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In addition to figures prepared in accordance with IAS/IFRS, Deutsche Telekom presents so-called non-GAAP financial performance measures, e.g., EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBT, adjusted net income, special influences, free cash flow, free cash flow (before purchase of network assets and spectrum in the US), leverage, net debt, net debt/adj. EBITDA. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IAS/IFRS. Non-GAAP financial performance measures are not subject to IAS/IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. For an explanation of some of these terms, please refer to “Reconciliation to pro-forma figures” under the “Publications” heading on Deutsche Telekom’s Investor Relations webpage at www.deutschetelekom.com

Broadband/ Fixed Network.

Broadband/Fixed Network
Walter Raizner
**Broadband/Fixed Network.**

Financial results 2005 – targets achieved.

<table>
<thead>
<tr>
<th>BBFN Financial results 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guidance from Q3/05</td>
</tr>
<tr>
<td>Revenue:</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
</tr>
</tbody>
</table>

Adj. EBITDA margin (BBFN) improved from 37.6% in 2004 to 37.9% in 2005

- Savings from revenue-related costs
- Improvements in rentals, procurement conditions logistics, IT & billing
On track to meet 11.5 million in 2007

Domestic DSL access lines (million)

<table>
<thead>
<tr>
<th>Year</th>
<th>BBFN Retail</th>
<th>Resale</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>4.0</td>
<td>1.8</td>
</tr>
<tr>
<td>2004</td>
<td>5.5</td>
<td>2.1</td>
</tr>
<tr>
<td>2005</td>
<td>6.3</td>
<td>1.6</td>
</tr>
<tr>
<td>2007</td>
<td>11.5</td>
<td></td>
</tr>
</tbody>
</table>

Development
- Highly competitive T-Online DSL offer
- T-DSL 16 000 launch in May 2006

Retail share
- Domestic DSL retail share\(^1\) at YE 2005: 80%
- Marketing of DSL proactively by T-Online
- During 2005: share of T-Online improved
- Once merger is completed, DSL retail market share will be supported

\(^1\) Excluding broadband based on ULL and cable. Depending on the merger and regulation. Rounded figures.
Broadband/Fixed Network.
Update on Re-invent.

Innovation and Growth

- New products: Triple Play and T—One
- Roll out of high speed network started
- Rich content secured (e.g. Bundesliga)
- Further build out of verticals (e.g. Musicload and Gamesload)
- Launch of T-DSL 1000 via satellite
- Launch of digitization service planned
- New voice tariff system introduced
- Innovative handsets (e.g. Sinus 900)
- Appointment of new T-Com Board member responsible for “Innovations”

- Entertainment customers on triple Play: 1m in 2007 and 3m in 2010
- Subscribers T-One (Dualphone): 0.5m in 2007 and 3m in 2010
- Stabilizing minute market shares in 2006
### Broadband/Fixed Network.

Update on Re-invent.

<table>
<thead>
<tr>
<th>Customer Centricity</th>
<th>Quality and Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Optimizing end-to-end-process</td>
<td></td>
</tr>
<tr>
<td>- Separation of sales &amp; care organization</td>
<td></td>
</tr>
<tr>
<td>- Implementation of interactive voice response system</td>
<td></td>
</tr>
<tr>
<td>- Improved transparency of the invoice</td>
<td></td>
</tr>
<tr>
<td>- Product portfolio reduced by 40%</td>
<td></td>
</tr>
<tr>
<td>- Headcount reduction program on track</td>
<td></td>
</tr>
<tr>
<td>- Streamlining of T-Com Headquarters</td>
<td></td>
</tr>
<tr>
<td>- Consolidation of Call Centers</td>
<td></td>
</tr>
<tr>
<td>- Appointment of new T-Com Board member responsible for “Quality and Processes”</td>
<td></td>
</tr>
</tbody>
</table>

**“Simplicity”: € 1.5 bn cost savings vs. cost base of 2004; full effect by 2008**
### Domestic voice market share

<table>
<thead>
<tr>
<th></th>
<th>YE 04</th>
<th>New Tariffs Q1 05</th>
<th>YE 05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>63.0%</td>
<td>62.9%</td>
<td>63.7%</td>
</tr>
</tbody>
</table>

- **63.5% → 0.8 p.p. → 63.7%**

- **Consumer calling plans increased by 14% to 13.8 million**
  - **Penetration: 42%**

- **Improved customer loyalty & churn prevention**
- **Launch of new tariffs**
  - New voice full flat “XXL Fulltime” in October 2005
  - “Fixed to Mobile” tariff in December 2005
- **Switch & Profit**
- **Country Select**

### Calling plan development (customers in million)

<table>
<thead>
<tr>
<th></th>
<th>YE 04</th>
<th>YE 05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls</td>
<td>12.0</td>
<td>13.8</td>
</tr>
</tbody>
</table>

