



Deutsche Telekom AG

Bonn, Federal Republic of Germany

as Issuer and as Guarantor for Notes issued by

Deutsche Telekom International Finance B.V.

Amsterdam, The Netherlands

Euro 20,000,000,000 Debt Issuance Programme

Application has been made to list Notes to be issued under the Programme on the Luxembourg Stock Exchange. Notes issued under the Programme may also be listed on an alternative stock exchange or may not be listed at all.

Arranger

Deutsche Bank

Dealers

Commerzbank Securities

Deutsche Bank

DZ BANK AG

Dresdner Kleinwort Wasserstein

Goldman Sachs International

HVB Corporates & Markets

JPMorgan

Lehman Brothers

Merrill Lynch International

UBS Warburg

WestLB AG

The date of this Information Memorandum is April 30, 2003. This Information Memorandum replaces the Information Memorandum dated June 5, 2002 and is valid for one year from the date hereof.

Each of Deutsche Telekom AG (“Deutsche Telekom” or the “Company”) and Deutsche Telekom International Finance B.V. (“Finance”) (both herein also referred to as an “Issuer” and together, the “Issuers”) and Deutsche Telekom AG in its capacity as guarantor (the “Guarantor”) jointly and severally accepts responsibility for the information contained in the Information Memorandum. To the best of the knowledge and belief of the Issuers and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in the Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Information Memorandum should be read and construed with any amendment or supplement thereto and with any other documents incorporated by reference and, in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Pricing Supplement(s) (as defined herein).

Each of the Issuers have jointly and severally confirmed to the dealers as set forth on the cover page (the “Dealers”) that the Information Memorandum is true and accurate in all material respects and is not misleading; that any opinions and intentions expressed by each of them therein are honestly held and based on reasonable assumptions; that there are no other facts with respect to any of the Issuers, the omission of which would make the Information Memorandum as a whole or any statement therein or opinions or intentions expressed therein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

No person has been authorised by any of the Issuers to give any information or to make any representation not contained in or not consistent with the Information Memorandum or any other document entered into in relation to the Programme or any information supplied by any Issuer or the Guarantor or such other information as in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuers, the Guarantor, the Dealers or any of them.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates make any representation or warranty or accept any responsibility, as to the accuracy or completeness of the information contained in the Information Memorandum.

Neither the delivery of the Information Memorandum nor any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in the Information Memorandum is true subsequent to the date upon which the Information Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial situation of any of the Issuers or the Guarantor since the date thereof or, as the case may be, the date upon which the Information Memorandum has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into the Information Memorandum by reference or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This document may only be communicated or caused to be communicated in circumstances in which section 21 (1) of the Financial Services and Markets Act 2000 (“FSMA”) does not apply.

The Notes will not be registered under the United States Securities Act of 1933, as amended, and will include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons, see “Selling Restrictions”.

The distribution of the Information Memorandum and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Information Memorandum or any Pricing Supplement comes are required by the Issuers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Information Memorandum or any Pricing Supplement and other offering material relating to the Notes, see “Selling Restrictions”.

Neither the Information Memorandum nor any Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Neither the Information Memorandum nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealers or any of them that any recipient of the Information Memorandum or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of the Information Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers and the Guarantor.

In connection with the issue of any Tranche (as defined herein) of Notes under the Programme, the Dealer (if any) who is specified in the relevant Pricing Supplement as the stabilising institution or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series of which such Tranche forms part at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the stabilising institution to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

In this Information Memorandum, all references to „€“ or „euro“ are to the Euro.

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Summary of the Debt Issuance Programme and of the Terms and Conditions of the Notes

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this Summary.

Issuers:	Deutsche Telekom AG Deutsche Telekom International Finance B.V.
Guarantor:	Deutsche Telekom AG (for Notes issued by Deutsche Telekom International Finance B.V.)
Arranger:	Deutsche Bank Aktiengesellschaft
Dealers:	Bayerische Hypo- und Vereinsbank AG Commerzbank Aktiengesellschaft Deutsche Bank Aktiengesellschaft Dresdner Bank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Goldman Sachs International J. P. Morgan Securities Ltd. Lehman Brothers International (Europe) Merrill Lynch International UBS Limited WestLB AG and any other dealer appointed from time to time by the respective Issuer either generally in respect of the Programme or in relation to a particular Series (as defined below) of Notes.
Fiscal and Principal Paying Agent:	Citibank, N.A.
Paying Agent:	Banque Générale du Luxembourg S.A., Luxembourg
Luxembourg Listing Agent:	Banque Générale du Luxembourg S.A., Luxembourg
Regulatory Matters:	<p>Any issue of Notes denominated in a Specified Currency in respect of which particular laws, regulations, guidelines, restrictions and reporting requirements apply will only be issued in circumstances which comply with such laws, regulations, guidelines, restrictions and reporting requirements from time to time. Without prejudice to the generality of the foregoing:</p> <p>Notes issued on terms that they must be redeemed before their first anniversary will, if the proceeds of the issue are accepted in the United Kingdom constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £ 100,000 or its equivalent.</p> <p>Issues of Notes denominated in Swiss Francs or carrying a Swiss Franc related element with a maturity of more than one year will be effected in compliance with the relevant regulations of the Swiss National Bank based on Article 7 of the Federal Law on Banks and Savings Banks of 1934, as amended, and Article 15 of the Federal Law on Stock Exchanges and Securities Trading of March 24, 1995 in connection with Article 2 (2) of the Ordinance of the Federal</p>

Banking Commission on Stock Exchanges and Securities Trading of June 25, 1997. Under such regulations, the relevant Dealer or, in the case of a syndicated issue, the Lead Manager, must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer licensed by the Swiss Federal Banking Commission as per the Federal Law on Stock Exchanges and Securities Trading of March 24, 1995 (the "Swiss Dealer"). The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.

The Issuer shall ensure that Notes denominated or payable in Yen ("Yen Notes") will only be issued in compliance with applicable Japanese laws, regulations, guidelines and policies. The Issuer or its designated agent shall submit such reports or information as may be required from time to time by applicable laws, regulations and guidelines promulgated by Japanese authorities in the case of Yen Notes. Each Dealer agrees to provide any necessary information relating to Yen Notes to the Issuer (which shall not include the names of clients) so that the Issuer may make any required reports to the competent authority of Japan for itself or through its designated agent.

Investors in France may only participate in the issue of Notes for their own account in accordance with the conditions set out in *décret* no. 98-880 dated October 1, 1998. Notes may only be issued, directly or indirectly in accordance with articles 6 and 7 of *ordonnance* no. 67-833 dated September 28, 1967 (as amended). Where an issue of Notes is effected as an exception to the rules relating to *un appel public à l'épargne*, in France (public offer rules) by way of an offer to a restricted circle of investors, such persons must have a personal, professional or family relationship with a member of the management of the Issuer. To the extent that the Notes are offered to 100 or more of such investors, these persons must provide certification as to their personal, professional or family relationship with a member of the management of the Issuer.

Programme Amount: Up to Euro 20,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuers may from time to time increase the amount of the Programme in accordance with the terms of the Dealer Agreement.

Distribution: Notes may be distributed by way of public or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the relevant Pricing Supplement.

Method of Issue: Notes in bearer form will be issued on a continuous basis in Tranches (each a "Tranche"), each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects, but having different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a Series ("Series") of Notes. Further Notes may be issued as part of existing Series. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions) will be set forth in the applicable Pricing Supplement.

Issue Price: Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Specified Currencies: Subject to any applicable legal or regulatory restrictions, and requirements of the relevant central banks Notes may be issued in any of the following currencies: Australian Dollars, Canadian Dollars, euro (including its non-decimal sub-units), Japanese Yen, Pounds Sterling, Swiss Francs, United States Dollars or any other currencies as may be agreed between the relevant Issuer and the relevant Dealers.

Denomination of Notes:	<p>Notes will be issued in such denomination as may be agreed between the Issuer and the relevant Dealers and as indicated in the applicable Pricing Supplement save that the minimum denomination of the Notes will be such as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.</p> <p>Unless permitted by then current laws and regulations, Notes in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom will have a minimum denomination of £ 100,000 (or its equivalent in other currencies) and can only be issued to a limited class of professional investors, unless such Notes may not be redeemed until on or after the first anniversary of their date of issue.</p>
Maturities:	<p>Such maturities as may be agreed between the relevant Issuer and the relevant Dealers and as indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.</p>
Form of Notes:	<p>The Notes may be issued in bearer form only.</p> <p>Notes to which U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (the “TEFRA C Rules”) applies (“TEFRA C Notes”) will be represented either initially by a temporary global Note in bearer form, without interest coupons, in an initial principal amount equal to the aggregate principal amount of such Notes (“Temporary Global Note”) or permanently by a permanent global Note in bearer form, without interest coupons, in a principal amount equal to the aggregate principal amount of such Notes (“Permanent Global Note”). Any Temporary Global Note will be exchanged for either definitive Notes in bearer form (“Definitive Notes”) or in part for Definitive Notes and in the other part for one or more collective Notes in bearer form (“Collective Notes”).</p> <p>Notes to which U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “TEFRA D Rules”) applies (“TEFRA D Notes”) will always be represented initially by a Temporary Global Note which will be exchanged for either Notes represented by one or more Permanent Global Note(s) or Definitive Notes or in part for Definitive Notes and in the other part for one or more Collective Notes, in each case not earlier than 40 days and not later than 180 days after the completion of distribution of the Notes comprising the relevant Tranche upon certification of non U.S. beneficial ownership in the form available from time to time at the specified office of the Fiscal Agent.</p> <p>Notes in bearer form to which neither the TEFRA C Rules nor the TEFRA D Rules apply will be represented either initially by a Temporary Global Note or permanently by a Permanent Global Note. Any Temporary Global Note will be exchanged for either Definitive Notes or in part for Definitive Notes and in the other part for one or more Collective Notes.</p> <p>Permanent Global Notes will not be exchanged for Definitive Notes or Collective Notes.</p>
Description of Notes	<p>Notes may be either interest bearing at fixed or variable rates or non-interest bearing, with principal repayable at a fixed amount or by reference to a formula as may be agreed between the Issuer and the relevant Dealer as specified in the applicable Pricing Supplement.</p>
Fixed Rate Notes:	<p>Notes for which the interest rate is fixed will be payable on such basis as may be agreed between the relevant Issuer and the relevant Dealers (as specified in the applicable Pricing Supplement).</p>

Floating Rate Notes: Notes for which the interest rate is variable will be payable on such basis as may be agreed between the relevant Issuer and the relevant Dealers, as specified in the relevant Pricing Supplement. The Margin (if any) relating to such variable rate will be agreed between the relevant Issuer and the relevant Dealers for each Series of Floating Rate Notes.

Interest Periods for Floating Rate Notes will be one, two, three, six or twelve months or such other period(s) as the relevant Issuer and the relevant Dealers may agree, as specified in the applicable Pricing Supplement.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Amount Notes or of interest in respect of Index Linked Interest Notes (together "Index Linked Notes") will be calculated by reference to such index and/or formula as the relevant Issuer and the relevant Dealers may agree as specified in the applicable Pricing Supplement. Each issue of Index Linked Notes will be made in compliance with all applicable legal and/or regulatory requirements.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes: Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealers, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Pricing Supplement and will be calculated as specified in the applicable Pricing Supplement.

Index Linked Notes which are issued or sold as a public offer (*appel public à l'épargne*) in France (including Paris listed Notes) must be issued in compliance with the *Principes généraux relatifs aux warrants et aux titres de créance complexes* from time to time set by the *Commission des opérations de bourse* (COB) and the *Conseil des Marchés Financiers*.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealers may agree as indicated in the applicable Pricing Supplement.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their principal amount and will not bear interest other than in the case of late payment.

Other Notes: Notes may be of any other type of security, such as Instalment Notes, Credit Linked Notes or may have any other structure all upon terms provided in the applicable Pricing Supplement.

Redemption: The applicable Pricing Supplement will indicate either that the Notes cannot be redeemed prior to their stated maturity (except for taxation reasons or upon the occurrence of an event of default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice within the notice period (if any) indicated in the applicable Pricing Supplement to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as indicated in the applicable Pricing Supplement.

Unless otherwise permitted by then current laws and regulations, Notes issued by Deutsche Telekom AG and Deutsche Telekom International Finance B.V. and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom will have a minimum redemption amount of £ 100,000 (or its equivalent in other currencies) and can only be issued to a limited class of professional investors, unless such Notes may not be redeemed until on or after the first anniversary of their date of issue.

The applicable Pricing Supplement may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as specified therein.

- Taxation:** All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of The Netherlands (in the case of Notes issued by Finance) or the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction. See § 8 of the “Terms and Conditions of the Notes” – “Taxation”.
- Early Redemption for Taxation Reasons:** Early redemption for taxation reasons will be permitted. See § 6 of the Terms and Conditions of the Notes – “Redemption”.
- Negative Pledge:** The terms of the Notes will contain a negative pledge provision as further described in the Terms and Conditions of the Notes.
- Acceleration Events and Cross Default:** The Notes will provide for Acceleration Events entitling Noteholders to demand immediate redemption of the Notes. See § 10 of the Terms and Conditions of Notes – “Acceleration”.
- The terms of the Notes will contain a cross default provision of the Issuers and the Guarantor as further described in the Terms and Conditions of the Notes.
- Status of the Notes:** The Notes will constitute unsecured and unsubordinated obligations of the relevant Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer.
- Guarantee:** Notes issued by Finance will be unconditionally and irrevocably guaranteed by the Guarantor. The terms of the Guarantee contain a negative pledge of the Guarantor. The Guarantee will be governed by German law.
- Listing:** Application has been made for listing of Notes to be issued under the Programme on the Luxembourg Stock Exchange. Notes issued under the Programme may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealers in relation to each Series. Notes may also be issued under the Programme which will not be listed on any Stock Exchange.
- Governing Law:** German law.
- Selling Restrictions:** There will be specific restrictions on the offer and sale of Notes and the distribution of offering materials in the United States, Germany, The Netherlands, the United Kingdom, France and Japan and such other restrictions as may be required under applicable law in connection with the offering and sale of a particular Tranche of Notes. Each Tranche of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time. See “Selling Restrictions”.
- Jurisdiction:** Non-exclusive place of jurisdiction for any legal proceedings arising under the Notes is Frankfurt am Main.

Clearance and Settlement:

Notes will be accepted for clearing through one or more Clearing Systems as specified in the applicable Pricing Supplement. These systems will include those operated by Clearstream Banking AG, Frankfurt am Main ("CBF"), Clearstream Banking, société anonyme, Luxembourg ("CBL") and Euroclear Bank S.A./N.V., as operator of the Euroclear system ("Euroclear").

Issue Procedures

General

The relevant Issuer and the relevant Dealers will agree on the terms and conditions applicable to each particular Tranche of Notes (the "Conditions"), which will be constituted by the Terms and Conditions as completed, modified, supplemented or replaced by the provisions of the applicable Pricing Supplement to the Notes as provided below. The Pricing Supplement relating to each Tranche of Notes will specify:

- whether the Conditions are to be **Long-Form Conditions** or **Integrated Conditions** (each as described below); and
- whether the Conditions will be in the German language or the English language or both (and, if both, whether the English language version or the German language version is controlling).

As to the controlling language of the respective Conditions, the Issuers anticipate that, in general, subject to any stock exchange or legal requirements applicable from time to time, and unless otherwise agreed between the relevant Issuer and the relevant Dealers:

- in the case of Notes sold and distributed on a syndicated basis, German will generally be the controlling language.
- in the case of Notes publicly offered, in whole or in part, in the Federal Republic of Germany, or distributed, in whole or in part, to non-professional investors in the Federal Republic of Germany, German will be the controlling language. If, in the event of such public offer or distribution to non-professional investors, however, English is chosen as the controlling language, a German language translation of the Conditions will be available from the respective offices of each of the Paying Agents and Deutsche Telekom Aktiengesellschaft specified on the back cover of this Information Memorandum.

As to whether **Long-Form Conditions** or **Integrated Conditions** will apply, the Issuers anticipate that:

- **Long-Form Conditions** will generally be used for Notes which are not publicly offered.
- **Integrated Conditions** will generally be used for Notes sold and distributed on a syndicated basis. Integrated Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be distributed, in whole or in part, to non-professional investors.

Long-Form Conditions

If the Pricing Supplement specifies that Long-Form Conditions are to apply to the Notes, the provisions of the applicable Pricing Supplement and the Terms and Conditions, taken together, shall constitute the Conditions. Such Conditions will be constituted as follows:

- the blanks in the provisions of the Terms and Conditions which are applicable to the Notes will be deemed to be completed by the information contained in the Pricing Supplement as if such information were inserted in the blanks of such provisions;

- the Terms and Conditions will be modified, supplemented or replaced by the text of any provisions of the Pricing Supplement modifying, supplementing or replacing, in whole or in part, the provisions of the Terms and Conditions;
- alternative or optional provisions of the Terms and Conditions as to which the corresponding provisions of the Pricing Supplement are not completed or are deleted will be deemed to be deleted from the Conditions; and
- all instructions and explanatory notes set out in square brackets in the Terms and Conditions and any footnotes and explanatory text in the Pricing Supplement will be deemed to be deleted from the Conditions.

Where Long-Form Conditions apply, each Global Note representing the Notes of the relevant Series will have the Pricing Supplement and the Terms and Conditions attached. If Definitive Notes are delivered in respect of the Notes of such Series, they will have endorsed thereon either (i) the Pricing Supplement and the Terms and Conditions in full, (ii) the Pricing Supplement and the Terms and Conditions in a form simplified by the deletion of non-applicable provisions, or (iii) Integrated Conditions, as the Issuer may determine.

Integrated Conditions

If the Pricing Supplement specifies that Integrated Conditions are to apply to the Notes, the Conditions in respect of such Notes will be constituted as follows:

- all of the blanks in all applicable provisions of the Terms and Conditions will be completed according to the information contained in the Pricing Supplement and all non-applicable provisions of the Terms and Conditions (including the instructions and explanatory notes set out in square brackets) will be deleted; and/or
- the Terms and Conditions will be otherwise modified, supplemented or replaced, in whole or in part, according to the information set forth in the Pricing Supplement.

Where Integrated Conditions apply, the Integrated Conditions alone will constitute the Conditions. The Integrated Conditions will be attached to each Global Note representing Notes of the relevant Series and will be endorsed on any Definitive Notes exchanged for any such Global Note(s).

Terms and Conditions (English language version)

This Series of Notes is issued pursuant to an Amended and Restated Agency Agreement, dated April 30, 2003 (the "Agency Agreement") between Deutsche Telekom AG ("Deutsche Telekom"), Deutsche Telekom International Finance B.V. ("Finance"), Citibank, N.A., as fiscal agent and paying agent (the "Fiscal Agent"; which expression shall include any successor fiscal agent) and the other paying agents named therein (together with the Fiscal Agent, the "Paying Agents"; which expression shall include any successor or additional paying agents). **[in the case of Notes issued by Finance:** The Notes have the benefit of an unconditional and irrevocable guarantee (the "Guarantee") by Deutsche Telekom (the "Guarantor").]

in the case of
Long-Form Con-
ditions insert:

[The provisions of these Terms and Conditions apply to the Notes as completed, modified, supplemented or replaced, in whole or in part, by the terms of the pricing supplement which is attached hereto (the "Pricing Supplement"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Pricing Supplement as if such information were inserted in the blanks of such provisions; any provisions of the Pricing Supplement modifying, supplementing or replacing, in whole or in part, the provisions of these Terms and Conditions shall be deemed to so modify, supplement or replace the provisions of these Terms and Conditions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Pricing Supplement are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and texts set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Pricing Supplement. Copies of the Pricing Supplement may be obtained free of charge at the specified offices of the Paying Agents; provided that, in the case of Notes which are not listed on any stock exchange, copies of the relevant Pricing Supplement will only be made available to Holders of such Notes.]

§ 1

Currency, Denomination, Form and Title, Certain Definitions

(1) *Currency and Denomination.* This Series of Notes of [] (the "Issuer") is issued in [] (the "Specified Currency") in the aggregate principal amount of [] and is divided into [[] Notes in the principal amount of [],] [[] Notes in the principal amount of []] [and] [] Notes in the principal amount of [] (the "Specified Denominations").

in the case of a
Temporary Glo-
bal Note which
is exchangeable
for Definitive
Notes:

[(2) *Definitive Notes.* Individual Notes in definitive form ("Definitive Notes") [shall have [interest coupons ("Coupons")] [and talons ("Talons") for further Coupons] [and] [payment receipts ("Receipts")] in respect of the instalments of principal payable] attached on initial delivery and] shall be serially numbered.]

[(3) *Form and Title.* The Notes [and Coupons] are issued to bearer. Title to the Notes [and Coupons] [and the rights evidenced by Receipts] shall pass in accordance with the rules of applicable law. Neither the Issuer [**in the case of Notes issued by Finance:** nor the Guarantor] nor the Fiscal Agent nor any Paying Agent is obliged to examine the title of any person presenting Notes [or Coupons] [or Receipts].

in the case of
Notes which are
initially repre-
sented by a Tem-
porary Global
Note:

[[(4) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global Note (the "Temporary Global Note") [**in the case of Notes other than Zero Coupon Notes insert:** without coupons]. The Temporary Global Note will be exchangeable, as provided below, for [**if Temporary Global Note is to be exchanged for Definitive**

Notes insert: Definitive Notes in the Specified Denomination(s) [with [Coupons] [and] [Talons] [,] [and Receipts]]] **if Temporary Global Note is to be exchanged for Definitive Notes and Collective Global Notes insert:** in part, Definitive Notes in the Specified Denomination(s) [with [Coupons] [and] [Talons] [,] [and Receipts] and in the other part, one or more collective global Notes (each, a “Collective Global Note”) [with global interest coupons (each, a “Global Interest Coupon”)]; the right of Holders to require delivery of Definitive Notes in exchange for Notes which are represented by a Collective Global Note shall be governed by § 9a(3), first sentence of the German Securities Custody Act] **if Temporary Global Note is to be exchanged for one or more Permanent Global Notes insert:** Notes in Specified Denominations represented by [a] **specify if more than one** permanent global Note[s] ([the] [each, a] “Permanent Global Note”) **in the case of Notes other than Zero Coupon Notes insert:** without coupons].

- (b) The Temporary Global Note shall be exchanged for [Definitive Notes] [in part Definitive Notes and in the other part Collective Global Notes] [Notes represented by the Permanent Global Note[s]] on a date (the “Exchange Date”) **in the case of TEFRA D Notes:** not earlier than 40 days and] not later than 180 days after the date of issue of the Temporary Global Note **in the case of TEFRA D Notes:** , upon delivery by the relevant account holder to the Clearing System, and by the Clearing System to the Fiscal Agent, of certificates in the form available from the Fiscal Agent for such purpose, to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person other than certain financial institutions or certain persons holding through such financial institutions. [Any Permanent Global Note] [Any Definitive Notes] delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in subparagraph (3) of § 5)].

in the case of Notes which are initially represented by a Permanent Global Note insert:

[[4)] *Permanent Global Note.* The Notes are represented by [a] **specify if more than one** permanent global Note[s] ([the] [each, a] “Permanent Global Note”) **in the case of Notes other than Zero Coupon Notes insert:** without Coupons]. The right to demand delivery of Definitive Notes shall be excluded.]

in the case of Notes which will initially be represented by a Temporary Global Note:

[[5)] *Fees Payable on Exchange of Global Notes.* Any exchange of a Global Note pursuant to this § 1 shall be made free of charge to the Holders of the Notes, except that a person receiving Definitive Notes must bear the cost of insurance, postage, transportation and the like in the event that such person does not take delivery of such Definitive Notes in person at the offices of the Clearing System.]

