Deutsche Telekom

Analysts Meeting
November 14, 2002

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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.

Strategic Review and Q3 Results

Overview	Prof. Dr. Helmut Sihler
Financial results	Dr. Karl-Gerhard Eick
Strategic Review	Kai-Uwe Ricke

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Strategic review.
Financial objectives.

- Net debt reduction to 3x adjusted EBITDA by year-end 2003
- Sustainable improvement in our operational results
- Strengthen our strategic market positions

Unscheduled charges.
Necessary adjustments.

	€ billion
Total extraordinary writedowns and restructuring charges (before taxes)	22.4
– T-Mobile USA	18.0
– Other T-Mobile	3.3
– Other extraordinary writedowns and charges	1.1
Tax effect of extraordinary writedowns	- 3.1
Total unscheduled charges (after taxes)	**19.3**

Net debt targets.
Target of 3 x adj. EBITDA by year-end 2003.

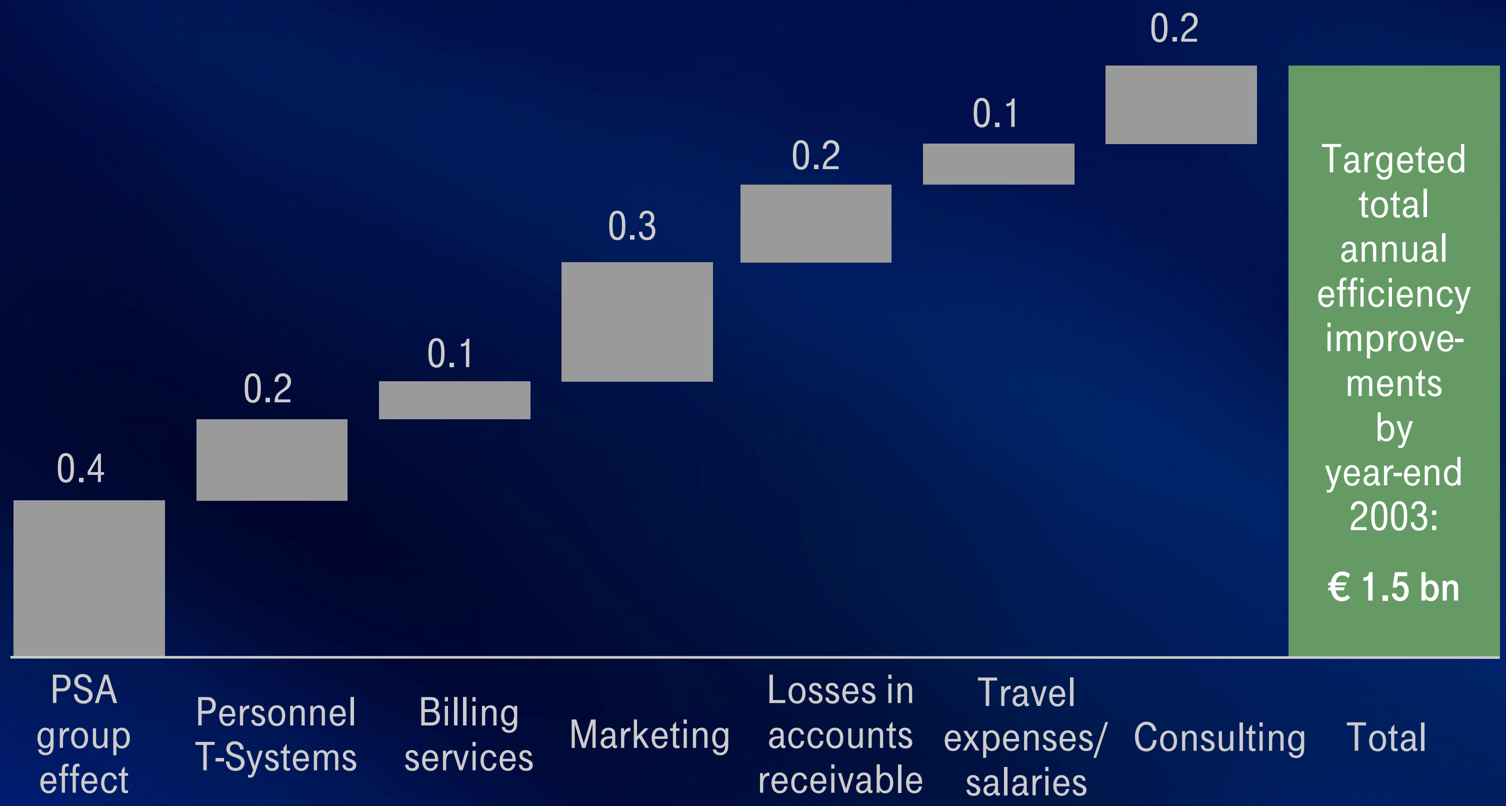
– Q3 2002 net debt:	€ 64.0 billion
– Q4 2002 & 2003 free cash-flow:	€ 5.5 – 6.0 billion
– Asset sales	€ 6.2 – 8.5 billion
– 2003 year-end net debt target	€ 49.5 – 52.3 billion
– Expected full-year 2003 adj. EBITDA	€ 16.7 –17.7 billion
– 2003 net debt to adj. EBITDA multiple	2.8 – 3.1 x

T-Mobile USA.
Any deal will be assessed on its own merits.

- Strong performance:
  - Subscribers [1] : + 11%
  - Revenue [1] : + 16 %
- Options are kept open
  - Stand-alone
  - Merger
- Potential merger not needed for debt reduction or for securing future cash-flows

[1] Q3/02 versus Q2/02

Targeted efficiency improvements.
Sustainable improvements through cost control.



