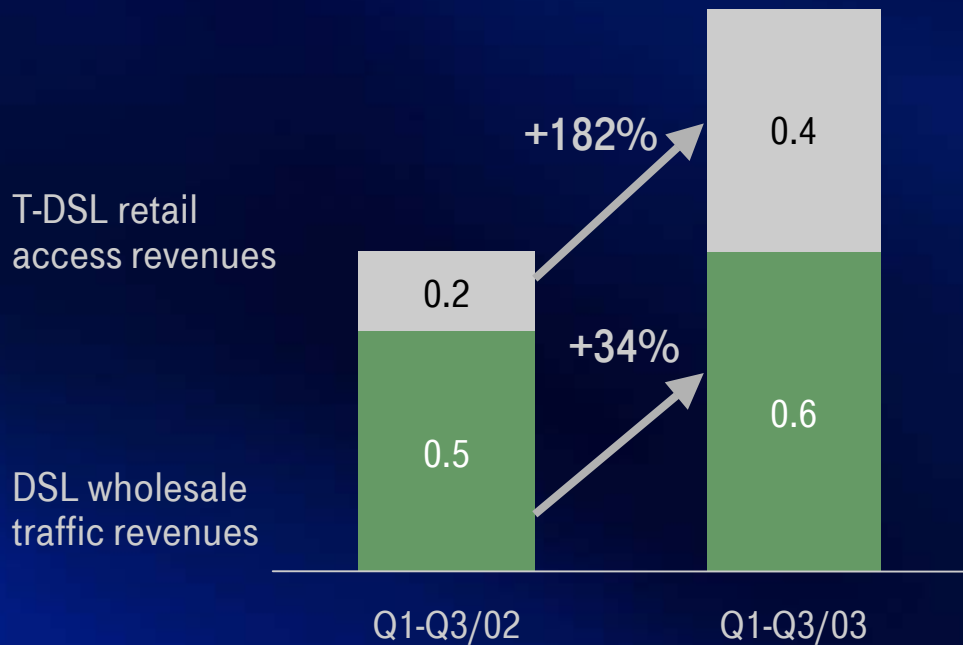
Agenda 2004. Business models across divisions



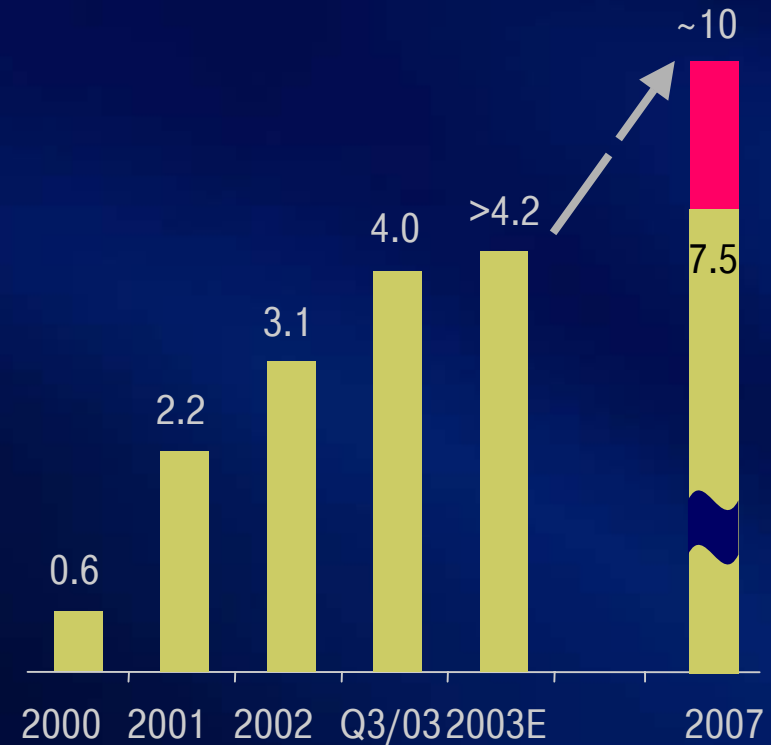
Broadband initiative

Example: T-Com DSL case improved.

Revenues (€ billion)



T-DSL subscribers (million)

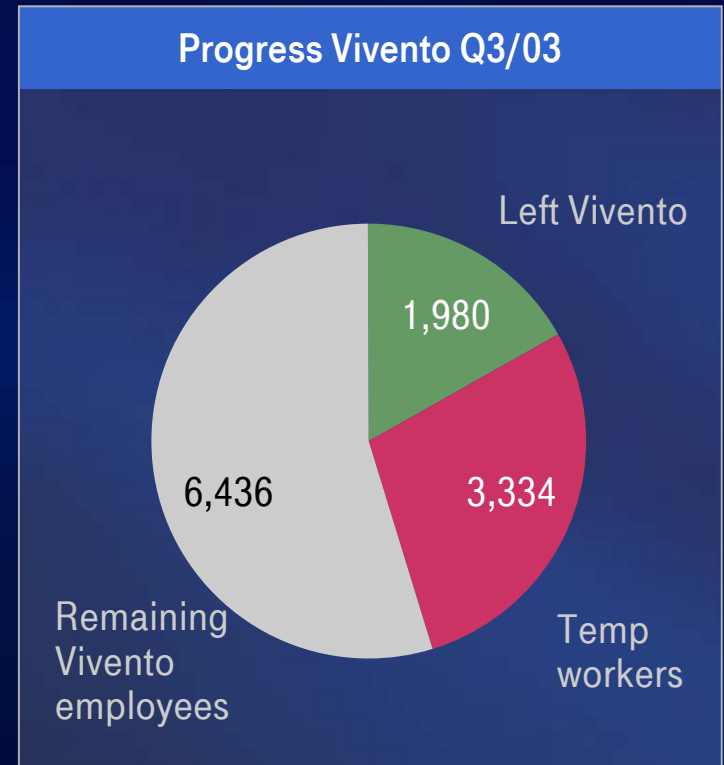


Personnel cost management.