- **1,8 million**

**Fully on track to stabilize minute market share**

---

1. Market share of T-Com only based on traffic volume generated in T-Com’s PSTN Network.
2. Based on consumer narrowband lines.
**Broadband/Fixed Network.**

**Guidance re-confirmed.**

<table>
<thead>
<tr>
<th>Guidance re-confirmed¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue and EBITDA turn-around expected by 2007</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing merger</td>
</tr>
<tr>
<td>Protect PSTN customer base</td>
</tr>
<tr>
<td>Regulatory environment</td>
</tr>
<tr>
<td>Negotiation with unions – timing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>After completed merger: full marketing power</td>
</tr>
<tr>
<td>T-One (Dual Phone)</td>
</tr>
<tr>
<td>Triple play offers</td>
</tr>
<tr>
<td>Location based services</td>
</tr>
</tbody>
</table>

¹ Depending on merger and regulation

René Obermann,
CEO, T-Mobile International
T-Mobile continues to drive value growth.
Save for Growth works.

- 2005 a very successful year for T-Mobile: guidance exceeded
- Good margin despite strong customer growth
  - More than 9 million new customers: +11% in total customers
  - Revenue +11%, Adj. EBITDA +16%, Adj. EBITDA-margin + 1.5%p
- First to introduce real open internet (web’n’walk). Front-runner in mobile office applications (office-in-your-pocket)
- Leading the mobile broadband world: First to offer 1.8 MBit with HSDPA in Germany
- Simplifying tariffs: Relax, Flext, U-Fix, Mates Rates
- Successful improvement of the prepaid subsidy model: stable low SACs
T-Mobile – our strategy.
Thinking through the customer mind.

Most highly regarded service company

Customer Centricity

Superior network experience

Brand: smart simplicity/closer in touch

Operational excellence

- **T-Mobile USA**: ranked #1 wireless carrier in customer care by J.D. Power (3rd consecutive year)

- **T-Mobile Germany**: Important award from “Capital” magazine for customer care: #1 mobile network operator in customer care. #4 over all 109 companies tested
Integrated networks: Ubiquitous mobile broadband access. Always best connected: HSDPA, UMTS, EDGE, GPRS, WiFi.

- Ubiquitous mobile broadband access is what customers want – T-Mobile set up to deliver
- UMTS/HSDPA: True mobile broadband
- T-Mobile the first operator to launch HSDPA in Germany
- Launch now with datacard, handsets available in Summer 2006
- Further upgrades
  - Upgrade of HSDPA to 3.6 and 7.2 MBit
  - HSUPA to come in 2007
- GSM/Wi-Fi handover: showcase on DT’s Cebit stand
Mobile internet world.
Internet, music, TV, games.

- Internet-based applications and services are THE key driver for mobile broadband: entertainment, information, transactions

- Mobile Music
  - Successful partnership with Robbie Williams
  - Increasing speeds. Increasing storage. Better devices
  - Mobile will get a role in the music value chain

- Mobile TV
  - Mobile TV is complementary to regular TV. It does not replace.
  - Proximity compensates for limited size of display

- Mobile Gaming
T-Mobile USA. 
Growth engine for T-Mobile and DT.

- 2005: record customer growth with 4.4 mn net adds
- Strong brand: #2 in own/branded net adds; 96% brand awareness
- Customer growth: penetration headroom from YE05 71% to mid to high 80s.
- T-Mobile USA will capture 18% - 20% of market service revenue growth in the US
- Exploded geographic coverage: increase of 56% in 2005; 3000+ new cell sites in 2006
- 1.1 million users of converged devices (BlackBerry and Sidekick)
- Participation in AWS Auction: scheduled for summer 2006

Data ARPU\(^1\) (in % of postpaid ARPU)

<table>
<thead>
<tr>
<th></th>
<th>Q4-03</th>
<th>Q4-04</th>
<th>Q4-05</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,5</td>
<td>6,6</td>
<td>9,6</td>
</tr>
</tbody>
</table>

\(^1\) Does not include WiFi
\(^2\) excluding wholesale revenues.
Huge voice potential: around 20% of all calls are originated from mobile. T-Mobile@home tariff successfully positioned

1.5 to 2.0 million T-Mobile@home customers by YE2007

Simplified and usage-stimulating tariffs: Relax, Relax XL and new international roaming tariffs

Increase in direct sales and segment specific customers service

Multiple SIM-card growth

EDGE roll out, HSDPA deep inhouse for metropolitan areas

T-Mobile Germany awarded “Best mobile network operator” in Germany by readers of Connect magazine by strong distance to competition
T-Mobile UK.
Committed to gain market share.

- Strong performance in second half of 2005, convinced of organic growth potential
- Very strong management team in place
- Simplified and usage-stimulating tariffs: Flext, relaunch of Relax, U-Fix and Mates Rates
- Accelerated network roll out
- Push of direct sales: more than 140 new shops in 2006
- Marketing/Branding
T-Mobile outlook.
Our agenda for 2006.