Preliminary figures

Targeted personnel changes.
Transfers and redundancies (1/1/02 to 31/12/05)

	Reduction National	Reduction International	Transfer and increases	Total net as of Dec. '05
T-Com				
- T-Com Telekom AG	29,500		5,400	
- Cable assets Germany	3,000 [1]			
- T-Com Eastern Europe		10,700		
T-Mobile	1,100	300	4,600 [2]	
T-Systems	2,500	1,000	400	
T-Online	200	200	300	
Others (real estate)	3,800		600	
Holding	2,400			
Total	**42,500**	**12,200**	**11,300**	**43,400**
Transfer to PSA				18,800
Redundancies				24,600

1 As a result of the planned deconsolidation of the cable assets.
2 Incl. 1,600 employees from the consolidation of BEN.

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Preliminary figures

Dividend.

Supervisory Board and Management Board recommendation to the next AGM: no dividend payment in 2003

Cash savings of €1.6 billion compared to 2002

Decision on future dividend payments to be made by the Supervisory Board and the Management Board at the appropriate time

Summary.
Securing future cash flow growth.

- Net debt target of 3 x adjusted EBITDA by year-end 2003
- Free cash-flow target: € 5 - 6 billion annually from 2003 onwards
- Targeted efficiency improvements of €1.5 billion by year-end 2003
- Expected reduction in interest payments € 600 million by 2004 compared to 2002
- Unscheduled charges improve net income by €1.2 billion annually

Operational Review.

Dr. Karl-Gerhard Eick

Q1-Q3/02 - Group financial highlights.
Continued strong operational performance.

- Group revenue up 12.0 % to € 39.2 billion
- Adjusted EBITDA growth to € 12.0 billion or +5.6 %
- Capex[1] reduced to € 4.8 billion or –24.0 %
- Free cash-flow (before dividends) increased to approx. € 4.7 billion[2] compared to € 0 in Q1- Q3/01
- Total net loss of € 24.51 billion
  - € 5.25 billion net loss excluding the unscheduled charges in connection with the Strategic Review
  - € 19.26 billion of unscheduled charges in connection with the Strategic Review (including tax effect)
- Net debt decreased to € 64.0 billion (despite acquisition of BEN)

1 Excl. investments in intangible assets.
2 Incl. € 0.8 billion tax refund and € 0.1 billion miscellaneous.

Strategic Review: unscheduled charges.[1]
Values adjusted due to environmental changes.

€ billion	Unscheduled charges
T-Mobile USA licenses	9.6
T-Mobile USA goodwill	8.4
T-Mobile UK UMTS license	2.2
BEN (goodwill and UMTS license)	1.1
Others (incl. Comdirect, T-Systems/SIRIS)	0.7
Total extraordinary writedowns (before taxes)	**22.0**
Restructuring expenses T-Systems (personnel expenses)	0.3
Restructuring expenses T-Systems (other operating expenses)	0.1
Tax effect of writedowns on U.S. mobile licenses	- 3.1
Total unscheduled charges (after taxes)	**19.3**

1 German GAAP

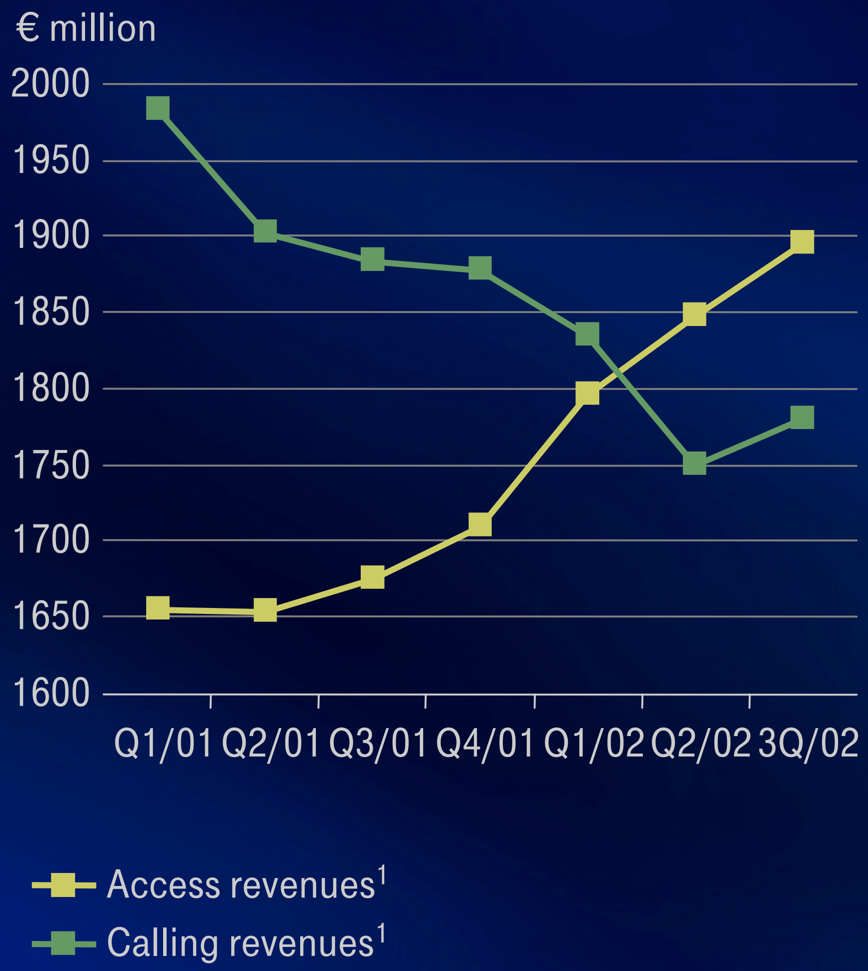
Revenue and adj. EBITDA development.
T-Com stable – strong growth at T-Mobile and T-Online.