[[6)] *Execution of Notes.* Global Notes shall be executed manually on behalf of the Issuer by two authorised representatives of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. **In the case of Definitive Notes insert:** Definitive Notes[,] [and] [Coupons] [and] [Talons] [and Receipts] shall be executed in facsimile on behalf of the Issuer by two authorised representatives of the Issuer and the Definitive Notes shall be authenticated by or on behalf of the Fiscal Agent. Each Note [,] [and] [Coupon] [and] [Talon] [and Receipt] shall bear an embossed stamp.]

[[7)] *Certain Definitions.* For purposes of the Terms and Conditions:

“Clearing System” means [each of] [Clearstream Banking AG, Frankfurt am Main (“CBF”)] [,] [and] [Clearstream Banking, société anonyme, Luxembourg (“CBL”)] [,] [and] [Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”)] [and] **specify any other Clearing System** and any successor in such capacity.

if there will be a Calculation Agent insert: “Calculation Agent” means [the Fiscal Agent] **insert other Calculation Agent** and any successor to [the Fiscal Agent] **insert other Calculation Agent** in its capacity as Calculation Agent.]

“Global Note” means [the/any] [Temporary Global Note] [or Collective Global Note] [or] [Permanent Global Note].

“Holder” means, in respect of Notes deposited with any Clearing System or other central securities depository, any holder of a proportionate co-ownership or other beneficial interest or right in the Notes so deposited, and otherwise the bearer of a Note [and/or a Coupon] [and/or a Receipt].

“Paying Agent” means the Fiscal Agent in its capacity as paying agent, acting through its office specified in § 7, the Paying Agent(s) specified in § 7, or any substitute or additional paying agent appointed under § 7.

References herein to the “Notes” are references to Notes of this Series and shall, as the context requires, include reference to any Global Note [or Definitive Note].

References herein to a “Specified Currency” shall include any successor currency provided for by the laws in force in the jurisdiction where the Specified Currency is issued or pursuant to intergovernmental agreement or treaty (a “Successor Currency”) to the extent that payment in the predecessor currency is no longer a legal means of payment by the Issuer on the Notes [**in the case of Notes issued by Finance:** or, in the event of payments under the Guarantee, by the Guarantor under the Guarantee].

§ 2

Status

The Notes constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer.

§ 3

Negative Pledge of the Issuer [, Guarantee and Negative Pledge of the Guarantor]

[(1)] *Negative Pledge.* So long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, the Issuer undertakes not to grant or permit to subsist any encumbrance over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness issued or guaranteed by the Issuer or by any other person, without at the same time having the Holders share equally and rateably in such security. “Capital Market Indebtedness” means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, a certificate of indebtedness or in the form of, or represented or evidenced by, bonds, notes or other securities which are, or are capable of being, quoted, listed, dealt in or traded on a stock exchange or other recognized securities market. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Issuer, the expressions “assets” and “obligations for the payment of borrowed money” as used in this § 3 do not include assets and obligations of the Issuer which, pursuant to the requirements of law and accounting principles generally accepted in [**in the case of Notes by Deutsche Telekom insert:** Germany], [**in the case of Notes issued by Finance, insert:** The Netherlands] need not, and are not, reflected in the Issuer’s balance sheet.

in the case of
Notes issued by
Finance:

[(2)] *Guarantee and Negative Pledge of the Guarantor.* The Guarantor has given its unconditional and irrevocable guarantee (the “Guarantee”) for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Note [or Coupon] [or Receipt]. The Guarantor has further undertaken in a negative pledge (the “Negative Pledge”), so long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to grant or permit to subsist any encumbrance over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness (as defined above) issued or guaranteed by the Guarantor or by any other person, without at the same time having the Holders share equally and

rateably in such security. The Guarantee and Negative Pledge constitute a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with § 328 of the German Civil Code, giving rise to the right of each Holder to require performance of the Guarantee and the Negative Pledge directly from the Guarantor and to enforce the Guarantee and the Negative Pledge directly against the Guarantor. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Guarantor, the expressions “assets” and “obligations for the payment of borrowed money” as used in this § 3 do not include assets and obligations of the Guarantor which, pursuant to the requirements of law and accounting principles generally accepted in Germany, need not, and are not, reflected in the Guarantor’s balance sheet. Copies of the Guarantee and Negative Pledge may be obtained free of charge at the specified offices of each of the Paying Agents.]

§ 4 Interest

in the case of
Fixed Rate Notes
insert:

[(1) *Rate of Interest and Interest Payment Dates.* The Notes bear interest on their principal amount at the rate of **[insert Rate of Interest]** per cent. per annum from (and including) **[insert Interest Commencement Date]** to (but excluding) the Maturity Date. Interest shall be payable in arrears on **[insert Fixed Interest Date(s)]** in each year (each such date, an “Interest Payment Date”). The first payment of interest shall be made on **[insert First Interest Payment Date]** **[if First Interest Payment Date is not first anniversary of Interest Commencement Date insert: and will amount to [insert Initial Broken Amount(s)].]** **[if Maturity Date is not a Fixed Interest Date insert: Interest in respect of the period from (and including) [insert Fixed Interest Date preceding the Maturity Date] to (but excluding) the Maturity Date will amount to [insert Final Broken Amount(s)].]** **[If the Specified Currency is a currency other than U.S. dollar and if Actual/Actual (ISMA) is applicable insert: The number of Interest Payment Dates per calendar year (each a “Determination Date”) is [insert number of regular interest payment dates per calendar year].]**

[In the case of Notes represented by Global Notes insert:

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes until the expiry of the day preceding the day of actual redemption of the Notes at the default rate of interest established by law.]

[In the case of Definitive Notes insert:

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the expiry of the day preceding the day of actual redemption of the Notes at the default rate of interest established by law, but not beyond the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).]

in the case of
Floating Rate
Notes insert:

[(1) *Interest Payment Dates.*

(a) The Notes bear interest on their principal amount from (and including) **[insert Interest Commencement Date]** (the “Interest Commencement Date”). Interest on the Notes shall be payable on each Interest Payment Date. “Interest Payment

Date” means **[in the case of Specified Interest Payment Dates insert: each [insert Specified Interest Payment Dates]] [in the case of Specified Interest Periods insert: each date which (except as otherwise provided in these Terms and Conditions) falls [] [weeks] [months] [insert other specified period(s)]** after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]

(b) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

[if Modified Following Business Day Convention insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be brought forward to the immediately preceding Business Day.]

[if FRN Convention insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent payment date shall be the last Business Day in the month which falls **[[insert number] months] [insert other specified period(s)]** after the preceding applicable payment date.]

[if Following Business Day Convention insert: postponed to the next day which is a Business Day.]

[if Preceding Business Day Convention insert: brought forward to the immediately preceding Business Day.]

In this § 4 “Business Day” means **[if the Specified Currency is not Euro insert:** a day which is a day (other than a Saturday or a Sunday) on which commercial banks are generally open for business in, and foreign exchange markets settle payments in **[insert all relevant financial centres]] [if the Specified Currency is Euro insert:** a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (“TARGET”) are operational to effect the relevant payment].

(2) *Rate of Interest.* **[if Screen Rate Determination insert:** The rate of interest (the “Rate of Interest”) for each Interest Period (as defined below) will, except as provided below, be the offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of 11:00 a.m. ([London] [Brussels] time) on the Interest Determination Date (as defined below) **[if Margin insert:** [plus] [minus] the Margin (as defined below)], all as determined by the Calculation Agent.

“Interest Period” means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

“Interest Determination Date” means the [second] **[insert other applicable number of days] [TARGET] [London] [insert other relevant location]** Business Day prior to the commencement of the relevant Interest Period. **[in case of a TARGET Business Day insert:** “TARGET Business Day” means a day which is a day on which the Trans-European Automated Real-time Gross Settlement Transfer system (TARGET) is operating.] **[in case of a non-TARGET Business Day insert:** “[London] **[insert other relevant location]** Business Day” means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [London] **[insert other relevant location].]**

[if Margin insert: “Margin” means [•] per cent. per annum.]

“Screen Page” means, **[insert relevant Screen Page].**

[If another basis for determining any reference rate is to apply, insert applicable provisions].

If the Screen Page is not available or if, no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the [London] [Euro-Zone] interbank market at approximately 11.00 a.m. ([London] [Brussels] time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one **[if the Reference Rate is EURIBOR insert: thousandth of a percentage point, with 0.0005]** **[if the Reference Rate is not EURIBOR insert: hundred-thousandth of a percentage point, with 0.000005]** being rounded upwards) of such offered quotations **[if Margin insert: [plus] [minus] the Margin]**, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one **[if the Reference Rate is EURIBOR insert: thousandth of a percentage point, with 0.0005]** **[if the Reference Rate is not EURIBOR insert: hundred-thousandth of a percentage point, with 0.000005]**, being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. ([London] [Brussels] time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the [London] [Euro-Zone] interbank market **[if Margin insert: [plus] [minus] the Margin]** or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the [London] [Euro-Zone] interbank market (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) **[if Margin insert: [plus] [minus] the Margin]**. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered **[if Margin insert: [plus] [minus] the Margin]** (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).]

As used herein, "Reference Banks" means **[if no other Reference Banks are specified in the Pricing Supplement, insert: , in the case of (a) above, those offices [in the case of EURIBOR insert: of not less than five]** of such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page and, in the case of (b) above, those offices **[in the case of EURIBOR insert: of not less than five]** of such banks whose offered quotations last appeared on the Screen Page when no fewer than three such offered quotations appeared **[if other Reference Banks are specified in the Pricing Supplement, insert names here].]**

[In the case of Euro-Zone interbank market insert: "Euro-Zone" means the region comprised of those member states of the European Union that have adopted, or

will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992) and the Amsterdam Treaty of October 2, 1997, as further amended from time to time.]

[if Reference Rate is other than LIBOR or EURIBOR insert relevant details in lieu of the provisions of this subparagraph 2]

[if ISDA Determination applies insert the relevant provisions and attach the relevant 2000 ISDA Definitions published by the International Swap and Derivatives Association]

[If another method of determination applies, insert relevant details in lieu of the provisions of this subparagraph (2).]

[If Minimum and/or Maximum Rate of Interest applies insert:

(3) *[Minimum] [and] [Maximum] Rate of Interest.*

[If Minimum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than **[insert Minimum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[insert Minimum Rate of Interest].]**

[If Maximum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than **[insert Maximum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[insert Maximum Rate of Interest].]**

[(4)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "Interest Amount") payable on the Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(5)] *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause notification of the Rate of Interest and each Interest Amount for each Interest Period and of the applicable Interest Payment Date to the Issuer **[in the case of Notes issued by Finance:** and to the Guarantor] and to the Holders in accordance with § 13 as soon as possible after their determination, but in no event later than the fourth [London] [TARGET] **[insert other relevant location]** Business Day (as defined in § 4(2)) thereafter and, if required by the rules of such stock exchange, to any stock exchange on which the Notes are from time to time listed as soon as possible after their determination, but in no event later than the first day of the applicable Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are for the time being listed and to the Holders in accordance with § 13.

[(6)] *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, [the Guarantor,] the Fiscal Agent, the Paying Agents and the Holders.

[In the case of Notes represented by Permanent Global Notes insert:

[(7)] *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the expiry of the day preceding the day of actual redemption of the Notes. The applicable Rate of Interest will be the default rate of interest established by law.]

[In the case of Definitive Notes insert:

[(7)] *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the expiry of the day preceding the day of actual redemption of the Notes, but not beyond the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent. The applicable Rate of Interest will be the default rate of interest established by law.]

in the case of
Zero Coupon
Notes insert:

[(1)] *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes.

[In the cases of Zero Coupon Notes which are represented by a Permanent Global Note insert:

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the outstanding principal amount of the Notes as from the due date to the expiry of the day preceding the day of actual redemption at the default rate of interest established by law.]

[In the case of Zero Coupon Definitive Notes insert:

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the outstanding principal amount of the Notes as from the due date to the expiry of the day preceding the day of actual redemption at the default rate of interest established by law, but not beyond the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

[In the case of Index Linked Notes or Cedit Linked Notes relating to interest, insert all applicable provisions regarding interest. The same applies in the case of Dual Currency Notes.]

[()] *Day Count Fraction.* "Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "Calculation Period"):

[In the case of Fixed Rate Notes, if the Specified Currency is a currency other than U.S. dollar and if Actual/Actual (ISMA) is applicable insert:

1. if the Calculation Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period (from and including the first day of such period but excluding the last) divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3 (1)) that would occur in one calendar year, or

2. if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of: (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3 (1)) that would occur in one calendar year, and (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3 (1)) that would occur in one calendar year.

“Determination Period” means the period from (and including) a Determination Date to, but excluding, the next Determination Date.]

[if Actual/Actual (ISMA Rule 251) insert: the actual number of days in the Calculation Period divided by (365 or 366) in the respective annual interest period **[insert other relevant Actual/Actual method pursuant to ISMA].]**

[if Actual/365 (Fixed): the actual number of days in the Calculation Period divided by 365.]

[if Actual/360: the actual number of days in the Calculation Period divided by 360.]

[if 30/360, 360/360 or Bond Basis: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[if 30E/360 or Eurobond Basis: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period).]

§ 5 Payments

(1) *Payment of Principal.* **[in the case of Notes represented by Definitive Notes:** Payment of principal in respect of Definitive Notes shall be made, subject to subparagraph (3) below, against presentation and (except in the case of partial payment) surrender of the relevant Note at the specified office of any Paying Agent outside the United States.]

in the case of
Notes represented
by a Permanent Global Note
insert:

[Payment of principal in respect of Notes represented by a Global Note shall be made, subject to subparagraph (3) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and surrender of the Global Note at the specified office of any Paying Agent outside the United States.]

in the case of
Instalment
Notes insert:

[Payment of Instalment Amounts in respect of an Instalment Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt and, in the case of the final Instalment Amount, surrender of the Note at the specified office of any Paying Agent outside the United States. Receipts are not documents of title and, if separated from the Note to which they relate, shall not represent any obligation of the Issuer. Accordingly, the presentation of an Instalment Note without the relevant Receipt or the presentation of a Receipt without the Note to which it pertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.]

For purposes of **[in the case of TEFRA D Notes insert:** subparagraph [(4)] of § 1 and] this § 5, "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

in the case of
Notes other than
Zero Coupon
Notes insert:

[(2) *Payment of Interest.* [in the case of Notes represented by Definitive Notes: Payment of interest on Definitive Notes with Coupons shall be made, subject to paragraph (3), against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Notes, at the specified office of any Paying Agent outside the United States.]

[in the case of Notes represented by a Permanent Global Note insert: Payment of interest on Notes represented by a Permanent Global Note shall be made, subject to subparagraph (3), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System against presentation of the Permanent Global Note at the specified office of any Paying Agent outside the United States.]

[in the case of interest payable on a TEFRA D Temporary Global Note insert: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (3), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, against presentation of the Temporary Global Note at the specified office of any Paying Agent outside the United States, upon due certification as provided in § 1[(4)](b).]

(3) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made

In the case of
Notes repre-
sented by
Global Notes
insert:

[in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.]

In the case of
Notes repre-
sented by
Definitive Notes
insert:

[in the case of payments in a currency other than euro or U.S. dollars insert: by **[insert Specified Currency]** check drawn on a bank in **[insert Principal Financial Centre of Country of Specified Currency]** or, at the option of the payee, by transfer to an account denominated in **[insert Specified Currency]** maintained by the payee with a bank in **[insert Principal Financial Centre of Country of Specified Currency].]**

[in the case of payments in U.S. dollars insert: by U.S. dollar check drawn on a bank in New York City or, at the option of the payee, by transfer to a U.S. dollar account maintained by the payee at a bank outside the United States. If payment of principal or interest at the offices of all paying agents outside the United States becomes illegal or is effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, the Issuer will appoint an office or agent in the United States at which such payment may be made.]

[in the case of payments in euro insert: in cash or by check denominated in euro drawn on or, at the option of the payee, by transfer to a euro account maintained by the payee with, a bank in the principal financial centre of a country which has become a participating member state in European Economic and Monetary Union as contemplated by the Treaty on European Union which was signed at Maastricht on 7 February 1992 and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.]

(4) *Discharge.*

[In the case of Notes represented by Global Notes insert:

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

[In the case of Definitive Notes insert:

In the case of any Notes held through any Clearing System, the Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note [or Coupon] [or Receipt] is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "Payment Business Day" means any day which is **[in the case of Notes not denominated in Euro insert:** a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[insert all relevant financial centres]]** **[in the case of Notes denominated in Euro insert:** a day (other than a Saturday or a Sunday) on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) are operational to forward the relevant payment] **[in the case of Definitive Notes insert:** and banks in the place where the Paying Agent is located and where the Notes [,] [Coupons] [,] [Talons] [or] [Receipts] are presented for payment are open for business].

in the case of
Definitive Notes
initially delivered
with Coupons,
Talons or
Receipts insert:

(6) *Surrender of [Coupons][,] [Talons] [and] [Receipts].* Each Note initially delivered with Coupons [or Talons] [or Receipts] attached thereto must be presented and, except in the case of partial payment of the redemption amount, surrendered for final redemption together with all unmatured Coupons [and Talons] [and Receipts] relating thereto, failing which

[in the case of Fixed Rate Notes insert: the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due) shall be deducted from the amount otherwise payable on such final redemption [,] [and] [.]

[in the case of Floating Rate Notes insert: all unmatured Coupons relating to such Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them [,] [and] [.]

[in the case of Definitive Notes initially delivered with Talons insert: all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them [,] [and] [.]

[in the case of Definitive Notes initially delivered with Receipts insert: all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect to them.]

If the Notes should be issued with a maturity date and an interest rate or rates such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted in accordance with the foregoing would be greater than the redemption amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmatured Coupons (whether or not attached) shall become void

(and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted in accordance with the foregoing would not be greater than the redemption amount otherwise due for payment. Where the application of the preceding sentence requires some but not all of the unmatured Coupons relating to a Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.]

[in the case of Definitive Notes initially delivered with Talons insert:

(7) *Exchange of Talons.* On or after the Interest Payment Date on which the final Coupon in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent, in exchange for a further Coupon sheet (including any appropriate further Talon). Each Talon shall, for the purpose of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon in the relative Coupon sheet matures.]]

[(8)] *References to Principal and Interest.* Reference in these Terms and Conditions to principal in respect of the Notes be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[if redeemable at option of Issuer for other than taxation reasons insert: the Call Redemption Amount of the Notes;]** **[if redeemable at option of the Holder insert: the Put Redemption Amount of the Notes;]** **[in the case of Zero Coupon Notes insert: the Amortised Face Amount of the Notes;]** **[in the case of Instalment Notes insert: the Instalment Amount(s) of the Notes;]** and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 8.

[(9)] *Deposit of Principal and Interest.* The Issuer may deposit with the *Amtsgericht* in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

**§ 6
Redemption**

(1) *Redemption at Maturity.*

in the case of
Notes other than
Instalment
Notes insert:

[Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[[in the case of a specified Maturity Date insert such Maturity Date]** (the “Maturity Date”) **[in the case of a Redemption Month insert: the Interest Payment Date falling in [insert Redemption Month]]**. The Final Redemption Amount in respect of each Note shall be **[insert Final Redemption Amount per Specified Denomination]**.]

in the case of
Instalment
Notes insert:

[Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at the Instalment Date(s) and in the Instalment Amount(s) set forth below:

Instalment Date(s)	Instalment Amount(s)
[insert Instalment Date(s)]	[insert Instalment Amount(s)]
[_____]	[_____]
[_____]	[_____]

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of **[in the case of Notes issued by Finance:**

the Netherlands or] the Federal Republic of Germany or any political subdivision or taxing authority thereof or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after **[insert Issue Date]**, the Issuer **[in the case of Notes issued by Finance: or the Guarantor being unable for reasons outside its control to procure payment by the Issuer,]** will become obligated to pay Additional Amounts (as defined in § 8 herein **[in the case of Notes issued by Finance: and in the Guarantee, respectively]**) and this obligation cannot be avoided by the use of measures reasonably available to the Issuer **[in the case of Notes issued by Finance: or the Guarantor]**, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 13 to the Holders, at their Early Redemption Amount (as defined below), together with interest accrued to the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** would be obligated to pay such Additional Amounts, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect. **[in the case of Floating Rate Notes insert: The date fixed for redemption must be an Interest Payment Date.]**

Prior to the publication of any notice of redemption pursuant to this paragraph (3), the Issuer shall deliver to the Fiscal Agent a certificate signed by a director of **[in the case of Notes issued by Deutsche Telekom: the Issuer] [in the case of Notes issued by Finance: the Guarantor]** stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** has or will become obliged to pay such additional amounts as a result of such change or amendment.

Any such notice of redemption shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

if Notes are subject to Early Redemption at the option of the Issuer insert:

[(3) Early Redemption at the Option of the Issuer.

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes on the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Call Redemption Date. **[if Minimum Redemption Amount or Higher Redemption Amount applies insert: Any such redemption must be of a principal amount equal to [at least [Minimum Redemption Amount]] [Higher Redemption Amount]**

Call Redemption Date(s)	Call Redemption Amount(s)
[insert Call Redemption Date(s)]	[insert Call Redemption Amounts]
[_____]	[_____]
[_____]	[_____]

[if Notes are subject to Early Redemption at the Option of the Holder insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph [(4)] of this § 6.]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 13 and to the Fiscal Agent (the notice to the Fiscal Agent to be

given not less than 15 days before the giving of notice to the Holders). Such notice shall specify:

- (i) the Series of Notes subject to redemption;
 - (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and, if the Notes are represented by Definitive Notes, the serial numbers of the Notes which are to be redeemed;
 - (iii) the Call Redemption Date, which shall be not less than 15 nor more than 30 days after the date on which notice is given by the Issuer to the Holders; and
 - (iv) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, **[in the case of Definitive Notes insert:** the Notes to be redeemed shall be drawn by lot in such European cities as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair.] **[if Notes are represented by a Permanent Global Note insert:** the Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

if the Notes are subject to Early Redemption at the Option of a Holder insert:

[(4)] Early Redemption at the Option of a Holder.

- (a) The Issuer shall, upon the exercise of the relevant option by the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s) [insert Put Redemption Date(s)]	Put Redemption Amount(s) [insert Put Redemption Amount(s)]
[]	[]
[]	[]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under paragraph (2) **[if Notes are subject to Early Redemption at the Option of the Issuer insert:** or (3)] of this § 6.

