

Investor Relations

Ad hoc notification

Decision on capital increase for acquisition of VoiceStream and Powertel

Deutsche Telekom sells SprintFON shares in a registered public offering, price has been set at US-Dollar 19.00 per share



Deutsche
Telekom

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Ad hoc notification in accordance with Paragraph 15 Security Trading Act (WpHG)

31.05.2001

The Board of Management of Deutsche Telekom AG has decided to use part of the approved capital in accordance with Paragraph 5 (2) of the company's articles of incorporation for the purpose of the acquisition of VoiceStream Wireless Corporation, Delaware, USA, and Powertel, Inc., Delaware, USA. The Supervisory Board of Deutsche Telekom AG has approved this measure. As such, the company will increase its capital stock from its current level of Euro 7,755,786,327.04 by a total of Euro 2,990,459,880.96 to Euro 10,746,246,208 through the issue of 1,168,148,391 no par value registered shares. In addition, Deutsche Telekom is to make a cash payment totaling US-Dollar 4,228,191,724.36 to the former VoiceStream shareholders (this equates to a total of Euro 4,937,745,795.12 based on the exchange rate of May 30, 2001). The capital increase is expected to be entered in the appropriate commercial register today. The new shares are to be traded on the Frankfurt stock market and other markets from Monday, June 4, 2001.

In connection with the sale of its stake in the American telecommunications operator Sprint through a public offering, Deutsche Telekom priced 76.2 million FON shares thereby.

The price has been set at US-Dollar 19.00 per share. The closing price of the Sprint FON shares on the NYSE on May 30th was US-Dollar 19.31.

Should the 15 percent over-allotment option (additional appr. 11.4 million shares) be exercised, Deutsche Telekom will have sold its entire stake in Sprint FON with net proceeds of appr. Euro 1.9 billion (appr. Euro 1.7 billion before over-allotment) net of the underwriters' discounts and commissions. The book value of the total SprintFON stake amounts to appr. Euro 0.9 billion.