Revenue (€ million)	Q1-Q3/2002	Q1-Q3/2001	Δ €	Δ%
T-Com	22,254	22,060	194	0.9
T-Mobile	14,245	10,166	4,079	40.1
T-Systems	8,291	8,585	- 294	- 3.4
T-Online	1,296	1,042	254	24.4
Other	3,173	3,570	- 397	- 11.1

Adj. EBITDA[1] (€ million)	Q1-Q3/2002	Q1-Q3/2001	Δ €	Δ%
T-Com	7,521	7,558	- 37	- 0.5
T-Mobile	3,850	2,182	1,668	76.4
T-Systems	833	623	210	33.7
T-Online	151	- 67	218	n/a
Other	- 183	939	- 1,122	n/a

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

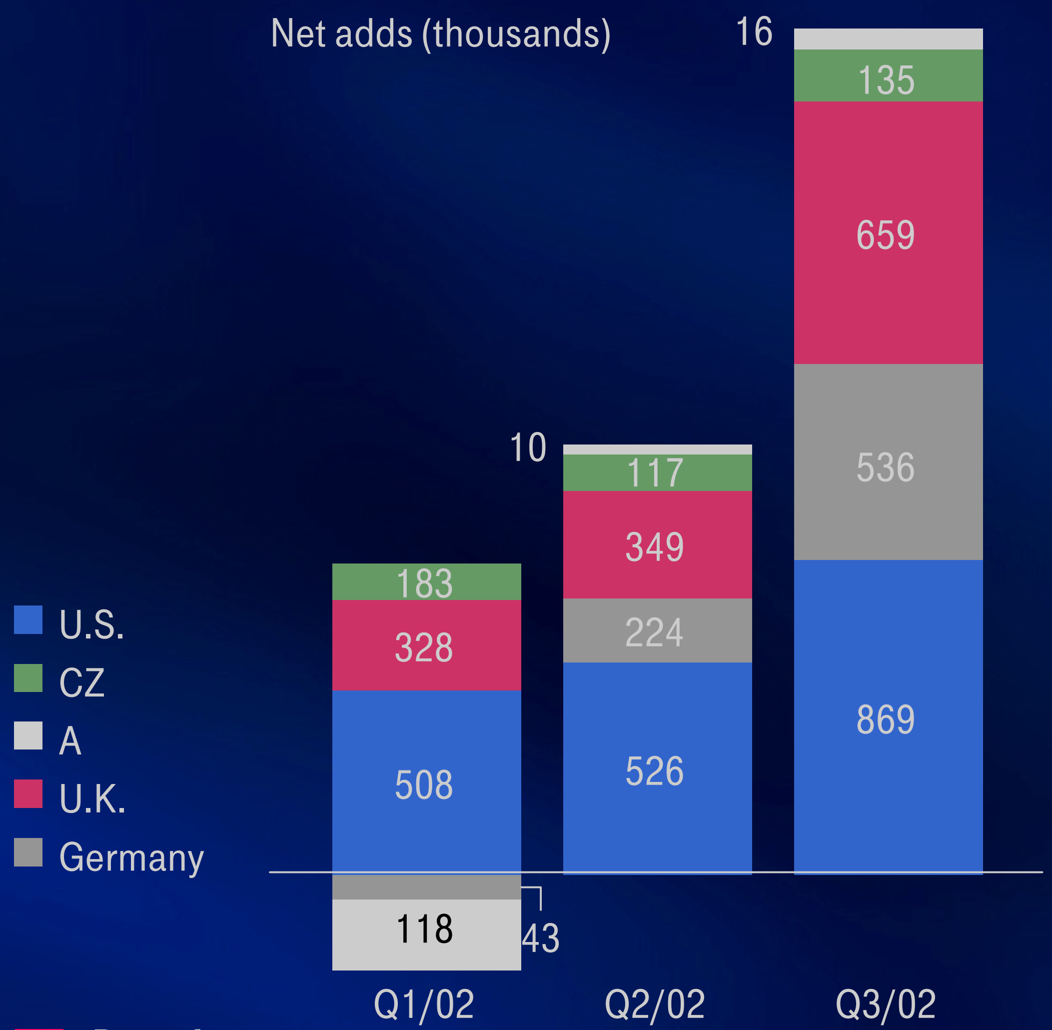
T-Com.
Successful rebalancing continues.



1 Domestic revenues only; unaudited.

- Access revenues increase from Q1-Q3/01 to Q1-Q3/02 by more than 11%
- Ca. 3% quarter-by-quarter access revenue growth during 2002 due to price increases and successful T-DSL sales
- T-DSL: 500,000 new contracts sold in 2002
- ISDN: 1.6 million new channels in 2002, penetration at 43%
- Approx. 2% calling revenues increase from Q2/02 to Q3/02 caused by growth of DLD and fixed-to-mobile traffic

T-Mobile highlights.
Accelerating subscriber growth.



- 2.2 million net adds in Q3/02 exceed the cumulative net adds in Q1/02 (858k) and Q2/02 (1,226k)
- More than 68% of the new subscribers of the T-Mobile Group are contract customers
- Customer mix improvement in all subsidiaries
- No. 1in net adds in Germany
- No. 1in net adds in U.K.; 100,000 contract net adds represent strongest quarter ever
- No. 1 organic net adds in the U.S.; contract proportion improved to 84% from 80% at H1/02