- (b) In order to exercise such option, the Holder must, not less than 15 days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), deposit the relevant Note [together with all unmaturing Coupons appertaining thereto] during normal business hours at the specified office of any Paying Agent together with a duly completed early redemption notice ("Put Notice") in the form available from the specified office of any of the Paying Agents. No Note so deposited and option so exercised may be withdrawn or revoked.]

[(5)] Early Redemption Amount.

in the case of Notes other than Zero Coupon Notes insert:

[For purposes of subparagraph (2) of this § 6 and § 10, the Early Redemption Amount of a Note shall be [its Final Redemption Amount] **[other Redemption Amount – provide details].**]

- (a) For purposes of subparagraph (2) of this § 6 and § 10, the Early Redemption Amount of a Note shall be equal to the Amortised Face Amount of the Note.

in the case of
Zero Coupon
Notes insert:

- (b) The Amortised Face Amount of a Note shall be an amount equal to the sum of:
- (i) **[insert Reference Price]** (the "Reference Price"), and
 - (ii) the product of **[insert Amortisation Yield]** (compounded annually) and the Reference Price from (and including) **[insert Issue Date]** to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the "Calculation Period") shall be made on the basis of the Day Count Fraction (as defined in § 4).

- (c) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (ii) above to the date fixed for redemption or the date on which such Note becomes due and repayable shall refer to the earlier of (i) the date on which upon due presentation and surrender of the relevant Note (if required), payment is made, and (ii) the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

[In the case of Index Linked Notes or Credit Linked Notes relating to principal, insert all applicable provisions regarding principal. The same applies in the case of Dual Currency Notes.]

§ 7

Fiscal Agent[,] [and] Paying Agents [and Calculation Agent]

(1) *Appointment; Specified Offices.* The initial Fiscal Agent[,] [and] Paying Agents [and the Calculation Agent] and their respective initial specified offices are:

Fiscal Agent and Principal Paying Agent:	Citibank, N.A., London Office 5 Carmelite Street London EC4Y 0PA
Paying Agent[s]:	Citibank AG Neue Mainzer Strasse 75 D-60311 Frankfurt am Main
	Banque Générale du Luxembourg S.A. 50, avenue J. F. Kennedy L-2951 Luxembourg

[insert other Paying Agents and specified offices]

[Calculation Agent] **[insert name and specified office]**

The Fiscal Agent[,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent [or the Calculation Agent] and to appoint another Fiscal Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent[,] [and] (ii) a Paying Agent in addition to the Fiscal Agent with a specified office in a continental European city and outside Germany **[in the case of**

Notes listed on a stock exchange insert: [,] [and] (iii) so long as the Notes are listed on the [name of Stock Exchange], a Paying Agent (which may be the Fiscal Agent) with a specified office in [location of Stock Exchange] and/or in such other place as may be required by the rules of such stock exchange] [**in the case of Notes denominated in U.S. dollars insert:** [,] [and] [(iv)] in the circumstances described in § 5 (3), a Paying Agent with a specified office in New York City] [**if any Calculation Agent is to be appointed, insert** [,] [and] [(v)] a Calculation Agent [**insert if Calculation Agent is required to maintain a specified office in a required location:** with a specified office located in [insert required location]]. [**in the case of Definitive Notes insert:** In the event that any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of November 26–27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive is introduced, the Issuer shall at all times maintain a Paying Agent in a Member State of the European Union that will not be obliged to deduct or withhold tax pursuant to any such Directive or law, to the extent this is possible in a Member State of the European Union.] Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.

(3) *Fiscal Agents of the Issuer.* The Fiscal Agent[,] [and] the Paying Agent(s) [and the Calculation Agent] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

§ 8 Taxation

Principal and interest shall be payable by the Issuer without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of [**in the case of Notes being issued by Finance insert:** The Netherlands or] the Federal Republic of Germany or by or on behalf of any political subdivision or authority therein having power to tax (hereinafter together called "Withholding Taxes"), unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts of principal and interest as may be necessary in order that the net amounts received by the Holder after such deduction or withholding shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such additional amounts shall, however, be payable on account of any taxes, duties or governmental charges which

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with [**in the case of Notes being issued by Finance insert:** The Netherlands or] the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, [**in the case of Notes being issued by Finance insert:** The Netherlands or] the Federal Republic of Germany; or
- (c) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany, The Netherlands or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with such directive, regulation, treaty or understanding; or

(d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for, and notice thereof is published in accordance with the Conditions whichever occurs later.

In the case of
Definitive Notes
insert:

(e) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or

(f) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution.]

In the case of
Notes represent-
ed by Global
Notes insert:

[§ 9 Presentation Period

The presentation period provided in § 801 paragraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Notes.]

In the case of
Definitive Notes
insert:

[§ 9 Presentation Period, Replacement of Notes [If the Notes are issued with Coupons insert: and Coupons]

The presentation period provided in § 801 paragraph 1, sentence 1 BGB (*German Civil Code*) is reduced to ten years for the Notes. **[If the Notes are issued with Coupons insert:** The presentation period for the Coupons shall, in accordance with § 801 paragraph 2 BGB (*German Civil Code*), be four years, beginning with the end of the calendar year in which the relevant Coupon falls due. The right pursuant to § 804 paragraph 1, sentence 1 BGB in respect of lost or destroyed coupons is excluded (§ 804 paragraph 2 BGB).] Should any Note **[if the Notes are issued with Coupons insert: or Coupon]** be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, subject to relevant stock exchange requirements and all applicable laws, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes **[if the Notes are issued with Coupons insert: or Coupons]** must be surrendered before replacements will be issued.]

§ 10 Acceleration

(1) *Right of Acceleration.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 6[(5)], together with accrued interest (if any) to the date of repayment, in the event that any of the following events (each, an “Acceleration Event”) occurs:

- (a) the Issuer fails to pay principal or interest within 30 days from the relevant due date, or
- (b) the Issuer fails duly to perform any other obligation arising from the Notes **[in the case of Notes issued by Finance:** or the Guarantor fails to perform any obligation arising from the Guarantee referred to in § 3] which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 60 days after the Fiscal Agent has received notice thereof from a Holder, or
- (c) any Capital Market Indebtedness (as defined in § 3 (1)) of the Issuer **[in the case of Notes issued by Finance:** or the Guarantor] becomes prematurely repayable as a result of a default in respect of the terms thereof, or the Issuer **[in the case of Notes issued by Finance:** or the Guarantor] fails to fulfil any payment obligation in excess of euro 25,000,000 or the equivalent thereof

under any Capital Market Indebtedness or under any guarantee or suretyship given for any Capital Market Indebtedness of others within 30 days from its due date or, in the case of a guarantee or suretyship, within 30 days after the guarantee or suretyship has been invoked, unless the Issuer, **[in the case of Notes issued by Finance: or the Guarantor]** shall contest in good faith that such payment obligation exists or is due or that such guarantee or suretyship has been validly invoked, or if a security granted therefor is enforced on behalf of or by the creditor(s) entitled thereto, or

- (d) the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** announces its inability to meet its financial obligations or ceases its payments, or
- (e) a court opens insolvency proceedings against the Issuer **[in the case of Notes issued by Finance: or the Guarantor]**, or the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or **[in the case of Notes issued by Finance: the Issuer applies for a “surseance van betaling” (within the meaning of the Statute of Bankruptcy of The Netherlands), or]**
- (f) the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** goes into liquidation unless this is done in connection with a merger, or other form of combination with another company and such company assumes all obligations contracted by the Issuer **[in the case of Notes issued by Finance: or the Guarantor]**, as the case may be, in connection with this issue, or
- (g) any governmental order, decree or enactment shall be made in or by **[in the case of Notes issued by Finance: The Netherlands or]** the Federal Republic of Germany whereby the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** is prevented from observing and performing in full its obligations as set forth in these Conditions **[in the case of Notes issued by Finance: and in the Guarantee, respectively,]** and this situation is not cured within 90 days **[, or]**
- in the case of Notes issued by Finance:** [(h) the Guarantee ceases to be valid and legally binding for any reason whatsoever.]

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(2) *Quorum.* In the events specified in § 10 subparagraph (1)(b) or subparagraph (1)(c), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 10 subparagraph (1)(a), (1)(d), (1)(e), (1)(f) [or] (1)(g) [or] (1)(h) entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such notices from the Holders of at least one-tenth in principal amount of Notes then outstanding.

(3) *Form of Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration delivered by hand or registered mail to the specified office of the Fiscal Agent.

§ 11 Substitution

(1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer **[in the case of Notes issued by Finance: either the Guarantor or]** any Subsidiary (as defined below) **[in the case of Notes issued by Deutsche Telekom: of it]** **[in the**

case of Notes issued by Finance: of the Guarantor] as principal debtor in respect of all obligations arising from or in connection with this issue (the “Substitute Debtor”) provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes [and the Coupons] [and the Receipts];
- (b) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Fiscal Agent in the Specified Currency and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes [and Coupons] [and Receipts];
- (c) [**in the case of Notes issued by Deutsche Telekom:** the Issuer] [**in the case of Notes issued by Finance:** the Guarantor if it is not itself the Substitute Debtor] irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes [**in the case of Notes issued by Finance:** , such guarantee being substantially in the form of the Guarantee] [**in the case of Notes issued by Deutsche Telekom:** and such guarantee contains a covenant by the guarantor corresponding to the provisions in § 3].
- (d) there shall have been delivered to the Fiscal Agent an opinion or opinions of lawyers of recognised standing to the effect that subparagraphs (a), (b) and (c) above have been satisfied.

For purposes of these Conditions “Subsidiary” shall mean any corporation or partnership in which Deutsche Telekom directly or indirectly in the aggregate holds not less than 90% of the capital of any class or of the voting rights.

(2) *Notice.* Any notice of such substitution shall be published in accordance with § 13.

(3) *References.* In the event of such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.

§ 12

Further Issues, Purchases and Cancellation

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases.* The Issuer may at any time purchase Notes [,] [and] [Coupons] [and] [Receipts] in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

[If the Notes are to be issued with Coupons insert:

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith together with all unmatured Coupons surrendered therewith or attached thereto and may not be reissued or resold.]

[If the Notes are to be issued without Coupons insert:

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.]

**§ 13
Notices**

(1) *Publication.* All notices concerning the Notes shall be published in a leading daily newspaper having general circulation in [Luxembourg] [London] [Germany] **[specify other location]**, which is expected to be [the *Luxemburger Wort*] [the *Financial Times*] [the *Börsen-Zeitung*] **[insert other applicable newspaper having general circulation in Europe]**. Any notice so given will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the first day of any such publication).

(2) *Notification to Clearing System.* **[in the case of Notes which may be represented by Definitive Notes:** Until such time as Definitive Notes shall be issued, there] [There] may **[in the case of Notes listed on a Stock Exchange, insert:** (provided that, so long as any Notes are listed on **[insert name of Stock Exchange]** the rules of such stock exchange permit), so long as any Global Note is held in its entirety on behalf of the Clearing System, be substituted for such publication in some or all of the newspapers referred to above the delivery of the relevant notice to the Clearing System, for communication by the Clearing System to the Holders provided that, if and for so long as the Notes are listed on the Luxembourg Stock Exchange, such notice will also be published in a daily newspaper of general circulation in Luxembourg. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.]

**§ 14
Applicable Law, Place of Performance, Place of Jurisdiction and Enforcement**

(1) *Applicable Law.* The Notes[,] [and] [the Coupons] [,] [and] [the Talons] [and the Receipts], as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

(2) *Place of Performance.* Place of performance shall be Frankfurt am Main.

(3) *Submission to Jurisdiction.* The **[in the case of Notes issued by Deutsche Telekom: exclusive]** place of jurisdiction for all legal proceedings arising out of or in connection with the Notes [or the Coupons] [or the Talons] [or the Receipts] shall be Frankfurt am Main. **[in the case of Notes issued by Finance:** Each Holder, however, may pursue his claims also before any other court of competent jurisdiction] The German courts shall have exclusive jurisdiction over the annulment of lost or destroyed Notes. The Issuer hereby submits to the jurisdiction of the courts referred to in this subparagraph.

[in the case of Notes issued by Finance:

(4) *Appointment of Authorized Agent.* For any legal disputes or other proceedings before German courts, the Issuer appoints Deutsche Telekom Aktiengesellschaft, as its authorized agent for service of process in Germany].

[(5)] *Enforcement.* Any Holder of Notes [and Coupons] [and Receipts] through a Clearing System may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes [and Coupons] [and Receipts] on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specify-

ing the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global or definitive form certified as being a true copy by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global Note or Definitive Note or (iii) any other means of proof permitted in legal proceedings in the country of enforcement. For purposes of the foregoing, "Custodian" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

§ 15 Language

[The Conditions are written in the [German] [English] language only.]

[The Conditions are written in the [German] [English] language and provided with [an English] [a German] language translation. The [German] [English] text shall be controlling and binding. The [English] [German] language translation is provided for convenience only.]

[in the case of Notes that are publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der Deutsche Telekom Aktiengesellschaft, Friedrich-Ebert-Allee 140, D-63105 Bonn, und [der] [den] Zahlstelle[n] zur kostenlosen Ausgabe bereitgehalten.]

Vorgehensweise bei einer Emission

Allgemeines

Die jeweilige Emittentin und die jeweiligen Dealer vereinbaren die Emissionsbedingungen, die auf eine bestimmte Tranche von Schuldverschreibungen Anwendung finden sollen (die „Bedingungen“). Diese Bedingungen ergeben sich aus den Emissionsbedingungen, die durch die in dem für die Schuldverschreibungen geltenden Konditionenblatt enthaltenen Angaben vervollständigt, abgeändert, ergänzt oder ersetzt werden. Das jeweilige Konditionenblatt für eine Tranche von Schuldverschreibungen bestimmt:

- ob es sich bei den Bedingungen um **nicht-konsolidierte Bedingungen** oder um **konsolidierte Bedingungen** handeln soll; und
- ob die Bedingungen in deutscher, in englischer oder in beiden Sprachen abgefaßt sein sollen (und im letzteren Fall, ob die englischsprachige oder die deutschsprachige Fassung maßgeblich und verbindlich sein soll).

Für die Frage, welche Sprache für die jeweiligen Bedingungen verbindlich und maßgeblich sein soll, gehen die Emittentinnen davon aus, daß vorbehaltlich geltender Börsenbestimmungen oder Gesetzesvorschriften und sofern nichts Abweichendes zwischen der jeweiligen Emittentin und den betreffenden Dealern vereinbart wird, im allgemeinen folgendes gilt:

- Bei Schuldverschreibungen, die auf syndizierter Basis verkauft und vertrieben werden, wird im allgemeinen die deutschsprachige Fassung maßgebend und verbindlich sein.
- Bei Schuldverschreibungen, die insgesamt oder teilweise öffentlich zum Verkauf in der Bundesrepublik Deutschland angeboten werden, oder die insgesamt oder teilweise in der Bundesrepublik Deutschland an nicht-berufsmäßige Investoren vertrieben werden, wird die deutschsprachige Fassung verbindlich und maßgeblich sein. Für den Fall, daß bei einem solchen öffentlichen Angebot oder Vertrieb an nicht-berufsmäßige Investoren die englische Sprache maßgeblich und verbindlich ist, ist bei der auf der Rückseite dieses Information Memorandum angegebenen Geschäftsstellen der Zahlstellen und der Deutsche Telekom Aktiengesellschaft eine Übersetzung erhältlich.

Bei der Frage, ob **nicht-konsolidierte** oder **konsolidierte Bedingungen** gelten sollen, gehen die Emittentinnen davon aus, daß:

- **nicht-konsolidierte Bedingungen** für Schuldverschreibungen verwendet werden, die nicht öffentlich angeboten werden;
- **konsolidierte Bedingungen** im allgemeinen bei Schuldverschreibungen verwendet werden, die auf syndizierter Basis verkauft und vertrieben werden. Konsolidierte Bedingungen sind erforderlich, wenn die Schuldverschreibungen insgesamt oder teilweise öffentlich angeboten oder an nicht-berufsmäßige Investoren vertrieben werden sollen.

Nicht-konsolidierte Bedingungen

Bestimmt das Konditionenblatt, daß für die Schuldverschreibungen nicht-konsolidierte Bedingungen gelten sollen, so bestimmen sich die jeweils geltenden Bedingungen aus den Angaben des Konditionenblatts sowie den Emissionsbedingungen. Die Bedingungen ergeben sich in diesem Fall wie folgt:

- Die Leerstellen in den Emissionsbedingungen gelten als durch die im Konditionenblatt enthaltenen Angaben ausgefüllt, als ob sie tatsächlich durch diese Angaben ausgefüllt worden wären;
- sofern das Konditionenblatt die Änderung, Ergänzung oder Ersetzung bestimmter Emissionsbedingungen vorsieht, gelten die betreffenden Bestimmungen der Emissionsbedingungen als entsprechend geändert, ergänzt oder (vollständig oder teilweise) ersetzt;
- alternative oder wählbare Bestimmungen der Emissionsbedingungen, deren Anwendung im Konditionenblatt nicht vorgesehen ist oder die gestrichen sind, gelten als in den Bedingungen nicht enthalten; und
- sämtliche Anweisungen und Erläuterungen in den Emissionsbedingungen, die in eckige Klammern gesetzt sind, sowie sämtliche Fußnoten und Anmerkungen im Konditionenblatt gelten als in den Bedingungen nicht enthalten.

Im Falle von nicht-konsolidierten Bedingungen werden einer jeden die Schuldverschreibungen der betreffenden Serie verbriefenden Globalurkunde das Konditionenblatt und die Emissionsbedingungen beigelegt. Falls für die Schuldverschreibungen dieser Serie Einzelurkunden ausgegeben werden, so sind auf der Rückseite der Schuldverschreibungen nach Wahl der Emittentin entweder (i) das Konditionenblatt und die vollständigen Emissionsbedingungen, (ii) das Konditionenblatt und die Emissionsbedingungen in durch Streichung der nicht anwendbaren Bestimmungen vereinfachter Form oder (iii) konsolidierte Bedingungen wiedergegeben.

Konsolidierte Bedingungen

Bestimmt das Konditionenblatt, daß für die Schuldverschreibungen konsolidierte Bedingungen gelten sollen, so bestimmen sich die jeweils geltenden Bedingungen für diese Schuldverschreibungen wie folgt:

- sämtliche Leerstellen in allen anwendbaren Bestimmungen der Emissionsbedingungen werden gemäß den im Konditionenblatt enthaltenen Angaben ausgefüllt und alle nicht-anwendbaren Bestimmungen der Emissionsbedingungen (einschließlich der Anweisungen und Erläuterungen in eckigen Klammern) werden gestrichen; und/oder
- die Emissionsbedingungen werden gemäß den im Konditionenblatt enthaltenen Angaben auf sonstige Art und Weise abgeändert, ergänzt oder (ganz oder teilweise) ersetzt.

Bestimmt das Konditionenblatt die Geltung konsolidierter Bedingungen, so bestehen die anwendbaren Bedingungen ausschließlich aus den konsolidierten Bedingungen. Die konsolidierten Bedingungen werden einer jeden die Schuldverschreibungen der betreffenden Serie verbriefenden Globalurkunde beigelegt und werden auf der Rückseite der Einzelurkunden, gegen die die Globalurkunde(n) ausgetauscht wird/werden, wiedergegeben.

Emissionsbedingungen **(German Language Version of the Terms and Conditions)**

Diese Serie von Schuldverschreibungen wird gemäß einem geänderten und neu-gefaßten Agency Agreement vom 30. April 2003 (das „Agency Agreement“) zwischen Deutsche Telekom AG („Deutsche Telekom“), Deutsche Telekom International Finance B.V. („Finance“), Citibank, N.A., als Fiscal Agent und Zahlstelle (der „Fiscal Agent“, wobei dieser Begriff auch Nachfolger des Fiscal Agent einschließt) sowie den weiteren darin genannten Zahlstellen (gemeinsam mit dem Fiscal Agent die „Zahlstellen“ genannt, wobei dieser Begriff auch Nachfolger dieser Zahlstellen oder weitere Zahlstellen einschließt) begeben. **[Bei von Finance begebenen Schuldverschreibungen:** Die Schuldverschreibungen sind mit einer unbedingten und unwiderruflichen Garantie (die „Garantie“) der Deutsche Telekom (die „Garantin“) ausgestattet.]

bei nicht-konsolidierten Bedingungen:

[Die Bestimmungen dieser Emissionsbedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben des beigefügten Konditionenblattes (das „Konditionenblatt“) vervollständigt, geändert, ergänzt oder ganz oder teilweise ersetzt werden. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen dieser Emissionsbedingungen gelten als durch die im Konditionenblatt enthaltenen Angaben ausgefüllt, als ob die Leerstellen tatsächlich in den betreffenden Bestimmungen durch diese Angaben ausgefüllt worden wären. Sofern das Konditionenblatt die Änderung, Ergänzung oder (vollständige oder teilweise) Ersetzung von Bestimmungen dieser Emissionsbedingungen vorsieht, gelten die betreffenden Bestimmungen dieser Emissionsbedingungen als entsprechend geändert, ergänzt oder ersetzt. Alternative oder wählbare Bestimmungen dieser Emissionsbedingungen, deren Entsprechungen im Konditionenblatt nicht ausdrücklich ausgefüllt oder die gestrichen sind, gelten als aus diesen Emissionsbedingungen gestrichen. Sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Emissionsbedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als insoweit aus diesen Emissionsbedingungen gestrichen, wie dies erforderlich ist, um den Bestimmungen des Konditionenblattes Geltung zu verschaffen. Kopien des Konditionenblattes werden bei den bezeichneten Geschäftsstellen der Zahlstellen zur kostenlosen Ausgabe bereit gehalten. Soweit die Schuldverschreibungen nicht an einer Börse notiert sind, sind Kopien des Konditionenblattes allerdings ausschließlich für die Gläubiger solcher Schuldverschreibungen erhältlich.]

§ 1

Währung, Nennbetrag, Form und Eigentumsrecht **Definitionen**

(1) *Währung und Nennbetrag.* Diese Serie der Schuldverschreibungen der [] (die „Emittentin“) wird in [] (die „festgelegte Währung“) im Gesamtnennbetrag von [] begeben und ist eingeteilt in [[] Schuldverschreibungen im Nennbetrag von [],] [[] Schuldverschreibungen im Nennbetrag von []] [und] [] Schuldverschreibungen im Nennbetrag von [] (die „festgelegten Nennbeträge“).

bei vorläufiger Globalurkunde, die gegen Einzelurkunden ausgetauscht wird:

[(2) *Einzelurkunden.* Schuldverschreibungen in Form von Einzelurkunden („Einzelurkunden“) [sind bei ihrer anfänglichen Lieferung [Zinsscheine („Zinsscheine“)] [und Talons („Talons“) für weitere Zinsscheine] [und] [Rückzahlungsscheine („Rückzahlungsscheine“) für die Zahlung der Tilgungsraten] beigefügt] [und sie] sind fortlaufend numeriert.]

