

Deutsche Telekom Analysts Meeting August 14, 2003

Disclaimer

This presentation contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “project” and “should” and similar expressions are intended to identify forward-looking statements. Forward looking statements are based on current plans, estimates, and projections, and therefore you should not place too much reliance on them. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom’s control, including, but not limited to, factors such as: the development of demand for our telecommunications services, particularly for new, higher value service offerings; competitive forces, including pricing pressures, technological changes and alternative routing developments; regulatory actions and the outcome of disputes in which the company is involved or may become involved; the pace and cost of the rollout of new services, such as UMTS, which may be affected by the ability of suppliers to deliver equipment and other circumstances beyond Deutsche Telekom’s control; public concerns over health risks putatively associated with wireless frequency transmissions; risks associated with integrating Deutsche Telekom’s acquisitions; the development of asset values in Germany and elsewhere, the progress of Deutsche Telekom’s debt reduction program, including its degree of success in achieving the desired levels of liquidity improvement and proceeds from disposals; the development of Deutsche Telekom’s cost reduction initiatives, including the area of personnel reduction; risks and uncertainties relating to the benefits anticipated from our international expansion, particularly in the United States; the progress of our domestic and international investments, joint ventures and alliances; our ability to gain or retain market share in the face of competition; our ability to secure the licenses needed to offer new services; the effects of price reduction measures and our customer acquisition and retention initiatives; the availability, terms and deployment of capital, particularly in view of our debt refinancing needs, actions of the rating agencies and the impact of regulatory and competitive developments on our capital outlays; and changes in currency exchange rates and interest rates. If these or other risks and uncertainties (including those described in Deutsche Telekom’s most recent Annual Reports on Form 20-F/A filed with the U.S. Securities and Exchange Commission) materialize, or if the assumptions underlying any of these statements prove incorrect, Deutsche Telekom’s actual results may be materially different from those expressed or implied by such statements. Deutsche Telekom does not intend or assume any obligation to update these forward-looking statements.

Deutsche Telekom cannot guarantee that its financial and operating targets for the year 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-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, special factors, adj. net income, ARPU, 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 “Reconciliation to pro forma figures” in the H1/03 interim report or the “Reconciliation to pro forma figures” posted on Deutsche Telekom’s Investor relations link under www.telekom.de.

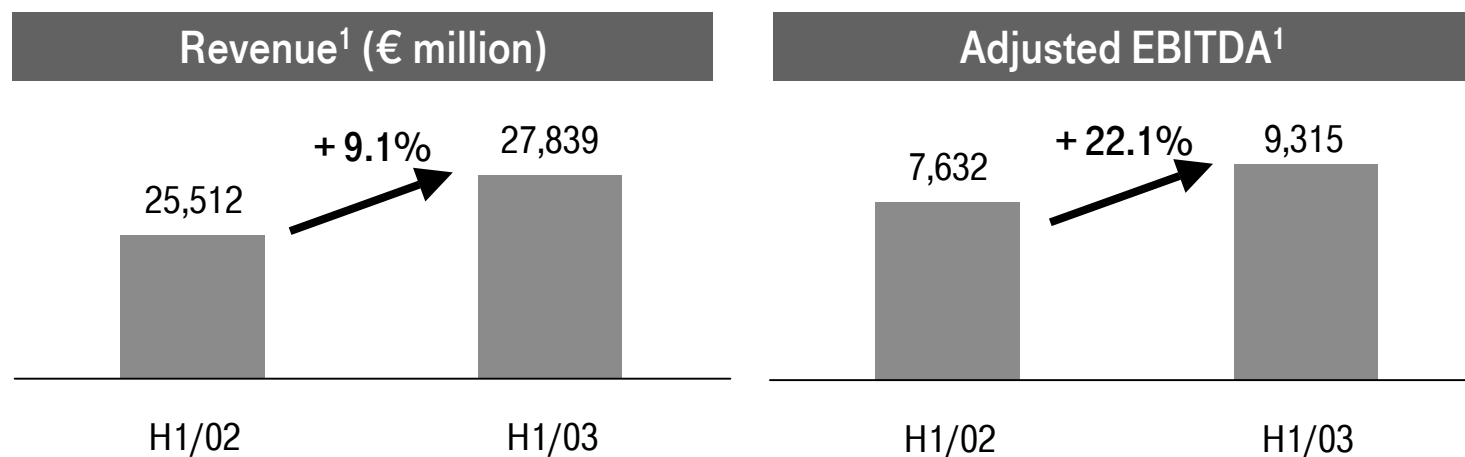
H1 2003. Results.

Kai-Uwe Ricke
CEO

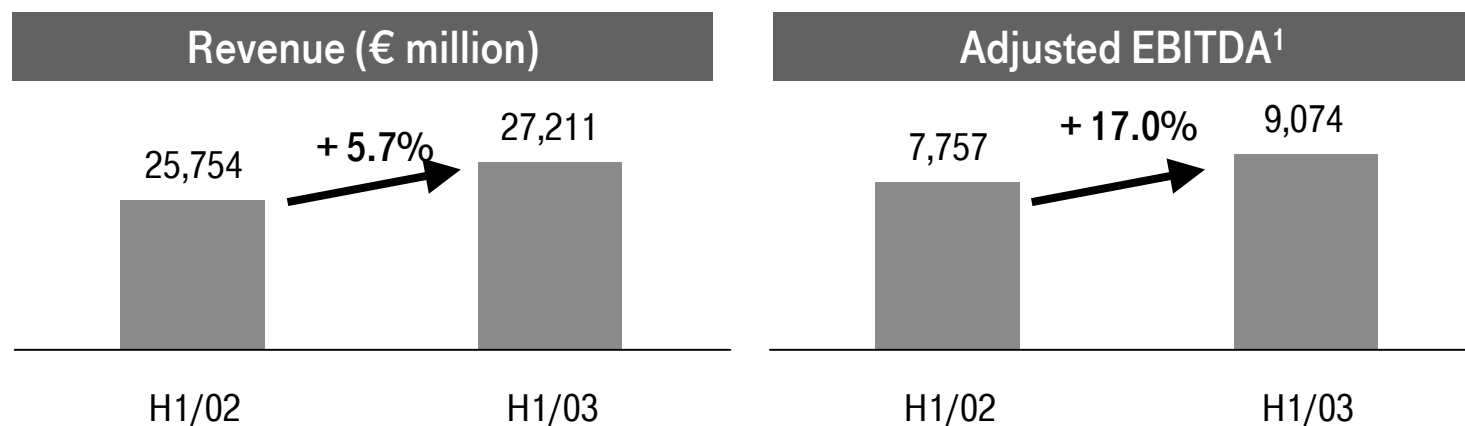
H1 2003 highlights.

Strong revenue and adj. EBITDA¹ growth.

Organic growth with constant exchange rates



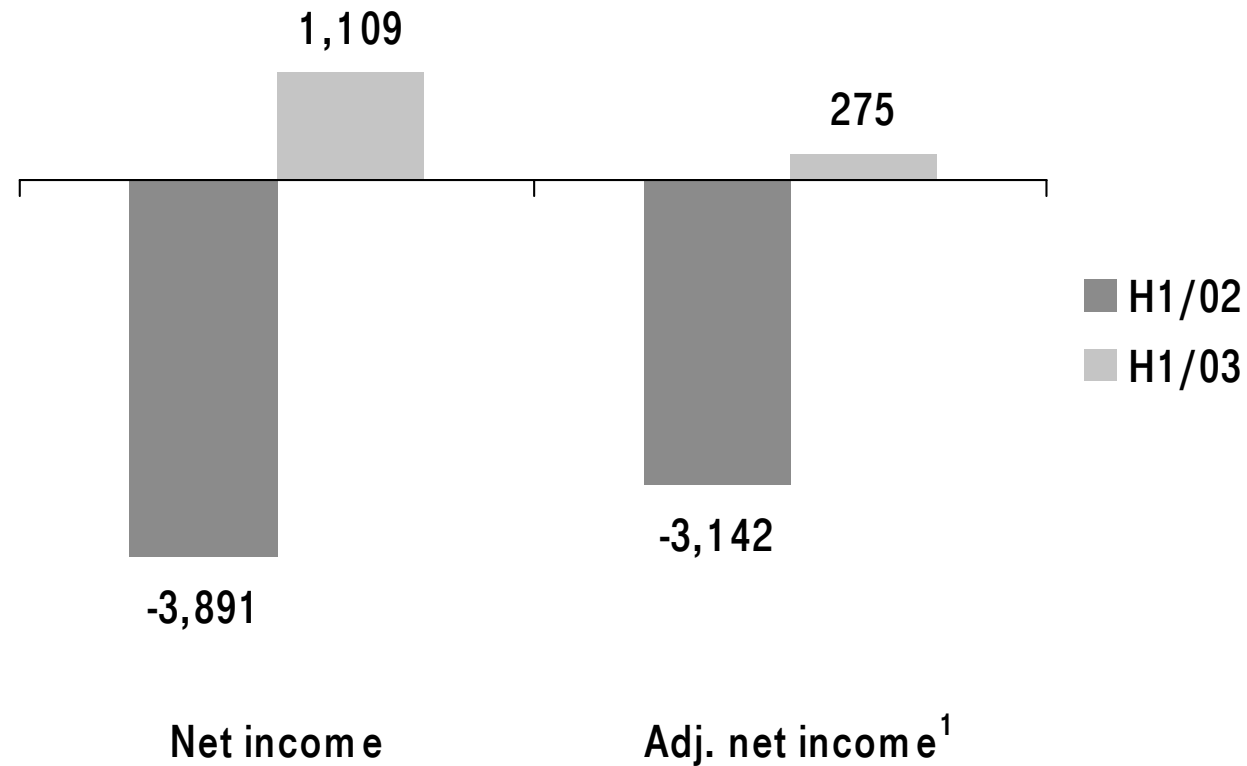
Reported growth



¹ To interpret this non-GAAP measure, please refer to the "Reconciliation to pro forma figures" in the H1/03 interim report or the "Reconciliation to pro forma figures" posted on Deutsche Telekom's Investor relations link under www.telekom.de.

