

Cost Basis Allocation Information for U.S. Taxpayers
Deutsche Telekom shares received in the VoiceStream merger

Upon the merger of VoiceStream Wireless with Deutsche Telekom on May 31, 2001, VoiceStream shareholders received shares of Deutsche Telekom (and, depending on the election made by shareholders, cash) in exchange for their VoiceStream shares. The U.S. federal income tax impact of the exchange, and your basis in your new DT shares, will depend on the basis in your VoiceStream shares. In general:

- If you have a gain in the VoiceStream share exchanged (that is, if the value of the DT stock plus cash received for the VoiceStream share exceeds your basis in the VoiceStream share) you will recognize the gain, but only up to the amount of cash received. The gain recognized increases your basis in the DT stock received. The cash received reduces your basis in the DT stock received.
- If you have a loss in the VoiceStream share exchanged (that is, if the value of the DT stock plus cash received for the VoiceStream share is less than your basis in the VoiceStream share) you will not recognize the loss. The cash received reduces your basis in the DT stock received.

The following examples are provided to assist you in performing the calculations. However, you should consult your tax advisor to determine the U.S. federal income tax consequences to you, as well as any other consequences under other U.S., state, local, and foreign tax laws. The examples use the May 30, 2001, closing price of DT ADSs on the NYSE (\$20.30) to determine the value of the consideration received in the merger for purposes of determining the amount of gain, if any, that must be recognized in the merger.

The first set of examples is based on the receipt of 3.6683 DT shares and \$15.9062 (the cash election).

Cost Basis of VS Share	Value of Cash Election	Gain/(Loss)	Recognized Gain/(Loss)	New Cost Basis of DT Share ^A
30.00	90.37	60.37	15.91	8.18
90.00	90.37	0.37	0.37	20.30
150.00	90.37	(59.63)	0.00	36.55

The second set of examples is based on the receipt of 3.6693 DT shares and \$15.7262 (the mixed election).

Cost Basis of VS Share	Value of Mixed Election	Gain/(Loss)	Recognized Gain/(Loss)	New Cost Basis of DT Share ^A
30.00	90.21	60.21	15.73	8.18
90.00	90.21	0.21	0.21	20.30
150.00	90.21	(59.79)	0.00	36.59

A Cost basis of VoiceStream share plus recognized gain less cash received divided by the number of DT shares received per VoiceStream share.

Consult your tax advisor. The information and examples set forth do not constitute tax advice and do not purport to be complete or to describe the tax consequences that may apply to your particular circumstances. You should consult your own tax adviser regarding the calculation of your cost basis and/or gain recognition.

Cost Basis Allocation Information
DT shares received in the Powertel merger

Upon the merger of Powertel into Deutsche Telekom on May 31, 2001, Powertel shareholders received shares of Deutsche Telekom in exchange for their Powertel shares. The cost basis of a Powertel share must be allocated to the DT shares in order to determine the new basis in the DT shares.

The following examples are to assist you in performing the calculations. However, you should consult your tax advisor. The examples are based on the receipt of 2.6353 DT shares for each share of Powertel.

Cost Basis of Powertel Share	DT Shares Received Per Powertel Share	New Cost Basis of DT Share ^A
50.00	2.6353	18.97
75.00	2.6353	28.46

A Cost basis of Powertel share divided by the number of DT shares received per Powertel share.

Consult your tax advisor. The information and examples set forth do not constitute tax advice and do not purport to be complete or to describe the tax consequences that may apply to your particular circumstances. You should consult your own tax adviser regarding the calculation of your cost basis and/or gain recognition.