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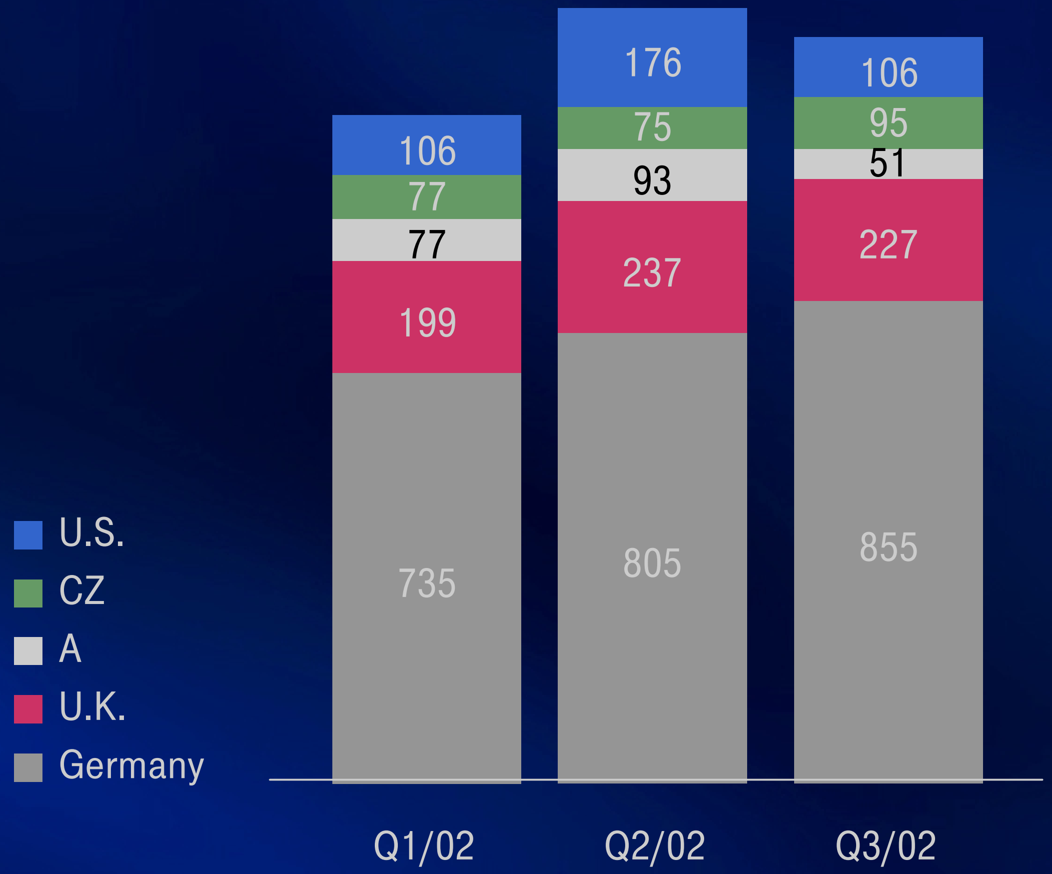
Preliminary figures

T-Mobile highlights.
EBITDA – Impact of U.S. growth.



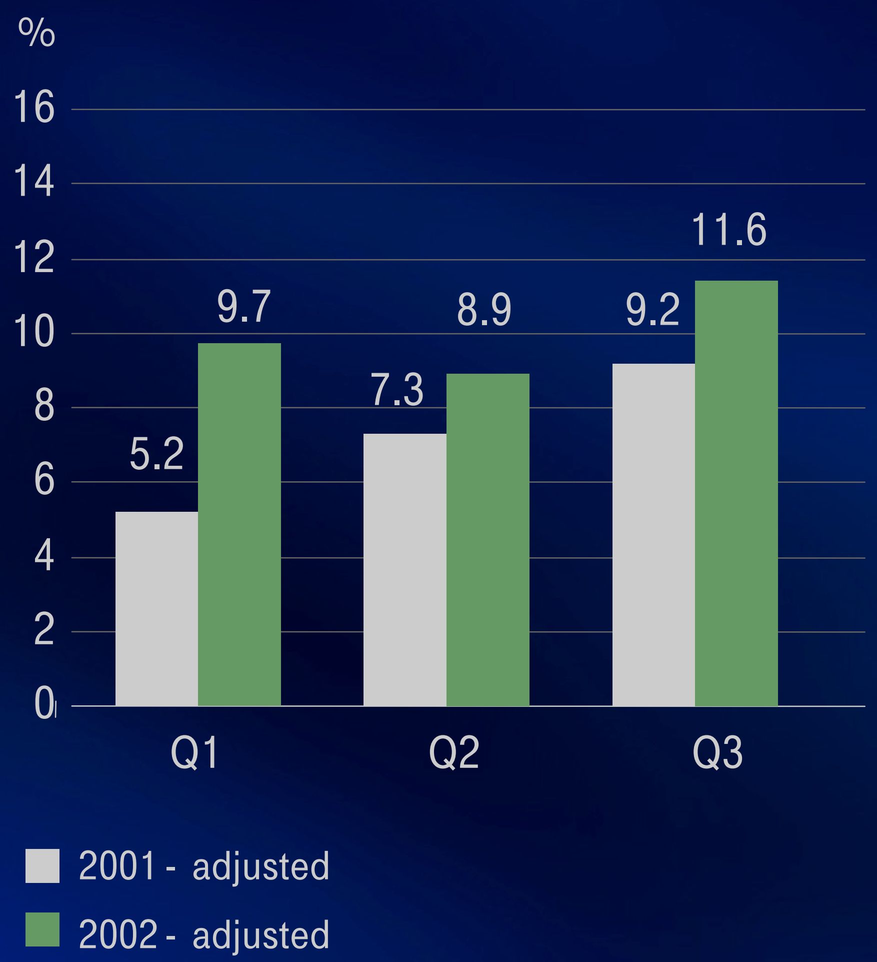
- European operations continue to improve EBITDA
- Q3 U.S.: Approx. €150 million additional subscriber acquisition costs compared to Q2 due to strong growth
- Capex under control with € 700 million in Q3/02
- All operations, except U.S., FCF positive after first 9 months
- Earnings before taxes: € - 23.5 billion (incl. unscheduled charges)