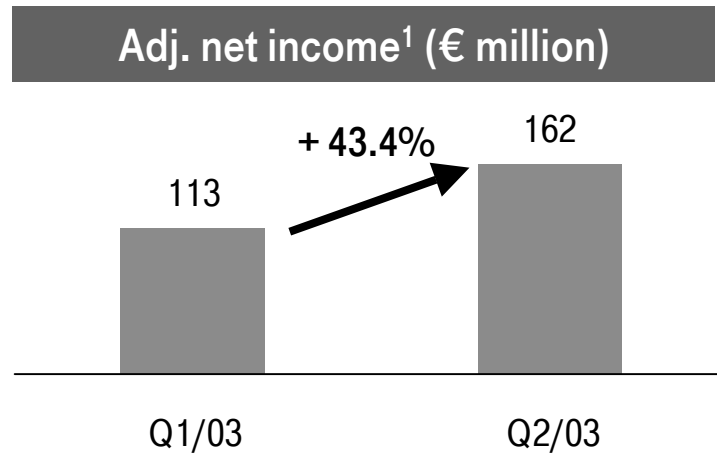
Net income Full-year net profit targeted.

€ million

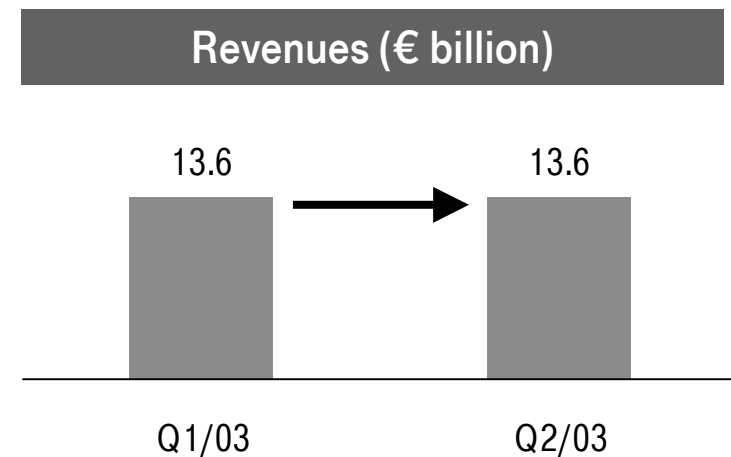
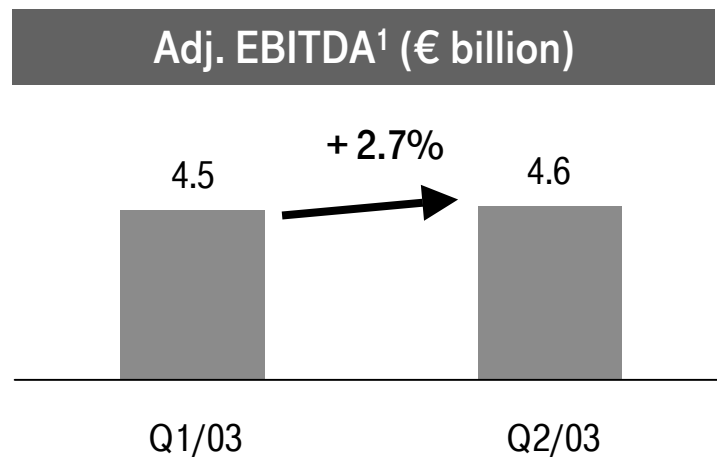


¹ To interpret this non-GAAP measure, please refer to the "Reconciliation to pro forma figures" in the H1/03 interim report or the "Reconciliation to pro forma figures" posted on Deutsche Telekom's Investor relations link under www.telekom.de.

Quarter-by-quarter development. Sequential earnings improvements².



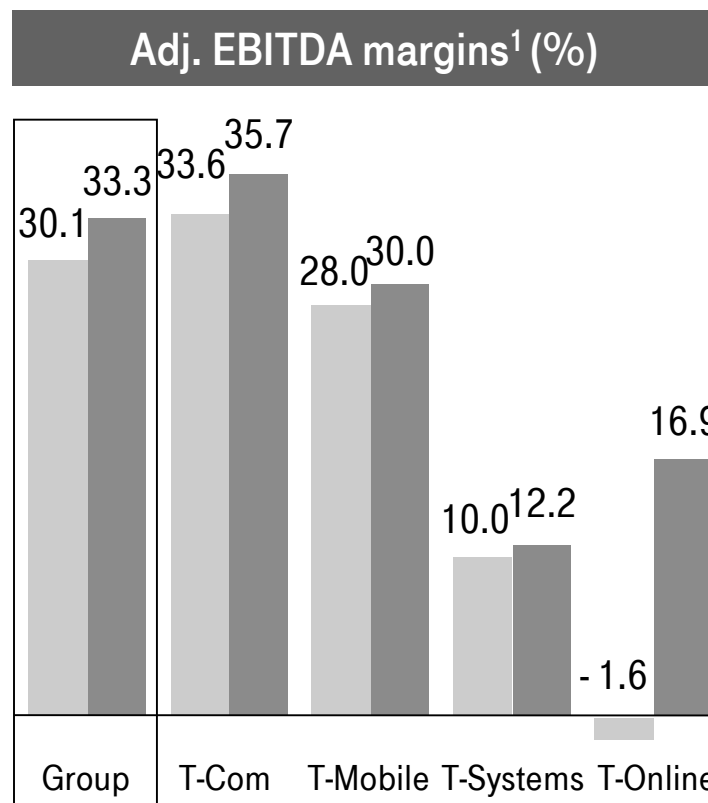
- Efficiency improvements working
- Revenue stable despite
 - Deconsolidation (cable, SIRIS etc.) (€ -0.2 billion)
 - Adverse foreign exchange impact (€ -0.2 billion)
 - Weak economy (T-Com, T-Systems)



¹ To interpret this non-GAAP measure, please refer to the "Reconciliation to pro forma figures" in the H1/03 interim report or the "Reconciliation to pro forma figures" posted on Deutsche Telekom's Investor relations link under www.telekom.de.

² Calculated on the basis of exact figures.

Margin improvements. More than 10% efficiency improvements.



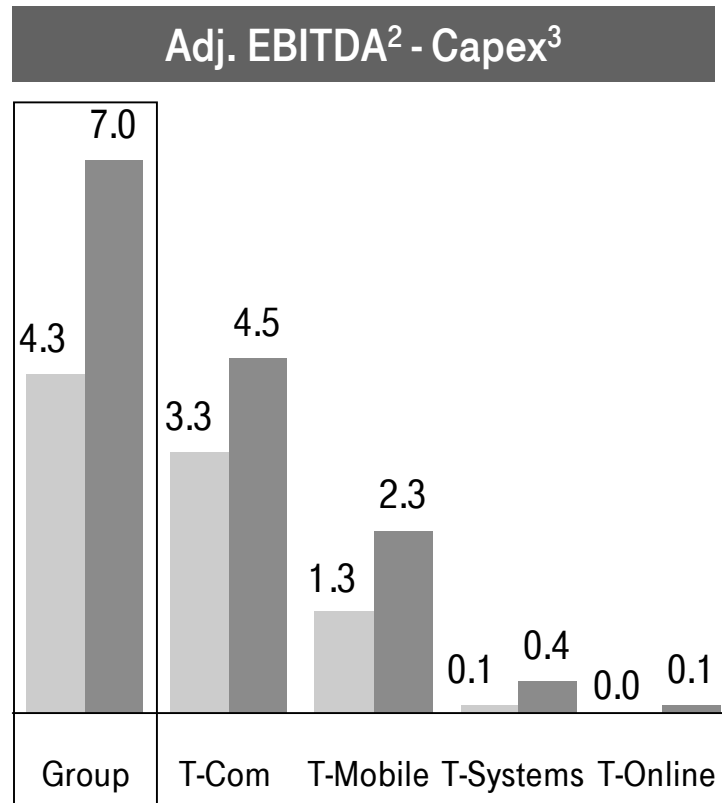
Efficiency improvements of € 0.8 billion in H1/03:

- T-Com cost savings € 0.3 billion
- T-Systems cost savings € 0.1 billion
- T-Mobile economies of scale: € 0.2 billion
- T-Online economies of scale: € 0.2 billion

■ H1 2002
■ H1 2003

¹ To interpret this non-GAAP measure, please refer to the "Reconciliation to pro forma figures" in the H1/03 interim report or the "Reconciliation to pro forma figures" posted on Deutsche Telekom's Investor relations link under www.telekom.de.

Cash contribution¹. 64% increase at group level.