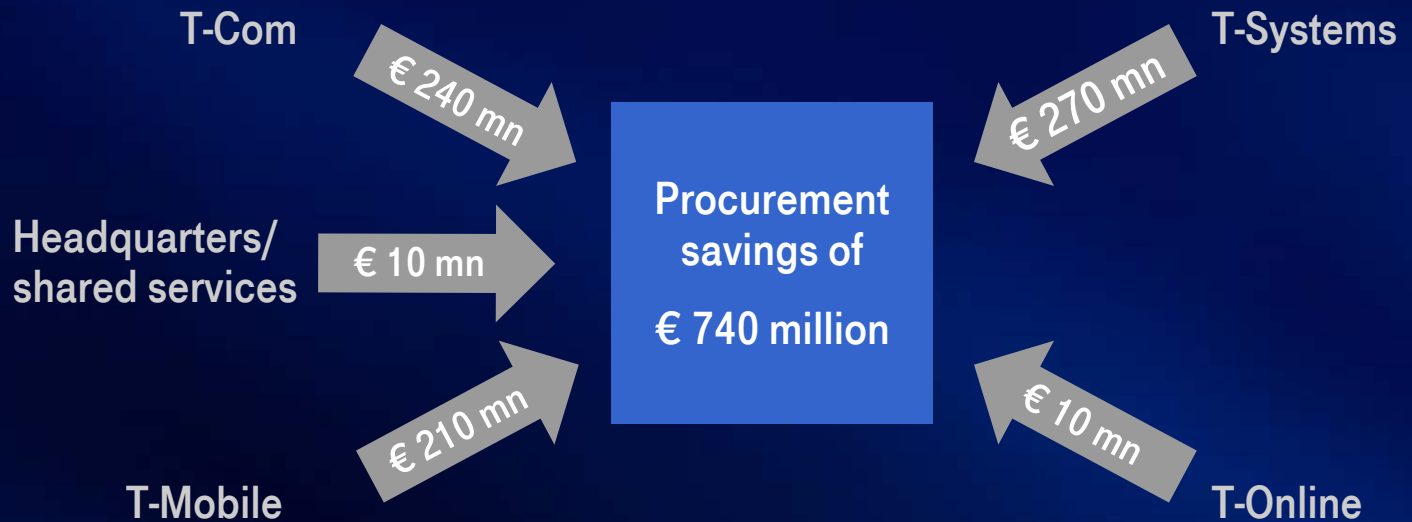
Target to reduce relative personnel cost

- Propose 10% reduction in working hours and pay per year
- Implement voluntary redundancy scheme
- Negotiate appropriate annual pay rise
- Leverage natural attrition
- Outplacement through Vivento (PSA)

Personnel: Vivento (PSA). Transfer program on track.



Global procurement improvements Q1-Q3/2003¹. Groupwide reporting tool for cost savings implemented.

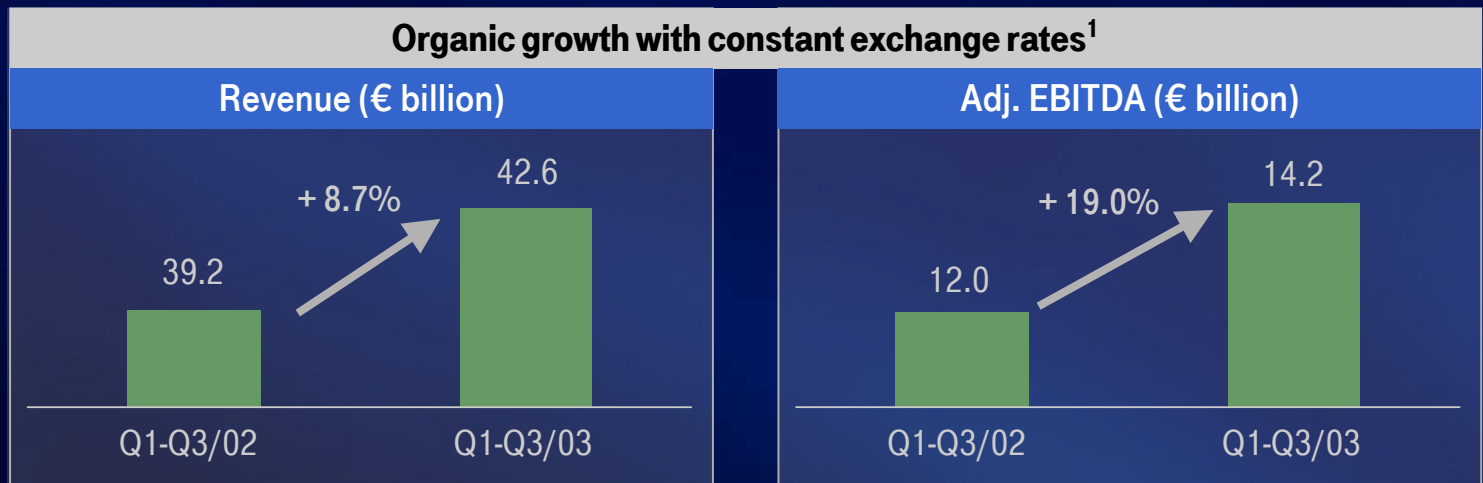


¹ Unaudited figures, excluding T-Mobile handsets.

Q1-Q3 2003. Financials.

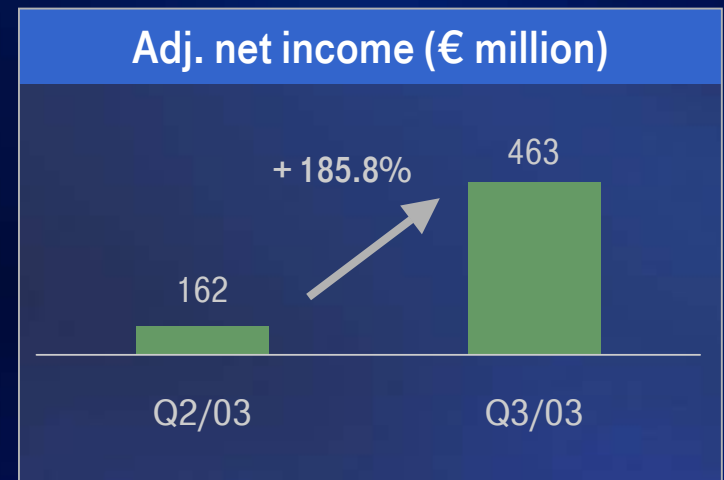
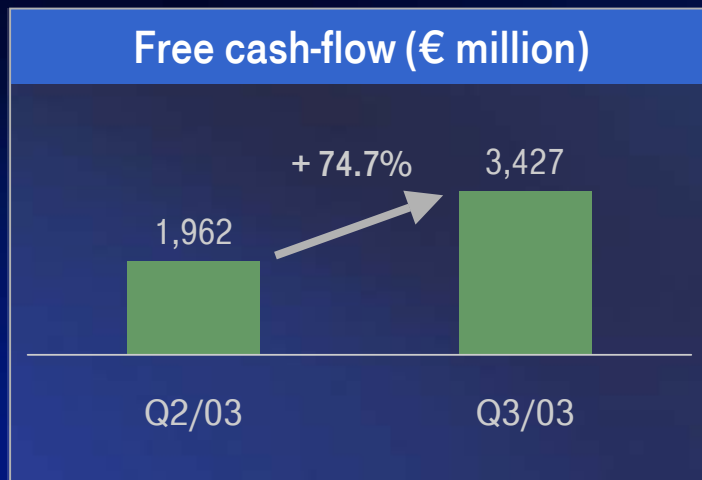
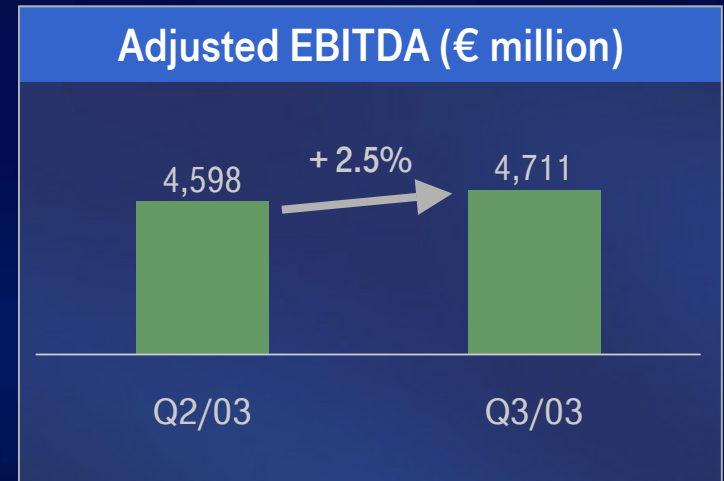
Dr. Karl-Gerhard Eick
CFO

Revenue and adjusted EBITDA. Profitable growth continues.