[(3) *Form und Eigentumsrecht.* Die Schuldverschreibungen [und die Zinsscheine] lauten auf den Inhaber. Die Übertragung des Eigentumsrechts an den Schuldverschreibungen [und Zinsscheinen] [und den durch die Rückzahlungsscheine verbrieften Rechten] erfolgt nach den Vorschriften des jeweils anwendbaren Rechts. Weder

die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** noch die Garantin] noch der Fiscal Agent oder die Zahlstellen sind verpflichtet, das Eigentumsrecht desjenigen, der Schuldverschreibungen [oder Zinsscheine] [oder Rückzahlungsscheine] vorlegt, zu überprüfen.

bei Schuldverschreibungen, die anfänglich in einer vorläufigen Globalurkunde verbrieft sind:

[[4)] *Vorläufige Globalurkunde – Austausch.*

- (a) Die Schuldverschreibungen sind anfänglich in einer vorläufigen Globalurkunde (die „vorläufige Globalurkunde“) **[bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:** ohne Zinsscheine] verbrieft. Die vorläufige Globalurkunde wird, wie nachstehend bestimmt, **[bei Austausch der vorläufigen Globalurkunde gegen Einzelurkunden:** gegen Einzelurkunden in den festgelegten Nennbeträgen [mit beigefügten [Zinsscheinen] [und] [Talons] [,] [und Rückzahlungsscheinen]]] **[bei Austausch der vorläufigen Globalurkunde gegen Einzelurkunden und Sammelglobalurkunden:** zum Teil gegen Einzelurkunden in den festgelegten Nennbeträgen [mit [Zinsscheinen] [und] [Talons] [,] [und Rückzahlungsscheinen] und zum anderen Teil gegen eine oder mehrere Sammelglobalurkunden (jeweils eine „Sammelglobalurkunde“) [mit Globalzinsscheinen (jeweils ein „Globalzinsschein“)] ausgetauscht; das Recht der Gläubiger, die Auslieferung von Einzelurkunden im Austausch gegen Schuldverschreibungen, die durch eine Sammelglobalurkunde verbrieft sind, zu fordern, richtet sich nach § 9a Absatz 3, Satz 1 Depotgesetz] **[bei Austausch der vorläufigen Globalurkunde gegen eine oder mehrere Dauerglobalurkunden:** gegen Schuldverschreibungen in den festgelegten Nennbeträgen, die durch [eine] **[falls mehrere Dauerglobalurkunden, Zahl angeben]** Dauerglobalurkunde[n] ((die) [jeweils eine] „Dauerglobalurkunde“) **[bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:** ohne Zinsscheine] ausgetauscht].
- (b) Die vorläufige Globalurkunde wird an einem Tag (der „Austauschtag“) gegen [Einzelurkunden] [zum Teil Einzelurkunden und zum anderen Teil Sammelglobalurkunden] [durch [eine] Dauerglobalurkunde[n] verbrieft]e Schuldverschreibungen] ausgetauscht, der **[bei TEFRA D Schuldverschreibungen:** mindestens 40 Tage und] nicht mehr als 180 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt **[bei TEFRA D Schuldverschreibungen:** , und zwar nach Vorlage von Bescheinigungen durch den jeweiligen Kontoinhaber bei dem Clearing-System sowie durch das Clearing-System bei der Emissionsstelle, in der Form von für diese Zwecke bei dem Fiscal Agent erhältlichen Formularen. Darin wird bescheinigt, daß der bzw. die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind, ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten]. [Dauerglobalurkunden] [Einzelurkunden], die im Austausch für die vorläufige Globalurkunde geliefert werden, werden ausschließlich außerhalb der Vereinigten Staaten (wie in § 5 Absatz 3 definiert) ausgeliefert.]

bei Schuldverschreibungen, die von Anfang an durch eine Dauerglobalurkunde verbrieft sind:

[[4)] *Dauerglobalurkunde.* Die Schuldverschreibungen sind in [einer] **[falls mehrere Dauerglobalurkunden, Zahl angeben]** Dauerglobalurkunde[n] ((die) [jeweils eine] „Dauerglobalurkunde“) **[bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:** ohne Zinsscheine] verbrieft.] Die Lieferung von Einzelurkunden kann nicht verlangt werden.

bei Schuldverschreibungen, die anfänglich in einer vorläufigen Globalurkunde verbrieft sind:

[[5)] *Bei Austausch von Globalurkunden zahlbare Gebühren.* Der Austausch einer Globalurkunde gemäß diesem § 1 erfolgt für die Inhaber der Schuldverschreibungen kostenfrei; lediglich in dem Fall, in dem die Einzelurkunden nicht persönlich bei der Geschäftsstelle des Clearing-Systems in Empfang genommen werden, sind die für Versicherung, Versand, Transport und ähnliches anfallenden Kosten vom Empfänger der Einzelurkunden zu tragen.]

[(6)] *Unterzeichnung der Schuldverschreibungen.* Die Globalurkunden sind namens der Emittentin durch zwei vertretungsberechtigte Personen der Emittentin zu unterschreiben. Sie tragen die Kontrollunterschrift des Fiscal Agent oder seines Beauftragten. **[Bei Einzelurkunden einfügen:** Einzelurkunden [,] [und] [Zinsscheine] [und] [Talons] [und Rückzahlungsscheine] sind namens der Emittentin durch faksimilierte Unterschriften von zwei vertretungsberechtigten Personen der Emittentin zu unterzeichnen. Die Einzelurkunden tragen außerdem die Kontrollunterschrift des Fiscal Agent oder seines Beauftragten. Jede Schuldverschreibung [,] [und] [jeder Zinsschein] [und] [jeder Talon] [und Rückzahlungsschein] ist mit einem Prägestempel versehen.]

[(7)] *Definitionen. In diesen Emissionsbedingungen bedeutet:*

„Clearing-System“ [sowohl] [Clearstream Banking AG, Frankfurt am Main, („CBF“)] [,] [als auch] [Clearstream Banking, société anonyme, Luxembourg („CBL“)] [,] [und] [Euroclear Bank S.A./N.V., als Betreiber des Euroclear Systems („Euroclear“)] [und] **[ggf. weitere Clearing-Systeme einfügen]** sowie jeder Funktionsnachfolger.

[im Falle einer Berechnungsstelle: „Berechnungsstelle“ [der Fiscal Agent] **[andere Berechnungsstelle einfügen]** und jeder Nachfolger des [Fiscal Agent] **[andere Berechnungsstelle einfügen]** in seiner Eigenschaft als Berechnungsstelle.]

„Globalurkunde“ die/jede [vorläufige Globalurkunde] [oder Sammelglobalurkunde] [oder] [Dauerglobalurkunde].

„Gläubiger“ in bezug auf die bei einem Clearing-System oder einem sonstigen zentralen Wertpapierverwahrer hinterlegten Schuldverschreibungen der Inhaber eines Miteigentumsanteils oder anderen Rechts an den hinterlegten Schuldverschreibungen, und andernfalls der Inhaber einer Schuldverschreibung [und/oder eines Zinsscheins] [und/oder eines Rückzahlungsscheins].

„Zahlstelle“ den Fiscal Agent in seiner Eigenschaft als Zahlstelle handelnd durch ihre nachstehend in § 7 bezeichnete Geschäftsstelle, die in § 7 genannte(n) Zahlstelle(n) oder eine gemäß § 7 ernannte Ersatz- oder weitere Zahlstelle.

Bezugnahmen in diesen Emissionsbedingungen auf die „Schuldverschreibungen“ beziehen sich auf die Schuldverschreibungen dieser Serie und schließen, wenn der Zusammenhang dies erfordert, Globalurkunden [und Einzelurkunden] ein.

Bezugnahmen auf die „festgelegte Währung“ schließen jede Nachfolge-Währung ein, die entweder durch Gesetz in dem Hoheitsgebiet, in dem die festgelegte Währung ausgegeben wird, oder durch eine zwischenstaatliche Vereinbarung eingeführt wird (die „Nachfolgewährung“), sofern Zahlungen in der ursprünglichen Währung nicht mehr als zulässiges Zahlungsmittel für Zahlungen der Emittentin hinsichtlich der Schuldverschreibungen **[bei von Finance begebenen Schuldverschreibungen:** bzw. für Zahlungen der Garantin hinsichtlich der Garantie] gelten.

§ 2

Status

Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind.

§ 3

Negativverpflichtung der Emittentin [, Garantie und Negativverpflichtung der Garantin]

[(1)] *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt worden sind, weder ihr gegen-

wärtiges noch ihr zukünftiges Vermögen ganz oder teilweise in irgendeiner Weise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit, die von der Emittentin oder einer anderen Person eingegangen oder gewährleistet ist, zu belasten oder eine solche Belastung zu diesem Zweck bestehen zu lassen, ohne gleichzeitig die Gläubiger an derselben Sicherheit im gleichen Rang und gleichen Verhältnis teilnehmen zu lassen. „Kapitalmarktverbindlichkeit“ ist jede Verbindlichkeit zur Zahlung aufgenommener Gelder, die durch Schuldscheine verbrieft, verkörpert oder dokumentiert ist oder durch Schuldverschreibungen oder sonstige Wertpapiere, die an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert oder gehandelt werden oder werden können. Um etwaige Zweifel bezüglich von asset-backed financings der Emittentin zu vermeiden, schließen die in diesem § 3 benutzten Worte „Vermögen“ und „Verbindlichkeiten zur Zahlung aufgenommener Gelder“ nicht solche Vermögensgegenstände und Verbindlichkeiten der Emittentin ein, die im Einklang mit den Gesetzen und den in **[im Falle von Schuldverschreibungen, die durch Deutsche Telekom begeben werden, einfügen: Deutschland] [im Falle von Schuldverschreibungen, die von Finance begeben werden, einfügen: den Niederlanden]** anerkannten Regeln der Bilanzierung und Buchführung nicht in der Bilanz der Emittentin ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

bei von Finance
begebenen
Schuldverschrei-
bungen:

[(2) *Garantie und Negativverpflichtung der Garantin.* Die Garantin hat die unbedingte und unwiderrufliche Garantie (die „Garantie“) für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen und sonstiger auf die Schuldverschreibungen [oder Zinsscheine] [oder Rückzahlungsscheine] zahlbarer Beträge übernommen. Die Garantin hat sich außerdem in einer Negativverpflichtung (die „Negativverpflichtung“) verpflichtet, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt worden sind, weder ihr gegenwärtiges noch ihr zukünftiges Vermögen ganz oder teilweise in irgendeiner Weise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit (wie vorstehend definiert), die von der Garantin oder einer anderen Person eingegangen oder gewährleistet ist, zu belasten oder eine solche Belastung zu diesem Zweck bestehen zu lassen, ohne gleichzeitig die Gläubiger an derselben Sicherheit im gleichen Rang und gleichem Verhältnis teilnehmen zu lassen. Die Garantie und die Negativverpflichtung stellen einen Vertrag zugunsten jedes Gläubigers als begünstigtem Dritten gemäß § 328 BGB dar, welcher das Recht jedes Gläubigers begründet, Erfüllung aus der Garantie und der Negativverpflichtung unmittelbar von der Garantin zu verlangen und die Garantie und die Negativverpflichtung unmittelbar gegen die Garantin durchzusetzen. Um etwaige Zweifel bezüglich von asset-backed financings der Garantin zu vermeiden, schließen die in diesem § 3 benutzten Worte „Vermögen“ und „Verbindlichkeiten zur Zahlung aufgenommener Gelder“ nicht solche Vermögensgegenstände und Verbindlichkeiten der Garantin ein, die im Einklang mit den Gesetzen und den in Deutschland anerkannten Regeln der Bilanzierung und Buchführung nicht in der Bilanz der Garantin ausgewiesen werden müssen und darin auch nicht ausgewiesen werden. Kopien der Garantie und Negativverpflichtung werden bei den bezeichneten Geschäftsstellen der Zahlstellen zur kostenlosen Ausgabe bereit gehalten.]

§ 4 Zinsen

bei festverzins-
lichen Schuld-
verschreibun-
gen:

[(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden in Höhe ihres Nennbetrages verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) mit jährlich **[Zinssatz einfügen]** %. Die Zinsen sind nachträglich am **[Festzinstermine) einfügen]** eines jeden Jahres zahlbar (jeweils ein „Zinszahlungstag“). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag einfügen] [sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist: und beläuft sich auf [den anfänglichen Bruchteilzinsbetrag/die anfänglichen Bruchteilzinsbeträge einfügen].] [Sofern der Fälligkeitstag kein Festzinstermine) ist: Die**

Zinsen für den Zeitraum vom **[den letzten dem Fälligkeitstag vorausgehenden Festzinsternin einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[den abschließenden Bruchteilzinsbetrag/die abschließenden Bruchteilzinsbeträge einfügen].** **[Falls die festgelegte Währung eine andere als US-Dollar ist und falls Actual/Actual (ISMA) anwendbar ist, einfügen:** Die Anzahl der Zinszahlungstage im Kalenderjahr (jeweils ein „Feststellungstermin“) beträgt **[Anzahl der regulären Zinszahlungstage im Kalenderjahr einfügen].**

[Im Fall von Schuldverschreibungen, die durch Globalurkunden verbrieft sind, einfügen:

(2) *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zu dem Tag, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht, in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen.]

[Im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft sind, einfügen:

(2) *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht, spätestens jedoch mit Ablauf des vierzehnten Tages nach der Bekanntmachung durch den Fiscal Agent gemäß § 13, daß ihm die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind. Der jeweils geltende Zinssatz ist der gesetzlich festgelegte Satz für Verzugszinsen.]

(3) *Berechnung der Zinsen für gebrochene Zeiträume.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).]

bei variabel verzinslichen Schuldverschreibungen:

[(1) Zinszahlungstage.

(a) Die Schuldverschreibungen werden in Höhe ihres Nennbetrages ab dem **[Verzinsungsbeginn einfügen]** (der „Verzinsungsbeginn“) (einschließlich) verzinst. Die Zinsen sind an jedem Zinszahlungstag zahlbar. „Zinszahlungstag“ in diesem Sinne ist **[bei festgelegten Zinszahlungstagen: jeweils [festgelegte Zinszahlungstage einfügen]] [bei festgelegten Zinsperioden: (sofern diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der [] [Wochen] [Monate] [ggf. einen anderen festgelegten Zeitraum/andere festgelegte Zeiträume einfügen]** nach dem vorausgehenden Zinszahlungstag liegt oder, im Falle des ersten Zinszahlungstages, nach dem Verzinsungsbeginn liegt.]

(b) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag:

[bei Anwendung der Modified Following Business Day Convention: auf den nächstfolgenden Geschäftstag verschoben, es sei denn, dieser würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zahlungstag auf den unmittelbar vorausgehenden Geschäftstag verlegt.]

[bei Anwendung der FRN Convention: auf den nächstfolgenden Geschäftstag verschoben, es sei denn, dieser würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zahlungstag auf den unmittelbar vorangehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zahlungstag der jeweils letzte Geschäftstag des Monats, der **[] Monate] [ggf. einen anderen**

Zeitraum/andere Zeiträume einfügen] nach dem vorangegangenen gültigen Zahlungstag liegt.]

[bei Anwendung der Following Business Day Convention: auf den nächstfolgenden Geschäftstag verschoben.]

[bei Anwendung der Preceding Business Day Convention: auf den unmittelbar vorangegangenen Geschäftstag verlegt.]

In diesem § 4 bezeichnet „Geschäftstag“ **[falls die festgelegte Währung nicht Euro ist, einfügen:** einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken allgemein für Geschäfte in **[sämtliche relevanten Finanzzentren einfügen]** geöffnet sind und Devisenmärkte Zahlungen in **[sämtliche relevanten Finanzzentren einfügen]** abwickeln **[falls die festgelegte Währung Euro ist, einfügen:** einen Tag an dem alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) betriebsbereit sind, um die betreffende Zahlung abzuwickeln].

(2) *Zinssatz.* **[Bei Bildschirmfeststellung:** Der Zinssatz (der „Zinssatz“) für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts abweichendes bestimmt wird, der Angebotssatz (ausgedrückt als Prozentsatz per annum) für Einlagen in der festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) um 11.00 Uhr ([Londoner] [Brüsseler] Ortszeit) angezeigt wird **[im Falle einer Marge: [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)],** wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

„Zinsperiode“ bezeichnet jeweils den Zeitraum von dem Verzinsungsbeginn bis zum ersten Zinszahlungstag bzw. von jedem Zinszahlungstag bis zum jeweils darauffolgenden Zinszahlungstag.

„Zinsfestlegungstag“ bezeichnet den [zweiten] **[zutreffende andere Zahl von Tagen einfügen]** [TARGET] [Londoner] **[zutreffende andere Bezugnahmen einfügen]** Geschäftstag vor Beginn der jeweiligen Zinsperiode. **[Im Falle eines TARGET-Geschäftstages einfügen:** „TARGET-Geschäftstag“ bezeichnet einen Tag, an dem TARGET (Trans-European Automated Real-time Gross Settlement Express Transfer System) betriebsbereit ist.] **[Im Falle eines nicht-TARGET-Geschäftstages einfügen:** „[Londoner] **[zutreffenden anderen Ort einfügen]** Geschäftstag“ bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [London] **[zutreffenden anderen Ort einfügen]** für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

[Im Fall einer Marge einfügen: Die „Marge“ beträgt [•] % per annum.]

„Bildschirmseite“ bedeutet **[Bildschirmseite einfügen].**

[Sofern eine andere Basis zur Bestimmung eines Referenzzinssatzes gelten soll, sind die entsprechenden Bestimmungen hier einzufügen.]

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird kein Angebotssatz angezeigt (zur genannten Zeit), wird die Berechnungsstelle von jeder der Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz per annum ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode bei führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] um ca. 11.00 ([Londoner] [Brüsseler] Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[falls der Referenzsatz EURIBOR ist, einfügen:** Tausendstel Prozent auf- oder abgerundet, wobei 0,0005]

[falls der Referenzsatz nicht EURIBOR ist, einfügen: Hunderttausendstel Prozent auf- oder abgerundet, wobei 0,000005] aufgerundet wird) dieser Angebotssätze **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz per annum, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[falls der Referenzsatz EURIBOR ist, einfügen:** Tausendstel Prozent auf- oder abgerundet, wobei 0,0005] **[falls der Referenzsatz nicht EURIBOR ist, einfügen:** Hunderttausendstel Prozent auf- oder abgerundet, wobei 0,000005] aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. 11.00 Uhr ([Londoner] [Brüsseler] Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der festgelegten Währung für die betreffende Zinsperiode von führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] angeboten werden **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge]; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann soll der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken am [Londoner] Interbanken-Markt [in der Euro-Zone] (bzw. den diese Banken gegenüber der Berechnungsstelle) nennen **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge]. Für den Fall, daß der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge (wobei jedoch, falls für die betreffende Zinsperiode eine andere Marge als für die unmittelbar vorangegangene Zinsperiode gilt, die Marge der betreffenden Zinsperiode an die Stelle der Marge für die vorangegangene Zinsperiode tritt).]

„Referenzbanken“ bezeichnen **[falls im Konditionenblatt keine anderen Referenzbanken bestimmt werden:** im vorstehenden Fall (a) diejenigen Niederlassungen **[im Fall von EURIBOR einfügen:** von mindestens fünf] derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde, und im vorstehenden Fall (b) diejenigen Niederlassungen **[im Fall von EURIBOR einfügen:** von mindestens fünf] derjenigen Banken, deren Angebotssätze zuletzt auf der maßgeblichen Bildschirmseite angezeigt wurden, als mindestens drei solcher Angebotssätze angezeigt wurden] **[Falls im Konditionenblatt andere Referenzbanken bestimmt werden, sind sie hier einzufügen].]**

[Im Fall des Interbankenmarktes in der Euro-Zone einfügen: „Euro-Zone“ bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992) und den Amsterdamer Vertrag vom 2. Oktober 1997, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.]

[Sofern ein anderer Referenzzinssatz als LIBOR oder EURIBOR anwendbar ist, sind die Einzelheiten hier einzufügen, und zwar in Ersetzung der Bestimmungen dieses Absatzes 2]

[Sofern ISDA-Feststellung gelten soll, sind die entsprechenden Einzelheiten hier einzufügen und der betreffende von der International Swap and Derivatives Association veröffentlichten 2000 ISDA-Definitionen beizufügen]

[Sofern eine andere Methode der Bestimmung anwendbar ist, sind die entsprechenden Einzelheiten in Ersetzung der Bestimmungen dieses Absatzes 2 hier einzufügen.]

[Falls ein Mindest- oder Höchstzins gilt:

(3) *[Mindest-] [und] [Höchst-] Zinssatz.*

[Falls ein Mindestzinssatz gilt: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als **[Mindestzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Mindestzinssatz].**]

[Falls ein Höchstzinssatz gilt: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als **[Höchstzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Höchstzinssatz].**]

[(4)] *Zinsbetrag.* Die Berechnungsstelle wird zu – oder baldmöglichst nach – jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den zahlbaren Zinsbetrag in bezug auf jeden festgelegten Nennbetrag (der „Zinsbetrag“) für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jeden festgelegten Nennbetrag angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

[(5)] *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, daß der für die jeweilige Zinsperiode geltende Zinssatz, Zinsbetrag und Zinszahlungstag der Emittentin **[bei von Finance begebenen Schuldverschreibungen: und der Garantin]** und den Gläubigern gemäß § 13 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden **[Londoner] [TARGET] [zutreffenden anderen Ort einfügen]** Geschäftstag (wie in § 4 Absatz 2 definiert) sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert werden und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode, mitgeteilt werden. Im Falle einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag nachträglich angepaßt (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert werden, sowie den Gläubigern gemäß § 13 mitgeteilt.

[(6)] *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 4 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, **[die Garantin,]** den Fiscal Agent, die Zahlstellen und die Gläubiger bindend.

[Im Fall von Schuldverschreibungen, die durch Dauerglobalurkunden verbrieft sind, einfügen:

[(7)] *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibun-

gen vorangeht. Der jeweils geltende Zinssatz ist der gesetzlich festgelegte Satz für Verzugszinsen.]

[Im Fall von Schuldverschreibungen, die durch Einzelkunden verbrieft sind, einfügen:

[(7)] *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht, spätestens jedoch mit Ablauf des vierzehnten Tages nach der Bekanntmachung durch den Fiscal Agent gemäß § 13, daß ihm die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind. Der jeweils geltende Zinssatz ist der gesetzlich festgelegte Satz für Verzugszinsen.]

im Falle von
Nullkupon-
Schuldverschrei-
bungen:

[(1) *Periodische Zinszahlungen.* Es erfolgen keine periodischen Zinszahlungen auf die Schuldverschreibungen.

[Im Fall von Nullkupon-Schuldverschreibungen, die durch Dauerglobalurkunden verbrieft sind, einfügen:

(2) *Auflaufende Zinsen.* Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den Nennbetrag der Schuldverschreibungen ab dem Fälligkeitstag bis zu dem Tag, der dem Tag der tatsächlichen Rückzahlung vorangeht, Zinsen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen.]

[Im Fall von Nullkupon-Schuldverschreibungen, die durch Einzelkunden verbrieft sind, einfügen:

(2) *Auflaufende Zinsen.* Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den Nennbetrag der Schuldverschreibungen ab dem Fälligkeitstag bis zum Tag, der dem Tag der tatsächlichen Rückzahlung vorangeht, Zinsen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen; die Verzinsung endet jedoch spätestens mit Ablauf des vierzehnten Tages nach Bekanntmachung durch den Fiscal Agent gemäß § 13, daß ihm die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind.]