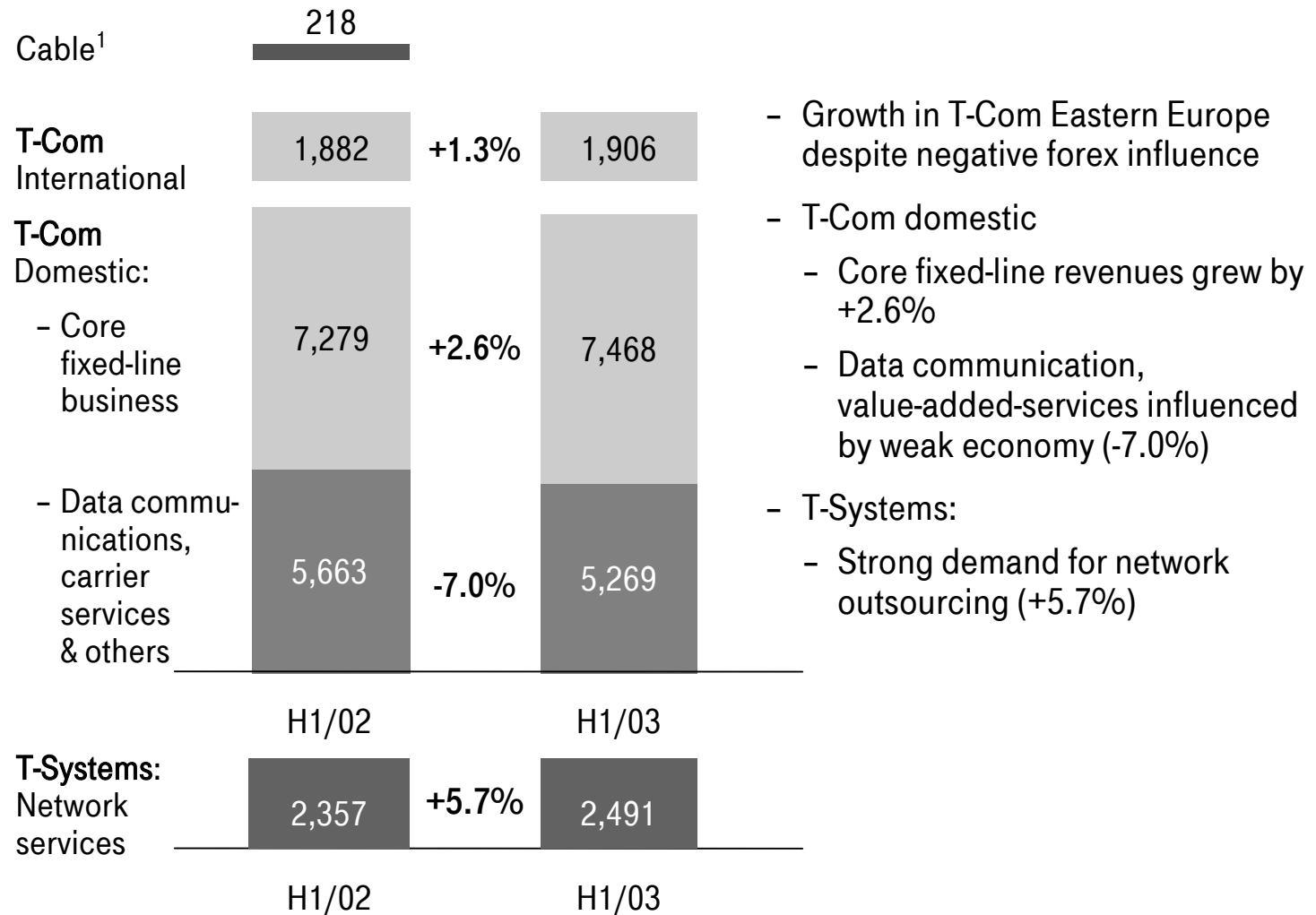


- Capex³ reduced to € 2.1 billion from € 3.5 billion in H1 2002
- Capex³ full-year guidance unchanged € 6.7 - 7.7 billion

■ H1 2002
■ H1 2003

- 1 Adj. EBITDA minus capex (property, plant and equipment and intangible assets (excl. goodwill))
- 2 To interpret this non-GAAP measure, please refer to the "Reconciliation to pro forma figures" in the H1/03 interim report or the "Reconciliation to pro forma figures" posted on Deutsche Telekom's Investor relations link under www.telekom.de.
- 3 Property, plant and equipment and intangible assets (excl. goodwill).

Fixed line. Total revenue development.

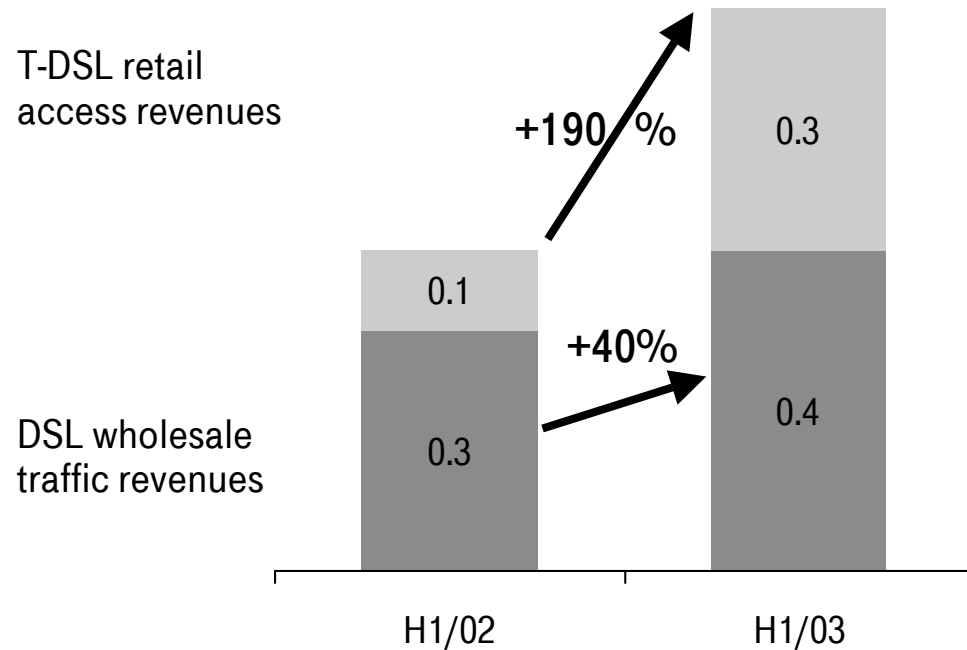


- Growth in T-Com Eastern Europe despite negative forex influence
- T-Com domestic
 - Core fixed-line revenues grew by +2.6%
 - Data communication, value-added-services influenced by weak economy (-7.0%)
- T-Systems:
 - Strong demand for network outsourcing (+5.7%)

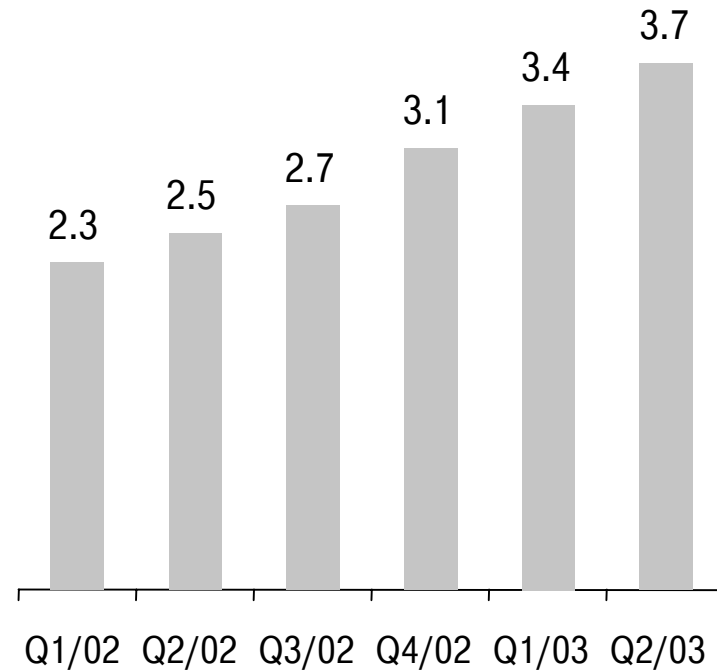
¹ Deconsolidation effect in March/June 2003

T-Com Domestic. T-DSL - No. 1 in Europe.

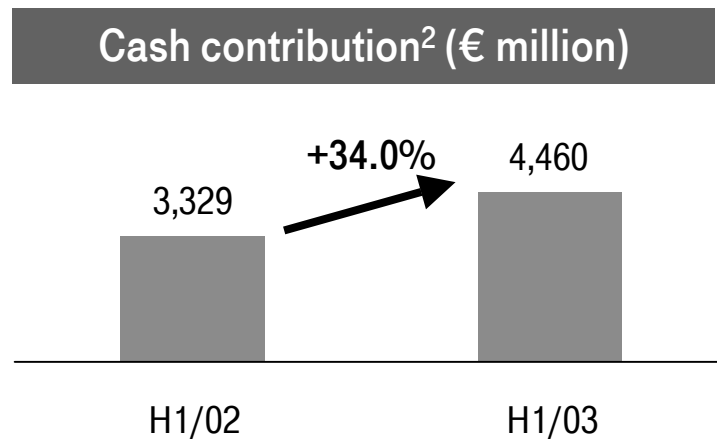
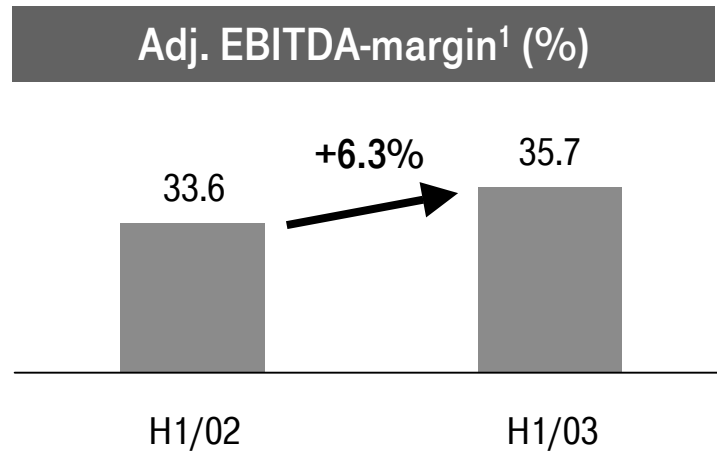
Revenues (€ billion)



T-DSL subscribers (million)



T-Com. Strong efficiency improvements.



Efficiency improvements (€ million)	H1/03 - H1/02
– Travel expenses	32
– Maintenance	67
– Marketing expenses	45
– Rental and leasing expenses	45
– Legal and consulting fees	27
– Losses on accounts receivable	115
Total:	331

1 To interpret this non-GAAP measure, please refer to the “Reconciliation to pro forma figures” in the H1/03 interim report or the “Reconciliation to pro forma figures” posted on Deutsche Telekom’s Investor relations link under www.telekom.de.

