Information on the report regarding item 6 on the agenda

Wording of the authorization granted under item 9 of the agenda by resolution of the shareholders’ meeting of Deutsche Telekom AG on April 26, 2005.
Resolution on the authorization to issue convertible bonds and/or bonds with warrants (which can also each have dividend-related interest like a participating bond) under the revocation of the existing authorization and creation of additional contingent capital and amendment to the Articles of Incorporation as well as the option of excluding the subscription right.

The Board of Management and the Supervisory Board propose the adoption of the following resolution:

a) Authorization to issue convertible bonds and/or bonds with warrants and to exclude the subscription right

(1) Authorization period, par value, number of shares, term, interest

The Board of Management is authorized, with the consent of the Supervisory Board, to issue on one or more occasions by April 25, 2010, bearer and/or registered convertible bonds and/or bonds with warrants (hereinafter also referred to as “bonds”) having a total par value of up to €5,000,000,000 with a term of up to 30 (thirty) years and to grant to the holders or creditors of bonds conversion or option rights for shares of Deutsche Telekom AG representing a proportion of the capital stock not to exceed €600,000,000, as more closely defined in the terms and conditions for the bonds. The bonds can also have variable interest, whereby the interest, as in a participating bond can depend partially or completely on the amount of the Company’s dividend.

(2) Currency, issued by companies in which Deutsche Telekom AG has a majority holding

The bonds may be issued both in euros and in the legal tender of an OECD country, to be limited to the equivalent of the price in euros. The bonds may also be issued by direct or indirect majority shareholdings of Deutsche Telekom AG (companies in which Deutsche Telekom AG has a direct or indirect majority share of the votes and capital), in which case, the Board of Management is authorized, with the consent of the Supervisory Board, to provide the guarantee for the bonds on behalf of the Deutsche Telekom AG and grant or guarantee the holders and creditors of such bonds conversion or option rights to new Deutsche Telekom AG shares.

(3) Conversion right

If convertible bonds made out to the bearer are issued, the bearers and, in the case of registered bonds, the creditors shall have the right to convert their bonds to shares in the Company in accordance with the terms of the convertible bonds. The conversion ratio shall be calculated by dividing the par value of an individual bond (partial bond) by the fixed conversion price for a Deutsche Telekom AG share. The conversion ratio may also be calculated by dividing the issue price of a partial bond, if it is lower than the par value, by the fixed conversion price for a Deutsche Telekom AG share. A provision can be made for the conversion ratio to be variable and for the conversion price (subject to item 7) to be set within a range to be decided on the basis of development of the price of the Deutsche Telekom AG share during the term of the bond. The conversion ratio may be rounded up or down to a whole number in any event and an additional cash contribution by the bearer or creditor of the partial bond may be specified. It can also be specified that fractional shares be consolidated and/or settled in cash. The proportion of capital stock represented by the shares issued upon conversion of a partial bond may not exceed the par value or the issue price of a partial bond, if it is lower than the par value.

(4) Option right

If bonds with warrants are issued, one or more warrants shall be attached to each partial bond which entitle the holder or creditor to subscribe to Deutsche Telekom AG shares in accordance with the terms and conditions of the option. A provision can be made for the option price (subject to no. 7) to be set within a range to be decided on the basis of development of the price of the Deutsche Telekom AG share during the term of the bond with warrants. It may also be provided in the option terms that the option price can be reached also by transferring partial bonds and, where necessary, by payment of an additional contribution. The proportion of the capital stock represented by the shares that can be subscribed to in the case of each partial bond may not exceed the par value or the issue price of a partial bond, if it is lower than the par value. If fractional shares occur, a provision can be made for these fractional shares to be added up for subscription to whole shares in accordance with the terms and conditions of the bonds, or, where necessary, upon payment of an additional contribution. The maximum term of the option shall be 30 (thirty) years.

(5) Conversion obligation, option obligation

The terms and conditions of the bonds may also make a provision for a conversion or option obligation at the end of the term or earlier (hereinafter also referred to as “final due date”) or the right of Deutsche Telekom AG, when the final due date of the bond falls, to grant the creditor of a bond Deutsche Telekom AG shares completely or partially in lieu of payment of the amount due. In this case the conversion or option price in accordance with the terms and conditions of the bond will correspond to the average price of the Deutsche Telekom AG share in the closing auction in Xetra trading of Deutsche Börse AG or a subsequent system taking the place of the Xetra system during the ten trading days preceding or following the final due date, even if this average price is below the minimum average price stipulated under no. 7 (80%). In this case too, the proportion of the capital stock represented by the shares issued may not exceed the par value or the issue price of a partial bond, if it is lower than the par value. § 9 (1) AktG in conjunction with § 199 (2) AktG must be complied with.