- Confirmation of guidance for T-Mobile group results
  - Known ARPU challenges in Europe, particularly in Germany, need to be addressed

- USA
  - Continued growth
  - Participation in AWS auction

- Europe
  - Push mobile internet and fixed mobile substitution
  - Defend/grow market share
  - Continue Save for Growth
  - Network investment program and push of direct sales
Backup.
Mobile.
Cash counts.

■ +11% (+9.0 mn) customer growth, reaching 86.6 million
  +14% (+5.2 mn) contract customers, reaching 42.2 million
■ +11% revenue growth, reaching 29.5 bn €
■ +16% Adj. EBITDA growth, reaching 9.8 bn €
■ +17% cash contribution growth, reaching 6.2 bn €
Adjusted EBITDA guidance.

- 2005:
  - Decline of wholesale deal California
  - Decline of MTC Germany and Roaming
  - Additional market invest

- 2006:
  - S4G savings
  - EBITDA from customer growth

EBITDA from customer growth: €10.0 - 10.2 bn
Germany. Delivering cash.

Germany: Cash Contribution

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Contribution (bn €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>0.4 bn €</td>
</tr>
<tr>
<td>2001</td>
<td>2.0 bn €</td>
</tr>
<tr>
<td>2002</td>
<td>2.7 bn €</td>
</tr>
<tr>
<td>2003</td>
<td>3.1 bn €</td>
</tr>
<tr>
<td>2004</td>
<td>3.1 bn €</td>
</tr>
<tr>
<td>2005</td>
<td>3.1 bn €</td>
</tr>
</tbody>
</table>

14.4 bn €

Until 2002 application of German GAAP, from 2003 onwards IFRS.
Proportion of mobile- and fixed-originated voice calls.

Source: Analyses, Date as of Dec. 2004
T-Mobile mission and strategy.

Most highly regarded service company

**Customer centricity**
- Drive segment specific propositions
- Improve segment specific customer case (based on value and needs)
- Optimize (direct) retail channels

**Superior network experience**
- Improve network performance/quality (call, surf and download)

**Brand: smart simplicity/closer in touch**
- Accelerate brand build-up

**Operational excellence**
- Execute “Save for Growth“
- Develop service culture
Most highly regarded “service” company: What does it mean?

Segment specific propositions (incl. devices)

Network experience

Customer care

Retail channels
T-Mobile firsts.
Innovation leadership.

- First to launch HSDPA (D, March 2006)
- First to introduce flexible tariff in the UK – Flext – allowing to spend on whatever mix of minutes or texts (UK, January 2006)
- First to offer open Internet access on mobile devices – web’n’walk (June 2005)
- First for unique tariff combination in the UK – U-Fix – combining prepay cost control and contract tariff value
- First to introduce integrated 2.5G, 3G, and WiFi MDA IV device (H2 2005)
- First with bundled 2.5G, 3G and WiFi tariffs
- First to launch BlackBerry (D, June 2002)
- First and only seamless transatlantic GSM operator
- First to offer an international WiFi service
- First in the world to introduce GPRS (D, 2000)
- First to launch MMS services in Europe (Hungary, April 2002)
- First to launch video messaging services (D, September 2002)
T-Mobile milestones.
Industry leadership.

2004
Introduction of Relax tariffs

2005
Launch of web‘n‘walk

2006
T-Mobile@home
T-Mobile@home.
Driving usage.

- 5 € per month/4 ct per minute to T-Mobile and Fixed line
- Double flatrate for additional 20 € offered: flatrate for calls from homezone to German fixed line and for all T-Mobile on net calls
- Radius of 2 km: area of 12km² (0.6 miles/5 miles²)
- Maximal flexibility: the @home option can be combined with any tariff. No new headset or SIM card necessary.
- Activated in just 2 minutes.
- Innovative group function available: pool up to 5 mobile phones together and do whatever you used to do with your fixed line telefone systems (call forwarding etc.).
- Launched in January 2006. Most successful sales take off of any tariff launched.
- Target: 1.5 to 2.0 m customers by YE 2007

<table>
<thead>
<tr>
<th>Mobile Usage (MoU/Month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
</tr>
<tr>
<td>76</td>
</tr>
</tbody>
</table>

...
Germany: New Relax tariffs.  
Simplicity and value.