2 Adj. EBITDA minus capex (property, plant and equipment and intangible assets (excl. goodwill))

T-Com Domestic. Measures for future revenue development.

Innovation leadership

T-DSL growth pushed:

New product features
and aggressive marketing
campaigns

Target 2003: >4 million subs

Defend market share

New attractive options
plans requested:

- AktivPlus Calltime 120
- AktivPlus xxl
- Business Call plans

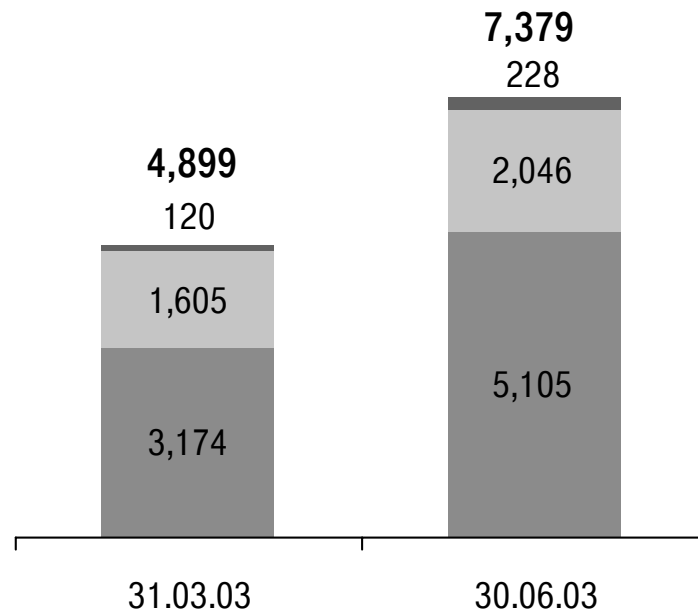
Secure revenue growth in core business

Further rebalancing approved:

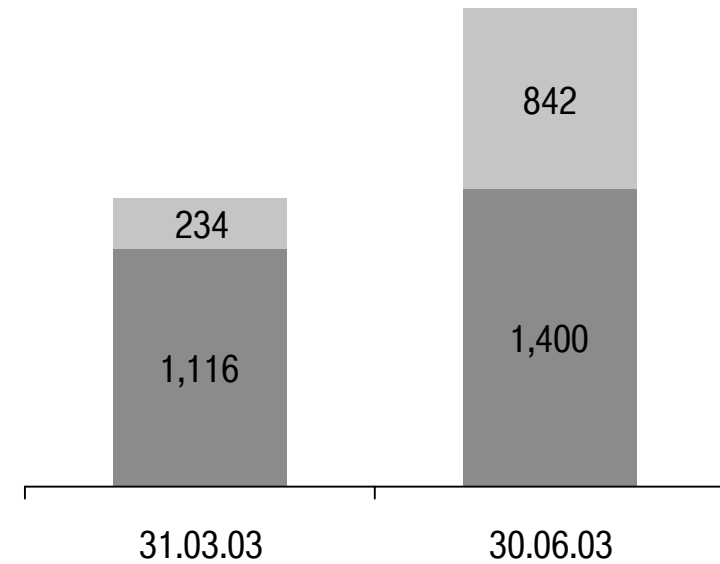
- Increase of access fees for analog lines by up to € 1.94 from September 1, 2003
- Reduction of local calling rates by 6.5% on average from September 1, 2003

Personnel Service Agency (PSA). Transfer program well under way.

Total number of employees in PSA



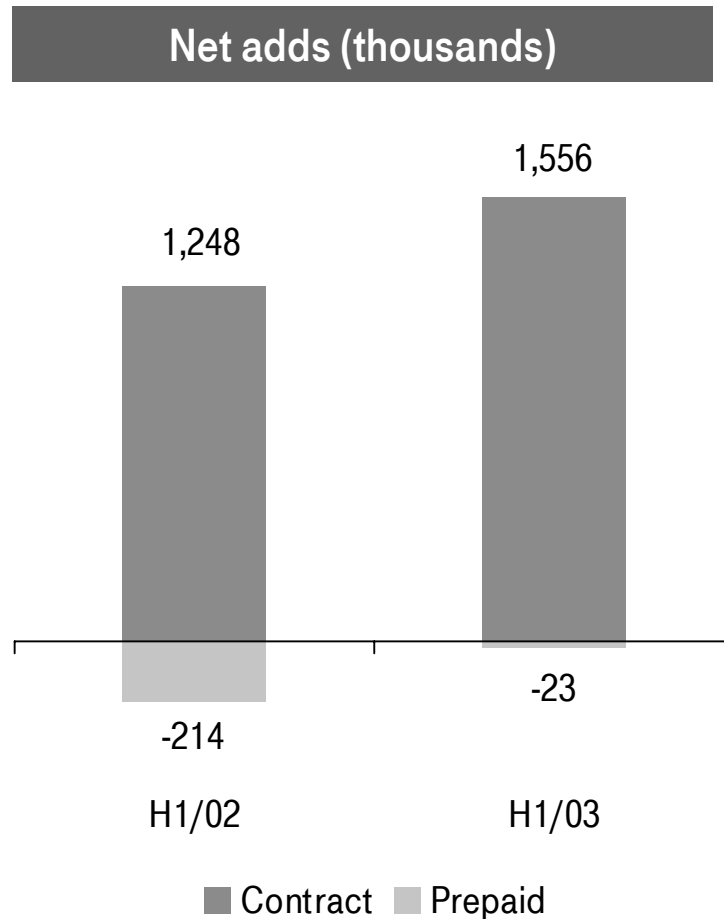
Total number of employees in temp worker positions or permanently placed



- T-Systems, T-Mobile, T-Online
- Headquarters and shared services
- T-Com

- Temp workers
- Permanently placed

T-Mobile USA. More than 11 million subscribers.



- More than 10 million contract subscribers
- 1.6 million contract net adds in H1/03, clear No. 2 with 0.5 million more net adds than the nearest competitor
- 606,000 net adds in Q2/03
 - 652,000 contract net adds in Q2/03, placing T-Mobile USA second in the industry
- Share of contract subscribers in base improved to 88% at the end of Q2/03 from 80% at the end of Q2/02

T-Mobile USA. Strong ARPU¹ increase

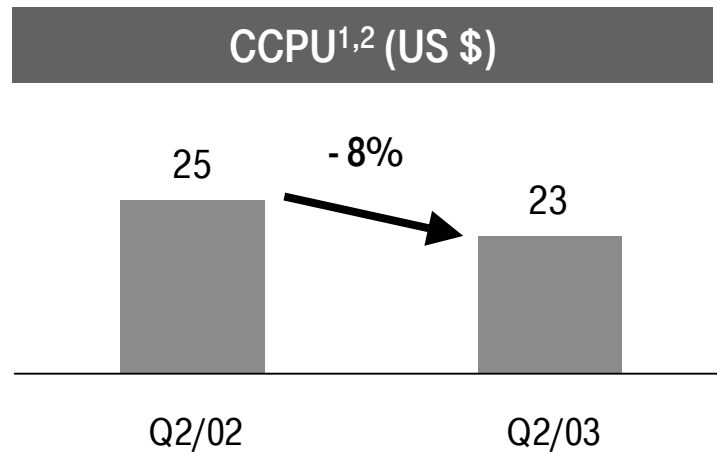


- Blended ARPU¹ increased by \$4 year-on-year to US \$53
 - Sequential improvement of US \$3 compared to Q1/03
 - Increase due to half usage and half features and data
- Contract ARPU¹ slightly increased year-on-year from US \$52 to US \$53
 - Sequential improvement of US \$3 compared to Q1/03

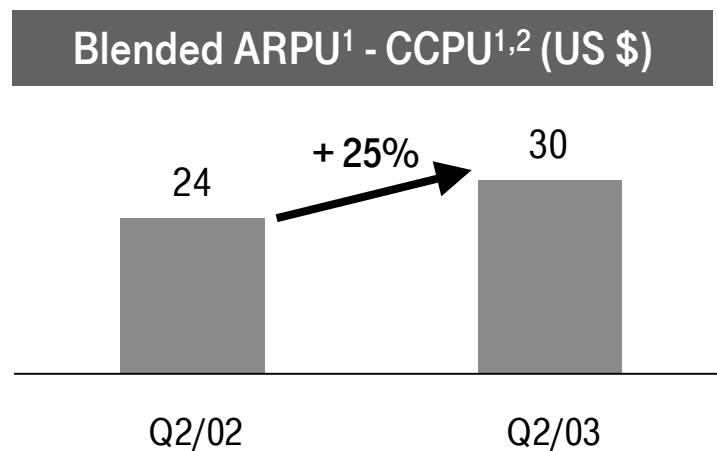
¹ According to US-GAAP. Defined as total contract revenue per monthly average contract subscriber
For further information also see press release of TMO International on its U.S. operations published on August 13, 2003.

Only national carrier with significant year-on-year ARPU growth.

T-Mobile USA. Sustainable cost advantage and scale effects.



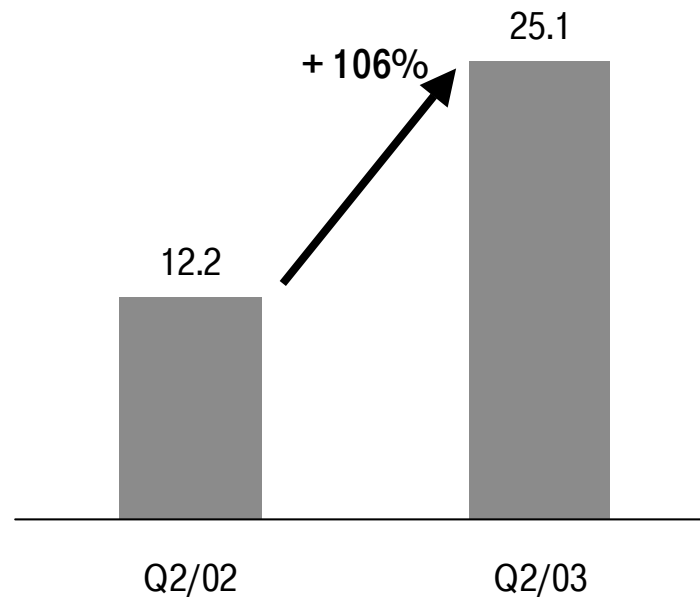
- Cash cost per user (CCPU^{1,2}) decreased to US \$23 in Q2/03 from \$25 in Q2/02
- Blended ARPU¹ - CCPU^{1,2} on par or ahead of most national competitors, despite relatively smaller size
- Additional scale effects to be reached with 14-15 million subscribers



- 1 According to U.S. GAAP . Defined as total service revenue per monthly average total customer. For further information also see press release of TMO International on its U.S. operations on August 13, 2003.
- 2 To interpret this non-GAAP measure, please refer to the reconciliation in the backup.