[Im Fall von indexierten Schuldverschreibungen oder Credit Linked Notes sind die anwendbaren Bestimmungen die Zinsen betreffend einzufügen. Dasselbe gilt für Doppelwährungs-Schuldverschreibungen.]

[()] *Zinstagequotient.* „Zinstagequotient“ bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der „Zinsberechnungszeitraum“):

[Im Falle von festverzinslichen Schuldverschreibungen, falls die festgelegte Währung eine andere als US-Dollar ist und Actual/Actual (ISMA) anwendbar ist, einfügen:

1. wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieser Periode) kürzer ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt oder ihr entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieser Periode) geteilt durch das Produkt (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3 (1) angegeben) in einem Kalenderjahr; oder

2. wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieser Periode) länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, die Summe (A) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3 (1) angegeben) in einem Kalenderjahr und (B) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3 (1) angegeben) in einem Kalenderjahr.

„Feststellungsperiode“ ist die Periode ab einem Feststellungstermin (einschließlich desselben) bis zum nächsten Feststellungstermin (ausschließlich desselben).]

[im Falle von Actual/Actual (ISMA-Regelung 251) einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl der Tage (365 bzw. 366) in der jeweiligen Zinsperiode **[andere Actual/Actual Methode nach ISMA einfügen].]**

[im Falle von Actual/365 (Fixed): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[im Falle von Actual/360: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[im Falle von 30/360, 360/360 oder Bond Basis: die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraumes fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch den 31. Tag eines Monats fällt, in welchem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, in welchem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[im Falle von 30E/360 oder Eurobond Basis: die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des ersten oder letzten Tages des Zinsberechnungszeitraumes).]

§ 5

Zahlungen

(1) *Zahlungen auf Kapital.* **[Bei durch Einzelkunden verbrieften Schuldverschreibungen:** Zahlungen auf Kapital in bezug auf durch Einzelkunden verbrieftete Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes 3 gegen Vorlage und (Teilzahlungen ausgenommen) Einreichung der entsprechenden Schuldverschreibung bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

bei durch eine
Dauerglobalurkunde
verbrieften
Schuldverschreibungen:

[Zahlungen auf Kapital in bezug auf durch eine Globalurkunde verbrieftete Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes 3 an das Clearing-System oder dessen Order zur Gutschrift auf die Konten der jeweiligen Kontoinhaber des Clearing-Systems gegen Vorlage und Einreichung der Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

bei Raten-Schuldverschreibungen:

[Die Zahlung von Raten auf eine Raten-Schuldverschreibung mit Rückzahlungsscheinen erfolgt gegen Vorlage der Schuldverschreibung zusammen mit dem betreffenden Rückzahlungsschein und Einreichung dieses Rückzahlungsscheins und, im Falle der letzten Ratenzahlung gegen Einreichung der Schuldverschreibung bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten. Rückzahlungsscheine begründen keinen Titel. Rückzahlungsscheine, die ohne die dazugehörige Schuldverschreibung vorgelegt werden, begründen keine Verpflichtungen der Emittentin. Daher berechtigt die Vorlage einer Raten-Schuldverschreibung ohne den entsprechenden Rückzahlungsschein oder die Vorlage eines Rückzahlungsscheins ohne die dazugehörige Schuldverschreibung den Gläubiger nicht, die Zahlung einer Rate zu verlangen.]

Für die Zwecke **[bei TEFRA D Schuldverschreibungen einfügen:** des § 1 Absatz [4] und] dieses § 5 bezeichnet „Vereinigte Staaten“ die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, die U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:

[(2) Zahlung von Zinsen. [Bei durch Einzelkunden verbrieften Schuldverschreibungen: Die Zahlung von Zinsen auf durch Einzelkunden verbriefte Schuldverschreibungen mit Zinsscheinen erfolgt nach Maßgabe des nachstehenden Absatzes 3 gegen Einreichung der entsprechenden Zinsscheine, oder im Falle von Zinsen, die zwar fällig sind, aber nicht an einem der vorher festgelegten Zinszahlungstage, gegen Vorlage der entsprechenden Schuldverschreibungen bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

[im Falle von durch eine Dauerglobalurkunde verbrieften Schuldverschreibungen: Die Zahlung von Zinsen auf durch eine Dauerglobalurkunde verbriefte Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes 3 an das Clearing-System oder dessen Order zur Gutschrift für die betreffenden Kontoinhaber des Clearing-Systems gegen Vorlage der Dauerglobalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

[im Falle von auf eine vorläufige TEFRA D Globalurkunde zahlbaren Zinsen: Die Zahlung von Zinsen auf durch eine vorläufige Globalurkunde verbriefte Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes 3 an das Clearing-System oder dessen Order zur Gutschrift für die betreffenden Kontoinhaber des Clearing-Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 Absatz [4] (b) gegen Vorlage der vorläufigen Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]]

(3) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf Schuldverschreibungen

bei durch Globalurkunden verbrieften Schuldverschreibungen:

[in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.]

bei Einzelkunden einfügen:

[im Falle von Zahlungen in einer anderen Währung als euro oder U.S.-Dollar: durch **[festgelegte Währung einfügen]** Scheck, der auf eine Bank in **[Hauptfinanzzentrum des Landes der festgelegten Währung einfügen]** ausgestellt ist oder nach Wahl des Zahlungsempfängers durch Überweisung auf ein auf **[festgelegte Währung]** lautendes von diesem bei einer Bank in **[Hauptfinanzzentrum des Landes der festgelegten Währung]** geführtes Konto.]

[im Falle von Zahlungen in U.S.-Dollar: durch U.S.-Dollar Scheck, ausgestellt auf eine Bank in New York City oder nach Wahl des Zahlungsempfängers durch Überweisung auf ein auf U.S.-Dollar lautendes Konto des Zahlungsempfängers bei einer Bank

außerhalb der Vereinigten Staaten. Falls die Zahlung von Kapital oder Zinsen bei den Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in U.S.-Dollar widerrechtlich wird oder tatsächlich ausgeschlossen wird, wird die Emittentin eine Geschäftsstelle oder einen Beauftragten innerhalb der Vereinigten Staaten ernennen, bei dem solche Zahlungen vorgenommen werden dürfen.]

[bei Zahlungen in euro: in Bar oder durch in Euro zahlbaren Scheck ausgestellt auf eine Bank in einem Hauptfinanzzentrum eines Landes, das Teilnehmerstaat in der Europäischen Wirtschafts- und Währungsunion im Sinne des am 7. Februar 1992 in Maastricht unterzeichneten Vertrages über die Europäische Union und des Amsterdamer Vertrages vom 2. Oktober 1997, in seiner jeweiligen Fassung, geworden ist, oder nach Wahl des Zahlungsempfängers durch Überweisung auf ein auf Euro lautendes Konto des Zahlungsempfängers bei einer Bank in einem solchen Finanzzentrum.]

(4) *Erfüllung.*

[Im Fall von Schuldverschreibungen, die durch Globalurkunden verbrieft werden, einfügen:

Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.]

[Im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft sind, einfügen:

Im Fall von Schuldverschreibungen, die über ein Clearing System gehalten werden, wird die Emittentin durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.]

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in bezug auf eine Schuldverschreibung [oder einen Zinsschein] [oder einen Rückzahlungsschein] auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet „Zahltag“ einen Tag, **[bei nicht auf Euro lautenden Schuldverschreibungen, einfügen:** der ein Tag (außer einem Samstag oder Sonntag) ist, an dem Geschäftsbanken und Devisenmärkte Zahlungen in **[sämtliche relevanten Finanzzentren angeben]** abwickeln] **[bei auf Euro lautenden Schuldverschreibungen, einfügen:** der ein Tag (außer einem Samstag oder Sonntag) ist, an dem alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) betriebsbereit sind, um die betreffenden Zahlungen weiterzuleiten] **[bei Einzelurkunden einfügen:** und an dem Banken am Ort einer Zahlstelle, bei der Schuldverschreibungen [,] [Zinsscheine] [,] [Talons] [oder] [Rückzahlungsscheine] zur Zahlung eingereicht werden, geöffnet sind].

bei Einzelurkunden, die anfänglich mit Zinsscheinen, Talons oder Rückzahlungsscheinen ausgeliefert werden:

[(6) Einreichung von [Zinsscheinen][,] [Talons] [und] [Rückzahlungsscheinen]. Jede Schuldverschreibung, die anfänglich mit beigefügten Zinsscheinen [oder Talons] [oder Rückzahlungsscheinen] ausgegeben wurde, ist bei Rückzahlung vorzulegen und, außer im Falle einer Teilzahlung des Rückzahlungsbetrages, bei Endfälligkeit zusammen mit allen dazugehörigen noch nicht fälligen Zinsscheinen [und Talons] [und Rückzahlungsscheinen] einzureichen; erfolgt dies nicht

[im Falle von festverzinslichen Schuldverschreibungen: wird der Betrag der fehlenden noch nicht fälligen Zinsscheine (oder falls die Zahlung nicht vollständig erfolgt, der

Anteil des Gesamtbetrages solcher fehlenden, nicht fälligen Zinsscheine, wie er dem Verhältnis zwischen dem tatsächlich gezahlten Betrag und der fälligen Summe entspricht) von dem ansonsten bei der Rückzahlung fälligen Betrag abgezogen[.] [und] [.]

[im Falle von variabel verzinslichen Schuldverschreibungen: werden alle nicht fälligen zugehörigen Zinsscheine (gleich, ob sie zusammen mit diesen eingereicht werden oder nicht) ungültig und es erfolgt ab diesem Zeitpunkt keine Zahlung mehr auf sie [.] [und] [.]

[im Falle von Einzelurkunden, die anfänglich mit beigefügten Talons ausgegeben werden: werden sämtliche nicht fälligen Talons (gleich, ob sie zusammen mit diesen eingereicht werden oder nicht) ungültig und können nicht zu einem späteren Zeitpunkt gegen Zinsscheine ausgetauscht werden [.] [und] [.]

[im Falle von Einzelurkunden, die anfänglich mit beigefügten Rückzahlungsscheinen ausgegeben werden: werden sämtliche zugehörigen Rückzahlungsscheine, die in bezug auf die Zahlung einer Rate, die (wäre sie nicht zur Rückzahlung fällig geworden) an einem Tag nach Rückzahlung fällig geworden wäre (gleich, ob sie mit dieser Schuldverschreibung eingereicht wurde oder nicht) ungültig, und bei Vorlage zu einem späteren Zeitpunkt erfolgt auf sie keine Zahlung.]

Werden Schuldverschreibungen mit einer Fälligkeit und einem Zinssatz oder Zinssätzen begeben, die dazu führen würden, daß bei Vorlage zur Zahlung dieser Schuldverschreibungen ohne dazugehörige noch nicht fällige Zinsscheine der wie vorstehend dargelegt in Abzug zu bringende Betrag den ansonsten zu zahlenden Rückzahlungsbetrag übersteigt, so werden diese noch nicht fälligen Zinsscheine (gleich, ob sie beigefügt sind oder nicht) zum Zeitpunkt der Fälligkeit solcher Schuldverschreibungen ungültig (und es erfolgt auf sie keine Zahlung), insoweit als dies erforderlich ist, damit der gemäß der vorstehenden Regelung in Abzug zu bringende Betrag den vorgesehenen Rückzahlungsbetrag nicht übersteigt. Sofern die Anwendung des letzten Satzes die Entwertung einiger, aber nicht sämtlicher noch nicht fälliger Zinsscheine einer Schuldverschreibung erfordert, bestimmt die betreffende Zahlstelle, welche nicht fälligen Zinsscheine ungültig werden sollen, wobei zu diesem Zwecke später fällige Zinsscheine vor früher fälligen Zinsscheinen für ungültig zu erklären sind.

[im Falle von Einzelurkunden, die anfänglich mit Talons ausgegeben wurden:

(7) *Austausch von Talons.* Am oder nach dem Zinszahlungstag, an dem der letzte Zinsschein eines Zinsscheinbogens fällig wird, kann der im Zinsscheinbogen enthaltene Talon bei der bezeichneten Geschäftsstelle einer Zahlstelle im Austausch gegen einen weiteren Zinsscheinbogen (einschließlich ggf. eines weiteren Talons) eingereicht werden. Jeder Talon gilt für die Zwecke dieser Emissionsbedingungen als am Zinszahlungstag fällig, an dem der letzte im jeweiligen Zinsscheinbogen enthaltene Zinsschein fällig wird.]]

[(8)] *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen vorzeitig zurückzahlen, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] **[falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:** den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;] **[im Fall von Nullkupon-Schuldverschreibungen einfügen:** den Amortisationsbetrag der Schuldverschreibungen;] **[im Fall von Raten-Schuldverschreibungen einfügen:** die auf die Schuldverschreibungen anwendbare(n) Rate(n);] sowie jeden Aufschlag sowie sonstige auf oder in bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 8 zahlbaren zusätzlichen Beträge einschließen.

[(9)] *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

§ 6 Rückzahlung

(1) Rückzahlung bei Endfälligkeit.

im Falle von Schuldverschreibungen außer Raten-Schuldverschreibungen:

[Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[[im Falle eines festgelegten Fälligkeitstages Fälligkeitstag einfügen]** (der „Fälligkeitstag“) **[im Falle eines Rückzahlungsmonats: an dem in den [Rückzahlungsmonat] fallenden Zinszahlungstag]** zurückgezahlt. Der Rückzahlungsbetrag in bezug auf jede Schuldverschreibung beträgt **[Rückzahlungsbetrag für jeweiligen Nennbetrag einfügen].**]

im Falle von Raten-Schuldverschreibungen:

[Soweit nicht vorher bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen an dem/den nachstehenden Ratenzahlungstermin(en) zu der/den folgenden Rate(n) zurückgezahlt:

Ratenzahlungstermin(e) [Ratenzahlungstermin(e)]	Rate(n) [Rate(n)]
[_____]	[_____]
[_____]	[_____]

(2) *Vorzeitige Rückzahlung aus Steuergründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber dem Fiscal Agent und gemäß § 13 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin **[bei von Finance begebenen Schuldverschreibungen: oder die Garantin, die aus von ihr nicht zu verantwortenden Gründen die Leistung der Zahlung durch die Emittentin nicht bewirken kann,]** als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften **[bei von Finance: Niederlande oder]** der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem **[Ausgabetag]** wirksam) zur Zahlung von zusätzlichen Beträgen (wie in § 8 dieser Bedingungen, **[bei von Finance begebenen Schuldverschreibungen: bzw. in der Garantie]** definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen der Emittentin **[bei von Finance begebenen Schuldverschreibungen: oder der Garantin]** zur Verfügung stehender und ihr zumutbarer Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin **[bei von Finance: oder die Garantin]** verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, und (ii) zu dem Zeitpunkt, zu dem die Kündigung erfolgt, muß die Verpflichtung zur Zahlung von zusätzlichen Beträgen noch wirksam sein. **[bei variabel verzinslichen Schuldverschreibungen: Der für die Rückzahlung festgelegte Termin muß ein Zinszahlungstag sein.]**

Vor der Veröffentlichung einer Kündigung gemäß dieser Bestimmung muß die Emittentin dem Fiscal Agent eine Bescheinigung vorlegen, die von einem Vorstandsmitglied **[bei von Deutsche Telekom begebenen Schuldverschreibungen: der**

Emittentin] **[bei von Finance begebenen Schuldverschreibungen:** der Garantin] unterschrieben ist und welche darlegt, daß die Voraussetzungen dieses Kündigungsrechts vorliegen und außerdem eine Stellungnahme eines unabhängigen und anerkannten Rechtsberaters enthält, in der festgestellt wird, daß die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] verpflichtet ist oder sein wird, solche zusätzlichen Beträge aufgrund einer solchen Rechts- oder Auslegungsänderung zu zahlen.

Eine solche Kündigung hat gemäß § 13 zu erfolgen. Sie ist unwiderruflich, muß den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die Umstände darlegt, die das Rückzahlungsrecht der Emittentin begründen.

falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzahlen:

[(3) Vorzeitige Rückzahlung nach Wahl der Emittentin.

(a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise am/an den Wahl-Rückzahlungstag(en) (Call) zum/zu den Wahl-Rückzahlungsbetrag bzw. beträgen (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages:** Eine solche Rückzahlung muß in Höhe eines Nennbetrages von [mindestens **[Mindestrückzahlungsbetrag]**] **[erhöhter Rückzahlungsbetrag]** erfolgen.]

Wahl-Rückzahlungstag(e) (Call)	Wahl-Rückzahlungsbetrag/beträge (Call)
[Wahl-Rückzahlungstag(e)]	[Wahl-Rückzahlungsbetrag/beträge]
[_____]	[_____]
[_____]	[_____]

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen: Der Emittentin steht dieses Wahlrecht nicht in bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Absatz [4] dieses § 6 verlangt hat.]

(b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 13 und dem Fiscal Agent bekannt zu geben (die Kündigung gegenüber dem Fiscal Agent hat 15 Tage vor der Kündigung gegenüber den Gläubigern zu erfolgen). Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtbetrag der zurückzuzahlenden Schuldverschreibungen und, falls die Schuldverschreibungen durch Einzelurkunden verbrieft sind, die entsprechenden Seriennummern;
- (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als 15 und nicht mehr als 30 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und
- (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.

(c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen **[bei Einzelurkunden einfügen:** in einer von dem Fiscal Agent bestimmten europäischen Stadt durch das Los oder nach billigem Ermessen des Fiscal Agent auf andere Weise oder an einem anderen Ort ermittelt.] **[im Falle von durch eine Dauerglobalurkunde verbrieften Schuldverschreibungen:** in Übereinstimmung mit den Regeln des betreffenden Clearing-Systems ausgewählt.]

falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen:

[[4)] *Vorzeitige Rückzahlung nach Wahl des Gläubigers.*

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu den Wahl-Rückzahlungsbetrag/ beträgen (Put), wie nachstehend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

Wahl-Rückzahlungstag(e) (Put) [Wahl-Rückzahlungstag(e)]	Wahl-Rückzahlungsbetrag/ -beträge (Put) [Wahl-Rückzahlungsbetrag/ -beträge]
[]	[]
[]	[]

Dem Gläubiger steht dieses Wahlrecht nicht in bezug auf eine Schuldverschreibung zu, deren Rückzahlung durch die Emittentin in Ausübung ihres Wahlrechts nach § 6 Absatz 2 **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen:** oder Absatz 3] verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, darf der Gläubiger die betreffende Schuldverschreibung [zusammen mit allen dazugehörigen noch nicht fälligen Zinsscheinen] nicht früher als 15 Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei einer bezeichneten Geschäftsstelle einer Zahlstelle während der normalen Geschäftszeiten zusammen mit einer ordnungsgemäß ausgefüllten Mitteilung zur vorzeitigen Rückzahlung („Ausübungserklärung“), wie sie von der bezeichneten Geschäftsstelle jeder Zahlstelle erhältlich ist, hinterlegen. Eine so hinterlegte Schuldverschreibung kann nicht zurückgefordert und die Ausübung des Wahlrechts kann nicht widerrufen werden.]

[[5)] *Vorzeitiger Rückzahlungsbetrag.*

[Für die Zwecke des § 6 Absatz 2 und § 10 entspricht der vorzeitige Rückzahlungsbetrag [dem Rückzahlungsbetrag] **[bei einem sonstigen Rückzahlungsbetrag Einzelheiten einfügen].**]

bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:

- (a) Für die Zwecke des § 6 Absatz 2 und § 10 ist der vorzeitige Rückzahlungsbetrag der Amortisationsbetrag der Schuldverschreibung.

- (b) Der Amortisationsbetrag entspricht der Summe aus:

(i) **[Referenz-Preis einfügen]** (der „Referenz-Preis“), und

(ii) dem Produkt aus **[Emissionsrendite einfügen]** (jährlich kapitalisiert) und dem Referenz-Preis ab **[Ausgabebetrag einfügen]** (einschließlich) bis zu dem vorgesehenen Rückzahlungstag (ausschließlich) oder (je nachdem) dem Termin, an dem die Schuldverschreibungen fällig und rückzahlbar werden.

Wenn diese Berechnung für einen Zeitraum, der nicht vollen von Kalenderjahren entspricht, durchzuführen ist, hat sie im Falle des nicht vollständigen Jahres (der „Zinsberechnungszeitraum“) auf der Grundlage des Zinstagequotienten (wie vorstehend in § 4 definiert) zu erfolgen.

- (c) Falls die Emittentin den vorzeitigen Rückzahlungsbetrag bei Fälligkeit nicht zahlt, wird der Amortisationsbetrag einer Schuldverschreibung wie vorstehend beschrieben berechnet, jedoch mit der Maßgabe, daß die Bezugnahmen in Unterabsatz (ii) auf den für die Rückzahlung vorgesehenen Rückzahlungstag oder den Tag, an dem diese Schuldverschreibungen fällig und rückzahlbar werden, durch den früheren der nachstehenden Zeitpunkte ersetzt werden: (i) der Tag, an dem die Zahlung gegen ordnungsgemäße Vorlage und Einrei-

bei Nullkupon-Schuldverschreibungen:

chung der betreffenden Schuldverschreibungen (sofern erforderlich) erfolgt, und (ii) der vierzehnte Tag, nachdem der Fiscal Agent gemäß § 13 mitgeteilt hat, daß ihm die für die Rückzahlung erforderlichen Mittel zur Verfügung gestellt wurden.]

[Im Fall von indexierten Schuldverschreibungen oder Credit Linked Notes sind die anwendbaren Bestimmungen, die Kapital betreffen einzufügen. Dasselbe gilt für Doppelwährungs-Schuldverschreibungen.]