¹ Pro forma figures: organic growth exclude consolidations.

Sequential growth Q3/2003 vs. Q2/2003. Strong growth in free cash flow and adj. net income.



*

Capex.

Capex reduced by 1/3.

€ billion ¹	Q1-Q3/03	Q1-Q3/02
T-Com	1.3	2.4
T-Mobile	1.6	2.0
T-Systems	0.4	0.6
T-Online & GHS (incl. recon.)	0.2	0.3
Total	3.5	5.3

¹ Figures rounded to the nearest € 100 million figure.

Cash contribution¹ up 55%. Strong improvement in T-Com and T-Mobile.

€ billion ²	Q1-Q3/03	Q1-Q3/02
T-Com	6.5	5.2
T-Mobile	3.4	1.8
T-Systems	0.6	0.3
T-Online	0.2	-0.0
GHS (incl. recon.)	-0.4	-0.7
Total	10.2	6.6

1 Adj. EBITDA minus capex (excl. goodwill).

2 Figures rounded to the nearest € 100 million figure.

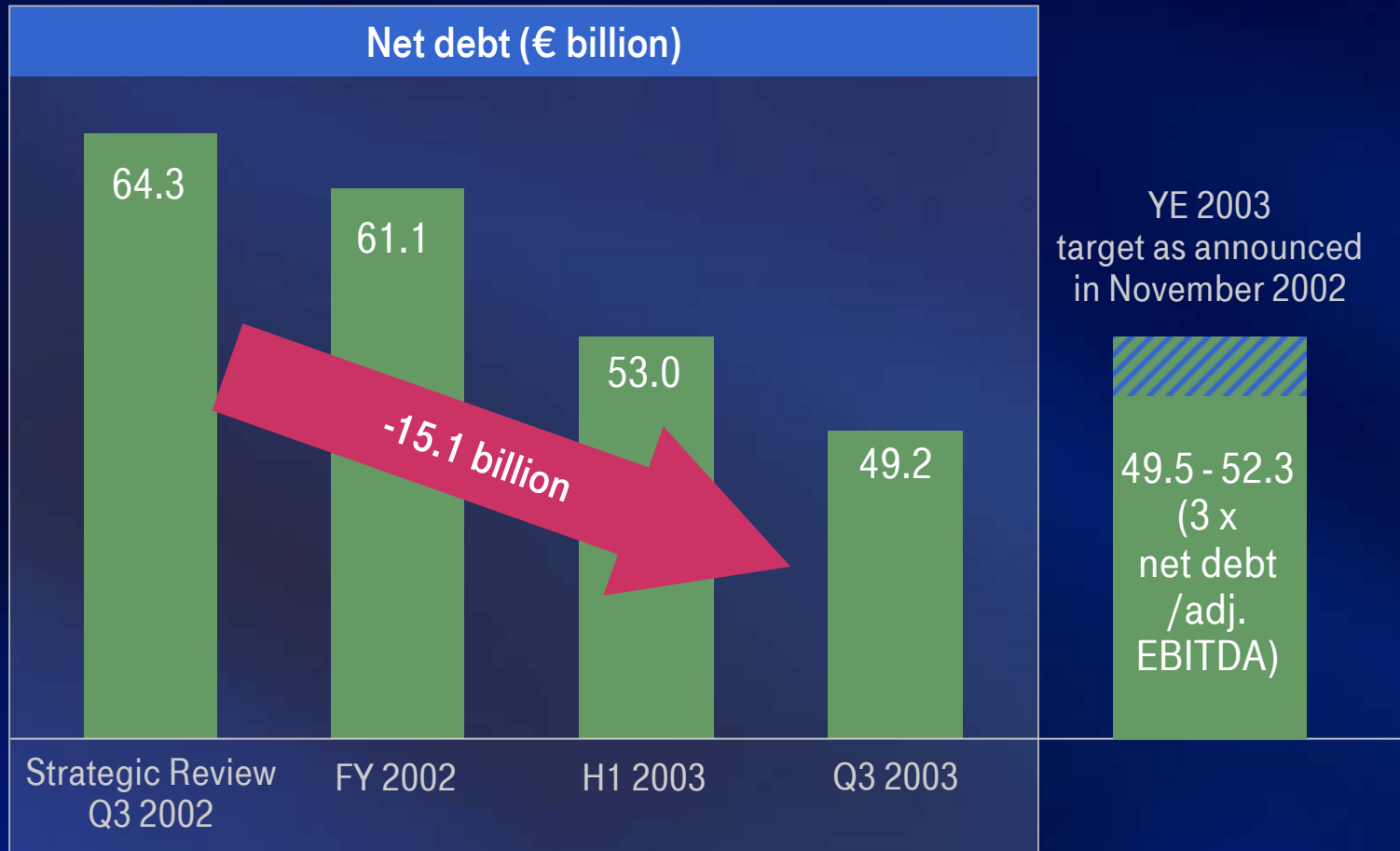
Free cash flow.

€ 7.4 billion free cash flow in first nine months.

€ billion ¹	Q3/03	Q2/03	Q1-3/03	Q1-3/02
Cash generated from operations	5.7	4.6	13.8	13.1
Net interest payment	- 1.0	- 1.5	- 2.7	- 2.9
Net cash provided by operating activities	4.8	3.1	11.0	10.1
Cash outflows from investments in property, plant and equipment	- 1.2	- 1.0	- 3.2	- 4.9
Intangible assets	- 0.2	- 0.2	- 0.5	- 0.6
Free cash flow before dividends	3.4	2.0	7.4	4.7

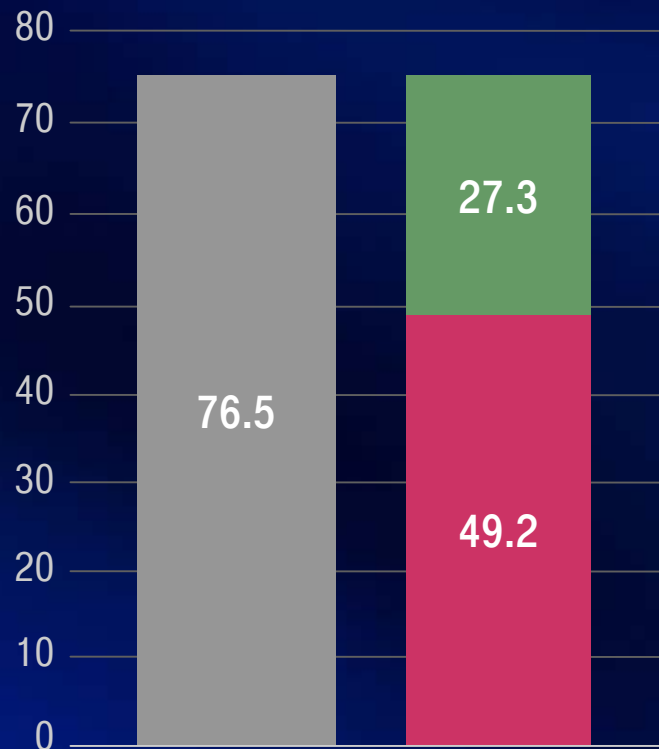
¹ Figures rounded to the nearest € 100 million figure.