T-Mobile USA. Record EBITDA^{1,2} margin.

EBITDA^{1,2} margin (% of net revenues)

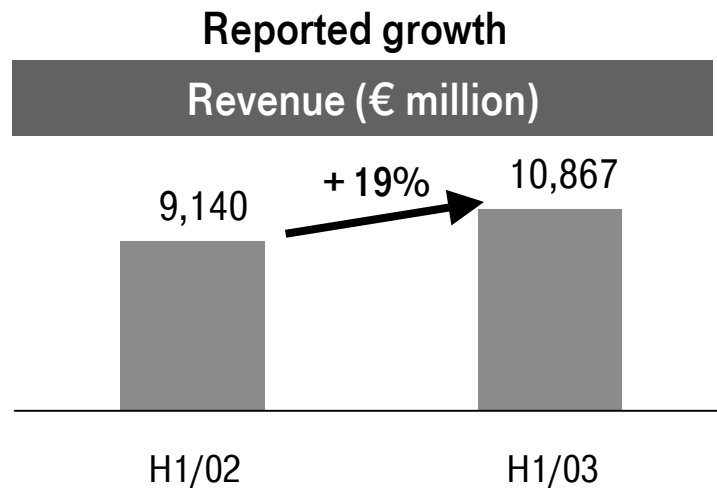
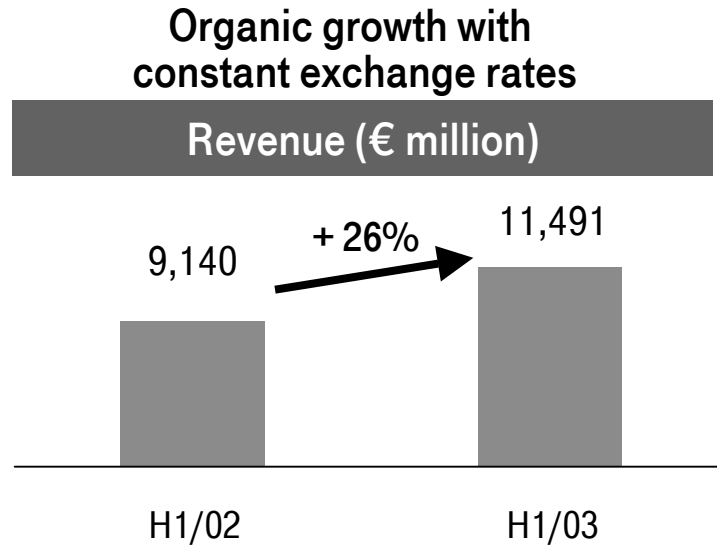


- EBITDA^{1,2} margin as % of net revenues more than doubled to 25% in Q2/03
- H1/03 EBITDA^{1,2} of US \$849 million provides TM US with ample flexibility to address H2/03 growth opportunities
- Full-year targets:
 - EBITDA^{1,2} of up to US \$1.5 billion
 - More than 3 million net adds

1 To interpret this non-GAAP measure, please refer to the “Reconciliation to pro forma figures” in the H1/03 interim report or the “Reconciliation to pro forma figures” posted on Deutsche Telekom’s Investor relations link under www.telekom.de.

2 According to German GAAP.

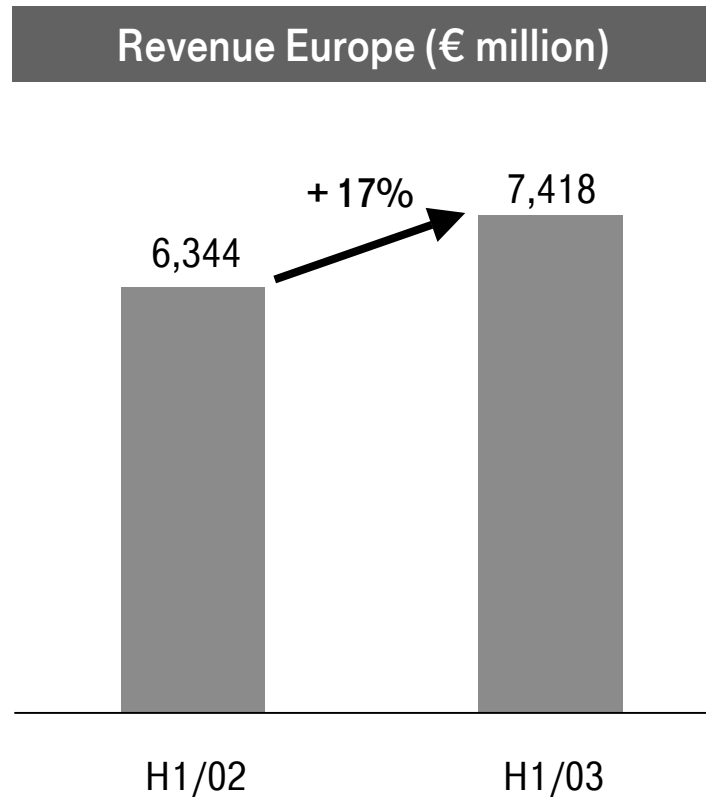
T-Mobile. The growth engine.



- Organic revenue growth with constant exchange rates was 26% in H1/03 vs. H1/02
- Reported group revenue increase of 19% to € 10.9 billion in H1/03 vs. H1/02 (organic 15%)
- Revenue increase driven by subscriber and ARPU¹ growth
- Focus on contract subscribers pays off
- In H1/03: 2.6 million net adds
 - Contract net adds: 2.4 million

¹ According to German GAAP .

T-Mobile. Sustainable growth in Europe.



- Revenue increase of 17% in Europe (organic 11%)
- Revenue increase driven by subscriber and ARPU² growth
- European subsidiaries gained 805,000 contract net adds in H1/03
- Significant increase of ARPUs² in local currencies H1/03 vs. H1/02:

CZ:	+ CZK 9	UK:	+ GBP 3
Germany:	± € 0	A:	+ € 2

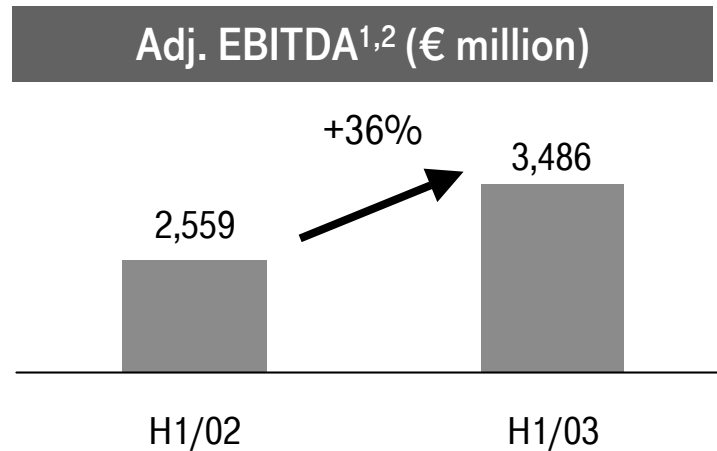
1 Fully consolidated since Q4/02.

2 According to German GAAP .

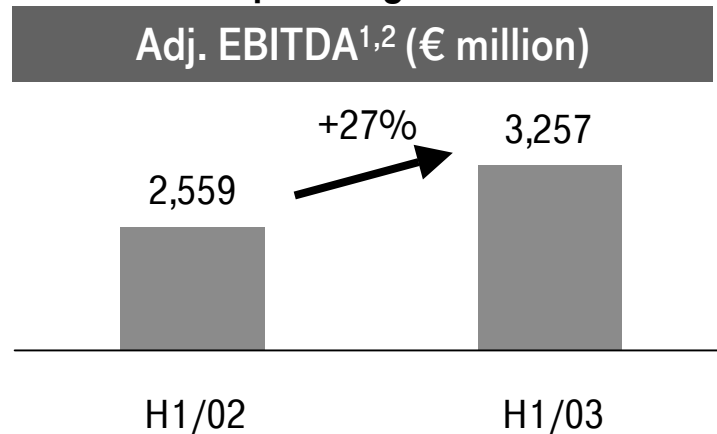
T-Mobile.

Record adjusted EBITDA^{1,2} of € 3.3 billion (reported).

