

2007 Shareholders' Meeting.

Cologne, May 3, 2007.

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In addition to figures prepared in accordance with IFRS, Deutsche Telekom presents non-GAAP financial performance measures, including EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted net profit, free cash flow, gross debt and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. For further information relevant to the interpretation of these terms, please refer to the chapter “Reconciliation of pro forma figures”, which is posted on Deutsche Telekom’s Investor Relations website at [www.deutschetelekom.com.]



Board of Management Report.

René Obermann
Chairman of the Board of Management

Fiercer Competition.

- Prices for domestic calls have fallen by 95% for consumers since the telecommunications market was liberalized
- Prices for international calls fell by 36% in 2006
- Prices for DSL lines have fallen by around two thirds in 2 years
- Mobile telephony prices dropped by around 11% in 2006

Source: Federal Network Agency, 2006 Annual Report, p. 75; Federal Network Agency, 2005 Annual Report, p. 41; DTAG company benchmark

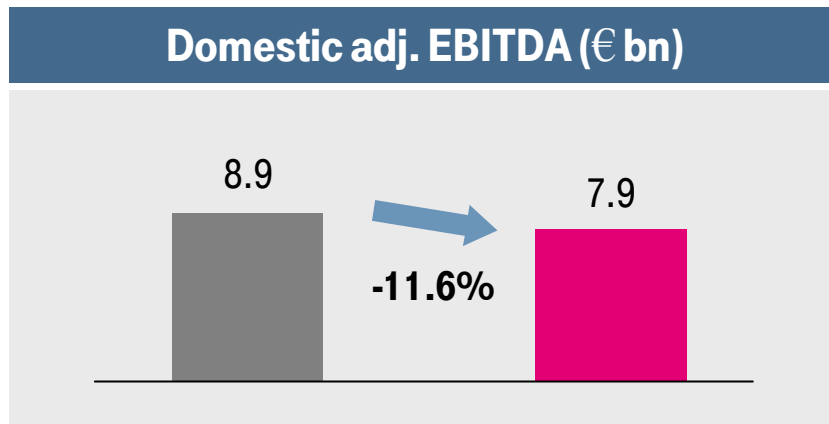
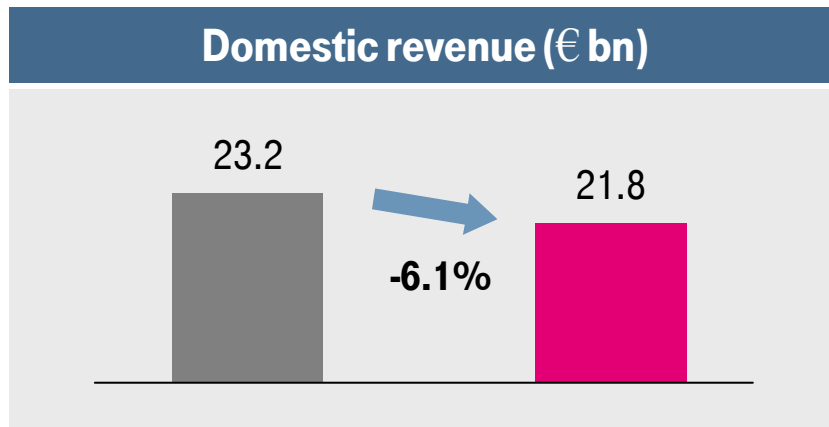


2006 Financial Year.

- Revenue up 2.9% to EUR 61.3 billion
- Adjusted EBITDA of EUR 19.4 billion
- Free cash flow (before spectrum capex in the U.S.) of EUR 5.7 billion
- Reported net profit of EUR 3.2 billion (adjusted at € 3.9 billion)
- Proposed dividend of EUR 0.72 per share same as last year



