

Dividend announcement

Deutsche Telekom AG
Bonn
- Security ID No. 555 700 -

On 26 June 1997 the Shareholders' Meeting of our company approved the payment of a dividend of DM 0.60 per share of a par value of DM 5.00 on the dividend-bearing capital stock of DM 13,716,196,160 as at 31 December 1996, payable as of 27 June 1997.

The dividends will be paid by Deutscher Kassenverein AG, Frankfurt on Main, via the depository banks, less 25% capital gains tax and a 7.5% solidarity surcharge on the capital gains tax (a total of 26.875%).

Combined with the dividend is a tax credit per share amounting to 3/7 of the dividend. This credit, like the capital gains tax and the solidarity surcharge, is set off against the income tax or corporate income tax paid by domestic shareholders who are not exempt from these taxes.

The deduction of capital gains tax and the solidarity surcharge on the capital gains tax does not apply to domestic shareholders who have submitted to their depository banks a non-assessment note from the tax authorities. In such cases the tax credit will also be granted by the bank making the payment. The same applies in toto or in part to shareholders who have submitted to their depository bank an exemption order as long as the amount of the exemption specified in the order has not been used up by other capital gains.

Bonn, June 1997

Deutsche Telekom AG
The Board of Management