<table>
<thead>
<tr>
<th>Included Minutes (all networks)</th>
<th>Relax Monthly Payment</th>
<th>Relax XL Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relax 50</td>
<td>50</td>
<td>19 €</td>
</tr>
<tr>
<td>Relax 100</td>
<td>100</td>
<td>28 €</td>
</tr>
<tr>
<td>Relax 200</td>
<td>200</td>
<td>38 €</td>
</tr>
<tr>
<td>Relax 400</td>
<td>400</td>
<td>63 €</td>
</tr>
<tr>
<td>Relax 600</td>
<td>600</td>
<td>88 €</td>
</tr>
<tr>
<td>Data 30</td>
<td>30MB</td>
<td>10 €</td>
</tr>
<tr>
<td>Weekend option</td>
<td>Weekend voice flatrate [on net &amp; fixed line]</td>
<td>5 €</td>
</tr>
<tr>
<td>Freetime option</td>
<td>Off peak voice flatrate [on net &amp; fixed line]</td>
<td>7,5 €</td>
</tr>
</tbody>
</table>

- Relax XL 11 € more expensive than basic Relax: good value for the customer with discount on the normal rates for the three tariff options (Data 30, Weekend option, Freetime option; 22,5 €)
- New for Relax50 and Relax100: bundled minutes can be used for calls across all networks.
- Additional incentives for customers to take the Relax XL tariff:
  - Mobile TV (UMTS) free of charge (until end of August)
  - Video telephony priced like normal voice calls (until end of August)
- Relax Eco: if no handset is included, the monthly payment is reduced by 9 €
- Relax 50: only Data5 included and Weekend option included. Freetime option not included

All prices include VAT.
UK: Flext.
New Standards of mobile value.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Monthly charge</th>
<th>Equivalent value recieved(^1)</th>
<th>Pure Minutes</th>
<th>Pure Texts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flext 20</td>
<td>20 GBP</td>
<td>34 GBP</td>
<td>170 minutes</td>
<td>340 texts</td>
</tr>
<tr>
<td>Flext 25</td>
<td>25 GBP</td>
<td>60 GBP</td>
<td>300 minutes</td>
<td>600 texts</td>
</tr>
<tr>
<td>Flext 30</td>
<td>30 GBP</td>
<td>90 GBP</td>
<td>450 minutes</td>
<td>900 texts</td>
</tr>
<tr>
<td>Flext 35</td>
<td>35 GBP</td>
<td>180 GBP</td>
<td>900 minutes</td>
<td>1,800 texts</td>
</tr>
<tr>
<td>Flext 50</td>
<td>50 GBP</td>
<td>255 GBP</td>
<td>1,275 minutes</td>
<td>2,550 texts</td>
</tr>
<tr>
<td>Flext 75</td>
<td>75 GBP</td>
<td>390 GBP</td>
<td>1,950 minutes</td>
<td>3,900 texts</td>
</tr>
</tbody>
</table>

- Totally flexible mix of talk time, texts, picture messages, voicemail
- Charges expressed as £ per month, not set numbers of minutes and texts
- 18 month minimum term contract
- Weekly SMS to advise customers of remaining credit
- Automatic 6 monthly ‘BestPlan’ promise
- Minutes are for local and national calls to any UK network, and for voicemail retrieval. Texts are to any UK network
- Minutes cost 20p per minute, texts 10p each, picture messages 20p each and voicemail retrieval is 10p per minute

\(^1\) Calculated at normal run-on charge rates
UK: New Relax tariffs.
Important step to simplify tariff structure.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Monthly charge</th>
<th>Minutes</th>
<th>Texts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relax 20</td>
<td>20 GBP</td>
<td>100 minutes</td>
<td>25 texts</td>
</tr>
<tr>
<td>Relax 25</td>
<td>25 GBP</td>
<td>150 minutes</td>
<td></td>
</tr>
<tr>
<td>Relax 30</td>
<td>30 GBP</td>
<td>250 minutes</td>
<td>100 texts</td>
</tr>
<tr>
<td>Relax 35</td>
<td>35 GBP</td>
<td>500 minutes</td>
<td></td>
</tr>
<tr>
<td>Relax 50</td>
<td>50 GBP</td>
<td>750 minutes</td>
<td>200 texts</td>
</tr>
<tr>
<td>Relax 75</td>
<td>75 GBP</td>
<td>1,200 minutes</td>
<td></td>
</tr>
</tbody>
</table>

- Number of Relax tariffs reduced from 36 to 6
- Plan options, as with Flext based on the £ value rather than the number of inclusive minutes – eg. Relax 30 has a bundle worth £30, giving 250 inclusive minutes and 100 inclusive texts.
- Run-on rates identical to rates within bundles
- All Relax tariffs based on a 12 month contract
- Launched as of March 1, 2006
- To be available to business customers later in the year
Business Customers.

Lothar Pauly
CEO, T-Systems
We delivered what we said ...

T-Systems – Revenue (€ billion)

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.0</td>
<td>12.9</td>
<td>-0.9%</td>
</tr>
</tbody>
</table>

T-Systems – adj. EBITDA (€ billion)

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.63</td>
<td>1.59</td>
<td>-2.7%</td>
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</tbody>
</table>

Margin

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.6%</td>
<td>12.3%</td>
</tr>
</tbody>
</table>

Top 60+ customers¹ – Revenue (€ billion)

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.2</td>
<td>8.4</td>
<td>+1.5%</td>
</tr>
</tbody>
</table>

SE/ME/LE² – Revenue (€ billion)

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.7</td>
<td>4.5</td>
<td>-5.0%</td>
</tr>
</tbody>
</table>

¹ Enterprise Services.
² Business Services.
Executing on our strategy.