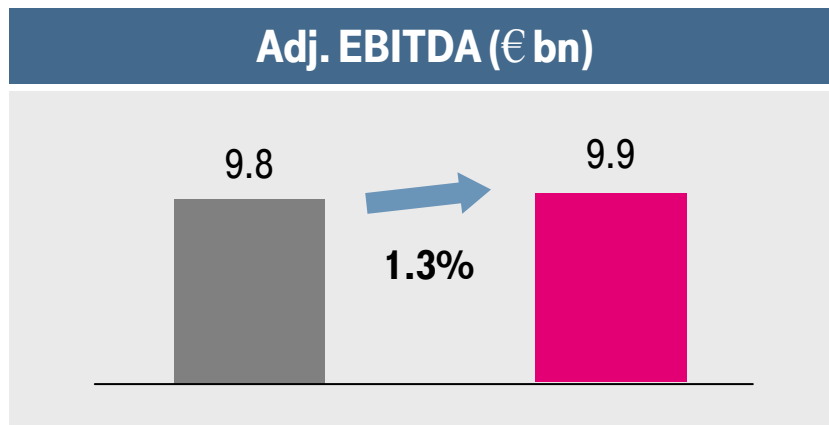
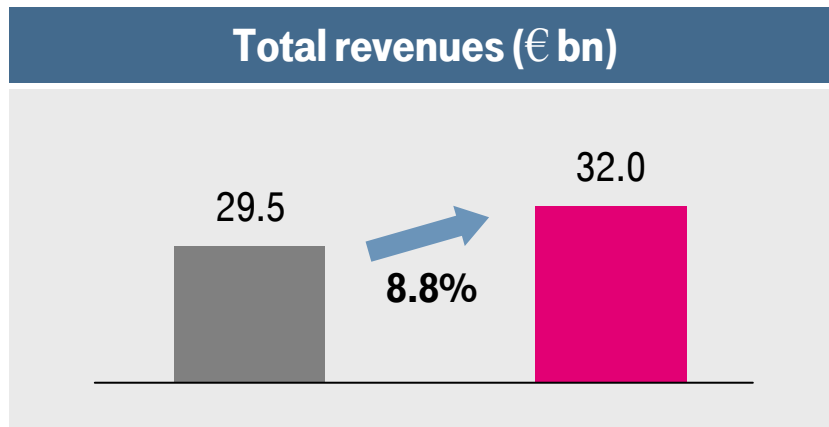
2006 Broadband/Fixed Network.



■ FY 2005 ■ FY 2006



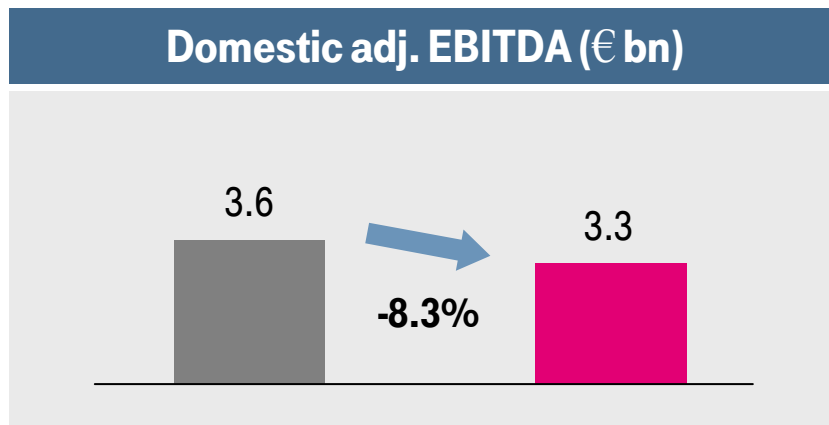
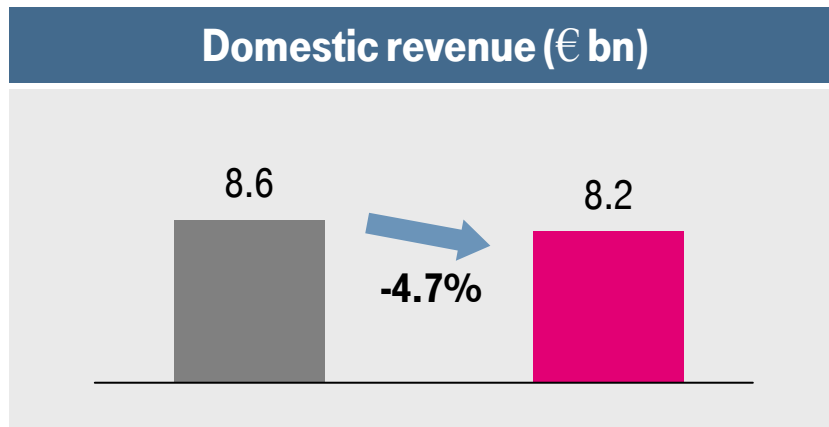
2006 Mobile Communications.