T-Mobile USA (US GAAP).
“Get more” strong performance.[1]

	Q3/02	Q2/02	Δ	%
Covered POPs (million)	211	162	49	30.2
Subscribers (000)	8,896	8,027	869	10.8
Thereof contract (000)	7,480	6,421	1,059	16.5
ARPU blended (US$)	51	49	2	4.1
ARPU contract (US$)	53	52	1	1.9
Total revenue (US$ million)	1,513	1,309	204	15.6
Service revenue (US$ million)	1,280	1,152	128	11.1
EBITDA[2] (US$ million)	107	170	- 63	- 37.1
Capex (US$ million)	456	488	- 32	- 6.6
CPGA (US$)	322	311	11	3.5
CCPU (US$)	23	25	- 2	- 8.0
Contract churn	2.6%	<2.5%	>0.1%	n/a

1 Pro forma Voicestream/Powertel combined; US GAAP; see also the VoiceStream 10-Q published on November 14, 2002.
2 Adjusted EBITDA: excl. incentive bonus of US$ 14 million in Q2/02 and US$ 6 million in Q3/02.

T-Systems.
Double-digit EBITDA margin in Q3/02.



- Continuous improvement of EBITDA margin quarter-by-quarter in 2002 vs. 2001
- Headcount reduction in international network services business
- Improvement in efficiency and productivity in managed networks.
- Profitability effects of world-wide procurement efforts
- Increase in average revenue per hour in the systems integration business

T-Online International AG.
EBITDA – Consistent improvement.

- Total subscribers: up 1.1 million to 11.8 million in 2002
- Broadband subs: up 1.1 million to 2.5 million in 2002

1 Sale of T-Motion plc.

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Cash-flow.[1]
Strong track record continues.

(€ billion)	Q3/02	Q1-Q3/02	Q1-Q3/01	% [2]
Cash generated from operations	4.7	13.1	10.4	25.8
Net interest payments	- 1.2	- 2.9	-3.2	9.3
Net cash from operating activities	3.5	10.1	7.2	41.6
Cash outflows from investments in				
– property, plant and equipment	- 1.5	- 4.9	- 6.6	25.6
– intangible assets	- 0.2	- 0.6	- 0.6	- 1.0
Free cash-flow before dividends	1.8	4.7	0.0	n/a

1 Rounded figures.

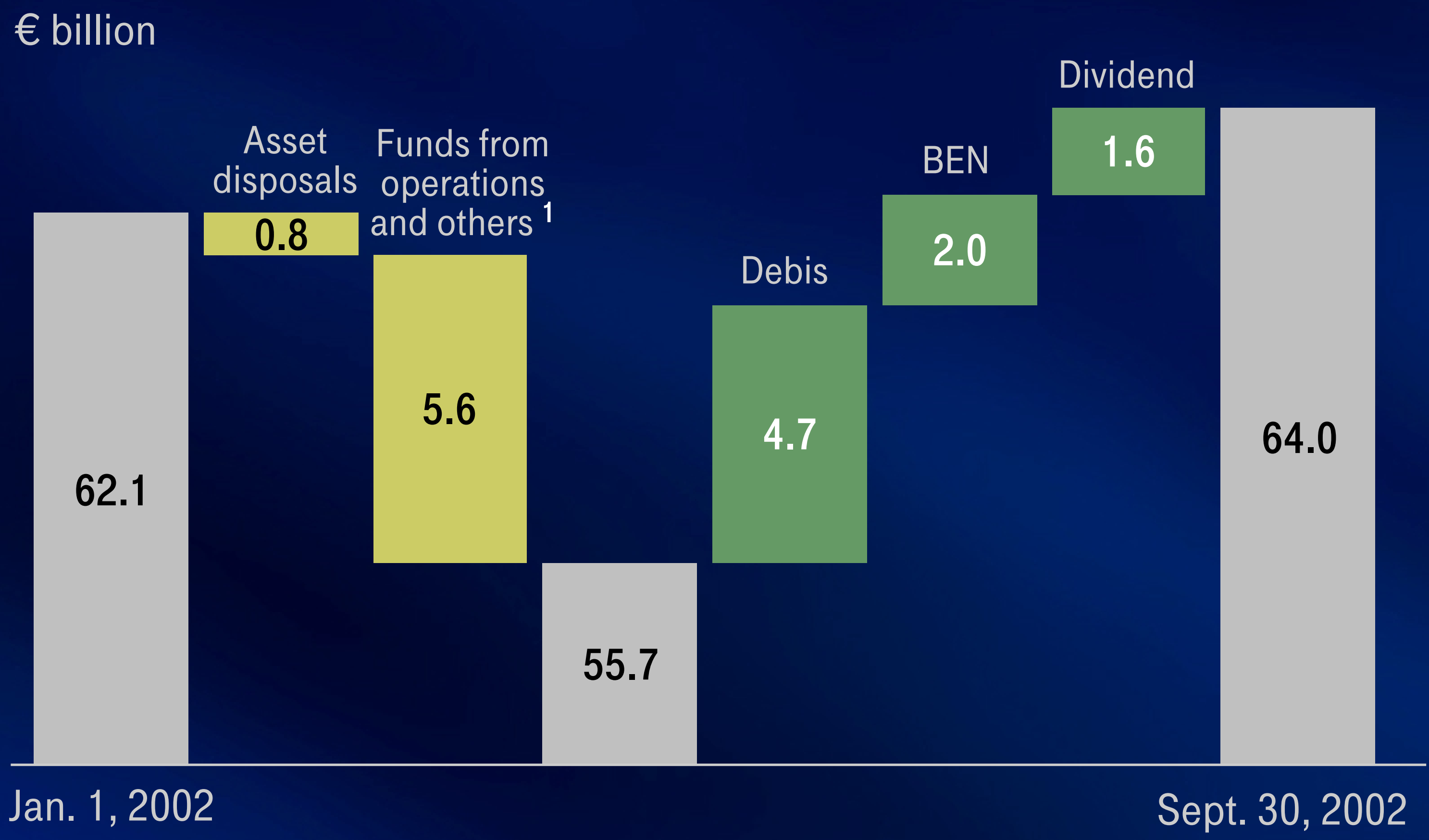
2 Percentage calculation based on rounded figures in millions.