- gedas – VW as new key customer.
- IT revenue with LE/ME/SE customers increased by 29%.

- TC revenue with top 60+ customers increased by 4.3%.
- Win back of approx. 8000 customers.
T-Systems’ growth strategy 2006 and beyond. Growth to achieve our mission.

### Our Mission

We want to be the most successful integrated solution provider leveraging our unique ICT experience.

### Our Growth Strategy with tough cost management

- **Internationalization** (organic/inorganic)
- **Innovations** (portfolio/technology)

### Agenda 2006
### Agenda 2006.
**Attack IT & push Telco.**

<table>
<thead>
<tr>
<th><strong>Sales</strong></th>
<th><strong>Attack IT</strong></th>
<th><strong>Push Telco</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gain big deals</strong></td>
<td><strong>Win IT in SE/ME/LE</strong></td>
<td><strong>IP Revolution</strong></td>
</tr>
<tr>
<td><strong>Establish dedicated sales forces (e.g. BPO, Banking)</strong></td>
<td><strong>Utilize unique sales coverage</strong></td>
<td><strong>Focus on TC core business</strong></td>
</tr>
<tr>
<td><strong>Win outsourcing deals in WEU</strong></td>
<td><strong>Push IP proactively</strong></td>
<td><strong>Optimize TC Portfolio</strong></td>
</tr>
<tr>
<td><strong>Leverage Portfolio Innovations</strong></td>
<td></td>
<td><strong>Expand Mobile</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Delivery</strong></th>
<th><strong>Attack IT</strong></th>
<th><strong>Push Telco</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Optimize ICT infrastructure globally</strong></td>
<td><strong>Secure best-in-class capabilities and prices</strong></td>
<td><strong>Set-up greenfield IP carrier</strong></td>
</tr>
<tr>
<td><strong>Secure mobile reach globally.</strong></td>
<td></td>
<td><strong>Finalize TC platform consolidation</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Develop industrialized IT products</strong></td>
<td><strong>Demonstrate unique fixed/mobile capabilities.</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Enhance international footprint**

---

**T**
**Enhance international footprint.**

**gedas- first step in strengthening our international profile.**

<table>
<thead>
<tr>
<th>International growth ambitions</th>
<th>Implications of gedas acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global Focus Strategy:</strong></td>
<td></td>
</tr>
<tr>
<td>■ Global Services for top 60+ customers.</td>
<td>■ 73% of gedas revenues are international.</td>
</tr>
<tr>
<td>■ Roll-out portfolio innovations globally (e.g. Traffic Management)</td>
<td>■ Global top 2 market position in Automotive sector.</td>
</tr>
<tr>
<td>■ Growth through focused local ambitions in Western Europe</td>
<td>■ Enriched Automotive portfolio.</td>
</tr>
<tr>
<td>■ Reach top 5 market position in selected European countries</td>
<td></td>
</tr>
</tbody>
</table>

**Goal: International revenue – 30% of total revenue within the next years**

![Geographical revenue split Gedas](chart.png)
Agenda 2006.
Focus on growth & efficiency.

<table>
<thead>
<tr>
<th>Growth</th>
<th>Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Win infrastructure deals in Western Europe</td>
<td>Reduce headcount.</td>
</tr>
<tr>
<td>3 Big ICT-Deals, each &gt; 250 m €</td>
<td>Optimize infrastructure cost base:</td>
</tr>
<tr>
<td>Leverage BPO capabilities</td>
<td>- IT infrastructure.</td>
</tr>
<tr>
<td>External revenues: &gt; 280%</td>
<td>Cost savings 2006: 155 m €.</td>
</tr>
<tr>
<td>Further IT penetration of LE/ME/SE</td>
<td>Streamline existing TC portfolio.</td>
</tr>
<tr>
<td>IT revenues: 700 m €</td>
<td>Reduce corporate expenses.</td>
</tr>
<tr>
<td>IP Revolution</td>
<td>Cost savings in 2006: 100 m €.</td>
</tr>
<tr>
<td>IP revenues: &gt; 10%</td>
<td></td>
</tr>
</tbody>
</table>
Financials 2006.
Outlook.

- We reconfirm our guidance
- 2006 revenue between € 13.4 and 13.6 billion
- 2006 adj. EBITDA between € 1.5 and 1.6 billion
Backup.
Business Customers.
Attack IT – win small, medium and large customers. Leveraging our unique market position.