Debt reduction program. Targets overachieved.



Liquidity reserves as of September 30th, 2003. Financed through.

€ billion



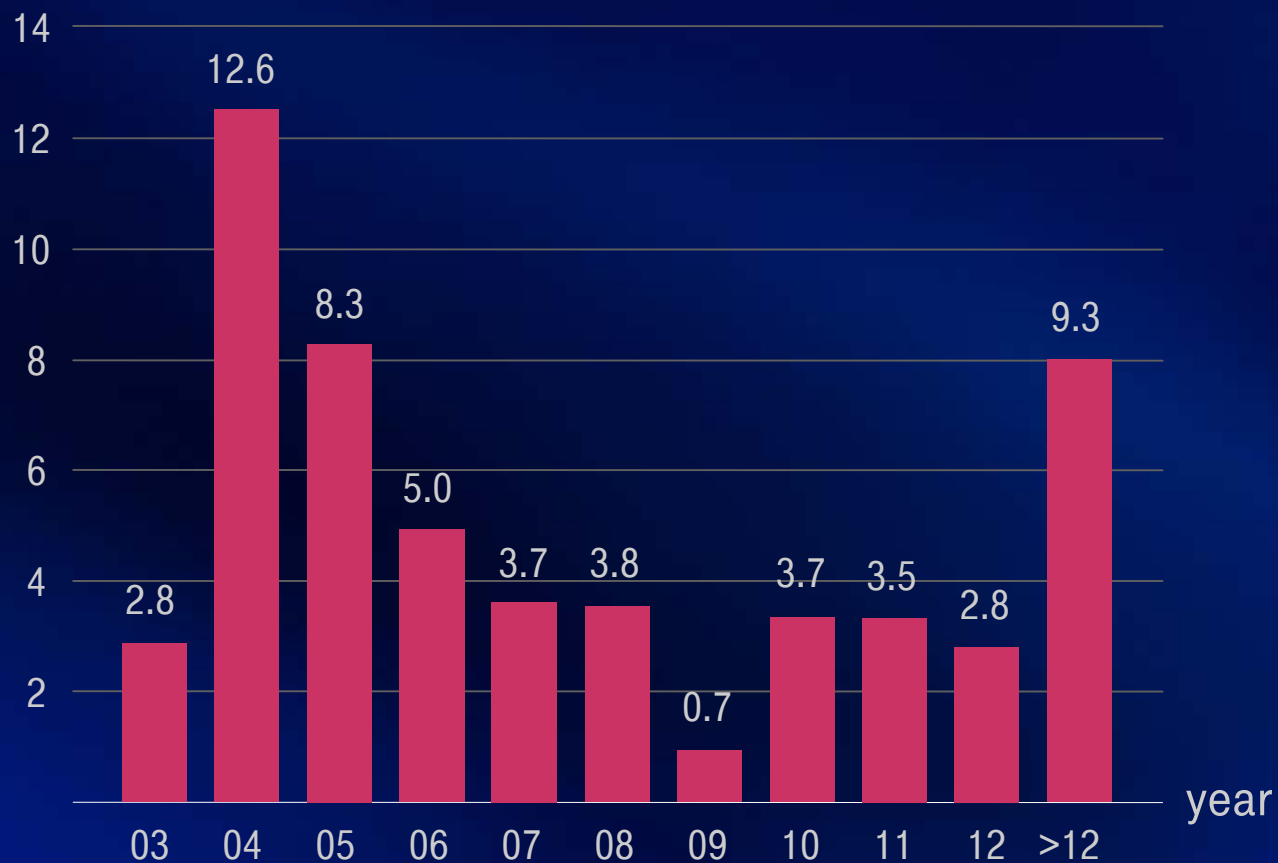
Liquidity reserves (€ billion) 27.3

- Unused credit lines
 - Syndicated loan DTAG 9.0
 - Syndicated loan T-Mobile UK 2.5
 - Bilateral credit lines DTAG 4.5
 - Bilateral credit lines subsidiaries 0.1
- Assets 11.2

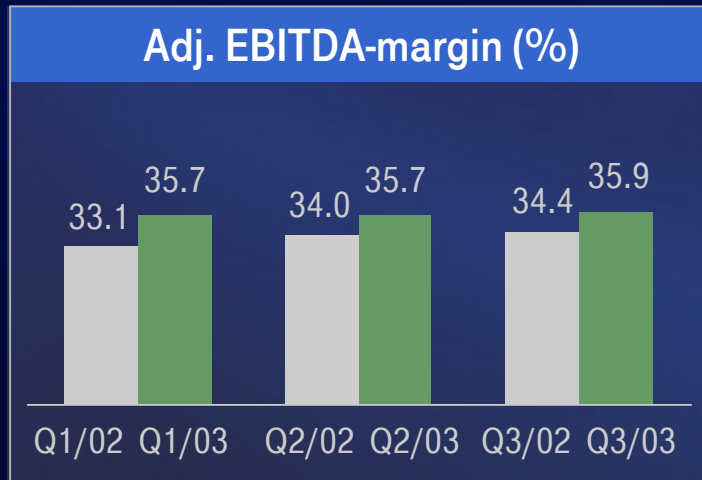
- Total line availability
- Liquidity reserves
- DT Group net debt

Maturity profile. Financed through.

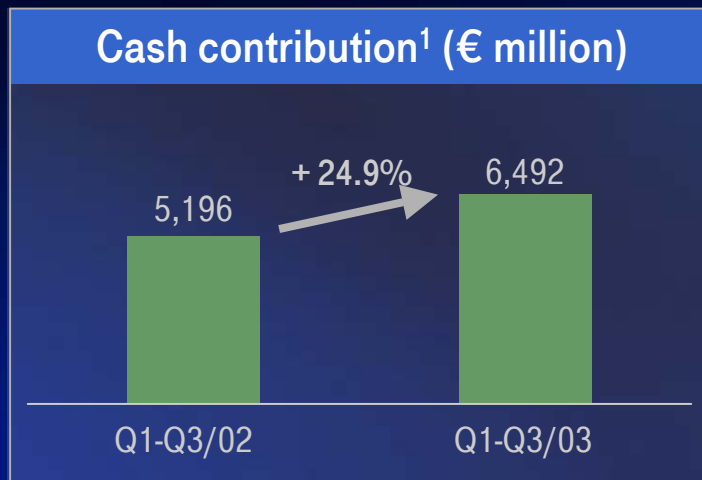
Bonds and Medium Term Notes (MTN) maturities as of September 2003
€ billion



T-Com. Strong bottom line performance.