§ 7

Der Fiscal Agent[,] [und] die Zahlstellen [und die Berechnungsstelle]

(1) *Ernennung; bezeichnete Geschäftsstellen.* Der anfänglich bestellte Fiscal Agent[,] [und] die anfänglich bestellten Zahlstellen [und die anfänglich bestellte Berechnungsstelle] und deren bezeichnete Geschäftsstellen lauten wie folgt:

Fiscal Agent und
Zahlstelle:

Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

Zahlstelle[n]:

Citibank AG
Neue Mainzer Strasse 75
D-60311 Frankfurt am Main

Banque Générale du Luxembourg S.A.
50, avenue J. F. Kennedy
L-2951 Luxembourg

[weitere Zahlstellen und deren bezeichnete Geschäftsstellen]

[Berechnungsstelle]

[Name und Geschäftsstelle]

Der Fiscal Agent[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit ihre jeweiligen bezeichneten Geschäftsstellen durch andere bezeichnete Geschäftsstellen in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung des Fiscal Agent oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und einen anderen Fiscal Agent oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird jedoch zu jedem Zeitpunkt (i) einen Fiscal Agent unterhalten[,] [und] (ii) zusätzlich zu dem Fiscal Agent eine Zahlstelle mit einer bezeichneten Geschäftsstelle in einer kontinentaleuropäischen Stadt außerhalb der Bundesrepublik Deutschland **[für an einer Börse notierte Schuldverschreibungen: ,] [und] (iii) solange die Schuldverschreibungen an der [Name der Börse] notiert sind, eine Zahlstelle (die der Fiscal Agent sein kann) mit bezeichneter Geschäftsstelle in [Ort der Börse] und/oder an einem anderen gemäß den Vorschriften einer anderen Börse hierfür vorgeschriebenen Ort] [für auf US-Dollar lautende Schuldverschreibungen: ,] [und] [(iv) unter den in § 5 Absatz 3 genannten Umständen eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City] [,] [und] [(v)] **[falls eine Berechnungsstelle bestellt werden soll einfügen: eine Berechnungsstelle [falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort haben muß: mit bezeichneter Geschäftsstelle in [vorgeschriebenen Ort einfügen]]]** ernannt halten. **[im Falle von Einzelkunden einfügen:** Sollte eine Richtlinie der Europäischen Union zur Umsetzung der Schlußfolgerungen des Treffens des ECOFIN-Rates vom 26.-27. November 2000 oder eine Rechtsnorm, die zur Umsetzung einer solchen Richtlinie vorgesehen ist, dieser entspricht oder zur Anpassung an die Richtlinie ein-**

geführt wird, ergehen, verpflichtet sich die Emittentin, eine Zahlstelle in einem Mitgliedstaat der Europäischen Union zu unterhalten, welche nicht zur Vornahme von steuerlichen Einbehalten oder Abzügen nach Maßgabe einer solchen Richtlinie oder Rechtsnorm verpflichtet ist, soweit dies in einem Mitgliedstaat der Europäischen Union möglich ist.] Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird (außer im Insolvenzfall, wo eine solche Änderung sofort wirksam wird) nur wirksam, sofern die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und höchstens 45 Tagen informiert wurden.

(3) *Erfüllungsgehilfe[n] der Emittentin.* Der Fiscal Agent[,] [und] die Zahlstelle(n) [und die Berechnungsstelle] handeln ausschließlich als Erfüllungsgehilfe[n] der Emittentin und haben keine Verpflichtungen gegenüber den Gläubigern und es besteht kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern.

§ 8 Steuern

Kapital und Zinsen werden von der Emittentin ohne Abzug oder Einbehalt wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art gezahlt, die von oder in **[im Fall von Schuldverschreibungen, die von Finance begeben werden einfügen:** den Niederlanden oder] der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden (nachstehend zusammen „Quellensteuern“) genannt, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem letzteren Fall wird die Emittentin die zusätzlichen Beträge an Kapital und Zinsen zahlen, die erforderlich sind, damit der dem Gläubiger nach diesem Abzug oder Einbehalt zufließende Nettobetrag jeweils den Beträgen an Kapital und Zinsen entspricht, die ihm zustehen würden, wenn der Abzug oder Einbehalt nicht erforderlich wäre. Solche zusätzliche Beträge sind jedoch nicht zahlbar wegen Steuern, Abgaben oder amtlicher Gebühren, die

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, daß die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen gegenwärtiger oder früherer persönlicher oder geschäftlicher Beziehungen des Gläubigers zu **[im Fall von Schuldverschreibungen, die von Finance begeben werden, einfügen:** den Niederlanden oder] der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in **[im Fall von Schuldverschreibungen, die von Finance begeben werden einfügen:** den Niederlanden oder] der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland, die Niederlande oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) aufgrund einer Rechtsänderung zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß den Bedingungen wirksam wird.

Falls die Schuldverschreibungen durch Einzelurkunden verbrieft sind, einfügen:

[(e) von einer Zahlstelle abgezogen oder einbehalten werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Abzug oder Einbehalt hätte vorgenommen werden können; oder

(f) nicht zahlbar wären, wenn die Schuldverschreibungen bei einer Bank oder einem vergleichbaren Institut verwahrt worden wären und die Bank oder das vergleichbare Institut die Zahlungen eingezogen hätte.]

Falls die Schuldverschreibungen durch Globalurkunden verbrieft sind, einfügen:

[§ 9

Vorlegungsfrist

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.]

Falls die Schuldverschreibungen durch Einzelurkunden verbrieft sind, einfügen:

[§ 9

Vorlegungsfrist, Ersetzung von Schuldverschreibungen

[falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen: und Zinsscheinen]

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt. **[Falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** Die Vorlegungsfrist für Zinsscheine beträgt gemäß § 801 Absatz 2 BGB vier Jahre und beginnt mit dem Ablauf des Kalenderjahres, in dem der betreffende Zinsschein zur Zahlung fällig geworden ist. Der Anspruch gemäß § 804 Absatz 1, Satz 1 BGB wegen abhandengekommener oder vernichteter Zinsscheine ist ausgeschlossen.] Sollte eine Schuldverschreibung **[falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** oder ein Zinsschein] verloren gehen, gestohlen, beschädigt, unleserlich gemacht oder zerstört werden, so kann sie [er] bei der bezeichneten Geschäftsstelle des Fiscal Agent vorbehaltlich der betreffenden Börsenbestimmungen und aller anwendbaren Gesetze ersetzt werden; dabei hat der Anspruchsteller alle dabei möglicherweise entstehenden Kosten und Auslagen zu zahlen und alle angemessenen Bedingungen der Emittentin hinsichtlich des Nachweises, der Sicherheit, einer Freistellung und dergleichen zu erfüllen. Eine beschädigte oder unleserlich gemachte Schuldverschreibung **[falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** oder ein solcher Zinsschein] muß eingereicht werden, bevor eine Ersatzkunde ausgegeben wird.]

§ 10

Kündigung

(1) *Kündigungsrecht.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortige Tilgung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 6 Absatz 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls einer der folgenden Kündigungsgründe („Kündigungsgründe“) vorliegt:

- (a) die Emittentin zahlt Kapital oder Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag; oder
- (b) die Emittentin unterläßt die ordnungsgemäße Erfüllung irgendeiner anderen Verpflichtung aus den Schuldverschreibungen **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin unterläßt die Erfüllung einer Verpflichtung aus der Garantie, auf die in § 3 Bezug genommen wird,] und diese Unterlassung, falls sie geheilt werden kann, länger als 60 Tage fort dauert, nachdem der Fiscal Agent hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
- (c) eine Kapitalmarktverbindlichkeit (wie in § 3 Absatz 1 definiert) der Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder der Garantin] vorzeitig zahlbar wird aufgrund einer Nicht- oder Schlechterfüllung des dieser Kapitalmarktverbindlichkeit zugrundeliegenden Vertrages, oder die Emittentin **[bei von**

Finance begebenen Schuldverschreibungen: oder die Garantin] einer Zahlungsverpflichtung in Höhe oder im Gegenwert von mehr als Euro 25.000.000 aus einer Kapitalmarktverbindlichkeit oder aufgrund einer Bürgschaft oder Garantie, die für eine Kapitalmarktverbindlichkeit Dritter gegeben wurde, nicht innerhalb von 30 Tagen nach ihrer Fälligkeit bzw. im Falle einer Bürgschaft oder Garantie nicht innerhalb von 30 Tagen nach Inanspruchnahme aus dieser Bürgschaft oder Garantie nachkommt, es sei denn die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] bestreitet in gutem Glauben, daß diese Zahlungsverpflichtung besteht oder fällig ist bzw. diese Bürgschaft oder Garantie berechtigterweise geltend gemacht wird, oder falls eine für solche Verbindlichkeiten bestellte Sicherheit für die oder von den daraus berechtigten Gläubiger(n) in Anspruch genommen wird, oder

- (d) die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] ihre Zahlungsunfähigkeit bekanntgibt oder ihre Zahlungen einstellt, oder
- (e) ein Gericht ein Insolvenzverfahren gegen die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] eröffnet, oder die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] ein solches Verfahren einleitet oder beantragt, oder eine allgemeine Schuldenregelung zugunsten ihrer Gläubiger anbietet oder trifft, oder **[bei von Finance begebenen Schuldverschreibungen:** die Emittentin ein „surséance van betaling“ (Schuldenmoratorium im Sinne des niederländischen Insolvenzrechts) beantragt, oder]
- (f) die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und diese Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] im Zusammenhang mit diesen Schuldverschreibungen eingegangen ist, oder
- (g) in **[bei von Finance begebenen Schuldverschreibungen:** den Niederlanden oder in] der Bundesrepublik Deutschland irgendein Gesetz, eine Verordnung oder behördliche Anordnung erlassen wird oder ergeht, aufgrund derer die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] daran gehindert wird, die von ihr gemäß diesen Bedingungen **[bei von Finance begebenen Schuldverschreibungen:** bzw. der Garantie] übernommenen Verpflichtungen in vollem Umfang zu beachten und zu erfüllen und diese Lage nicht binnen 90 Tagen behoben ist [.]], oder]
- [(h) die Garantie aus irgendeinem Grund nicht mehr gilt.]

bei von Finance
begebenen
Schuldverschrei-
bungen:

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(2) *Quorum.* In den Fällen des § 10 Absatz 1 (b) oder 1 (c) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in § 10 Absatz 1(a), 1(d), 1(e), 1(f) [oder] 1(g) [oder 1(h)] bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei dem Fiscal Agent Kündigungserklärungen von Gläubigern von Schuldverschreibungen im Nennbetrag von mindestens 1/10 der dann ausstehenden Schuldverschreibungen eingegangen sind.

(3) *Form der Erklärung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Absatz 1 ist schriftlich gegenüber dem Fiscal Agent zu erklären und persönlich oder per Einschreiben an dessen bezeichnete Geschäftsstelle zu übermitteln.

§ 11 Ersetzung der Emittentin

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger, **[bei von Finance begebenen Schuldverschreibungen:** entweder die Garantin oder] eine Tochtergesellschaft (wie nachstehend definiert) **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** der Emittentin] **[bei von Finance begebenen Schuldverschreibungen:** der Garantin] an ihrer Stelle als Hauptschuldnerin (die „Nachfolgeschuldnerin“) für alle Verpflichtungen aus und im Zusammenhang mit dieser Emission einzusetzen, vorausgesetzt, daß:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen [und Zinsscheine] [und Rückzahlungsscheine] übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erlangt hat und berechtigt ist, an den Fiscal Agent die zur Erfüllung ihrer Zahlungsverpflichtungen aus den Schuldverschreibungen [oder Zinsscheinen] [oder Rückzahlungsscheinen] zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, in dem Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat, erhobene Steuern oder sonstige Abgaben jeder Art, abzuziehen oder einzubehalten;
- (c) **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** die Emittentin] **[bei von Finance begebenen Schuldverschreibungen:** die Garantin, sofern sie nicht selbst die Nachfolgeschuldnerin ist,] unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge garantiert **[bei von Finance begebenen Schuldverschreibungen:**, wobei diese Garantie im wesentlichen die Form der „Garantie“ hat] **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** und diese Garantie eine Verpflichtung der Garantin gemäß den Bestimmungen des § 3 enthält];
- (d) dem Fiscal Agent ein oder mehrere Rechtsgutachten von anerkannten Rechtsanwälten vorgelegt wurden, die bestätigen, daß die Bestimmungen in vorstehenden Unterabsätzen (a), (b) und (c) erfüllt wurden.

Im Sinne dieser Bedingungen bedeutet „Tochtergesellschaft“ eine Kapital- oder Personengesellschaft, an der die Deutsche Telekom direkt oder indirekt insgesamt nicht weniger als 90% des Kapitals jeder Klasse oder der Stimmrechte hält.

(2) *Bekanntmachung.* Jede solche Ersetzung wird gemäß § 13 bekanntgegeben.

(3) *Änderung von Bezugnahmen.* Im Falle einer solchen Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin, und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.

§ 12 Begebung weiterer Schuldverschreibungen, Ankauf und Entwertung

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, daß sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin ist berechtigt, Schuldverschreibungen [,] [und] [Zinsscheine] [und] [Rückzahlungsscheine] im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder beim Fiscal Agent zwecks Entwertung eingereicht werden. Sofern diese Käufe durch öffentliches Angebot erfolgen, muß dieses Angebot allen Gläubigern gemacht werden.

[Falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:

(3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zusammen mit allen nicht fälligen und zusammen mit den Schuldverschreibungen eingereichten oder den Schuldverschreibungen beigefügten Zinsscheinen zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.]

[Falls die Schuldverschreibungen ohne Zinsscheine begeben werden, einfügen:

(3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.]

§ 13

Mitteilungen

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen sind in einer führenden Tageszeitung mit allgemeiner Verbreitung in [Luxemburg] [London] [Deutschland] [**anderer Ort**], voraussichtlich [*dem Luxemburger Wort*] [*der Financial Times*] [*der Börsen-Zeitung*] [**andere Zeitung mit allgemeiner Verbreitung in Europa**] zu veröffentlichen. Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) *Mitteilungen an das Clearing System.* [**bei Schuldverschreibungen, die durch Einzelkunden verbrieft werden dürfen:** Bis zu dem Zeitpunkt, an dem Einzelkunden ausgeliefert werden, darf eine] [Eine] solche Veröffentlichung in einer oder mehreren der vorstehenden Zeitungen [**für an einer Börse notierte Schuldverschreibungen:** (vorausgesetzt, die Regeln der [**Name der Börse**] erlauben dies, solange die Schuldverschreibungen an [**Name der Börse**] notiert sind) [darf] so lange, wie die Globalurkunde insgesamt von dem Clearing System gehalten wird, durch eine Mitteilung an das Clearing System zwecks Weiterleitung an die Gläubiger ersetzt werden, vorausgesetzt, daß solange die Schuldverschreibungen an der Luxemburger Börse notiert sind, die Veröffentlichung auch in einer Zeitung mit allgemeiner Verbreitung in Luxemburg erfolgt. Jede solche Mitteilung gilt als gegenüber den Gläubigern am siebten Tag nach dem Tag, an dem die besagte Mitteilung dem Clearing System mitgeteilt worden ist, mitgeteilt.]

§ 14

**Anwendbares Recht, Erfüllungsort,
Gerichtsstand und gerichtliche Geltendmachung**

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen[,] [und] [Zinsscheine] [,] [und] [Talons] [und Rückzahlungsscheine] sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main.

(3) *Gerichtsstand.* [**Bei von Deutsche Telekom begebenen Schuldverschreibungen:** Ausschließlicher] Gerichtsstand für alle Rechtsstreitigkeiten aus oder im Zusam-

menhang mit den Schuldverschreibungen [oder den Zinsscheinen] [oder den Talons] [oder den Rückzahlungsscheinen] ist Frankfurt am Main. **[bei von Finance begebenen Schuldverschreibungen:** Die Gläubiger können ihre Ansprüche jedoch auch vor anderen zuständigen Gerichten geltend machen.] Die deutschen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhandengekommener oder vernichteter Schuldverschreibungen. Die Emittentin unterwirft sich hiermit der Gerichtsbarkeit der nach diesem Absatz zuständigen Gerichte.

[bei von Finance begebenen Schuldverschreibungen:

(4) *Ernennung von Zustellungsbevollmächtigten.* Für etwaige Rechtsstreitigkeiten oder sonstige Verfahren vor deutschen Gerichten bestellt die Emittentin die Deutsche Telekom Aktiengesellschaft zu ihrem Zustellungsbevollmächtigten in Deutschland].

[(5)] *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen [und Zinsscheinen] [und Rückzahlungsscheinen], der diese über ein Clearing-System hält, darf in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen [und Zinsscheinen] [und Rückzahlungsscheinen] im eigenen Namen auf der folgenden Grundlage schützen oder geltend machen: (i) Er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, daß die Depotbank gegenüber dem Clearing-System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der betreffenden Schuldverschreibungen als Global- oder Einzelkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing-Systems oder der Verwahrstelle des Clearing-Systems bestätigt hat, ohne daß eine Vorlage der Originalbelege oder der Globalurkunde oder der Einzelurkunde in einem solchen Verfahren erforderlich wäre oder (iii) auf jede andere Weise, die im Lande, in dem der Rechtsstreit durchgeführt wird, prozessual zulässig ist. Im vorstehenden bezeichnet „Depotbank“ jede Bank oder ein sonstiges anerkanntes Kreditinstitut, das berechtigt ist, das Wertpapierverwahrgeschäft zu betreiben und bei dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing-Systems.

**§ 15
Sprache**

[Diese Emissionsbedingungen sind ausschließlich in [deutscher] [englischer] Sprache abgefaßt.]

[Diese Emissionsbedingungen sind in [deutscher] [englischer] Sprache abgefaßt und mit einer Übersetzung in die [englische] [deutsche] Sprache versehen. Der [deutsche] [englische] Text soll bindend und maßgeblich sein. Die [englische] [deutsche] Übersetzung ist unverbindlich.

Non-binding translation of the Guarantee and the Negative Pledge:

Guarantee

and

Negative Pledge

of

DEUTSCHE TELEKOM AG
Bonn, Federal Republic of Germany,

for the benefit of the Holders of Notes (the "Notes")

issued by

Deutsche Telekom International Finance B.V.
(incorporated with limited liability in The Netherlands)

under the Debt Issuance Programme (the "Programme")
as in force from time to time

WHEREAS:

(A) Deutsche Telekom AG (the "Guarantor") and Deutsche Telekom International Finance B.V. ("Finance") intend to issue from time to time Notes under the Programme;

(B) the Guarantor wishes to guarantee the payment of principal and interest and any other amounts payable in respect of any and all Notes that may be issued by Finance under the Programme;

(C) the Guarantor wishes to enter into a negative pledge for the benefit of each Holder of Notes that may be issued by Finance under the Programme;

IT IS AGREED AS FOLLOWS:

- (1) (a) The Guarantor unconditionally and irrevocably guarantees to the holder of each Note (which expression shall include any Temporary Global Note or Permanent Global Note representing Notes), Coupon or Receipt (each a "Holder"), now or at any time hereafter issued by Finance under the Programme, the due and punctual payment of the principal of, and interest on, the Notes, Coupons or Receipts, and any other amounts which may be expressed to be payable under any Note, Coupon or Receipt, in accordance with the Conditions, as and when the same shall become due in accordance with the Conditions.
- (b) This Guarantee constitutes an unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor from time to time outstanding.
- (c) All payments under this Guarantee shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of the Federal Republic of Germany or by or on behalf of any political subdivision or authority therein having power to tax (hereinafter together called "Withholding Taxes"), unless such deduction or withholding is required by law. In such event, the Guarantor shall pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such deduction or withholding shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such additional amounts shall, however, be payable on account of any taxes, duties or governmental charges which

- (i) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payments made by it; or
 - (ii) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Federal Republic of Germany; or
 - (iii) are deducted or withheld pursuant to (x) any European Union directive or regulation concerning the taxation of interest income, or (y) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (z) any provision of law implementing, or complying with, or introduced to conform with such directive, regulation, treaty or understanding; or
 - (iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with the Conditions whichever occurs later; or
 - (v) are withheld or deducted by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such withholding or deduction; or
 - (vi) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution.
- (d) The obligations of the Guarantor under this Guarantee (i) shall be separate and independent from the obligations of Finance under the Notes, Coupons or Receipts, (ii) shall exist irrespective of the legality, validity and binding effect or enforceability of the Notes, Coupons or Receipts, and (iii) shall not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations expressed to be assumed under the Notes, Coupons or Receipts.
- (e) The obligations of the Guarantor under this Guarantee shall, without any further act or thing being required to be done or to occur, extend to the obligations of any Substituted Debtor which is not the Guarantor arising in respect of any Note, Coupon or Receipt by virtue of a substitution pursuant to the Conditions.
- (f) This Guarantee is given in respect of any and all Notes which are or will be issued by Finance under the Programme on or after the date hereof. The Guarantee dated October 31, 1997 extends to any and all Notes which have been issued by Finance during the period beginning on October 31, 1997 through November 9, 1999. The Guarantee dated November 10, 1999 extends to any and all Notes which have been issued by Finance on or after November 10, 1999 and prior to the date hereof.

(2) The Guarantor undertakes towards each Holder, so long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to grant or permit to subsist any encumbrance over any or all of its present or future assets, as security of any present or future Capital Market Indebtedness issued or guaranteed by the Guarantor or by any other person, without at the same time having the Holders share equally and rateably in such security. "Capital Market Indebtedness" means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, a certificate of indebtedness or in the form of, or represented or evidenced by, bonds, notes or other securities which are, or are capable of being, quoted, listed, dealt in or traded on a stock exchange or other recognised securities market. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Guarantor, the expressions "assets" and "obligations for the payment of borrowed money" as used in this subparagraph (2) do not include assets and obligations of the Guarantor which, pursuant to the requirements of law and accounting principles generally accepted in Germany, need not, and are not, reflected in the Guarantor's balance sheet.

(3) This Agreement and all undertakings herein contained constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328 (1) of the German Civil Code. They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor and to enforce such obligations directly against the Guarantor.

(4) Deutsche Bank Aktiengesellschaft does not act as fiduciary or in any similar capacity for the Holders.

(5) Terms used in this Agreement and not otherwise defined herein shall have the meanings attributed to them in the Conditions.

(6) This Agreement shall be governed by, and construed in accordance with, German law.

(7) This Agreement is written in the German language and attached hereto is a non-binding English language translation.

(8) The original version of this Agreement shall be delivered to, and kept by, Deutsche Bank Aktiengesellschaft.

(9) The place of jurisdiction for all legal proceedings arising out of or in connection with this Agreement shall be Frankfurt am Main. Each Holder, however, may pursue his claims also before any other court of competent jurisdiction.

(10) Each Holder may in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties protect and enforce in his own name his rights arising under this Agreement on the basis of a copy of this Agreement certified as being a true copy by a duly authorised officer of Deutsche Bank Aktiengesellschaft, without the need for production in such proceedings of this Guarantee.

Bonn, June 6, 2001

DEUTSCHE TELEKOM AG

We accept the terms of the above Guarantee without recourse, warranty or liability.

June 6, 2001

DEUTSCHE BANK AKTIENGESELLSCHAFT

Garantie

und

Negativverpflichtung

der

DEUTSCHE TELEKOM AG
Bonn, Bundesrepublik Deutschland,

zugunsten der Gläubiger von Schuldverschreibungen (die „Schuldverschreibungen“),

die von der

Deutsche Telekom International Finance B.V.
(einer mit beschränkter Haftung in den Niederlanden errichteten Gesellschaft)

im Rahmen des Debt Issuance Programme (das „Programm“)
in seiner jeweils geltenden Fassung begeben werden.