- Profit from German Mid Market Potential
- Leveraging the Group’s IT expertise and scale effects
- Utilize unique sales organization and coverage across Germany
- Establish strong partner network for SE & ME
- Convince through secure and reliable solutions with high ROI

1 Business Services
CEBIT 2006.
Broadband/Fixed Network.

Broadband/Fixed Network
Walter Raizner

....T
Broadband/Fixed Network.

Clear execution plan

“Conquer the Home” with Full Triple Play

“Fight back”

Fixed Mobile Conference”

T-One

“Fixed Mobile Conference”

T-One

“Fight back”

Fixed Nomadic Mobile

Place of Use

Clear execution plan
BBFN Leverage Seamless Services:
T-One (Dual Phone): Fixed-Mobile Convergence @ DT.

Benefit for the customers:
- One handset
- One address book
- One mailbox
- Search of the best network automatically
  → Optimal price for the customer via W-LAN
- Always connected via fixed line number
- Excellent quality
- High speed due to broadband access
- State of the art technology

Target: 500,000 customers by YE 2007
Broadband/Fixed Network.
Cornerstones of Triple Play.

- Content
- Media Platform
- Network/FTTC
- Bundles & Services
Broadband/Fixed Network.
Entertainment: most complex and innovative project.

<table>
<thead>
<tr>
<th>Network expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 3 bn capex in brand new high speed network</td>
</tr>
<tr>
<td>Bandwidths of up to 50 Mbit/s</td>
</tr>
<tr>
<td>18,000 km of fiber optics</td>
</tr>
<tr>
<td>17,000 cable distributors in 10 German cities until June 2006</td>
</tr>
<tr>
<td>74,000 cable distributors nationwide in 50 German cities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television of the future (Free TV/Pay TV/Internet)</td>
</tr>
<tr>
<td>IPTV (HDTV, time shift, picture in picture etc.)</td>
</tr>
<tr>
<td>Attractive content e.g. Bundesliga rights</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New services</th>
</tr>
</thead>
<tbody>
<tr>
<td>New markets, access to new customer demands</td>
</tr>
<tr>
<td>Simplicity in operating and convenient use</td>
</tr>
<tr>
<td>e-Learning/-Health/-Government, 3D, Teleworking</td>
</tr>
<tr>
<td>Certification and training of thousands of service staff</td>
</tr>
</tbody>
</table>
CEBIT 2006.
Broadband/Fixed Network.

Broadband/Fixed Network
Roland Kittel
Fiber highspeed network. A world-class new network for Triple Play – start with 10 cities.

Key figures and targets:

- Investments of up to €3 billion for network rollout
- Mid 06: 50%¹ in 10 cities (around 2.9 million households)
- YE 06: 90%¹ in 10 cities (around 5.2 million households)
- YE 07: 90%¹ in 50 cities (around 10.6 million households)
- Based on VDSL2 technology; HDTV capable
- Multicast media platform

Current state of development:

- 50% of the FTTCab² extension areas planned for product launch have already been addressed.

¹ Household coverage
² Cabinet / cable distributor
**Broadband/Fixed Network.**
Upgrade of the high-speed fiber-optic infrastructure up to the cable distributor and the main distribution frame in Germany.

<table>
<thead>
<tr>
<th>Optical fiber network upgrade up to the cable distributor (CD)&lt;sup&gt;2&lt;/sup&gt; (“outdoor”)</th>
<th>Today: Optical fiber network upgrade up to the main distribution frame (MDF)&lt;sup&gt;1&lt;/sup&gt; (“indoor”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of the existing main distribution frames (MDF) for DSLAM upgrade</td>
<td></td>
</tr>
<tr>
<td>Up to 16 MBit/s bandwidth</td>
<td></td>
</tr>
<tr>
<td>“Shortening” of the distance to the home through optical fiber network upgrade up to the cable distributor (creation of a permanent infrastructure asset)</td>
<td></td>
</tr>
<tr>
<td>More than 25 to 50 MBit/s bandwidth coverage by 80% in the first 10 cities</td>
<td></td>
</tr>
</tbody>
</table>

**High-speed upgrade: Almost double the coverage, with greater bandwidth possible**

---

<sup>1</sup> MDF = main distribution frame  
<sup>2</sup> CD = cable distributor
Broadband/Fixed Network.
FTTCab$^1$ - Fiber to the Cabinet: Economic and forward-looking.

**Access-network architectures**

<table>
<thead>
<tr>
<th>Access net.</th>
<th>Max. bandw. (MBit/s)</th>
<th>APL</th>
<th>Cabinet</th>
<th>Main cable</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-Net/ISDN</td>
<td>0.064</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADSL2/2+</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTTC$^1$ + VDSL</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTTH</td>
<td>&gt;100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Alternative Infrastructures**

- ADSL2/2+ (Fiber-to-the-Central Office) ➔ Build out today
- FTTCab$^1$ (Fiber-to-the-Cabinet) + VDSL
- FTTH (Fiber-to-the-Home)

Our preferred solution: FTTC$^1$

- FTTCab$^1$ is preferred way for our Triple Play approach ➔ most efficient and economic deployment
- Infrastructure and needed bandwidths
- FTTCab$^1$ is optimal base for FTTH ➔ upgrade option

Forward-looking and economic upgrade of the network infrastructure.