■ FY 2005 ■ FY 2006



2006 Mobile Communications in Germany.

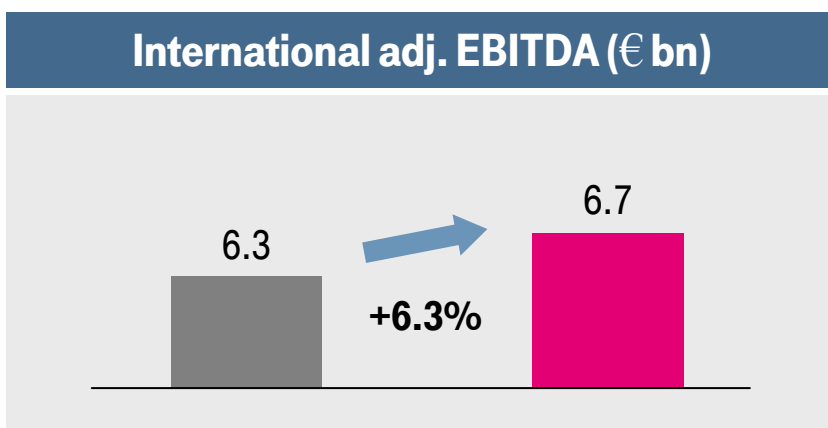
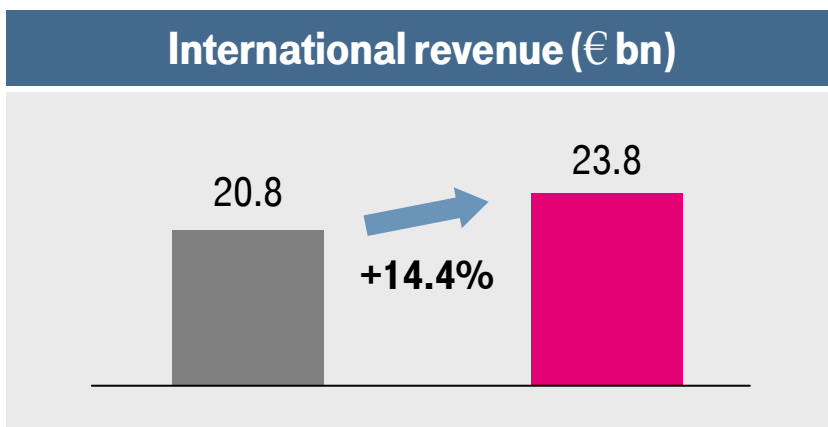


■ FY 2005 ■ FY 2006

- 1.45 million net adds – 56% contract customers
- Main reasons for revenue decline:
 - Lower call revenues, also with regard to roaming
 - Increased competition in business customer segment
 - Termination charges reduced by the Federal Network Agency



2006 Mobile International.



■ FY 2005 ■ FY 2006

T-Mobile UK:

- More than 920,000 net adds – nearly 80% contract customers

T-Mobile USA:

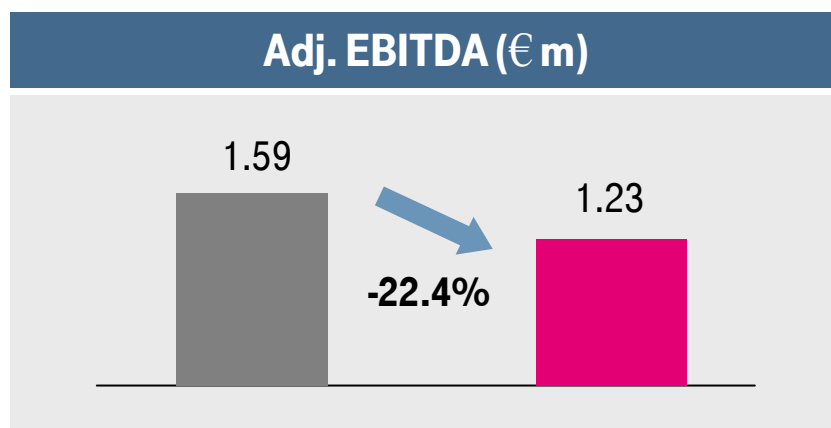
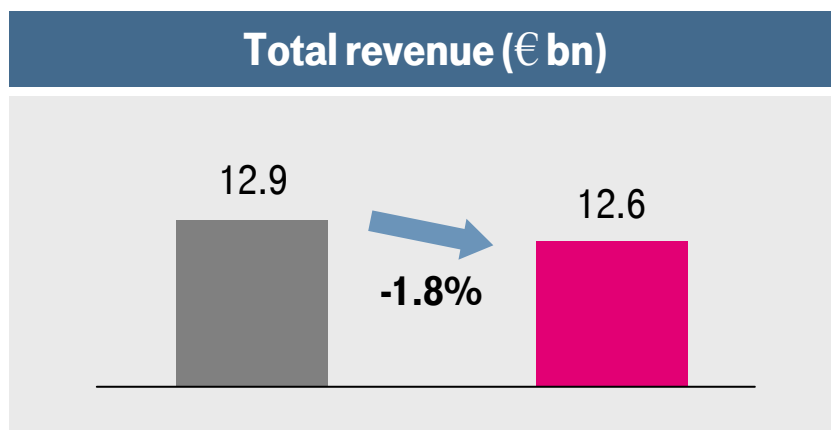
- 3.35 million net adds – more than 80% contract customers

T-Mobile CEE (w/o PTC):

- 863,000 net adds – nearly 70% contract customers



2006 Business Customers.

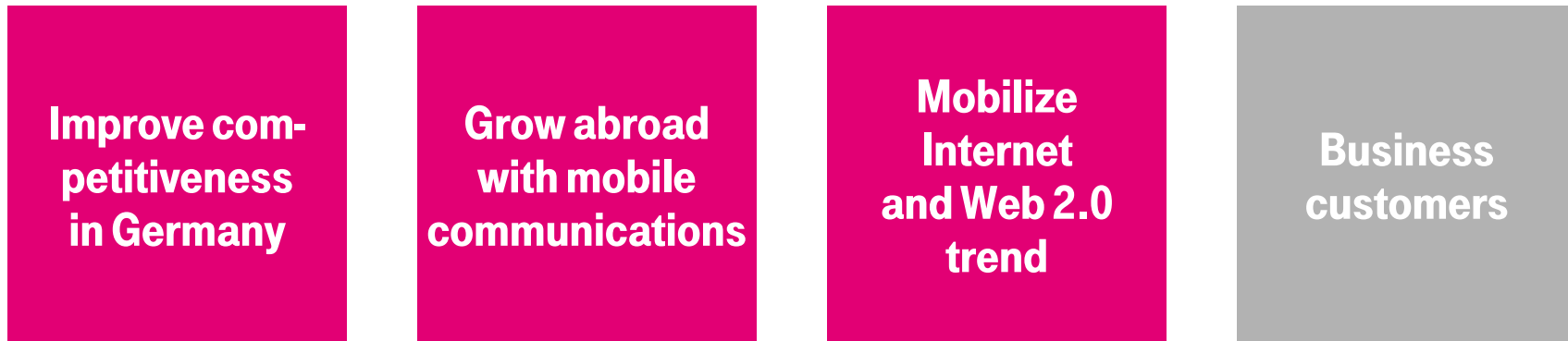


■ FY 2005 ■ FY 2006

- International revenue rose by 18.2% to EUR 2.1 billion.
- Domestic revenue fell by 4.9% to EUR 10.5 billion.
- Adjusted EBITDA abroad fell 21.1% to EUR 165 million.
- Adjusted domestic EBITDA fell 22.7% to EUR 1.1 billion.



Our Strategy: “Focus, Fix and Grow.”