IM HINBLICK DARAUF DASS:

(A) Deutsche Telekom AG (die „Garantin“) und Deutsche Telekom International Finance B.V. („Finance“) beabsichtigt, von Zeit zu Zeit Schuldverschreibungen im Rahmen des Programms zu begeben;

(B) die Garantin die Zahlung von Kapital und Zinsen sowie von allen sonstigen Beträgen, die aufgrund der von Finance im Rahmen des Programms begebenen Schuldverschreibungen zu leisten sind, garantieren möchte;

(C) die Garantin gegenüber jedem Gläubiger der von Finance im Rahmen des Programms begebenen Schuldverschreibungen eine Negativverpflichtung eingehen möchte;

WIRD FOLGENDES VEREINBART:

- (1) (a) Die Garantin übernimmt gegenüber jedem Gläubiger („Gläubiger“) der Schuldverschreibungen (wobei dieser Begriff jede vorläufige oder Dauerglobalurkunde, die Schuldverschreibungen verbrieft, einschließt), Zinsscheine und Rückzahlungsscheine, die jetzt oder zu irgendeinem Zeitpunkt nach dem Datum dieser Garantie von Finance im Rahmen des Programms begeben werden, die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen auf die Schuldverschreibungen, Zinsscheine und Rückzahlungsscheine sowie von allen sonstigen Beträgen, die gemäß den Bedingungen auf Schuldverschreibungen, Zinsscheine oder Rückzahlungsscheine zahlbar sind, bei deren Fälligkeit gemäß den Bedingungen.
- (b) Diese Garantie begründet eine unbedingte, unbesicherte und nicht nachrangige Verbindlichkeit der Garantin, die mit allen anderen jeweils bestehenden, nicht besicherten und nicht nachrangigen Verbindlichkeiten der Garantin gleichrangig ist.
- (c) Sämtliche Zahlungen aufgrund dieser Garantie sind ohne Abzug oder Einbehalt wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden (nachstehend zusammen „Quellensteuern“ genannt), es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem letzteren Fall wird die Garantin die zusätzlichen Beträge zahlen, die erforderlich sind, damit der dem Gläubiger nach diesem Abzug oder Einbehalt zufließende Nettobetrag jeweils den Beträgen an Kapital und Zinsen entspricht, die ihm zustehen würden, wenn der Abzug oder Einbe-

halt nicht erforderlich wäre. Solche zusätzliche Beträge sind jedoch nicht zahlbar wegen Steuern, Abgaben oder amtlicher Gebühren, die

- (i) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, daß die Garantin aus den von ihr zu leistenden Zahlungen einen Abzug oder Einbehalt vornimmt; oder
 - (ii) wegen gegenwärtiger oder früherer persönlicher oder geschäftlicher Beziehungen des Gläubigers zu der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
 - (iii) aufgrund (x) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (y) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (z) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
 - (iv) aufgrund einer Rechtsänderung zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß den Bedingungen wirksam wird; oder
 - (v) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder
 - (vi) nicht zahlbar wären, wenn die Schuldverschreibungen bei einer Bank oder einem vergleichbaren Institut verwahrt worden wären und die Bank oder das vergleichbare Institut die Zahlungen eingezogen hätte.
- (d) Die Verpflichtungen der Garantin aus dieser Garantie (i) sind selbständig und unabhängig von den Verpflichtungen der Finance aus den Schuldverschreibungen, Zinsscheinen oder Rückzahlungsscheinen, (ii) bestehen unabhängig von der Rechtmäßigkeit, Gültigkeit, Verbindlichkeit und Durchsetzbarkeit der Schuldverschreibungen, Zinsscheine oder Rückzahlungsscheine und (iii) werden nicht durch Ereignisse, Bedingungen oder Umstände tatsächlicher oder rechtlicher Art berührt, außer durch die vollständige, endgültige und unwiderrufliche Erfüllung sämtlicher in den Schuldverschreibungen, Zinsscheinen oder Rückzahlungsscheinen eingegangenen Zahlungsverpflichtungen.
- (e) Die Verpflichtungen der Garantin aus dieser Garantie erstrecken sich, ohne daß eine weitere Handlung vorgenommen wird oder ein weiterer Umstand eintreten muß, auf die Verpflichtungen einer nicht mit der Garantin identischen Nachfolgeschuldnerin, die infolge einer Schuldnerersetzung gemäß den Bedingungen in bezug auf die Schuldverschreibungen, Zinsscheine oder Rückzahlungsscheine entstehen.
- (f) Diese Garantie erstreckt sich auf sämtliche Schuldverschreibungen, die am oder nach dem Datum dieser Garantie von Finance unter dem Programm begeben werden. Die Garantie mit Datum vom 31. Oktober 1997 gilt für sämtliche Schuldverschreibungen, die von Finance in der Zeit vom 31. Oktober 1997 bis zum 9. November 1999 begeben worden sind. Die Garantie mit Datum vom 10. November 1999 gilt für sämtliche Schuldverschreibungen, die von Finance am oder nach dem 10. November 1999 und vor dem Datum dieser Garantie begeben worden sind.
- (2) Die Garantin verpflichtet sich gegenüber jedem Gläubiger, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt worden sind, weder ihr gegenwärtiges noch ihr zukünftiges Vermögen ganz oder teilweise in irgendeiner Weise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit, die von der Garantin oder einer anderen Person eingegangen oder ge-

währleistet ist, zu belasten oder eine solche Belastung zu diesem Zweck bestehen zu lassen, ohne gleichzeitig die Gläubiger an derselben Sicherheit im gleichen Rang und gleichem Verhältnis teilnehmen zu lassen. „Kapitalmarktverbindlichkeit“ ist jede Verbindlichkeit zur Zahlung aufgenommener Gelder, die durch Schuldscheine verbrieft, verkörpert oder dokumentiert ist oder durch Schuldverschreibungen oder sonstige Wertpapiere, die an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert oder gehandelt werden oder werden können. Um etwaige Zweifel bezüglich von asset-backed financings der Garantin zu vermeiden, schließen die in diesem Absatz (2) benutzten Worte „Vermögen“ und „Verbindlichkeiten zur Zahlung aufgenommener Gelder“ nicht solche Vermögensgegenstände und Verbindlichkeiten der Garantin ein, die im Einklang mit den Gesetzen und den in Deutschland anerkannten Regeln der Bilanzierung und Buchführung nicht in der Bilanz der Garantin ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

(3) Dieser Vertrag und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar. Sie begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen.

(4) Die Deutsche Bank Aktiengesellschaft handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger.

(5) Die in diesem Vertrag verwendeten und darin nicht anders definierten Begriffe haben die ihnen in den Bedingungen zugewiesene Bedeutung.

(6) Dieser Vertrag unterliegt deutschem Recht.

(7) Dieser Vertrag ist in deutscher Sprache abgefaßt und ihm ist eine unverbindliche Übersetzung in die englische Sprache beigelegt.

(8) Das Original dieses Vertrages wird der Deutsche Bank Aktiengesellschaft ausgehändigt und von dieser verwahrt.

(9) Gerichtsstand für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit diesem Vertrag ist Frankfurt am Main. Jeder Gläubiger kann seine Ansprüche jedoch auch vor jedem anderen zuständigen Gericht geltend machen.

(10) Jeder Gläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus diesem Vertrag auf der Grundlage einer von einer vertretungsberechtigten Person der Deutsche Bank Aktiengesellschaft beglaubigten Kopie dieses Vertrages ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.

Bonn, den 6. Juni 2001

DEUTSCHE TELEKOM AG

Wir nehmen die Bedingungen der vorstehenden Garantie ohne Obligo, Gewährleistung oder Haftung an.

6. Juni 2001

DEUTSCHE BANK AKTIENGESELLSCHAFT

**FORM OF PRICING SUPPLEMENT
MUSTER – KONDITIONENBLATT**

[Date]
[Datum]

Pricing Supplement
Konditionenblatt

[Title of relevant Series of Notes]
issued pursuant to the
[Bezeichnung der betreffenden Serie der Schuldverschreibungen]
begeben aufgrund des

Euro 20,000,000,000

Debt Issuance Programme

dated April 30, 2003
vom 30. April 2003

of
der

Deutsche Telekom AG

and
und

Deutsche Telekom International Finance B.V.

Issue Price: [] per cent.
Ausgabepreis: []%

Issue Date: [] ⁽¹⁾
Tag der Begebung: [] ¹⁾

⁽¹⁾ The Issue Date is the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.

¹⁾ *Der Tag der Begebung ist der Tag, an dem die Schuldverschreibungen begeben und bezahlt werden. Bei freier Lieferung ist der Tag der Begebung der Tag der Lieferung.*

[This Pricing Supplement is issued to give details of an issue of Notes under the Euro 20,000,000,000 Debt Issuance Programme of Deutsche Telekom AG and Deutsche Telekom International Finance B.V. (the "Programme") dated October 31, 1997, as amended and restated on April 30, 2003. It is to be read in conjunction with the Terms and Conditions of the Notes (the "Terms and Conditions") set forth in the Information Memorandum pertaining to the Programme, as the same may be amended or supplemented from time to time. Capitalised terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions.

Dieses Konditionenblatt enthält Angaben zur Emission von Schuldverschreibungen im Rahmen des Euro 20.000.000.000 Debt Issuance Programm der Deutsche Telekom AG und der Deutsche Telekom International Finance B.V. (das „Programm“) vom 31. Oktober 1997, wie am 30. April 2003 geändert und neu gefaßt. Es ist in Verbindung mit den Emissionsbedingungen der Schuldverschreibungen (die „Emissionsbedingungen“) zu lesen, die in der jeweils geltenden Fassung des Information Memorandum enthalten sind, welches für das Programm herausgegeben wird. Begriffe, die in den Emissionsbedingungen definiert sind, haben, falls das Konditionenblatt nicht etwas anderes bestimmt, die gleiche Bedeutung, wenn sie in diesem Konditionenblatt verwendet werden.

All references in this Pricing Supplement to numbered §§ and subparagraphs are to §§ and subparagraphs of the Terms and Conditions.

Bezugnahmen in diesem Konditionenblatt auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Emissionsbedingungen.

All provisions in the Terms and Conditions corresponding to items in this Pricing Supplement which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the "Conditions").⁽²⁾

Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieses Konditionenblatts beziehen und die weder angekreuzt noch ausgefüllt werden oder die gestrichen werden, gelten als aus den auf die Schuldverschreibungen anwendbaren Emissionsbedingungen (die „Bedingungen“) gestrichen.]⁽²⁾

[This Pricing Supplement is issued to give details of an issue of Notes under the Euro 20,000,000,000 Debt Issuance Programme of Deutsche Telekom AG and Deutsche Telekom International Finance B.V. (the "Programme"). The Conditions applicable to the Notes (the "Conditions") and the German or English language translation thereof, if any are attached to this Pricing Supplement and replace in full the Terms and Conditions of the Notes as set out in the Information Memorandum and take precedence over any conflicting provisions in this Pricing Supplement.⁽³⁾

Dieses Konditionenblatt enthält Angaben zur Emission von Schuldverschreibungen unter dem Euro 20.000.000.000 Debt Issuance Programme der Deutsche Telekom AG und der Deutsche Telekom International Finance B.V. (das „Programm“). Die für die Schuldverschreibungen geltenden Bedingungen (die „Bedingungen“) sowie eine etwaige deutsch- oder englischsprachige Übersetzung sind diesem Konditionenblatt beigelegt. Die Bedingungen ersetzen in Gänze die im Information Memorandum abgedruckten Emissionsbedingungen und gehen etwaigen abweichenden Bestimmungen dieses Konditionenblatts vor.]⁽³⁾

⁽²⁾ To be inserted in the case of Long-Form Conditions.

²⁾ *Einzufügen im Falle von nicht konsolidierten Bedingungen.*

⁽³⁾ To be inserted in the case of Integrated Conditions.

³⁾ *Einzufügen im Falle von konsolidierten Bedingungen.*

Specify items as “not applicable” or delete inapplicable items.
Nicht anwendbare Punkte sind als “nicht zutreffend” zu kennzeichnen oder zu streichen.

Issuer []
Emittentin

Form of Conditions (4)
Form der Bedingungen⁴⁾

- Long-Form
Nicht-konsolidierte Bedingungen

- Integrated
Konsolidierte Bedingungen

Language of Conditions (5)
Sprache der Bedingungen⁵⁾

- German only
ausschließlich Deutsch

- English only
ausschließlich Englisch

- English and German (English controlling)
Englisch und Deutsch (englischer Text maßgeblich)

- German and English (German controlling)
Deutsch und Englisch (deutscher Text maßgeblich)

⁽⁴⁾ To be determined in consultation with the Issuer. It is anticipated that Long-Form Conditions will generally be used for Notes which are not publicly offered. Integrated Conditions will generally be used for Notes sold and distributed on a syndicated basis. Integrated Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be distributed in whole or in part to non-professional investors.

⁴⁾ *Die Form der Bedingungen ist in Abstimmung mit der Emittentin festzulegen. Es ist vorgesehen, daß nicht-konsolidierte Bedingungen für Schuldverschreibungen verwendet werden, die nicht öffentlich zum Verkauf angeboten werden. Konsolidierte Bedingungen werden im allgemeinen bei Schuldverschreibungen verwendet werden, die auf syndizierter Basis verkauft und vertrieben werden. Konsolidierte Bedingungen sind erforderlich, wenn die Schuldverschreibungen insgesamt oder teilweise öffentlich zum Verkauf angeboten werden oder insgesamt oder teilweise an nicht berufsmäßige Investoren verkauft werden.*

⁽⁵⁾ To be determined in consultation with the Issuer. In general, German will be the controlling language in case of Notes sold and distributed on a syndicated basis or publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany. If, however, such Notes are publicly offered, in whole or in part, in Germany, or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions, a German language translation of the Conditions will be available from the Paying Agent[s] and Deutsche Telekom AG.

⁵⁾ *Die Sprache der Bedingungen ist in Abstimmung mit der Emittentin festzulegen. In der Regel wird für Schuldverschreibungen, die auf syndizierter Basis verkauft und vertrieben werden, für Schuldverschreibungen, die insgesamt oder teilweise öffentlich zum Verkauf in Deutschland angeboten werden und für Schuldverschreibungen, die an nicht berufsmäßige Investoren in Deutschland vertrieben werden, die deutsche Sprache maßgeblich sein. Falls diese Schuldverschreibungen mit englischsprachigen Bedingungen insgesamt oder teilweise in Deutschland öffentlich angeboten oder an nicht berufsmäßige Investoren in Deutschland vertrieben werden, wird eine deutschsprachige Übersetzung der Bedingungen bei [der] [den] Zahlstelle[n] und der Deutsche Telekom AG erhältlich sein.*

CURRENCY, DENOMINATION, FORM AND TITLE, CERTAIN DEFINITIONS (§ 1)
WÄHRUNG, NENNBETRAG, FORM UND EIGENTUMSRECHT, DEFINITIONEN (§ 1)

Currency and Denomination
Währung und Nennbetrag

Specified Currency []
Festgelegte Währung

Aggregate Principal Amount []
Gesamtnennbetrag

Specified Denomination(s) []
Festgelegte(r) Nennbetrag/Nennbeträge

Number of Notes to be issued in each Specified Denomination []
Zahl der in jedem festgelegten Nennbetrag auszugebenden Schuldverschreibungen

TEFRA C
TEFRA C

Temporary Global Note exchangeable for:
Vorläufige Globalurkunde austauschbar gegen:

Definitive Notes
Einzelurkunden

Definitive Notes and Collective Global Note(s)
Einzelurkunden und Sammelglobalurkunden

Permanent Global Note []
Dauerglobalurkunde

TEFRA D
TEFRA D

Temporary Global Note exchangeable for:
Vorläufige Globalurkunde austauschbar gegen:

Definitive Notes
Einzelurkunden

Permanent Global Note
Dauerglobalurkunde

NEITHER TEFRA D NOR TEFRA C ⁽⁶⁾
WEDER TEFRA D NOCH TEFRA C ⁽⁶⁾

Permanent Global Note
Dauerglobalurkunde

Definitive Notes [Yes/No]
Einzelurkunden [Ja/Nein]

Coupons
Zinsscheine

Talons
Talons

⁽⁶⁾ Applicable only if Notes have an initial maturity of one year or less.

⁽⁶⁾ Nur anwendbar bei Schuldverschreibungen mit einer ursprünglichen Laufzeit von einem Jahr oder weniger.

Receipts
Rückzahlungsscheine

Certain Definitions
Definitionen

Clearing System

Clearstream Banking AG, Frankfurt am Main (CBF)

Clearstream Banking, société anonyme, Luxembourg (CBL)

Euroclear Bank S.A./N.V. (Euroclear Operator)

Other – specify []
sonstige (angeben)

Calculation Agent [Yes/No]
Berechnungsstelle [Ja/Nein]

Fiscal Agent
Fiscal Agent

Other (specify) []
sonstige (angeben)

INTEREST (§ 4)
ZINSEN (§ 4)

Fixed Rate Notes
Festverzinsliche Schuldverschreibungen

Rate of Interest and Interest Payment Dates
Zinssatz und Zinszahlungstage

Rate of Interest [] per cent. per annum
Zinssatz []% per annum

Interest Commencement Date []
Verzinsungsbeginn

Fixed Interest Date(s) []
Festzinstermine

First Interest Payment Date []
Erster Zinszahlungstag

Initial Broken Amount(s) (per Specified Denomination) []
Anfängliche(r) Bruchteilzinsbetrag(-beträge) (für jede festgelegte Stückelung)

Final Broken Amount(s) (per Specified Denomination) []
Abschließende(r) Bruchteilzinsbetrag(-beträge) (für jede festgelegte Stückelung)

Determination Date(s) ⁽⁷⁾ [] in each year
Feststellungstermin(e) ⁽⁷⁾ [] in jedem Jahr

⁽⁷⁾ Insert regular interest dates ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. Only relevant where the Specified Currency is a currency other than U.S. dollar and the Day Count Fraction is Actual/Actual (ISMA 251).

⁷⁾ Einzusetzen sind die festen Zinstermine, wobei im Falle eines langen oder kurzen ersten oder letzten Koupons der Tag der Begebung bzw. der Fälligkeitstag nicht zu berücksichtigen sind N.B. Nur einschlägig, falls die festgelegte Währung eine andere als US-Dollar ist und der Zinstagequotient Actual/Actual (ISMA 251) anwendbar ist.

Floating Rate Notes
Variabel verzinsliche Schuldverschreibungen

Interest Payment Dates
Zinszahlungstage

Interest Commencement Date []
Verzinsungsbeginn

Specified Interest Payment Dates []
Festgelegte Zinszahlungstage

Specified Interest Period(s) [] [weeks/months/other -specify]
Festgelegte Zinsperiode(n) [Wochen/Monate/andere angeben]

Business Day Convention
Geschäftstagskonvention

Modified Following Business Day Convention

FRN Convention (specify period(s)) [] [months/other – specify]
[Monate/andere angeben]

Following Business Day Convention

Preceding Business Day Convention

Relevant Financial Centres (specify all) []
Relevante Finanzzentren (alle angeben)

Rate of Interest
Zinssatz

Screen Rate Determination
Bildschirmfeststellung

EURIBOR (11.00 a.m. Brussels time/Euro Business Day/
Euro-Zone Interbank Market)
*EURIBOR (11.00 Brüsseler Ortszeit/Euro Geschäftstag/
Interbankenmarkt in der Euro-Zone)*
Screen page []
Bildschirmseite

LIBOR (London time/London Business Day/
City of London/London Office/London Interbank Market)
*LIBOR (Londoner Ortszeit/Londoner Geschäftstag/
City of London/Londoner Geschäftsstelle/Londoner Interbankenmarkt)*
Screen page []
Bildschirmseite

Other (specify) []
Sonstige (angeben)
Screen page(s) []
Bildschirmseite(n)

Margin [] per cent. per annum
Marge [] % per annum

plus
plus

minus
minus

Interest Determination Date
Zinsfestlegungstag

second Business Day prior to commencement of Interest Period
zweiter Geschäftstag vor Beginn der jeweiligen Zinsperiode

other (specify) []
sonstige (angeben) []

Screen Page
Bildschirmseite

Reference Banks (if other than as specified in § 4 (2))
Referenzbanken (sofern abweichend von § 4 Absatz 2)

ISDA Determination ⁽⁸⁾ [specify details]
ISDA-Feststellung⁸⁾ [Einzelheiten angeben]

Other Method of Determination (insert details (including Interest Determination Date, Margin, Reference Banks, fall-back provisions)) []
Andere Methoden der Bestimmung (Einzelheiten angeben (einschließlich Zinsfestlegungstag, Marge, Referenzbanken, Ausweichbestimmungen))

Minimum and Maximum Rate of Interest
Mindest- und Höchstzinssatz

Minimum Rate of Interest [] per cent. per annum
Mindestzinssatz [] % per annum

Maximum Rate of Interest [] per cent. per annum
Höchstzinssatz [] % per annum

Zero Coupon Notes
Nullkupon-Schuldverschreibungen

Accrual of Interest
Auflaufende Zinsen

Amortisation Yield []
Emissionsrendite

⁽⁸⁾ ISDA Determination should only be applied in the case of Notes permanently represented by Global Notes because the ISDA Agreement and the ISDA Definitions have to be attached to the relevant Notes.

⁸⁾ *ISDA-Feststellung sollte nur dann gewählt werden, wenn die betreffenden Schuldverschreibungen während ihrer gesamten Laufzeit durch Globalurkunden verbrieft werden, weil das ISDA-Agreement und die ISDA Definitions den Schuldverschreibungen beizufügen sind.*

Dual Currency Notes []
Doppelwährungs-Schuldverschreibungen
(set forth details in full here (including exchange rate(s)
or basis for calculating exchange rate(s) to determine
interest/fall-back provisions))
(*Einzelheiten einfügen (einschließlich Wechselkurs(e)
oder Grundlage für die Berechnung des/der Wechselkurs(e)
zur Bestimmung von Zinsbeträgen/Ausweichbestimmungen*))

Index Linked Notes []
Indexierte Schuldverschreibungen
(set forth details in full here)
(*Einzelheiten einfügen*)

Instalment Notes []
Raten-Schuldverschreibungen
(set forth details in full here)
(*Einzelheiten einfügen*)

Credit linked Notes []
Schuldverschreibungen mit Kreditkomponente
(set forth details in full here)
(*Einzelheiten einfügen*)

Day Count Fraction ⁽⁹⁾

Zinstagequotient⁹⁾

- Actual/Actual
- Actual/Actual (ISMA 251)
- Actual/365 (Fixed)
- Actual/360
- 30/360 or 360/360 (Bond Basis)
- 30E/360 (Eurobond Basis)

Payment Business Day

Zahlungstag

Relevant Financial Centre(s) (specify all) []
Relevante(s) Finanzzentrum(en) (alle angeben)

REDEMPTION (§ 6)

RÜCKZAHLUNG (§ 6)

Final Redemption

Rückzahlung bei Endfälligkeit

Notes other than Instalment Notes

Schuldverschreibungen außer Raten-Schuldverschreibungen

Maturity Date []
Fälligkeitstag

Redemption Month []
Rückzahlungsmonat

Final Redemption Amount (per Specified Denomination) []
Rückzahlungsbetrag (für jede festgelegte Stückelung)

⁽⁹⁾ Complete for all Notes.

⁹⁾ Für alle Schuldverschreibungen auszufüllen.