Organic growth with constant exchange rates



Reported growth

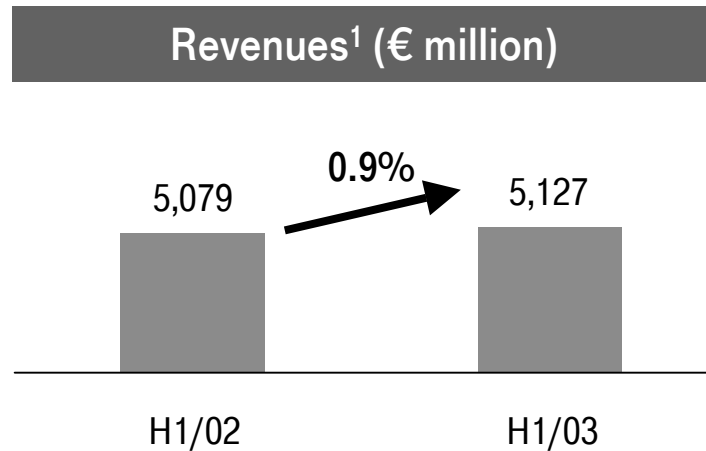


- Organic adj. EBITDA^{1,2} growth with constant exchange rates was 36% in H1/03 vs. H1/02
- Adj. EBITDA^{1,2} increase of € 0.7 billion to € 3.3 billion in H1/03 vs. H1/02
- EBITDA^{1,2} margin of T-Mobile group at 30.0% in H1/03
 - EBITDA^{1,2} margin increased by 2.9 ppt in Q2/03 vs. Q1/03
- T-Mobile Netherlands turned EBITDA^{1,2} positive and increased EBITDA^{1,2} by € 60 million from Q1/03 to Q2/03

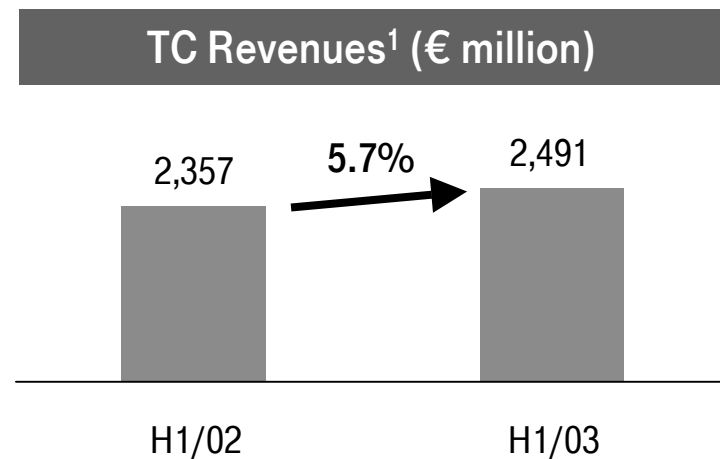
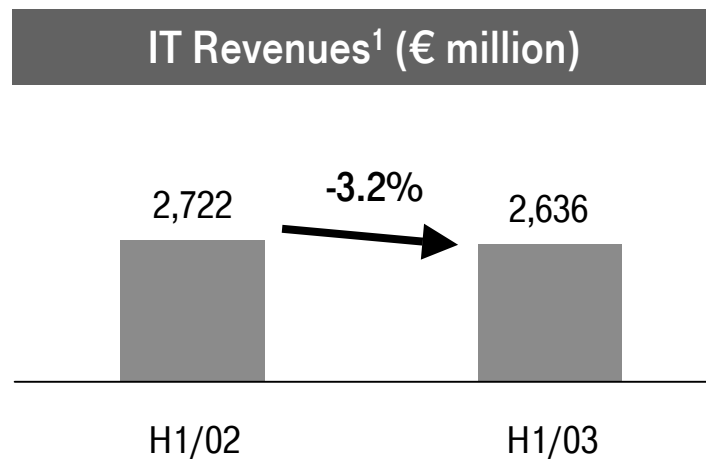
1 To interpret this non-GAAP measure, please refer to the "Reconciliation to pro forma figures" in the H1/03 interim report or the "Reconciliation to pro forma figures" posted on Deutsche Telekom's Investor relations link under www.telekom.de.

2 According to German GAAP.

T-Systems. Strong growth in telecoms¹.

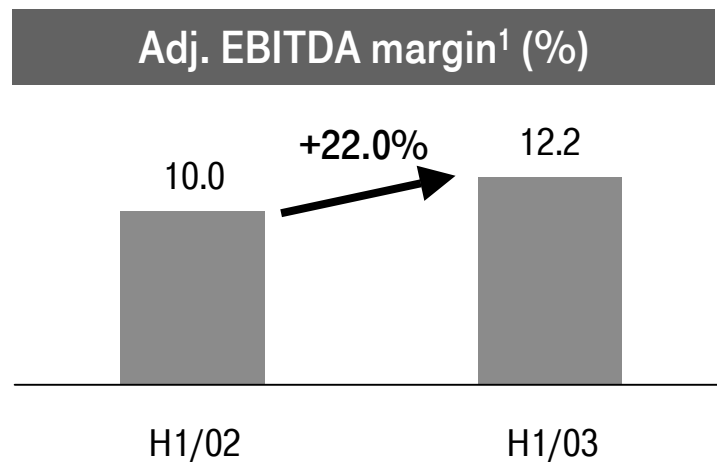
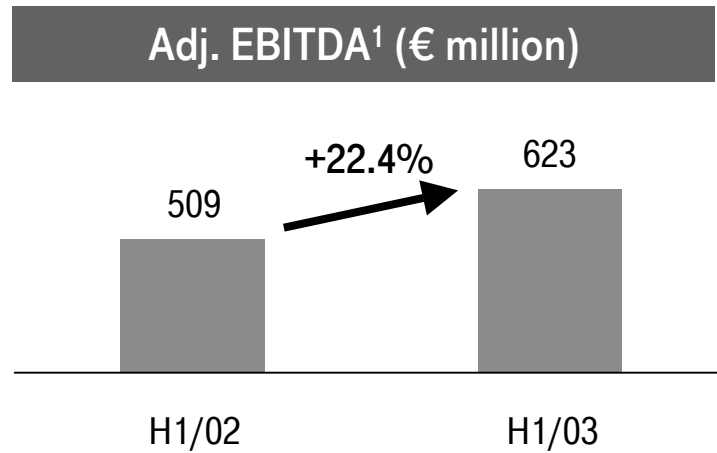


- TC revenues up 5.7% due to shakeout in competitive landscape, end of price erosion and increased network outsourcing deals
- IT revenues down 3.2% due to weakness esp. in international and desktop services
- YTD record order book of € 3,026 million (up by 206% from € 989 million in the comparable period) in telecoms



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

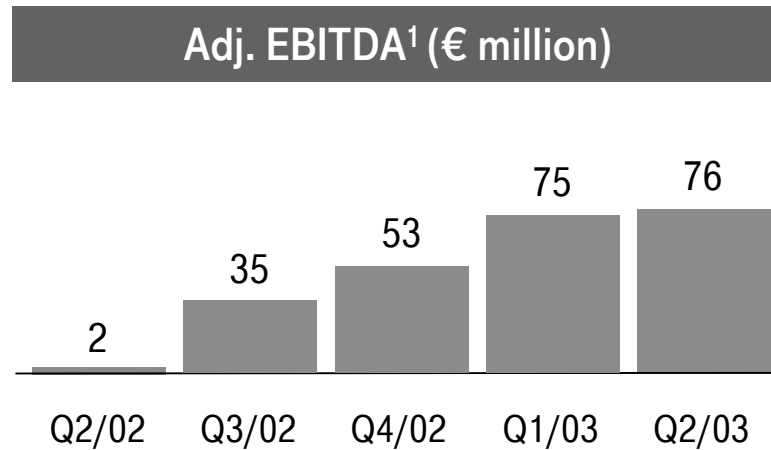
T-Systems. Strong efficiency improvements.



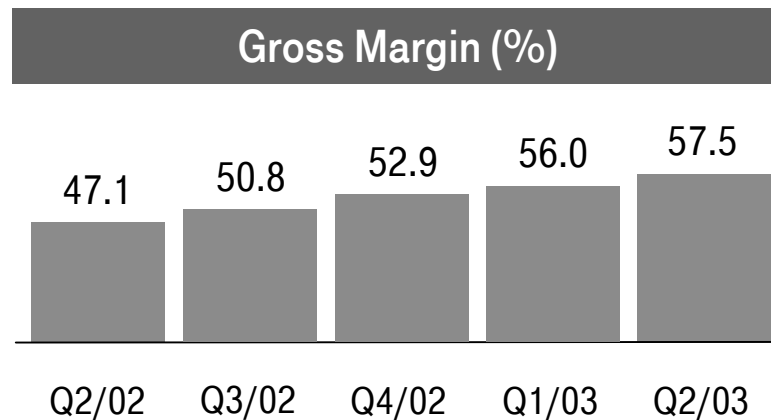
Cost savings (€ million)	H1/03 - H1/02
– Travel expenses	10
– Maintenance	35
– Marketing expenses	7
– Rental and leasing expenses	49
– Legal and consulting fees	16
– Losses on accounts receivable	20
Total:	137

¹ To interpret this non-GAAP measure, please refer to the “Reconciliation to pro forma figures” in the H1/03 interim report or the “Reconciliation to pro forma figures” posted on Deutsche Telekom’s Investor relations link under www.telekom.de.

T-Online. Focus on Profitability.