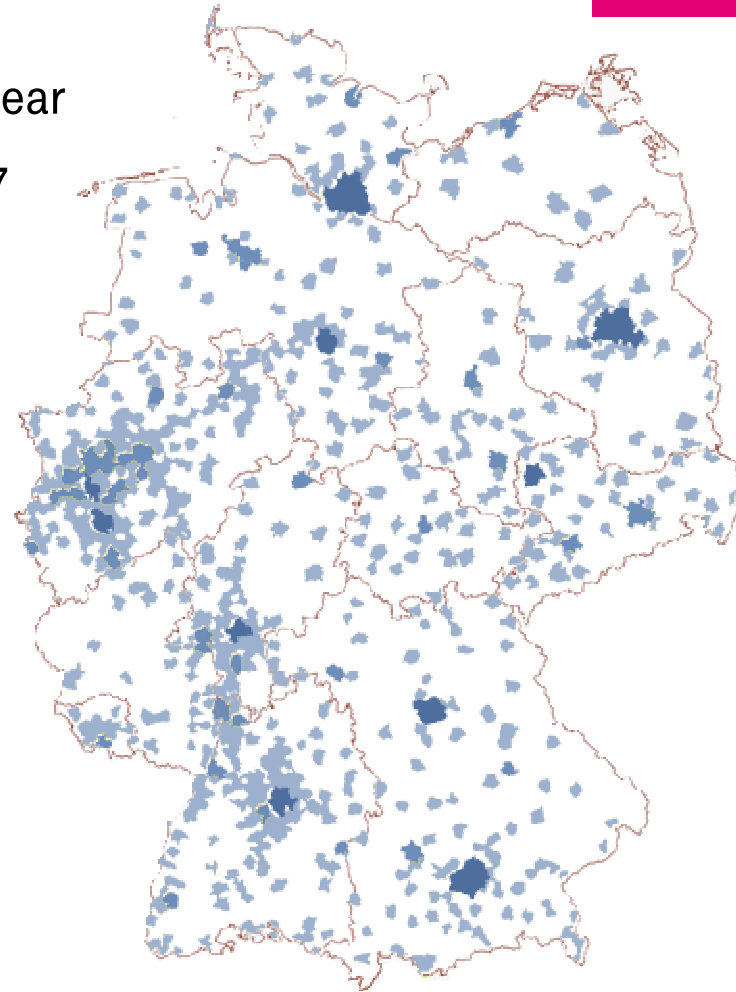


T = **Leading broadband provider**

Expanding Broadband Network.

Improve competitiveness
in Germany

- VDSL in 26 towns and cities by end of year
- ADSL2+ in 750 towns and cities in 2007



Improvement Customer Service.

Improve competitiveness
in Germany

Opportunity to stand out against the competition:

⇒ Combine and professionalize service units in Telekom Service:

- create a common and Group-wide service culture
- consolidate and modernize locations
- reorganize processes
- improve IT systems
- improve availability of customer service
- safeguard competitive pricing