Capex status.
Further capex reductions achievable.

(€ billion)	H1/02	Q1-Q3/02	Target 2002	2001
T-Com	1.6	2.2	3.3	5.0
T-Mobile	1.1	1.8	3.9	3.2
T-Systems	0.3	0.5	0.9	0.9
T-Online and Others	0.1	0.3	0.4	0.8
Total capex[1]	3.1	4.8	8.5	9.9

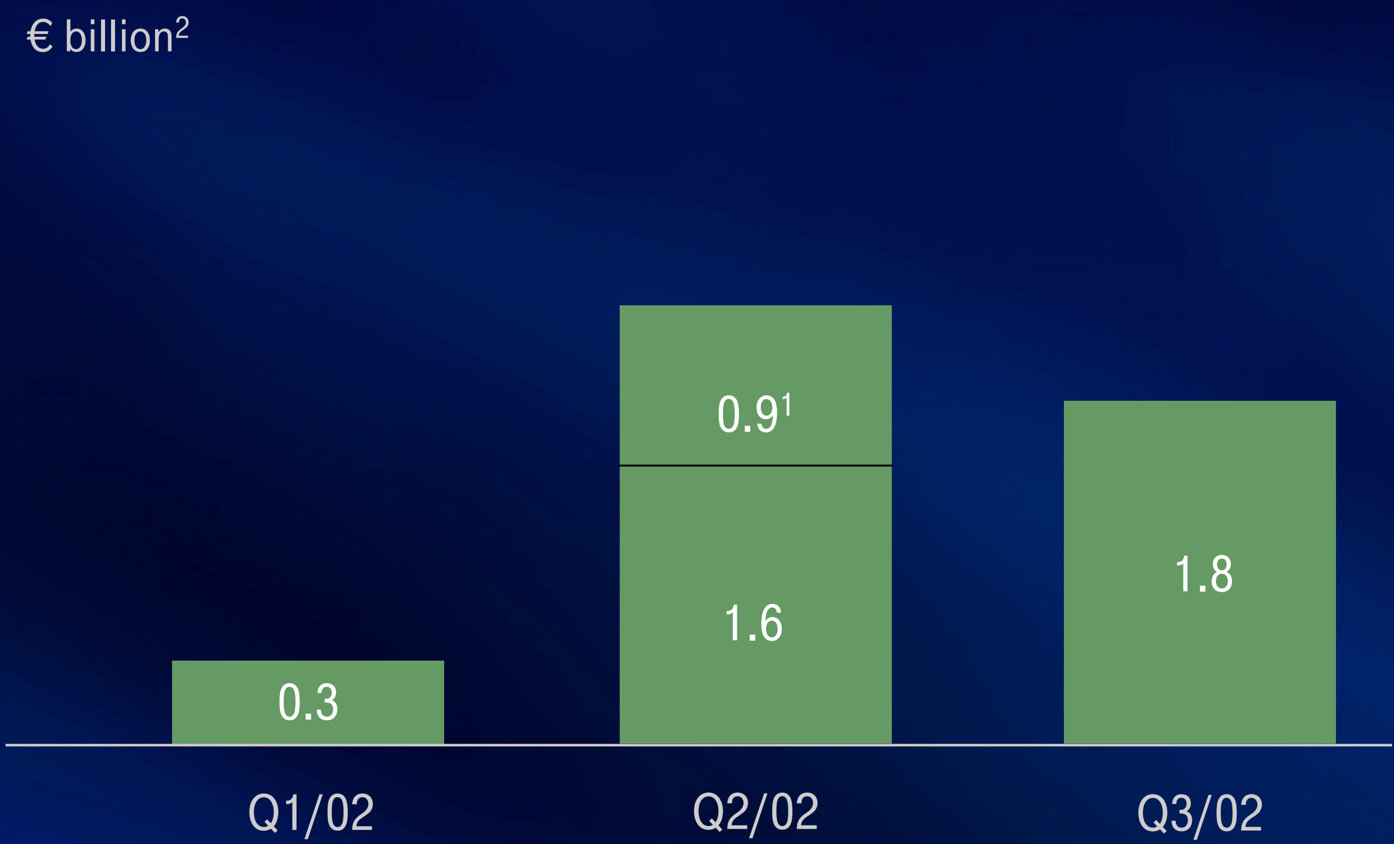
1 Tangible assets only.

Net debt.
Cash outs partially offset by funds from operations.



1 Including tax refund (€ 0.8 billion) and foreign exchange effects (€ 1.5 billion) in Q2/02.

Free cash flow development.
€ 4.7 billion of free cash-flow in Q1-Q3/02.



1 Includes Tax refund (€ 0.8 billion) in Q2/02 and miscellaneous (€ 0.1 billion) in Q1/02.
2 Rounded figures.

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Preliminary figures

Net debt.
Debt level reduced in Q3 despite BEN.

– Net debt as of June 30	64.2 (€ billion)
– Purchase price BEN	+ 1.7
– Full consolidation of BEN's debt	+ 0.3
– Q3/02 free cash-flow	- 1.8
– Joint venture with Cingular	- 0.2
– Other[1]	- 0.2
– Net debt as of September 30	64.0

1 Other includes real estate and valuation adjustments of financial assets.

Business improvement.
Continuous improvement in revenue and adj. EBITDA.