- Adj. EBITDA increased by € 74 million on a year-on-year comparison
- Gross margin stabilized over 50% in 2003
- 25% of T-Online customers are using T-DSL



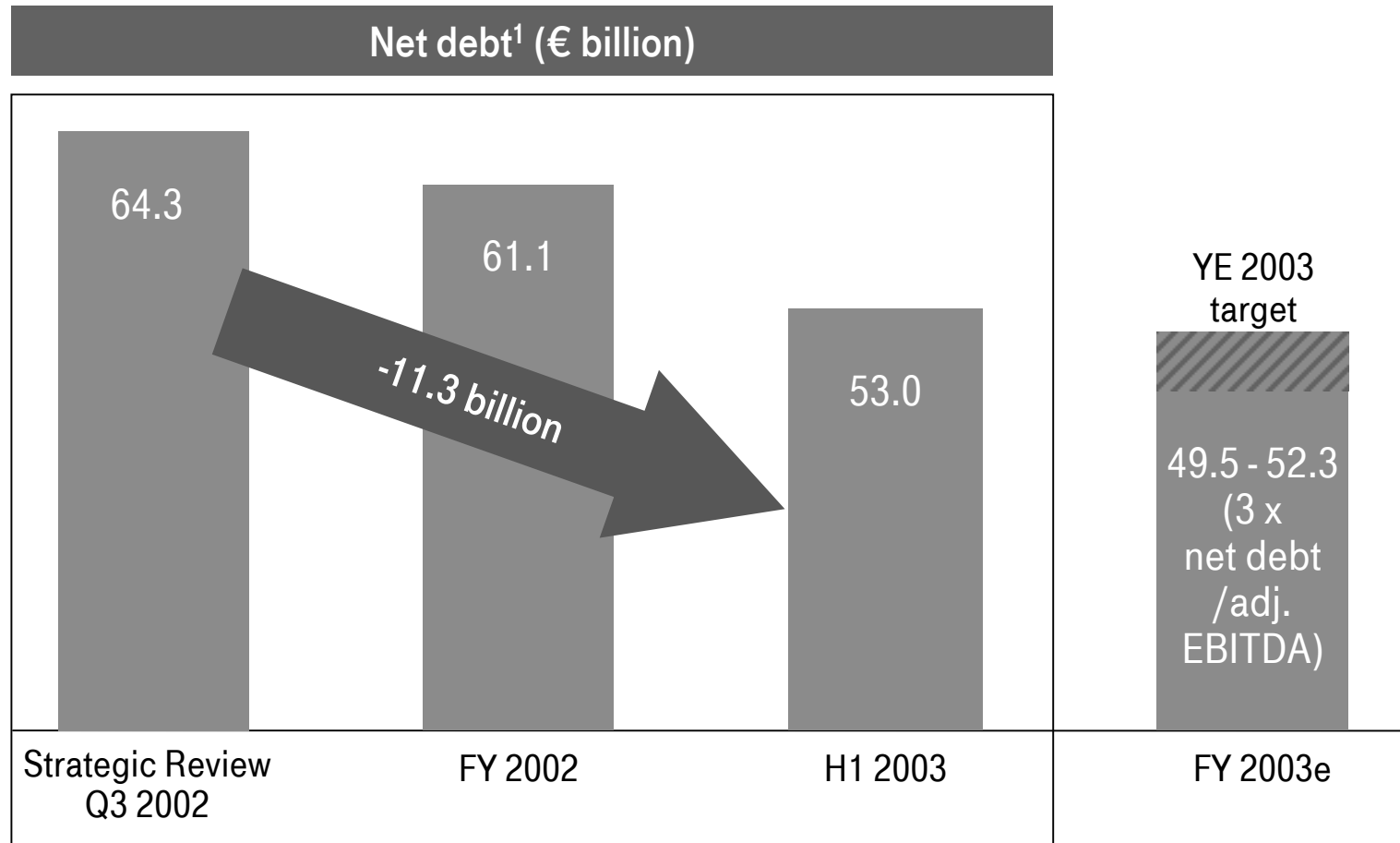
- Approx. € 170 million cost savings through:
- Better utilization of network capacity
- Efficient employment of resources and concentration on synergy and scale effects

¹ To interpret this non-GAAP measure, please refer to the "Reconciliation to pro forma figures" in the H1/03 interim report or the "Reconciliation to pro forma figures" posted on Deutsche Telekom's Investor relations link under www.telekom.de.

Financials.

Dr. Karl-Gerhard Eick, CFO

Debt reduction program. 6 + 6 almost achieved.



¹ To interpret this non-GAAP measure, please refer to the "Reconciliation to pro forma figures" in the H1/03 interim report or the "Reconciliation to pro forma figures" posted on Deutsche Telekom's Investor relations link under www.telekom.de.

Free cash flow¹.

€ 4.0 billion free cash flow in H1/03.

€ billion ²	Q2/03	Q1/03	H1/03	2002
Cash generated from operations	4.6	3.4	8.0	16.7
Net interest payment	-1.5	-0.3	- 1.8	-4.2
Net cash provided by operating activities	3.1	3.1	6.3	12.5
Cash outflows from investments in				
– property, plant and equipment	-1.0	-1.0	- 2.0	6.8
– intangible assets	-0.2	-0.1	- 0.3	0.8
– Free cash flow ¹ before dividends	2.0	2.0	4.0	4.8

1 To interpret this non-GAAP measure, please refer to the “Reconciliation to pro forma figures” in the H1/03 interim report or the “Reconciliation to pro forma figures” posted on Deutsche Telekom’s Investor relations link under www.telekom.de.

2 Figures rounded to the nearest € 100 million figure.

Capex¹ status. Strong increase in cash contribution.

€ billion	Q2/03	Q2/02
T-Com	0.5	0.9
T-Mobile	0.6	0.7
T-Systems	0.1	0.1
T-Online and Others	0.1	0.1
Total capex	1.2	1.9

€ billion	Q2/03	Q2/02
Adj. EBITDA ²	4.6	4.0
Capex ¹	1.2	1.9
Cash contribution³	3.4	2.1

1 Property, plant and equipment and intangible assets (excl. goodwill).
Calculated and rounded on exact figures.

2 To interpret this non-GAAP measure, please refer to the “Reconciliation to pro forma figures” in the H1/03 interim report or the “Reconciliation to pro forma figures” posted on Deutsche Telekom’s Investor relations link under www.telekom.de.

3 Adj. EBITDA minus capex (property, plant and equipment and intangible assets (excl. goodwill))

Q2 2003 – Debt reduction going forward. Focus on free cash flow.

€ billion	Target Q3/02	Achieved	To go
Free cash flow ¹	5.5 - 6.0	4.2	1.3 - 1.8
Asset sales ²	6.2 - 8.5	5.3	0.9 - 3.2

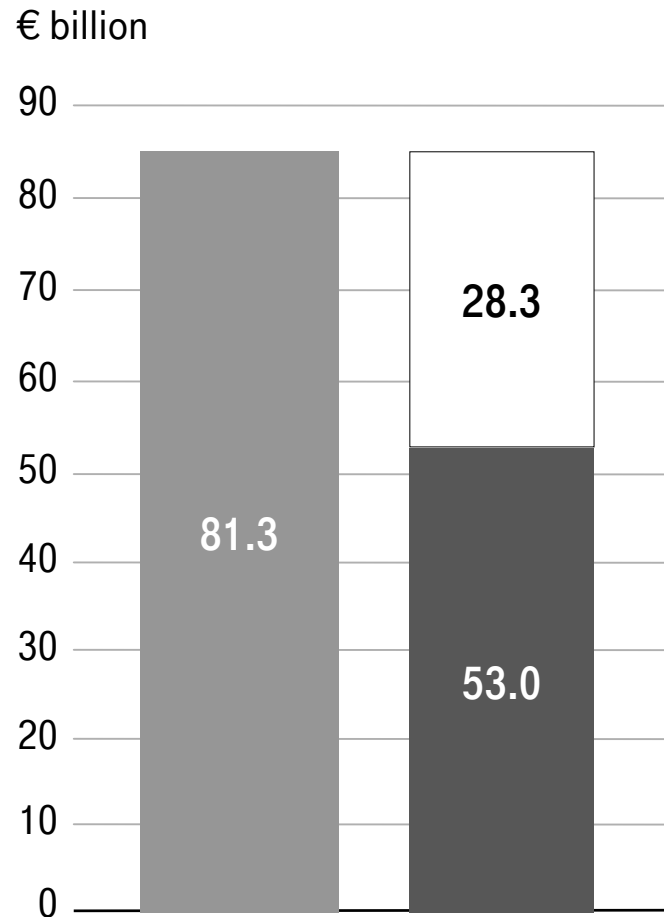
¹ To interpret this non-GAAP measure, please refer to the “Reconciliation to pro forma figures” in the H1/03 interim report or the “Reconciliation to pro forma figures” posted on Deutsche Telekom’s Investor relations link under www.telekom.de.

² Cash-in or signed

Successful bond offering 2003. Final step towards being fully financed.

- Due to ongoing deleveraging success the only benchmark transaction in 2003
- Great market acceptance: US \$ 2 billion size limit five times subscribed
- Very tight pricing: bonds came below initial secondary market levels
- First benchmark bond since 1999 without step-up language

Q2 2003 Liquidity reserves. Liquidity reserves as of June 30, 2003.