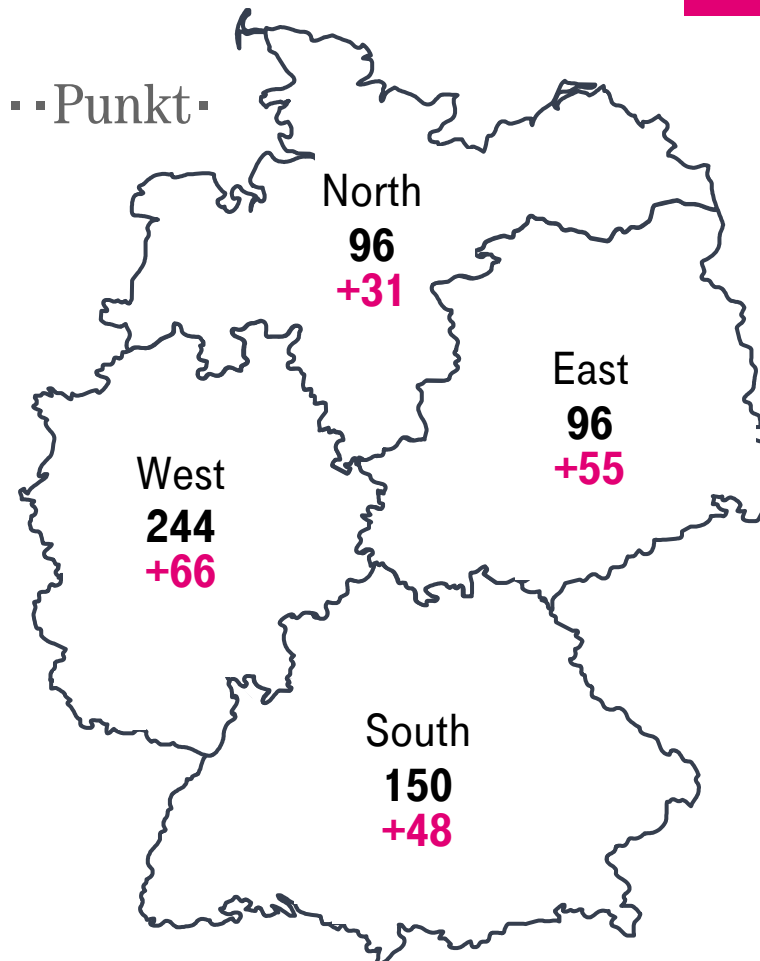
Expansion of the Sales Network.

Improve competitiveness
in Germany

2007/2008 targets

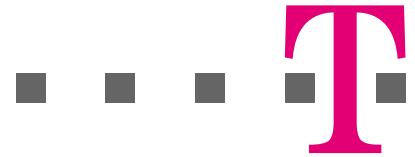
- Increasing the number of T-Punkt shops to almost 800
- Creating 1,500 new jobs in T-Punkt shops
- About 1,000 T-Partners

T-Punkt



Streamlined Brand Presence.

Improve competitiveness
in Germany



as endorsement brand



Save for Service.

Improve competitiveness
in Germany

Cost-saving measures such as:

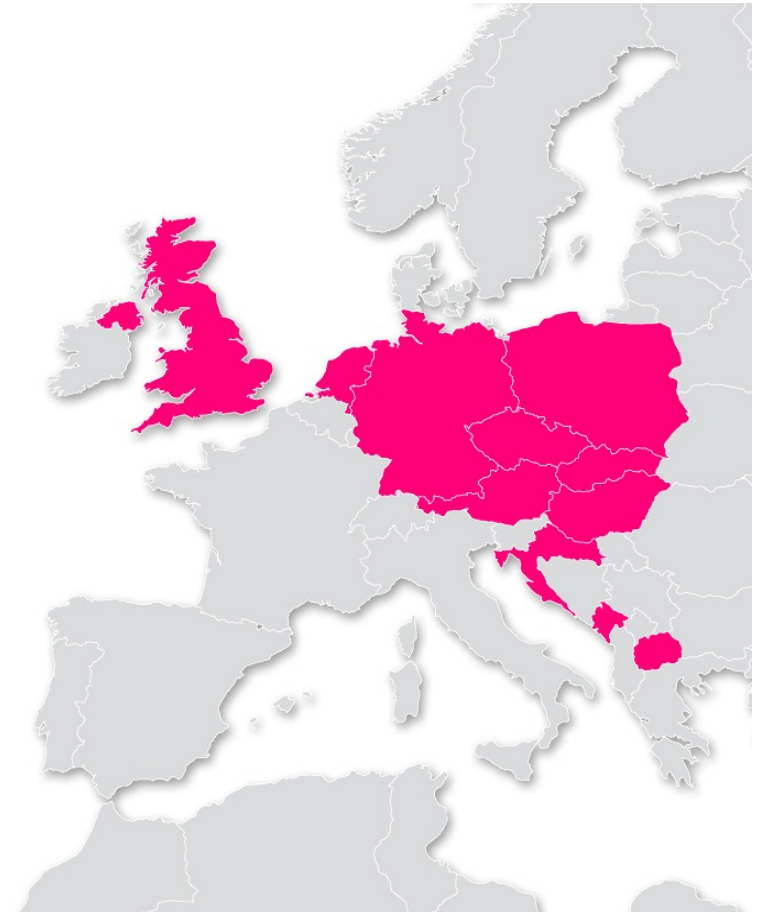
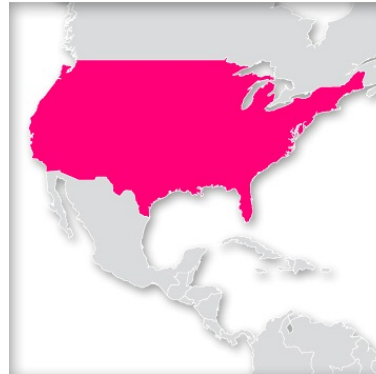
- Migration to IP-based network
- Improvement of processes and consolidating IT systems
- Integration of Service & Sales
- Streamlined brand presence
- Consolidation of all central functions
- Culture of cost consciousness

