

Deutsche Telekom.

DB German Corporate Conference.

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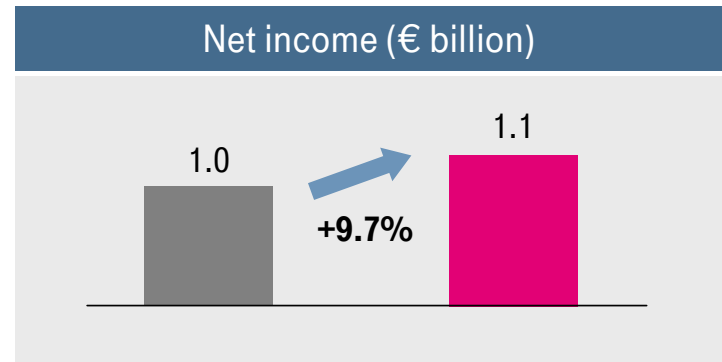
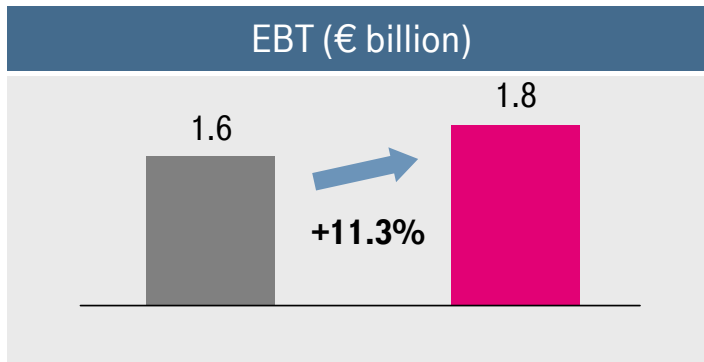
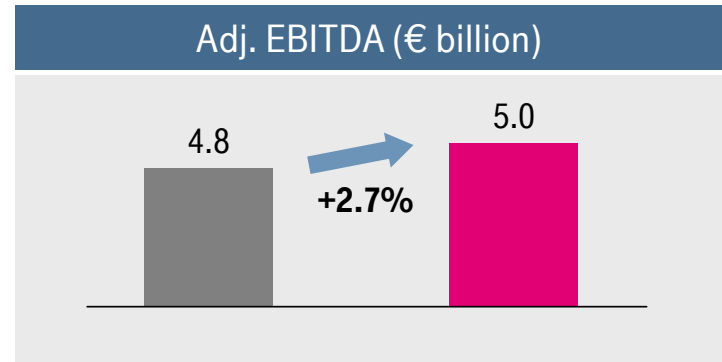
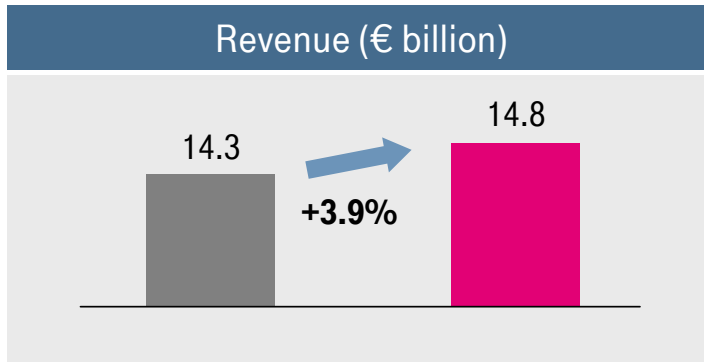
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Q1 2006 Group Results.

Good group results despite tough environment in Germany.



■ Q1 2005
■ Q1 2006



Strategy.

Growth and value enhancement.

- Strategy to strengthen position as sustainable Europe's No 1.
- Emphasis on Growth and continuous efficiency improvements
- Strategic approach:
 - Organic development - excellence program
 - Clear financial strategy and framework
 - Portfolio development – within clearly defined criteria



Excellence program.

€ 0.25bn out of €1.2bn invested in growth in Q1.

BBFN	1	Defense of fixed-network core business
	2	“Conquer the home”
Mobile	3	Expansion of mobile core business
	4	Expansion of mobile data services
BC	5	Strengthen telecommunications core business
	6	Grow in ICT solutions
BBFN/ Mobile	7	Convergence
	8	Implementation of a comprehensive CRM system ¹
Group	9	Operational excellence
	10	Cultural change and HR development

¹ After merger with T-Online.



Excellence program – BBFN.

Objective to stabilise BBFN revenues.

- BBFN**
- 1** Defense of fixed-network core business
 - 2** “Conquer the home”

- T-Online merger important
- Offer bundled products
- Launch entertainment services on new fiber-to-the-curb (FTTC) network
- Launch T-One



Excellence program – Mobile.

Growth driver mobile.

Mobile

- 3 Expansion of mobile core business
- 4 Expansion of mobile data services

- Continue growth in the US
- Grow service revenues through strong FlexT-ARPU in UK
- Emphasis on pricing to drive Elasticity in Germany
- Drive mobile data with data-centric devices
 - First HSDPA network in Germany, Netherlands, Austria – Data card launched
 - HSDPA devices to be launched shortly – handsets, build-in (PC)
 - Web'n'walk – first open mobile internet platform



Excellence program – Business customers. IT drives growth.

BC

- 5 Strengthen telecommunications core business
- 6 Grow in ICT solutions

- Pro-actively promote IP-services
- Full convergence product offering – fixed, mobile, IT services
- Additional ‘big deals’ = big outsourcing contracts
- Cross-sell IT-services to small, medium and large customer



Excellence program – Convergence.

Manage convergence at board level.

BBFN/
Mobile

- 7 Convergence
- 8 Implementation of a comprehensive CRM system¹

- Leverage T-Brand for converged services
- T-Mobile@home launched in January
- T-One, the dual-mode phone, to be launched in summer

¹ After merger with T-Online.



Excellence program – Efficiency.

Towards the lean telco.

- Group
- 9 Operational excellence
 - 10 Cultural change and HR development

- Attack legacy cost base
- Further 0.3bn cost savings identified to secure targets
- Maximise potential from faster transition to pure IP-based network
- Planned headcount reduction on track



Targets 2006.

Group guidance confirmed.

		Revenue 2006 (€ bn)	Adj. EBITDA 2006 (€ bn)
BBFN	Nov 2005	<i>25.4 - 25.8</i>	
	New	24.8 - 25.2	9.4 - 9.6
Mobile	Nov 2005	<i>30.9 - 31.3</i>	
	New¹	31.9 - 32.3	10.0 - 10.2
Business Customers		13.4 - 13.6	1.5 - 1.6
Group		62.1 - 62.7	20.2 - 20.7

¹ Also incl. tele.ring.