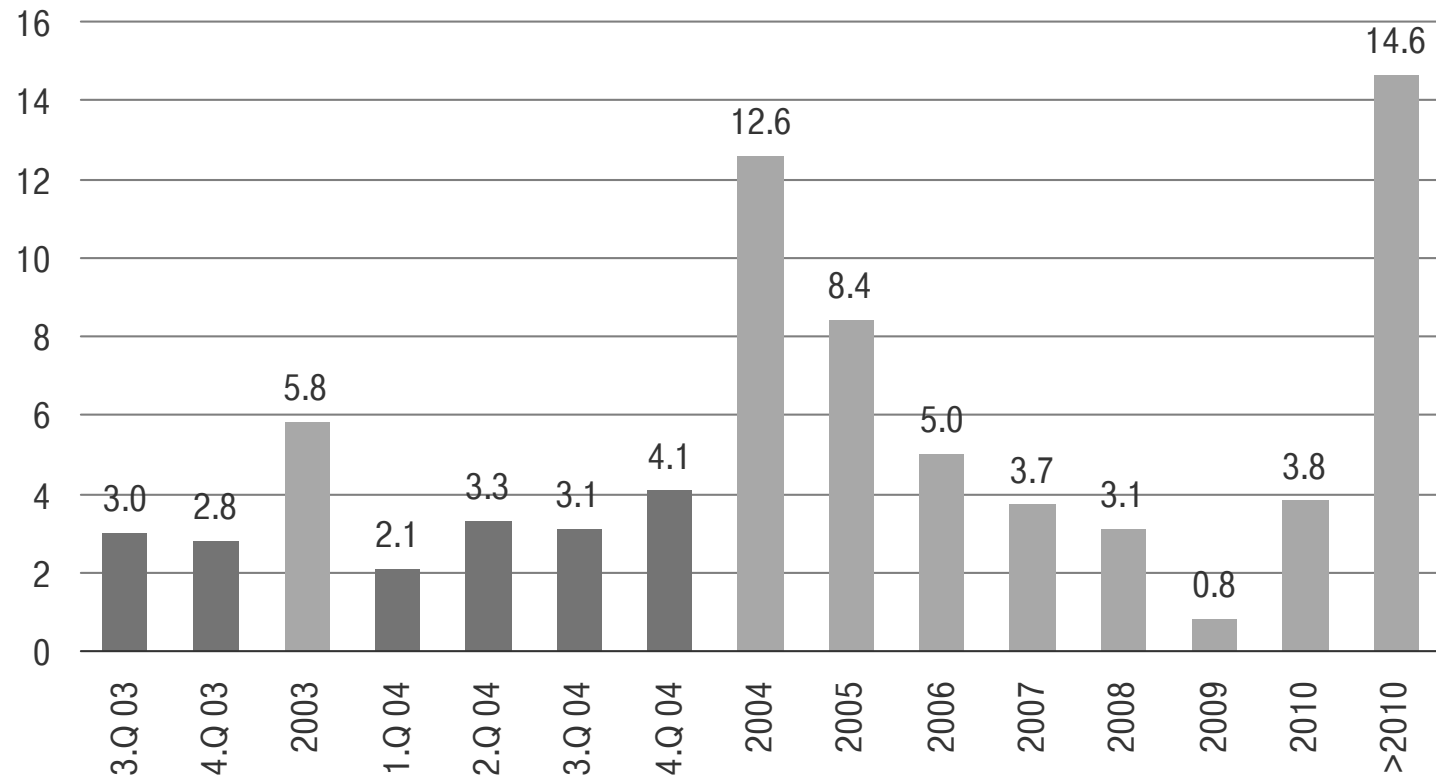


Liquidity reserves (€ billion)	28.3
- Unused credit lines	
- Syndicated loan DTAG	11.9
- Syndicated loan T-Mobile UK	2.3
- Bilateral credit lines DTAG	4.7
- Bilateral credit lines subsidiaries	0.4
- Assets	9.0

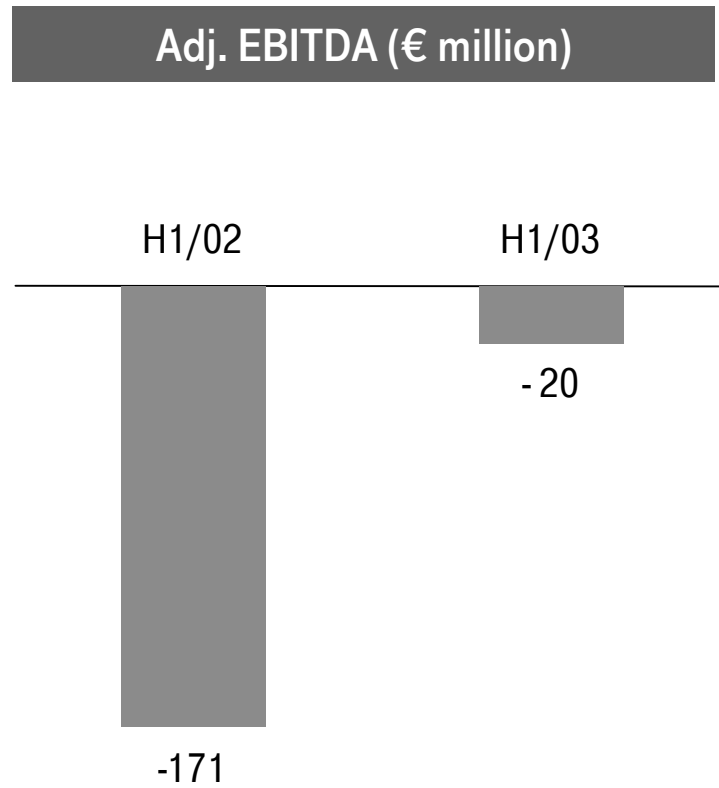
- Total line availability
- Liquidity reserves
- DT Group net debt

Q2 2003 Maturity profiles. Fully financed.

in € billion



Group headquarters & shared services. Adj. EBITDA improved by 151 million €.



- Rebranding expenses reduced by approximately € 100 million
- Start-up costs associated with the ABS transaction of approximately € 100 million saved in H1/03

H1/03 – Net income. € 1.1 billion.

€ million	H1/03	H1/02	Δ
Adj. EBITDA ¹	9.1	7.8	1.3
Depreciation and amortization	- 6.5	- 7.9	1.4
Net financial expense	- 1.9	- 2.3	0.4
Taxes (incl. other taxes)	- 0.2	- 0.6	0.4
Minorities	- 0.2	- 0.2	0
Adj. Net income ¹	0.3	- 3.1	3.4
Special factors ¹	0.8	- 0.8	1.6
Net income	1.1	- 3.9	5.0

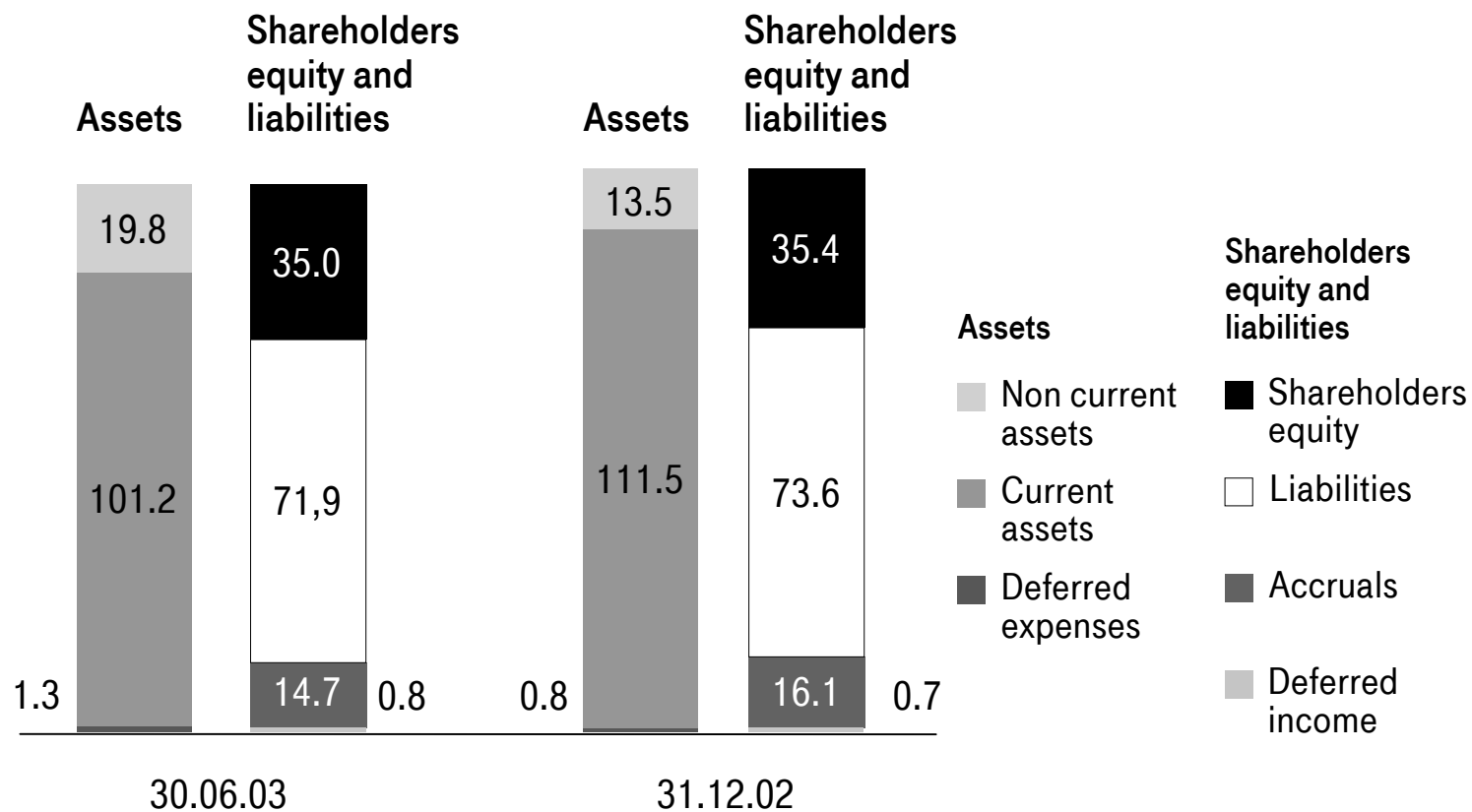
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Net income. Positive sequential net income.

€ million	Q2/03	Q1/03	Δ
Adj. EBITDA ¹	4,598	4,476	122
Depreciation and amortization	- 3,212	- 3,269	57
Net financial expense	- 853	- 1,092	239
Taxes (incl. other taxes)	- 295	99	- 394
Minorities	- 76	- 101	25
Adj. Net income ¹	162	113	49
Special factors ¹	94	740	- 646
Net income	256	853	- 597

¹ To interpret this non-GAAP measure, please refer to the “Reconciliation to pro forma figures” in the H1/03 interim report or the “Reconciliation to pro forma figures” posted on Deutsche Telekom’s Investor relations link under www.telekom.de.

Balance sheet structure.



H1 2003. Conclusion.

Kai-Uwe Ricke
CEO

Summary. Excellent performance to date.

- YE 2003 net debt target almost achieved
(€ 11.3 billion out of 12 already delivered)
- € 4.2 billion of free cash flow since November 2002
- € 5.3 billion in asset sales since November 2002
- Fully financed
- 9% revenue growth¹
- Positive net income
- Targets unchanged

¹ Pro forma figures: organic growth with constant foreign exchange rates.

Outlook. Principles.

- Debt reduction
 - Continue to ensure undisputed access to the capital markets
 - Continue to improve quality of balance sheet
- Dividend
 - Target to pay a dividend for 2004 (payable in 2005)
 - Meaningful payout ratio
- Profitable growth
 - Based on clear financial criteria