Goal of program: save EUR 4.2 – 4.7 billion by 2010 (throughout the Group), of which EUR 2 billion until end of 2007

Growing Abroad with Mobile Communications.

Grow abroad
with mobile
communications

- T-Mobile gives us a strong international presence and a recognized brand
- More than EUR 1.2 billion each year in synergies within T-Mobile International
- Growth driver for the Group



Mobile Growth Potential Abroad.

Grow abroad
with mobile
communications

- Increasing fixed to mobile substitution
- Mobile data traffic
- Intensified commitment in established markets and possibly beyond

Web 2.0: Personal Social Networking Trend.

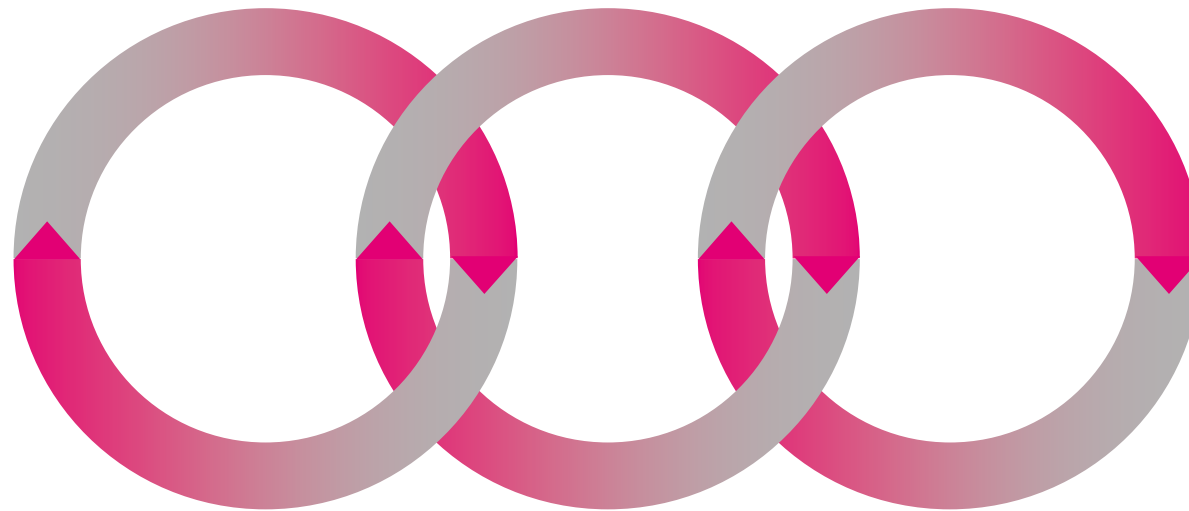
Mobilize Internet
and
Web 2.0 trend

Changing communication habits:

- “Interactive Internet”: produce and consume
- Access services across network and device boundaries
- Continuously develop new networks and communities

Development of Business with Web 2.0 Services.

Mobilize Internet
and
Web 2.0 trend



**Partnerships
with established
Internet companies**

**Use of in-house product
innovations**

**Entrepreneurial
investments**

Enterprise Services: Growth through Partnering.