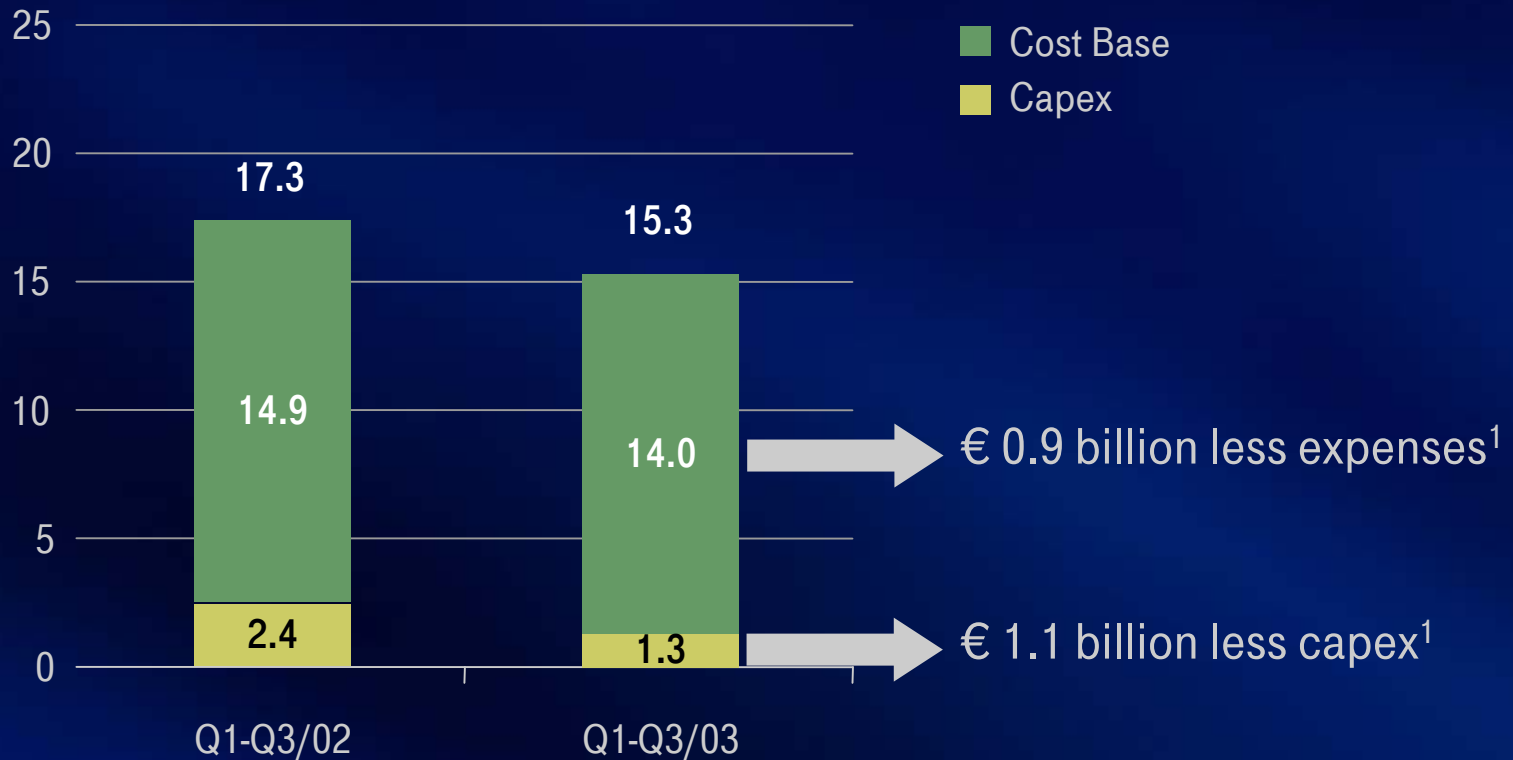
- Adj. EBITDA margin stabilized at approx. 36% in 2003
- Best EBITDA margin in Q3/03 for the last 2 years
- € 6.5 billion cash contribution: € 2.0 billion savings in opex and capex year-on-year



¹ Adj. EBITDA minus capex (excl. goodwill).

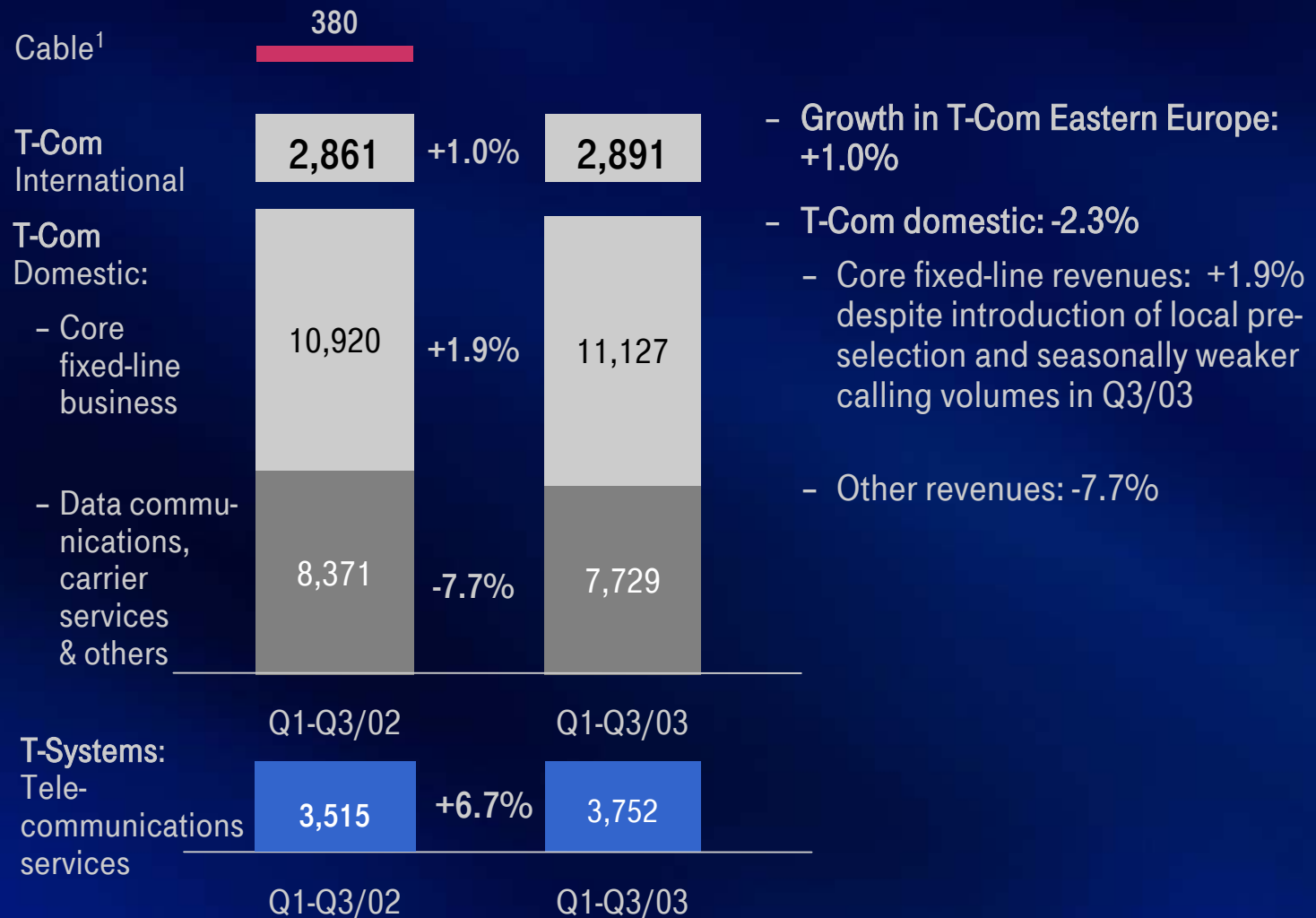
T-Com.