(6) Cash payments, granting existing shares

Finally, the terms and conditions of the bond may stipulate that, in the event of conversion or exercise of options or after fulfillment of the conversion or option obligations, the Company will not grant any Company shares, but rather will pay the equivalent value in cash which represents the average price of Deutsche Telekom AG shares in the closing auction in Xetra trading of Deutsche Börse AG or in a subsequent system taking the place of the Xetra system, during the one to ten trading days before or after the conversion is declared or the option exercised in the case of conversion or option obligations, before or after the final due date, as specified in the terms and conditions of the bond. The terms and conditions of the bond may also stipulate that, in the event of conversion or exercise of options or after fulfill-
ment of the conversion or option obligations, existing Company shares may be granted at the request of the Company instead of new shares from contingent capital.

(7) Conversion/option price, protection against dilution of capital

In the event of a variable conversion ratio or a variable conversion or option price, with the exception of the cases in which a conversion or option obligation is provided (above under no. 5), the conversion or option price determined for each share must be equivalent either to at least 80% of the average closing auction price of Deutsche Telekom AG shares in Xetra trading of Deutsche Börse AG or in a subsequent system taking the place of the Xetra system over the ten trading days before the day on which the Board of Management adopts the resolution to issue convertible bonds or bonds with warrants (day of the final Board of Management resolution regarding the submission of an offer for sale of bonds or regarding the declaration of acceptance by the Company after a request to submit offers for sale) or, in the event of shareholders’ subscription rights being granted, to at least 80% of the average closing auction price of Deutsche Telekom AG shares in Xetra trading of Deutsche Börse AG or in a subsequent system taking the place of the Xetra system over the days on which the subscription rights for the convertible bonds or bonds with warrants are traded on the Frankfurt am Main Stock Exchange, with the exception of the last two trading days on which the subscription rights were traded. § 9 (1) AktG shall remain unaffected.

Notwithstanding § 9 (1) of the German Stock Corporation Law, the conversion or option price shall be reduced pursuant to a dilution protection clause as defined more closely in the terms and conditions of the bond through payment of an appropriate cash amount by the Company when the conversion or option rights are exercised or when a conversion or option obligation is fulfilled or through a reduction of the additional cash contribution by the holder or creditor of the partial bond or warrant. Such a reduction is possible in particular – but not only – if, during the conversion or option period, the Company increases the capital stock by granting its shareholders exclusive subscription rights or by increasing capital from retained earnings or further convertible bonds and/or bonds with warrants are issued or if other conversion or option rights or obligations are granted or guaranteed and holders or creditors of existing conversion and option rights or obligations are not granted a subscription right to which they would have been entitled had they exercised their conversion or option rights or fulfilled the conversion or option obligation. To the extent possible, the conversion ratio may also be adjusted to reduce the conversion or option price instead of the Company making a cash payment or reducing the additional cash contribution of the holder or creditor of the partial bond. The terms and conditions may also provide the adjustment of the conversion or options rights or conversion or option obligations in the event of a capital reduction or other extraordinary measures or events (such as special dividends, third parties gaining control). In all these cases, any adjustments are made pursuant to § 216 (3) AktG in such a way that, after the economic value of the conversion or options rights or obligations corresponds essentially with economic value of the conversion or option rights or obligations immediately before the measure that triggered the adjustment.

(8) Granting of subscription rights, exclusion of subscription rights

The bonds are to be taken over by one or several credit institutes or a consortium of credit institutes with an obligation to offer them to the shareholders for subscription. If the bonds are issued by a direct or indirect majority shareholding of Deutsche Telekom AG, Deutsche Telekom AG must ensure shareholders of Deutsche Telekom AG are granted subscription rights in accordance with the foregoing sentence.