Revenue

Adjusted EBITDA (€ million)

- Revenue and adjusted EBITDA have continously improved over the last quarters
- Adjusted EBITDA margin improved continuously:

  Q1/02: 29.6%

  Q2/02: 30.6%

  Q3/02: 31.3%

Debt reduction targets: revised scenario.
3 x net debt to adj. EBITDA by year-end 2003.

€ billion	Scenario H2/02	Scenario Q3/02
Current net debt	64.2	64.0
Free cash-flow Q4/02 and ‘03	4 – 5	5.5 – 6.0
Real estate	2 – 4	2 – 4
Cable	2.5 – 3.5	2.0 – 2.3
Disposal of other assets	2.0	2.2
Acquisition BEN	- 2.1	n/a
Dividend (to be paid in 2003)	- 1.6	0.0
Net debt as of year-end 2003	53.4 – 57.4	49.5 – 52.3
Adjusted EBITDA 2003	n/a	16.7 – 17.7
Net debt/adjusted EBITDA	n/a	2.8 – 3.1

Investments[1]: targets in 2003

Allowance for investments[1] dependent on meeting adj. EBITDA goals.

2003 (€ billion)		
Adj. EBITDA goal	17.7	16.7
Investments*	**7.7**	**6.7**
- T-Mobile USA	2.0	2.0
- UMTS	0.8	0.8
- Other	4.9	3.9
Adj. EBITDA minus investments*	**10.0**	**10.0**

1 Investments in property, plant and equipment plus investments in intangible assets

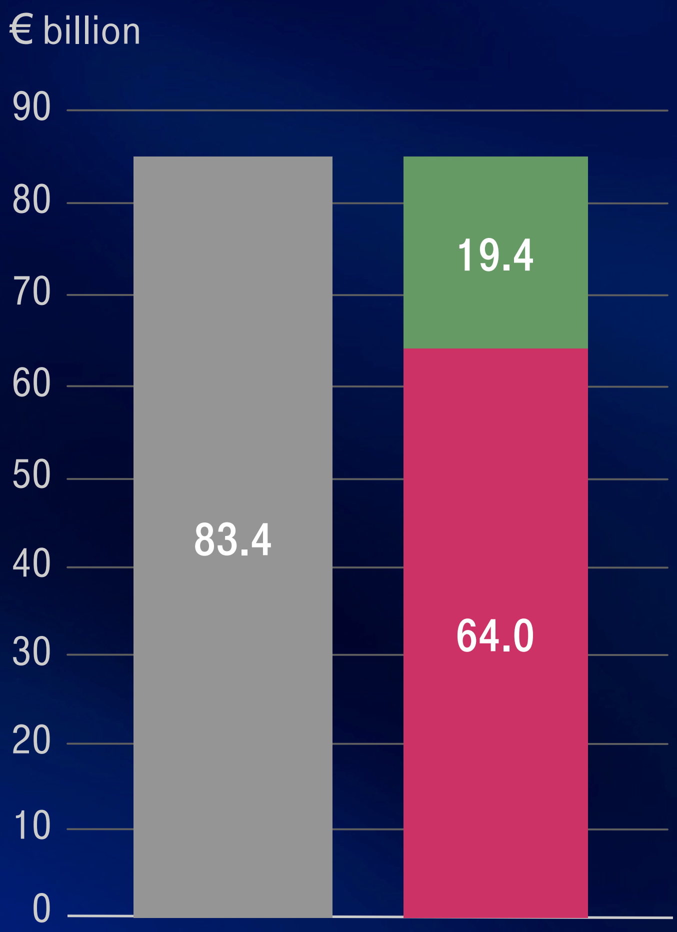
Cable and real estate sales.
Advancing.

- Cable TV in negotiations
  - Anticipated proceeds somewhat below than previous guidance
  - Closing anticipated for Q1/03
- Real estate sales well advanced
  - € 850 million sales already agreed in 2002
  - Approx. € 800 million total prepared for sale as packages for financial investors
  - € 200 million sales of individual properties prepared for sale

Other asset sales.
Range of options increased.

- Strategic review identified further potential candidates for sale
  - Proportionate EBITDA of these assets amounts to € 400-600 million
  - Value for ALL assets would be approx. € 2.4 – 3.6 billion (based on appropriate EBITDA multiples)
  - Target proceeds from actual asset sales: € 2.2 billion
- Minor impact on group EBITDA after sales as majority of assets is consolidated at equity

Liquidity reserves as of September 30, 2002.
Fully financed until mid 2004.



Liquidity reserves (€ billion)	19.4
– Unused credit lines	
– Syndicated loan DTAG	10.0
– Syndicated loan T-Mobile UK	2.1
– Bilateral credit lines DTAG	4.5
– Bilateral credit lines subsidiaries	0.1
– Assets	2.7

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

Strategic Review.

Kai-Uwe Ricke

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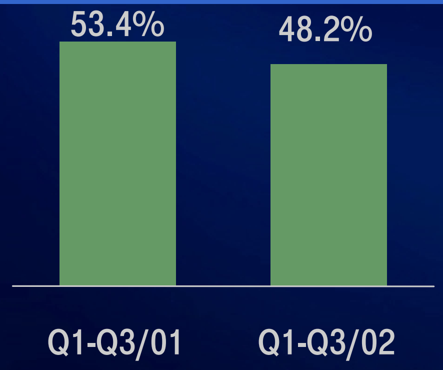
Strategic review.
Reshaping the group.