Expenses and capex reduced by € 2 billion.



1 Calculated and rounded on exact figures.

Fixed line. Total revenue development.

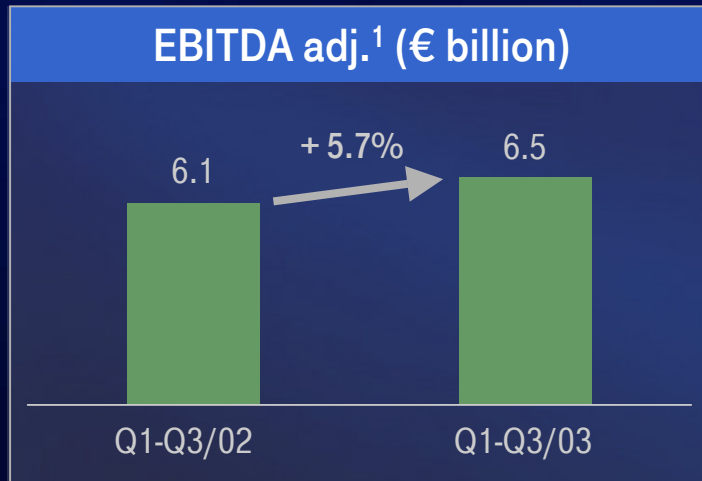


- Growth in T-Com Eastern Europe: +1.0%
- T-Com domestic: -2.3%
 - Core fixed-line revenues: +1.9% despite introduction of local pre-selection and seasonally weaker calling volumes in Q3/03
 - Other revenues: -7.7%

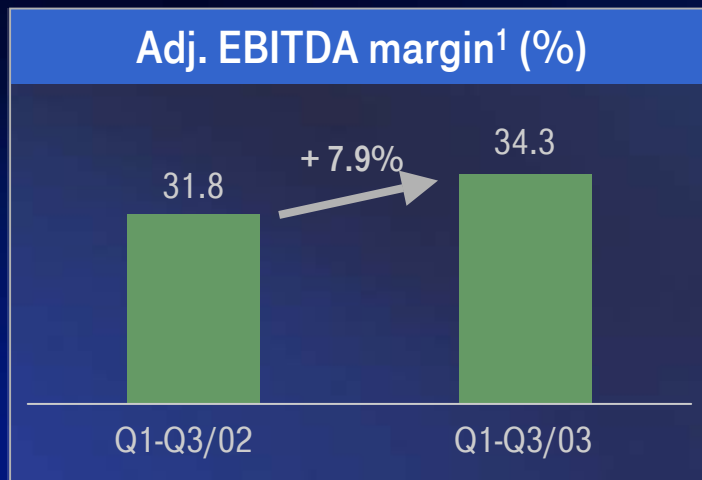
¹ Deconsolidation effect in March/June 2003.

T-Com Domestic.

8% efficiency improvements.



- 5.7% adj. EBITDA growth
- 7.9% margin improvement yoy
- Restructuring story well on track with almost 6,200 transfers into Vivento since January 1, 2003

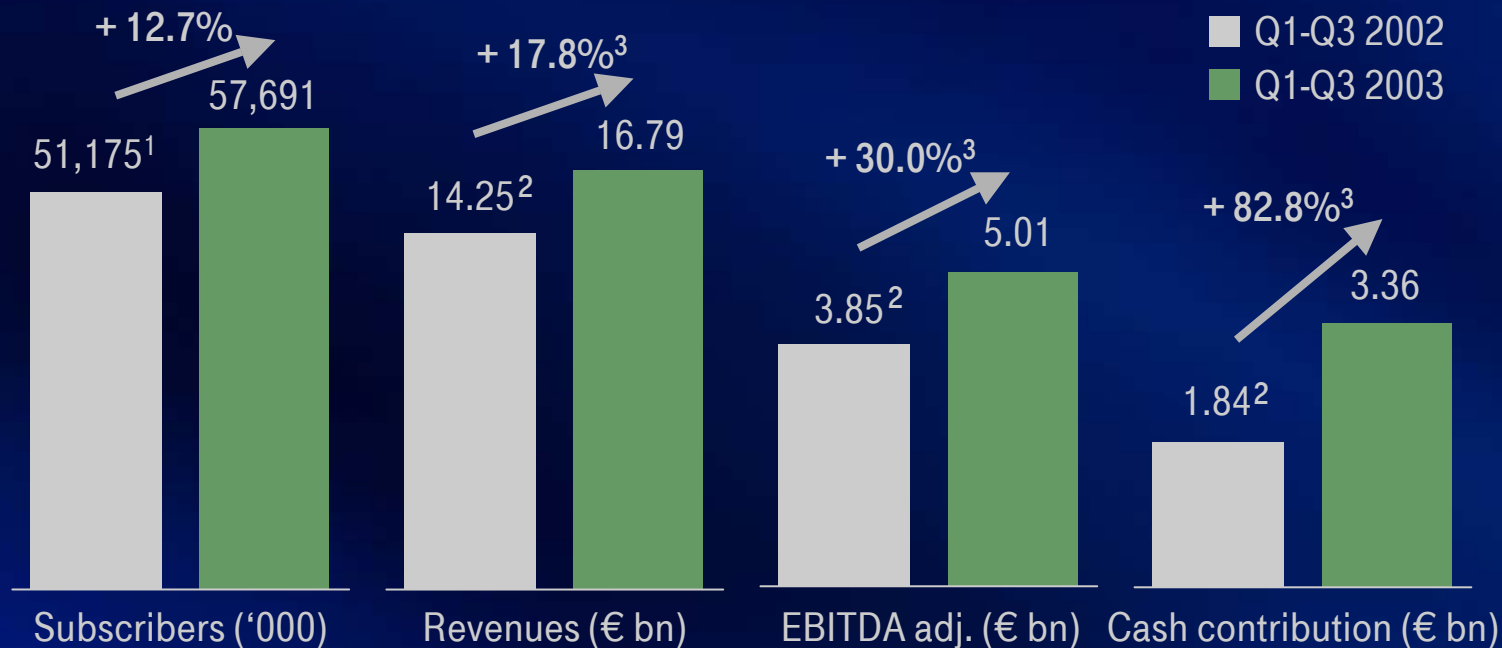


1 Without cable

T-Mobile.

Reaching last year's EBITDA in just 9 months.