$^1$ Cab = Cabinet / cable distributor

1 - Power supply
2 - Splitter
3 - DSLAM (Digital Subscriber Line Access Multiplexer)
4 - Automated distribution frame
5 - Termination Blocks (lines to customers; former Cross-Connection Cabinet)

Improved quality & efficiency.
Network infrastructure today and move to NGN.
World-class network in place.

Facts & figures

- 1.5 million km of copper cable
- 206,000 km of fiber-optic cable
- Volume of voice traffic 424 billion minutes
- IP monthly transport volume 75,000 TBit/s
- Highest functionality and availability of products and services
- High-performance Internet backbone, and extremely reliable network-management systems.
- Network innovations such as the content-delivery platform MDCS

1 Media Distribution and Caching Service
Broadband/Fixed Network. Today and move to NGN.
T-Com strategy: One network for all applications.

NGN

= Next Generation Network
= IP-based network
= Universal platform for
  ■ Fast Internet
  ■ Voice
  ■ Video

The new integrated “Next Generation Network” (NGN) will replace the separate communication networks used for voice (telephone), video & data

Target: One network for all applications forced by technology innovations.
NGN strategy of Broadband/Fixed Network.
Growth through Triple Play, voice-data and fixed-mobile convergence.

- High-Speed Data: CaTV, Sat, Terrestrial
  - Video on Demand (ADSL)
- Individual TV: Triple Play
- Voice: Double Play
  - Voice-Data Convergence
- Mobile: Fixed-Mobile Convergence
  - T-Net/ISDN, VDSL, GSM/UMTS, WLAN/WiMAX, T-One

Mid 2006
CEBIT 2006.
Broadband/Fixed Network

Products & Services.

Broadband/Fixed Network
Walter Raizner
## Triple Play.
Product bundles: fulfillment of customer demand.

<table>
<thead>
<tr>
<th>Components</th>
<th>1 Connection</th>
<th>2 Terminals</th>
<th>3 Internet</th>
<th>4 Telephony</th>
<th>5 Entertainment (TV/Video)</th>
<th>6 iTV Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Connection</strong></td>
<td>Up to 16 Mbit/s</td>
<td>Up to 50 Mbit/s</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2 Terminals</strong></td>
<td>Modem</td>
<td>Set-top box</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3 Internet</strong></td>
<td>DSL flat rate with inclusive services</td>
<td>Fast Internet connection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4 Telephony</strong></td>
<td>Attractive flat rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5 Entertainment (TV/Video)</strong></td>
<td>On Demand Collections</td>
<td>Premium Pay TV bundles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Free TV²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VoD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6 iTV Applications</strong></td>
<td>Gaming, interactive TV, music-streaming, music-on-demand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Only in the case of connections with Premium Plus (>20 MBit/s) bandwidth
2. Up to 16 Mbit/s: depending on quality of the network
**Triple Play.**  
Attractive Content partners under contract.

<table>
<thead>
<tr>
<th>Bundesliga</th>
<th>TV channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ All live games</td>
<td>■ For product launch full set of channels will be available</td>
</tr>
<tr>
<td>■ Multiple games view</td>
<td></td>
</tr>
<tr>
<td>■ 1st and 2nd German soccer league (Bundesliga)</td>
<td></td>
</tr>
<tr>
<td>■ On demand rights for all content</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Video on Demand</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>■ MGM</td>
<td>■ 20th Century Fox</td>
</tr>
<tr>
<td>■ Universal</td>
<td>■ Paramount</td>
</tr>
<tr>
<td>■ Dreamworks</td>
<td>■ and others</td>
</tr>
<tr>
<td>■ Warner</td>
<td>➔ In total more than 1,200 films and series</td>
</tr>
</tbody>
</table>
Product presentation by Michael Ortlepp.
Triple Play.
Personalized product bundles – today, tomorrow and future.

Today

T-Online Vision
- Telephony: DSL Telephony, SMS
- Entertainment: Video on Demand, EPG, etc.
- Internet: 1 to 6 MBit/s

Future

Triple Play
- Telephony: DSL Telephony, SMS, WebMail
- Entertainment: TV over DSL (Free/Pay TV), On-call services, VoDemand
- Internet: 1 to 16 MBit/s²

Connected Home
- Home Security, - Automation
- Entertainment: More Channels, Interactive TV and Adv. Formats (Music, Games, Betting, Shopping)...
- Telephony: Additional Voice Features, etc.
- Internet: Additional Bandwidths, Inclusive Services, etc.