Business
customers

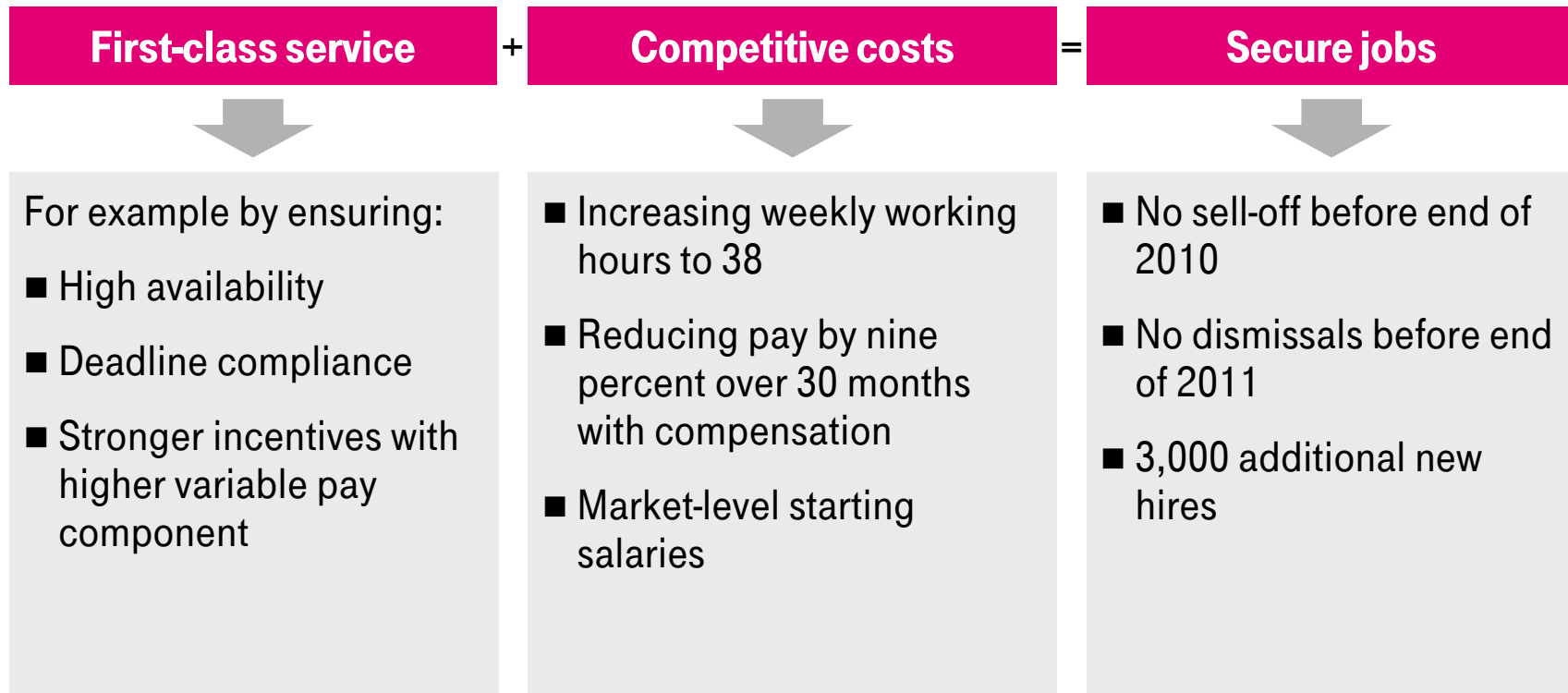
- Strengthen Enterprise Services: e.g. network security and network architecture, leading IT provider to the automotive industry
- But on our own we are not strong enough in the international area
- **Alliance with a strategic partner**

Telekom Service: Cost Differences.

Example: A call center agent with job experience earns....

	Weakly working hours	Gross €
T-Com	34 hrs.	38,800
External (telco) provider	40 hrs.	16,700
Deutsche Post World Net AG	38 hrs.	29,300
Lufthansa AG	38 hrs.	21,700

Telekom Service. Boost Competitiveness and Secure Jobs.



Training.

- 12,000 in vocational training - Deutsche Telekom is the largest provider of vocational training in Germany.
 - Vocational training pay adjusted to market level as agreed with ver.di
 - Another 4,000 new vocational training positions created in 2007, as in the past six years



Thank you.