- Adj. EBITDA growth rate nearly twice the revenue growth rate
- Reaching € 5 billion adjusted EBITDA after 9 months vs. 12 months in 2002
- Cash contribution improved significantly



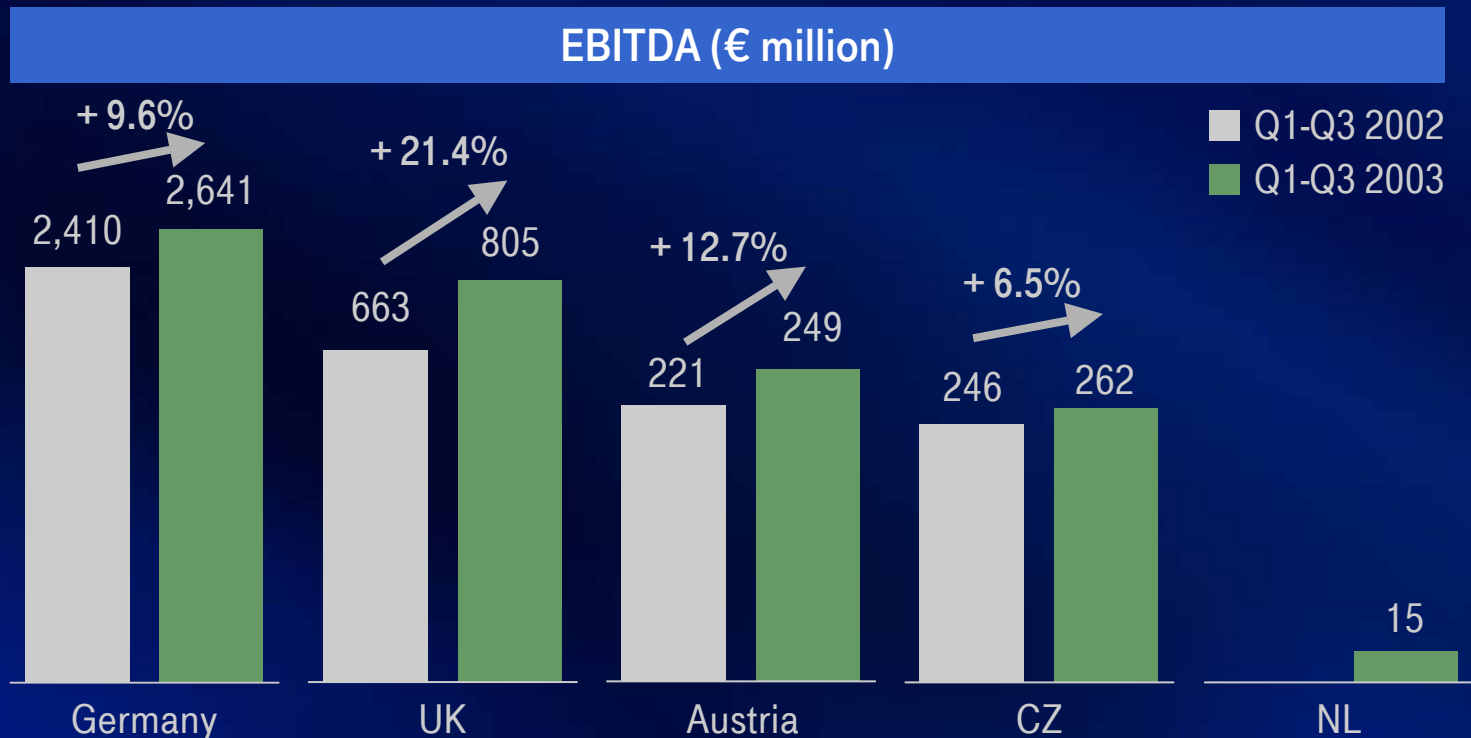
1 Including T-Mobile Netherlands.

2 Excluding T-Mobile Netherlands, T-Mobile Netherlands fully consolidated since Q4/02.

3 Calculated on exact figures.

T-Mobile Europe. Further EBITDA improvements.

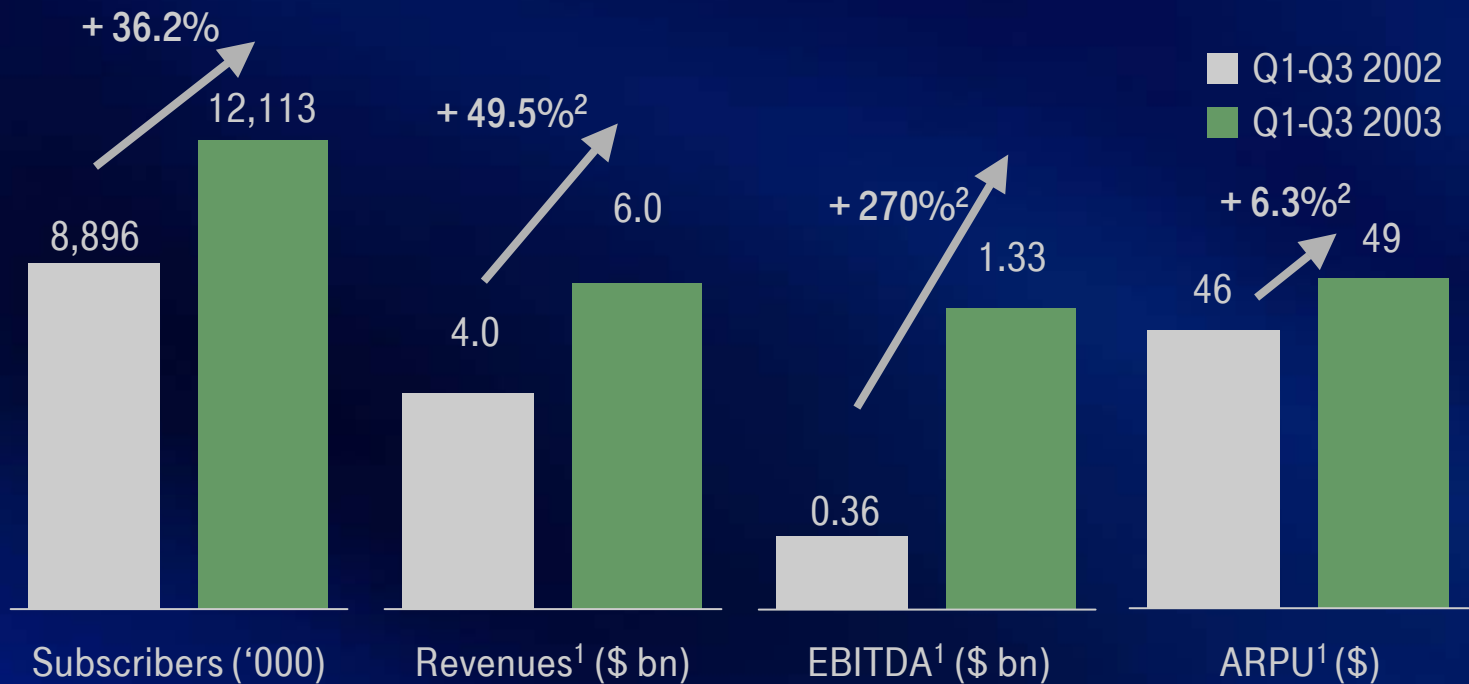
- Absolute EBITDA improvement across all T-Mobile countries
- EBITDA margin increase in Germany, U.K., and Austria
- Subscriber growth slowed due to churn-out of inactive subscribers in U.K.