¹ Theoretical bandwidth; specific product offer: DSL Premium connection at up to 25 MBit/s
² Launch in May 2006
**Broadband/Fixed Network.**
Continued innovation in the tariff and product offering.

<table>
<thead>
<tr>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Interactive TV</td>
</tr>
<tr>
<td>• 3D television</td>
</tr>
<tr>
<td>• eGovernment, eLearning, eHealth</td>
</tr>
<tr>
<td>• More to come</td>
</tr>
</tbody>
</table>
Mobile Broadband.

Hamid Akhavan,
CTO, T-Mobile International
**Mobile Broadband.**
Enter A New Phase.

With mobile data services, approaching the performance of fixed line broadband,

“Mobile Broadband” entered the scene ...

... while broadband penetration is generally still low.

What are the critical success factors for “Mobile Broadband”? 
Mobile Broadband.  
Critical Success Factors.

Providing our customers with the internet experience, they know ...  
- the applications, they know  
  - Open Internet:  web’n’walkTM  
  - Office / Email:  Office in your Pocket TM  

- at the performance, they are used to  
  - DSL-like speed:  HSDPA  

Enhanced by mobility, at best quality and a competitive price  
- Enhanced Coverage & Quality  
- Improved Cost / Performance ratio
Mobile Broadband.
DSL-like Speed.

- **2005**
  - UMTS 384kbps

- **2006**
  - HSDPA 1.8Mbps

- **2007**
  - HSDPA 3.6Mbps
  - HSDPA 7.2Mbps

- **2006-2007**
  - UMTS 384kbps

- **Today’s DSL Speed**
  - DSL1000
  - DSL6000

- **Future**
  - ~
  - LTE >20Mbps

Today's DSL Speed
Mobile Broadband. Improving Cost / Performance Ratio.

- Improvement of RAN production cost per bit by factor of 2 – 3 (through HSDPA 1800)
- Intelligent compression technologies further improving cost-per-bit ratio
Mobile Broadband.
Increased Coverage.

- 2006: biggest rollout program ever
  - 8000+ sites in Western Europe
  - Sophisticated data mining focuses coverage where our customers need it

- Continuous GSM modernization with proven positive business impact

- Targeting reduction of network Opex ... in spite of growing network

![T-Mobile WE Site Rollout 2000-06](chart.png)
Mobile Broadband.
Highest Network Quality.

- Our 3G service now has the same high quality as our 2.5G service.
- Rated as “Best Mobile Network” in Germany for the 7th year in a row.
- Best coverage in metropolitan areas in UK.
- Partner of choice for Lufthansa and Deutsche Bahn.
Mobile Broadband.
3G Data Traffic Exceeding 2.5g.

![Graph showing data volume for T-Mobile in Germany & Austria]

Data Volume T-Mobile (Germany & Austria)

- Red line: 3G
- Blue line: 2.5G

2005

Graph illustrates the data traffic in GB for 3G and 2.5G networks from January to December 2005.
Mobile Broadband.
web’n’walk™ - A Big Broadband That Fits Into Your Pocket.

- The open Internet, optimized for mobile devices
  - Best adaptation to mobile device user interfaces (display, keyboards)
  - Best adaptation to mobile network performance (acceleration)

- Data usage picking up
  - Data usage 450% above other customers
  - Data ARPU 140% above other customers

- Becoming faster (HSDPA / EDGE)

- ... bringing web’n’walk™ to a broader device range.
Mobile Broadband.
web’n’walk™ – Expanding The Device Range.
Mobile Broadband.
web’n’walk™ Usage.

Number of Sessions 2005

- Jun
- Jul
- Aug
- Sep
- Okt
- Nov
- Dec
Mobile Broadband.  
Always Best Connected.

web’n’walk™ / OneNet – automatic selection of the best available bearer

Multi-access, seamless mobility via
- GPRS, EDGE, UMTS and HSDPA
- T-Mobile HotSpots
- Private residential and corporate WLAN

SIM authentication – no user input needed

No application re-start – no data loss

Now available on Laptops and selected devices
Mobile Broadband.  
Office In Your Pocket™.

- Continuously growing push email user base
  - Blackberry Solution & Webmail
  - MDA Messaging Solution

- Expanding push email device range
  - Blackberry 8700g
  - MDA line (Pro, Vario II)
  - Nokia E61, ...

- Remote connectivity at up to 1.8 Mbps
  - web’n’walk Card WLAN
  - web’n’walk Card Compact
Mobile Broadband.
TV In Your Pocket.

- Increasing portfolio of TV channels
  - Five new channels
  - Cooperation with MTV and Nickelodeon

- New Mobile TV Client (April '06)
  - Faster channel switching
  - Electronic Program Guide

- World Cup 2006 on your T-Mobile
  - 20 matches live and exclusive
  - Additional coverage through co-operation with German pay TV Premiere
  - MMS news and Live Ticker

- TV broadcast (DVB-H) in 2007