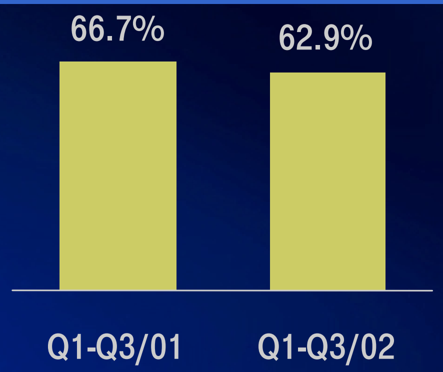
- Clear objectives: significant debt reduction and organic growth
- Five key points:
  - a properly managed Deutsche Telekom is a cash machine
  - the 4-division structure is still the right basis for future growth and needs focused management
  - devolution of more powers and decision-making responsibilities to the 4 divisions i.e. those closest to markets
  - major reduction in the size of the group headquarters
  - withdraw from non-strategic businesses

Strategic review.
T-Com – maximize the cash-flow.

Revenue (% of group total)



Adj. EBITDA (% of group total)

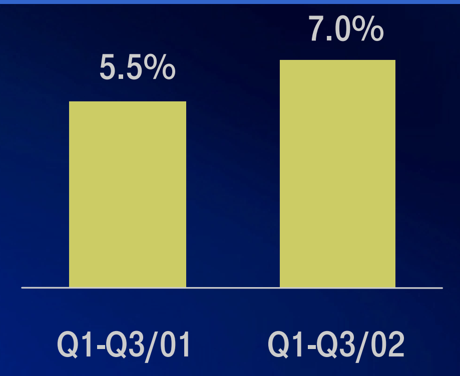


- Continuation of rebalancing strategy to secure EBITDA
- Consistent marketing of the broadband offers to all customer segments
- Capex and opex discipline while improving service quality
- Implement this program in Germany and the Eastern European holdings

Strategic review.
T-Systems – focus and partnering.

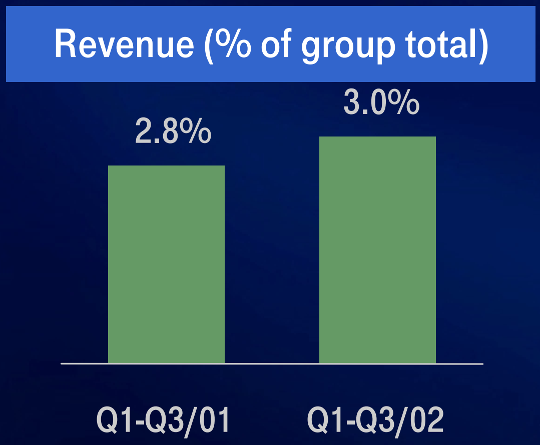
Revenue (% of group total)

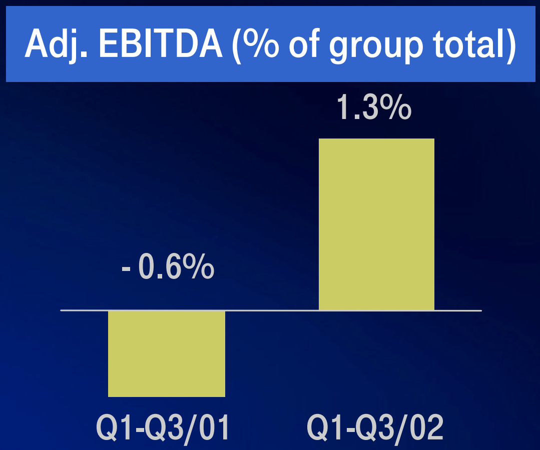
Adj. EBITDA (% of group total)



- Rely on partners for the further international development of the IT services
- Focus on the 4 business lines of telecommunications, public sector, manufacturing, and financial services
- Focus on the 4 service lines of systems integration, computing services, desktop services and network services
- Focus on key geographic areas
- Retrench activities in less attractive markets

Strategic review.
T-Online – monetising the customer base.





- Proven and robust business model
- Consistently exploit the growth potential of broadband access and non-access services from our position as market leader
- Further internationalization will depend on market development

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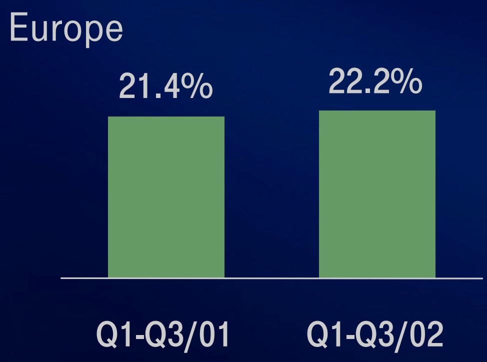
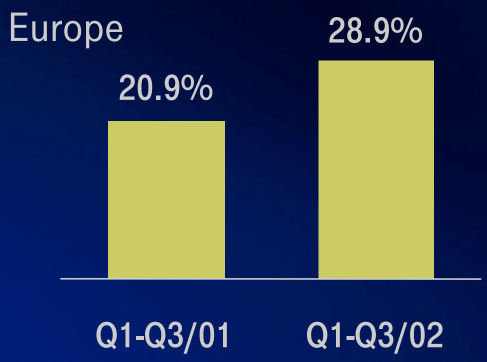
Strategic review.
T-Mobile – cash-optimized growth in Europe.

Revenue (% of group total)



Adj. EBITDA (% of group total)



- Focus on free cash-flow
- Europe: further increase efficiency through clearly structured program
- Emphasize mobile data as a source of growth, thereby increasing ARPU

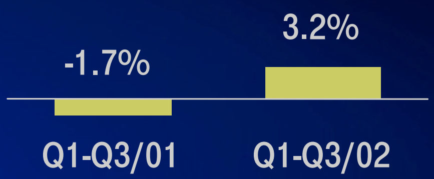
Strategic review.
T-Mobile – cash-optimized growth in U.S.

Revenue (% of group total)

U.S.

Adj. EBITDA (% of group total)

U.S.



- U.S.: continue successful growth strategy on our own for the time being
- U.S.: consider future business combination opportunities not as debt reduction measure but as an opportunity to maximize the value inherent in T-Mobile USA

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