T-Mobile USA.

EBITDA¹ margin more than tripled in Q3/03.

- Revenue¹ growth exceeding subscriber growth due to increased ARPU¹ and improved subscriber mix
- EBITDA¹/revenue¹ margin increased from 6.8% in Q3/02 to 21.7% in Q3/03

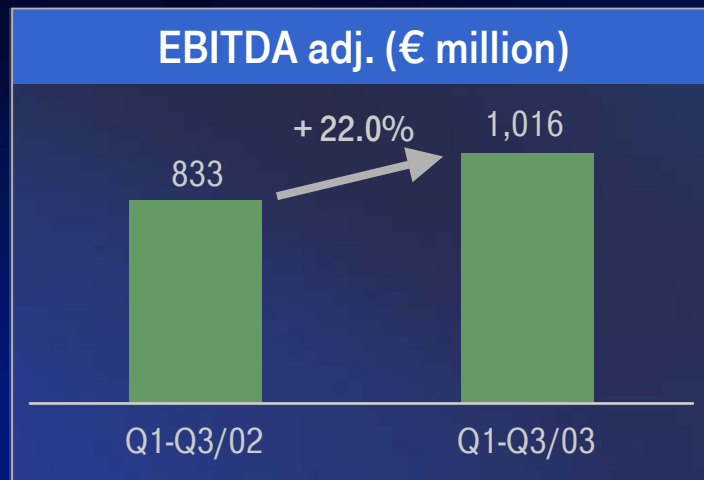
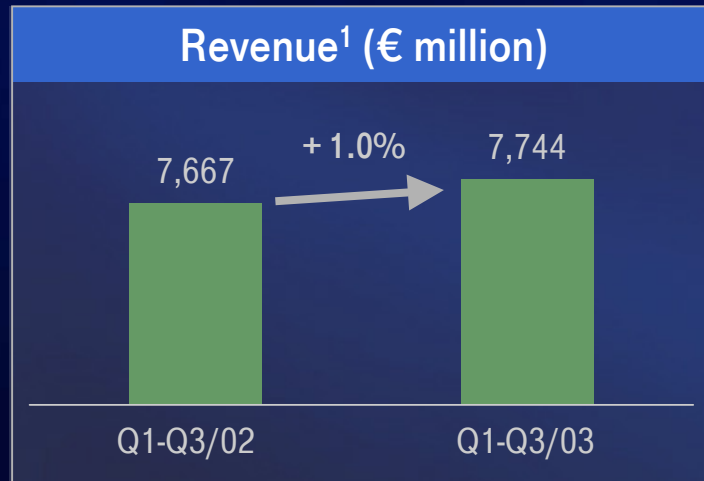


¹ According to German GAAP.

² Calculated on exact figures.

T-Systems.

Focus on profitable growth as promised.

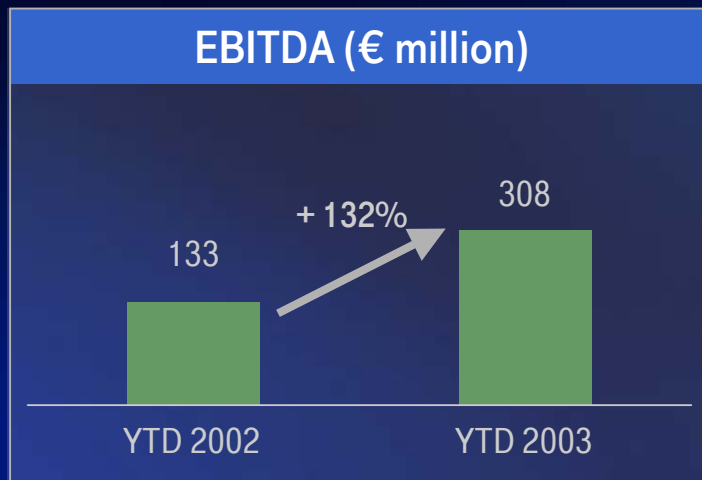


- Total revenues up 1.0%
- Adjusted EBITDA up 22.0%
- T-Systems managed to achieve top-line and EBITDA growth despite weak economy
- Sales push, efficiency enhancements, and improved cost savings

¹ Excluding agency business which has been reallocated to T-Com.

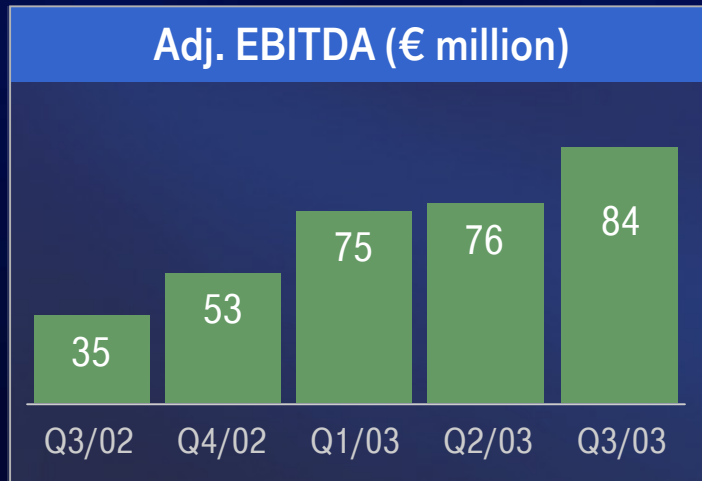
T-Systems.

Strong performance in telecommunications.



- Revenue increase of 6.7%
- EBITDA increase of 132%
- Consecutive strong order entry, up 183.5% year to date
- Top-line growth despite deconsolidation of SIRIS and MultiLink underlines operational strength
- Capex savings of 43% despite top-line growth
- Significant headcount reduction of 12.9 % year-on-year

T-Online. Focus on Profitability.



- Adj. EBITDA: best quarter ever
- Gross margin stabilized over 55% in 2003
- 26.5% of T-Online customers are using T-DSL
- Approx. € 0.2 billion efficiency improvements

Q1-Q3/03 - Net income. € 1.6 billion.

€ million	Q1-Q3/03	Q1-Q3/02	Δ
Adj. EBITDA	13.8	12.0	1.8
Depreciation and amortization	- 9.6	- 11.7	2.1
Net financial expense	- 2.8	- 3.3	0.5
Taxes (incl. other taxes)	- 0.4	- 1.0	0.6
Minorities	- 0.3	- 0.2	- 0.1
Adj. Net income	0.7	- 4.2	4.9
Special factors	0.9	-20.3	21.2
Net income	1.6	-24.5	26.1

Balance sheet structure. Increasing shareholders' equity.



Deutsche Telekom. Outlook 2003.

- We expect a full-year adj. EBITDA of €18.2 billion
 - vs. original guidance of € 16.7 - 17.7 billion
 - 2002 adj. EBITDA of € 16.3 billion
- Capex expected to be not more than € 7 billion

Deutsche Telekom. Outlook 2004.

- Expect adj. EBITDA of at least € 19.2 billion
- Expect additional capex of approx. € 1.5 billion for profitable growth
- Expected free cash flow at a minimum of € 6 billion