With the consent of the Supervisory Board, the Board of Management is, however, authorized to exclude shareholders’ subscription rights to the bonds in the following cases:

- if the bonds are issued in return for a cash payment and the issue price of bonds is not significantly lower than the theoretical market value of the bonds determined in accordance with recognized financial methods. The authorization for excluding subscription rights only applies, however, to bonds with conversion or options rights or obligations to shares with a proportionate amount of up to 10% in total of Deutsche Telekom AG’s capital stock. The 10%-limit is calculated on the basis of the amount of capital stock on the date of the Shareholders’ Meeting resolution regarding this authorization or – if the value is lower – on the issue date of the proposed authorization. The authorized volume decreases insofar as the Company’s own reacquired shares have been sold with subscription rights being excluded according to § 186 (3) sentence 4 AktG since authorization was granted
- for fractional amounts that arise as a result of the subscription ratio;
- insofar as it is necessary to grant holders or creditors of conversion or option rights already previously issued or holders or creditors of bonds already issued which have conversion or option obligations, the subscription rights to which they would be entitled had they exercised their conversion or option rights or fulfilled their conversion or option obligations.

(9) Authorization to determine other details

Subject to the consent of the Supervisory Board, the Board of Management is authorized to determine the other particulars and terms of the bond issues, in particular the terms of the bonds or warrants with respect to the convertible bonds of the majority holdingsof Deutsche Telekom AG issuing the convertible bonds or bonds with warrants.

b) Revocation of the authorization granted by the Shareholders’ Meeting on May 29, 2001

The authorization granted to the Board of Management under item 11 on the agenda by the Shareholders’ Meeting on May 29, 2001, to issue...
c) Contingent capital increase

The capital stock is conditionally increased by up to € 600,000,000 by issuing up to 234,375,000 new no-par value registered shares. The contingent capital increase serves the purpose, when conversion or option rights are exercised or when conversion or option obligations arising as a result of convertible bonds or bonds with warrants issued according to the above authorization by a direct or indirect majority holding of the Company by April 25, 2010, are fulfilled, of granting shares to the holders or creditors of convertible bonds or warrants attached to convertible bonds or to those persons obligated as a result of convertible bonds or bonds with warrants in accordance with the terms and conditions of the bond. The new shares shall be issued pursuant to the respective conversion or option price to be stipulated under a).

The contingent capital increase shall be implemented to the extent to which the holders or creditors of convertible bonds or warrants arising as a result of convertible bonds issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holding until April 25, 2010, on the basis of the authorization resolution granted by the Shareholders’ Meeting in April 2005 make use of their conversion or option rights or to the extent to which those obligated as a result of convertible bonds or bonds

with warrants issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holding on the basis of the authorization resolution granted by the Shareholders’ Meeting in April 2005 and in effect until April 25, 2010, fulfill their conversion or option obligations, and the contingent capital is required in accordance with the terms and conditions of the bond. The new shares issued as a result of the exercising of conversion or option rights or the fulfillment of conversion or option obligations participate in the profits starting at the beginning of the financial year in which they are acquired. The Board of Management is authorized to determine any other details concerning the implementation of the contingent capital increase. The Supervisory Board is authorized to change the wording of the Articles of Incorporation in accordance with each share issue.

d) Amendment of the Articles of Incorporation

§ 5 of the articles of incorporation shall be supplemented by the following new (6) thereof:

“The share capital shall be conditionally increased by €600,000,000, divided into up to 234,375,000 no par value shares (contingent capital IV). The contingent capital increase shall be implemented only to the extent that

a) the holders or creditors of convertible bonds or warrants arising as a result of convertible bonds issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holding by April 25, 2010, on the basis of the authorization resolution granted by the regular Shareholders’ Meeting in April 2005 make use of their conversion or option rights, or

b) those obligated as a result of convertible bonds or bonds with warrants granted or issued by April 25, 2010, by Deutsche Telekom AG or its direct or indirect majority holding on the basis of the authorization granted by resolution of the regular Shareholders’ Meeting of April 2005, fulfill their conversion or option obligations

c) and the contingent capital is required in accordance with the terms and conditions of the bond.

The new shares shall participate in profits starting at the beginning of the financial year in which they are issued as the result of the exercise of any conversion or option rights or the fulfillment of any conversion or option obligations. The Board of Management is authorized, subject to the approval of the Supervisory Board, to determine any other details concerning the implementation of the contingent capital increase.”

The existing (6) through (9) of § 5 of the Articles of Incorporation shall become (7) through (10) thereof.