Instalment Notes**Raten-Schuldverschreibungen**

Instalment Date(s) []
Ratenzahlungstermin(e)

Instalment Amount(s) []
Rate(n)

Early Redemption at the Option of the Issuer**[Yes/No]****Vorzeitige Rückzahlung nach Wahl der Emittentin****[Ja/Nein]**

Minimum Redemption Amount []
Mindestrückzahlungsbetrag

Higher Redemption Amount []
Höherer Rückzahlungsbetrag

Call Redemption Date(s) []
Wahlrückzahlungstag(e) (Call)

Call Redemption Amount(s) []
Wahlrückzahlungsbetrag/-beträge (Call)

Early Redemption at the Option of a Holder**[Yes/No]****Vorzeitige Rückzahlung nach Wahl des Gläubigers****[Ja/Nein]**

Put Redemption Date(s) []
Wahlrückzahlungstag(e) (Put)

Put Redemption Amount(s) []
Wahlrückzahlungsbetrag/-beträge (Put)

Minimum notice period [] days
Mindestkündigungsfrist [] Tage

Maximum notice period (never more than 60 days) [] days
Höchstkündigungsfrist (nie mehr als 60 Tage) [] Tage

Early Redemption Amount**Vorzeitiger Rückzahlungsbetrag**

Notes other than Zero Coupon Notes:
Schuldverschreibungen außer Nullkupon-Schuldverschreibungen

Final Redemption Amount [Yes/No]
Rückzahlungsbetrag [Ja/Nein]

Other Redemption Amount []
Sonstiger Rückzahlungsbetrag

(specify method, if any, of calculating the same
 (including fall-back provisions)) []
*(ggf. Berechnungsmethode angeben
 (einschließlich Ausweichbestimmungen))*

Zero Coupon Notes
Nullkupon-Schuldverschreibungen

Reference Price []
Referenzpreis

Dual Currency Notes []

Doppelwährungs-Schuldverschreibungen

(set forth details in full here (including exchange rate(s)
or basis for calculating exchange rate(s) to determine
principal/fall-back provisions))

*(Einzelheiten einfügen (einschließlich Wechselkurs(e)
oder Grundlage für die Berechnung des/der Wechselkurs(e)
zur Bestimmung von Zinsbeträgen/Ausweichbestimmungen))*

Index Linked Notes []

Indexierte Schuldverschreibungen

(set forth details in full here)

(Einzelheiten einfügen)

Instalment Notes []

raten-Schuldverschreibungen

(set forth details in full here)

(Einzelheiten einfügen)

Credit Linked Notes []

Credit Linked Notes

(set forth details in full here)

(Einzelheiten einfügen)

FISCAL AGENT AND PAYING AGENT[S] [AND CALCULATION AGENT] (§ 7)

EMISSIONSSTELLE UND DIE ZAHLSTELLE[N] [UND DIE BERECHNUNGSSTELLE] (§ 7)

Paying Agent(s)/specified office(s) []
Zahlstelle(n)/bezeichnete Geschäftsstelle(n)

Calculation Agent/specified office []
Berechnungsstelle/bezeichnete Geschäftsstelle

required location of Calculation Agent (specify) []
vorgeschriebener Ort für Berechnungsstelle (angeben)

NOTICES (§ 13)

MITTEILUNGEN (§ 13)

Place and medium of publication

Ort und Medium der Bekanntmachung

London (Financial Times)

London (Financial Times)

Luxembourg (Luxemburger Wort)

Luxemburg (Luxemburger Wort)

Germany (Börsen-Zeitung)

Deutschland (Börsen-Zeitung)

Other (specify) []

sonstige (angeben)

GENERAL PROVISIONS APPLICABLE TO THE NOTE(S)
ALLGEMEINE BESTIMMUNGEN HINSICHTLICH DER SCHULDVERSCHREIBUNG(EN)

Listing(s)	[Yes/No]
<i>Börsenzulassung(en)</i>	<i>[Ja/Nein]</i>
<input type="checkbox"/> Luxembourg	[]
<input type="checkbox"/> Frankfurt	[]
<input type="checkbox"/> Other (insert details) <i>sonstige (Einzelheiten einfügen)</i>	[]
Additional selling restrictions (specify) <i>Zusätzliche Verkaufsbeschränkungen (angeben)</i>	[]
Method of distribution <i>Vertriebsmethode</i>	[insert details] <i>[Einzelheiten einfügen]</i>
Non-syndicated/Syndicated <i>Nicht syndiziert/Syndiziert</i>	[]
 Management Details	
<i>Einzelheiten bezüglich des Bankenkonsortiums</i>	
Management Group/Dealer (specify) <i>Bankenkonsortium/Plazeur (angeben)</i>	[]
 Commissions	
<i>Provisionen</i>	
Management/Underwriting Commission (specify) <i>Management – und Übernahmeprovision (angeben)</i>	[]
Selling Concession (specify) <i>Verkaufsprovision (angeben)</i>	[]
Listing Commission (specify) <i>Börsenzulassungsprovision (angeben)</i>	[]
Other (specify) <i>Andere (angeben)</i>	[]
Stabilising Dealer/Manager <i>Kursstabilisierender Dealer/Manager</i>	[insert details/None] <i>[Einzelheiten einfügen/keiner]</i>
 Securities Identification Numbers	
<i>Wertpapierkennnummern</i>	
German Securities Code <i>Wertpapierkennnummer (WKN)</i>	[]
Common Code <i>Common Code</i>	[]
ISIN Code <i>ISIN Code</i>	[]
Any other securities number <i>Sonstige Wertpapiernummer</i>	[]

Supplemental Tax Disclosure (specify) ⁽¹⁰⁾ []
Zusätzliche Steueroffenlegung (einfügen) ¹⁰⁾

Rating ⁽¹¹⁾ []
Rating ¹¹⁾

Governing law German law
Anwendbares Recht *Deutsches Recht*

Other relevant terms and conditions (specify) []
Andere relevante Bestimmungen (einfügen)

Selling Restrictions
Verkaufsbeschränkungen

TEFRA C
TEFRA C

TEFRA D
TEFRA D

NEITHER TEFRA C NOR TEFRA D ⁽¹²⁾
WEDER TEFRA C NOCH TEFRA D ¹²⁾

[Listing: ⁽¹³⁾
[Börsenzulassung: ¹³⁾

The above Pricing Supplement comprises the details required to list this issue of Notes pursuant to the Euro 20,000,000,000 Debt Issuance Programme of Deutsche Telekom AG and Deutsche Telekom International Finance B.V. (as from **[insert Issue Date of the Notes]**).

*Das vorstehende Konditionenblatt enthält die Angaben, die für die Zulassung dieser Emission von Schuldverschreibungen gemäß des Euro 20.000.000.000 Debt Issuance Programm der Deutsche Telekom AG und der Deutsche Telekom International Finance B.V. (ab dem **[Tag der Begebung der Schuldverschreibungen einfügen]**) erforderlich sind.*

⁽¹⁰⁾ Supplemental tax disclosure should be provided if the Notes would be classified as financial innovations (*Finanzinnovationen*) under German tax law.

¹⁰⁾ *Zusätzliche Angaben zur steuerlichen Situation sollten erfolgen, wenn die Schuldverschreibungen nach deutschem Steuerrecht als Finanzinnovationen eingeordnet würden.*

⁽¹¹⁾ Do not complete if the Notes are not rated on an individual basis.

¹¹⁾ *Nicht auszufüllen, wenn kein Einzelrating für die Schuldverschreibungen vorliegt.*

⁽¹²⁾ Applicable only if Notes have an initial maturity of one year or less.

¹²⁾ *Nur anwendbar bei Schuldverschreibungen mit einer ursprünglichen Laufzeit von einem Jahr oder weniger.*

⁽¹³⁾ Include only in the version of the Pricing Supplement which is submitted to the relevant Stock Exchange in the case of Notes to be listed on such Stock Exchange.

¹³⁾ *Nur in derjenigen Fassung des Konditionenblattes einzufügen, die der betreffenden Börse, bei der die Schuldverschreibungen zugelassen werden sollen, vorgelegt wird.*

Responsibility:
Verantwortlichkeit:

The Issuer accepts responsibility for the information contained in this Pricing Supplement.
Die Emittentin übernimmt die Verantwortung für die in diesem Konditionenblatt enthaltenen Informationen.

Citibank, N.A.

(as Agent)
(als Emissionsstelle)

[Deutsche Telekom AG

[Name & title of signatories]
[Name und Titel der Unterzeichnenden]]

[Deutsche Telekom International Finance B.V.

[Name & title of signatories]
[Name und Titel der Unterzeichnenden]]

Deutsche Telekom AG

– Issuer and Guarantor –

Incorporation and Seat

Pursuant to the Second Postal Reform Law (*“Gesetz zur Neuordnung des Postwesens und der Telekommunikation”*), Deutsche Bundespost TELEKOM, a public law entity and the predecessor of Deutsche Telekom AG, was transformed into a private law stock corporation, with effect from January 1, 1995. Deutsche Telekom is registered in the Commercial Register of Bonn under No. HRB 6794. The Second Postal Reform Law also provided the framework for the privatisation of the company. In November 1996, Deutsche Telekom’s capital was increased and the new shares were offered internationally to the general public. Due to a series of transfers of shares to Kreditanstalt für Wiederaufbau commencing in January 1998, a second capital increase in June 1999, a third public offering of shares in June 2000 and a fourth capital increase in May 2001, now approximately 57% of the current share capital is held by institutional and private investors.

Deutsche Telekom is the parent company of Deutsche Telekom group which is a full-service telecommunications group whose major lines of business include providing public fixed-network voice telephony, mobile communications services, cable transmission services, leased lines, text and data services, on-line services, corporate network design and supply, and network management services within the German market and in certain international markets.

Its registered office is at Friedrich-Ebert-Allee 140, D-53113 Bonn, Germany.

Objects

According to its Articles of Incorporation, the object of Deutsche Telekom is activity in all areas of telecommunications, information technology, multimedia, information and entertainment as well as security services and any services connected to these areas and in related areas in Germany and abroad.

In addition, the Company shall be entitled to enter into all other transactions and take all other measures deemed appropriate to serve the above object. It may also set up, acquire and participate in other undertakings of the same or similar kind in Germany and abroad, as well as run such undertakings or confine itself to the administration of its participation. It may spin off its operations wholly or partly to affiliated undertakings.

Share Capital

As of March 31, 2003, the share capital of Deutsche Telekom amounted to € 10,746,246,208 divided into 4,197,752,425 registered ordinary shares without par value (*Stückaktien*). All shares have been issued and are fully paid.

As of March 31, 2003, the Federal Republic of Germany directly holds around 30.75%, and Kreditanstalt für Wiederaufbau (*“KfW”*) holds 12.02% of the share capital of Deutsche Telekom. The capital of KfW is held by the Federal Republic of Germany (80%) and the German federal states (20%). As of January 1, 2000 the provisions of German law inhibiting the ability of the Federal Republic and KfW to sell shares of Deutsche Telekom ceased to apply.

As of March 31, 2003, Deutsche Telekom held 2,670,828 of its own shares in Treasury, representing 0.064% of its total ordinary shares.

Capitalisation (consolidated)

The following table sets forth the cash and other liquid assets and the capitalisation of Deutsche Telekom and its subsidiaries in accordance with German GAAP at December 31, 2002.

	At December 31, 2002 ⁽¹⁾
	(€ in millions)
Liquid assets	1,905
Current debt ⁽²⁾	9,876
Long-term debt:	
Bonds and debentures	48,217
Liabilities to banks	4,951
Total long-term debt ⁽³⁾	53,168
Shareholders' equity:	
Capital stock	10,746
Additional paid-in capital	50,077
Other shareholders' equity positions	(25,407)
Total shareholders' equity	35,416
Total capitalisation	88,584

⁽¹⁾ The amounts in this table exclude rental and leasing obligations of € 573 million and loan notes of € 842 million as of December 31, 2002.

⁽²⁾ Includes the current portion of long-term debt as of December 31, 2002.

⁽³⁾ € 14.5 billion of this total debt is originally pertaining to Deutsche Bundespost Special Fund which in accordance with § 2 subpara. (2) and (4) of the Post Transformation Act (*Postumwandlungsgesetz*) is guaranteed by the Federal Republic of Germany.

Save for the issuance of bonds and medium term notes by Deutsche Telekom AG and Deutsche Telekom International Finance B.V. in the total aggregate principal amount of approximately € 2.5 billion and of mandatory convertible bonds by Deutsche Telekom International Finance B.V. in the aggregate principal amount of € 2,228.5 million, there has been no material change in the consolidated capitalisation of Deutsche Telekom since December 31, 2002.

Supervisory Board

The members of the Supervisory Board of Deutsche Telekom are as follows:

Representatives of the shareholders:	Representatives of the personnel:
Dr. Klaus Zumwinkel Chairman Chairman of the Board of Management of Deutsche Post World Net AG, Bonn	Rüdiger Schulze Vice Chairman Head of federal department 9, ver.di, Berlin
Gert Becker Former Chairman of the Board of Management of Degussa AG	Monika Brandl Member of the Works Council at Deutsche Telekom AG, Bonn
Dr. Hubertus von Grünberg Member of the Supervisory Board of Continental AG	Josef Falbisoner Head of ver.di trade union, Bavaria
Dr. sc. techn. Dieter Hundt Managing Shareholder of Allgaier-Werke GmbH & Co. KG	Lothar Holzwarth Chairman of the Works Council of Deutsche Telekom AG, branch of the South-Western, Stuttgart

Representatives of the shareholders:

Dr. Manfred Overhaus
State Secretary in the Federal Ministry
of Finance, Berlin

Hans-W. Reich
Chairman of the Board of Directors
of Kreditanstalt für Wiederaufbau

Prof. Dr. Helmut Sihler
Vice Chairman of the Board of Directors of
Novartis AG, Basle

Prof. Dr. h.c. Dieter Stolte
Editor of the "Welt" and "Berliner Morgenpost"
daily newspapers

Bernhard Walter
Former Chairman of the Board of management
of Dresdner Bank Aktiengesellschaft

Dr. Hans-Dietrich Winkhaus
Member of the shareholders' committee
of Henkel KGaA

Representatives of the personnel:

Waltraud Litzenberger
Member of the Works Council
at Deutsche Telekom AG, Eschborn

Michael Löffler
Member of the Works Council
at Deutsche Telekom AG, Dresden

Wolfgang Schmitt
Head of Business Customers Branch
South-West, Stuttgart

Michael Sommer
Head of *Deutsche Gewerkschaftsbund*, Berlin

Ursula Steinke
Chairperson of the Works Council
of DeTeCSM Northern Branch, Kiel

Wilhelm Wegner
Chairman of the Central Works Council of
Deutsche Telekom AG, Bonn

Board of Management

The members of the Board of Management of Deutsche Telekom are as follows:

Kai Uwe Ricke, Chairman
Josef Brauner
Dr. Karl-Gerhard Eick
Thomas Holtrop
Dr. Heinz Klinkhammer
René Obermann
Konrad F. Reiss

General Meeting of Shareholders

The ordinary shareholders' meeting shall take place within the first eight months of each fiscal year at the head quarters of Deutsche Telekom, or at the location of a German stock exchange or in a German city with over 500,000 inhabitants.

Auditors

The auditors of Deutsche Telekom are PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Olof-Palme-Strasse 35, D-60439 Frankfurt am Main, Federal Republic of Germany and Ernst & Young, Deutsche Allgemeine Treuhand AG Wirtschaftsprüfungsgesellschaft, Eschersheimer Landstrasse 14, D-60322 Frankfurt am Main, Federal Republic of Germany. They have audited the consolidated and non-consolidated financial statements of Deutsche Telekom for the years 2001 and 2002 and have issued their unqualified opinion. The auditors of Deutsche Telekom for the year 2000 were PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft. They audited the consolidated and non-consolidated financial statements of Deutsche Telekom for the year 2000 and issued their unqualified opinion.

Fiscal Year

The fiscal year of Deutsche Telekom is the calendar year.

Description of Business

Deutsche Telekom's objectives for the coming years are to build on its position as a leading telecommunications provider in Europe and to secure its place among the world's leading telecommunications companies. To accomplish these strategic goals, Deutsche Telekom has organized its businesses into four main divisions:

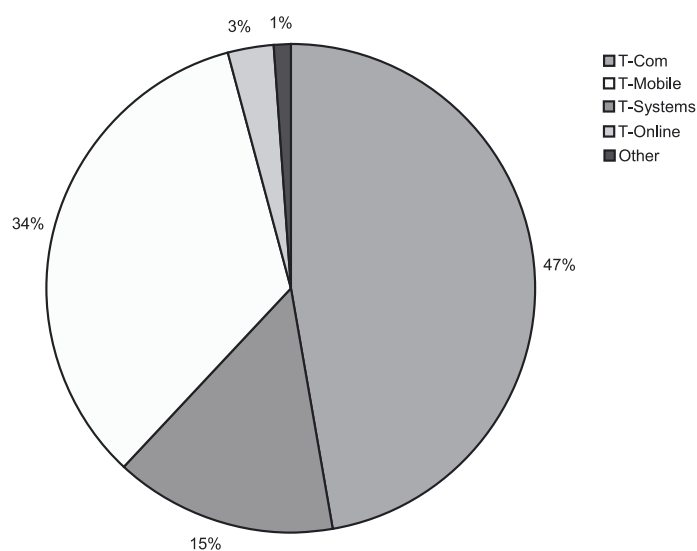
- T-Com (for network access and services),
- T-Mobile (for mobile communications),
- T-Systems (for data communications and systems solutions for large business customers) and
- T-Online (for consumer Internet services).

The following table shows the contributions of the four divisions to the net revenues of the Deutsche Telekom Group in the financial year 2002:

Net Revenue in the financial year 2002 by divisions

	millions of EUR	%
T-Com	25,422	47
T-Systems	7,793	15
T-Mobile	18,229	34
T-Online	1,672	3
Other	573	1
Total	53,689	100

The following chart shows revenues from each of Deutsche Telekom's divisions for 2002 expressed as a percentage of consolidated net revenues for that year:



T-Com

Principal Activities

The principal services offered by the T-Com division are narrow and broadband access to Deutsche Telekom's fixed-line telecommunications network and domestic and international public fixed-line-network voice telephony services for individual customers and small to medium-sized enterprises. T-Com also offers wholesale products to domestic network operators. The T-Com division operates one of the largest fixed-line networks in Europe with approximately 57.5 million access lines (including ISDN channels). In Germany alone, Deutsche Telekom's fixed-line network provides approximately 51 million access lines (including ISDN channels) to individual customers and small and medium-sized enterprises.

T-Com also:

- provides interconnection services for other domestic network operators;
- offers services and solutions in the field of data communications to small and medium-sized enterprises;
- sells and leases telecommunications equipment to, and services such equipment for, its target customers; and
- provides other ancillary telecommunications services.

Until March 2003, T-Com was responsible for Deutsche Telekom's remaining cable television operations, which were sold on March 13, 2003. For further information in this regard, see "Broadband Cable."

Most of T-Com's revenues in 2002 were derived from telephony services provided within Germany. Deutsche Telekom also, however, offers services and products in Central and Eastern Europe to individuals and corporate customers through its subsidiaries, Matav Magyar Tavkoelesi Rt. (MATAV, Hungary), Slovenske Telekomunikacie, a.s. (Slovak Telecom, Slovakia) and HT-Hrvatske telekomunikacije d.d. (Hrvatski Telekom, Croatia). Their operations were accounted for under Deutsche Telekom's "Other Activities" segment before 2002.

Network Infrastructure

Deutsche Telekom has made substantial investments in its telecommunications and cable networks since 1990, including the installation of a new network in the former East Germany. As a result, its fixed-line network in Germany is one of the most technologically advanced networks in the world, with fully digital switching and nearly 100% digital transmission. Deutsche Telekom has recently introduced asynchronous transfer mode (ATM) technology and wavelength division multiplexing (WDM) technology. ATM is a special type of technology which permits the transmission of a large amount of data (voice, text, audio and video) in high quality using a standard platform. Deutsche Telekom is the only carrier to offer this technology throughout Germany (brand name "T-ATM"). WDM technology multiplies the transmission capacity of existing fiber optic cables by allowing higher bandwidths than most other technologies.

As of December 31, 2002, Deutsche Telekom's domestic fixed-line telephone network and ISDN network in Germany consisted of approximately 5,200 local networks (including approximately 8,000 local exchange areas) connected by a long-distance transmission network. As of December 31, 2002, the transmission network linking Deutsche Telekom's German local networks consisted of approximately 173,000 kilometers of fiber optic cable. The transmission network is based on the WDM and Synchronous Digital Hierarchy (SDH) infrastructure. In the fall of 2002, the 10,000th network element for SDH was connected to Deutsche Telekom's network. SDH is the transport platform of T-Com upon which practically all digital communications (from leased lines through the Internet to traditional telephone traffic) are based.

Network Access

In Germany, T-Com offers access to its transmission network for individual customers and small to medium-sized enterprises. Typically, T-Com customers have access to the transmission network by means of a copper wire that runs from the transmission network into the home or office of a customer. These access lines can either be standard analog access lines or digital access lines. Digital access lines also are called Integrated Services Digital Network or ISDN lines. In addition, analog and digital access lines can be enhanced by increasing broadband capacity through asymmetric digital subscriber line or ADSL technology, which T-Com markets under the brand name "T-DSL". In the major German cities, T-Com offers its customers access via glass fiber access networks capable of higher bit rates, which increase broadband capacity.

T-Com offers its customers a variety of tariff plans that generally consist of a monthly fixed payment for access and a variable, usage-based component. With T-DSL services, T-Com offers an access connection for a monthly fixed payment. With Internet service providers, including T-Online, charges are based on the volume of data traffic.

Analog Access Lines. An analog access line, the traditional telephone line, provides a single telecommunications channel. As of December 31, 2002, approximately 29 million analog lines were connected to T-Com's PSTN/ISDN-platform, marketed under the brand name "T-Net". T-Com's "T-Net 100" service provides special rates for local and domestic calls to approximately 3.7 million customers and T-Com's "T-NetBox" service provides a virtual answering machine to approximately 2.8 million customers.

ISDN Access Lines. T-Com's ISDN services are marketed under the brand name "T-ISDN". ISDN permits a single access line to be used for multiple purposes simultaneously, including voice and video telephony and data and facsimile transmission. ISDN also provides higher quality connections with faster transmission of signals and increases the capacity of the access network. T-Com offers ISDN access lines throughout Germany and has one of the largest ISDN networks in the world (measured in terms of channels).

T-Com offers two types of ISDN access lines: basic and primary. Basic ISDN access lines provide two telecommunications channels per access line and are offered to individual customers and to small to medium-sized enterprises. Primary ISDN access lines provide thirty telecommunications channels per access line and are offered primarily to small to medium-sized enterprises. As of December 31, 2002, T-Com had installed approximately 9.7 million basic ISDN access lines and approximately 102,000 primary ISDN access lines, together representing approximately 22.4 million ISDN channels.

Increasing the ISDN penetration rate is an important part of T-Com's strategy. T-Com offers its ISDN customers multiple rate plans (which permit lower usage prices than standard usage prices), additional lines for Internet or facsimile access, caller identification and the T-NetBox answering machine.

T-DSL. ADSL is a telecommunications technology that permits the transmission of data at very high speeds. T-Com offers standard analog and ISDN access lines enhanced by means of ADSL technology under the brand name "T-DSL". At December 31, 2002, there were more than 3.1 million marketed (signed) contracts for T-DSL.

One of the principal benefits of ADSL technology is that it permits customers to use their standard access lines for high-speed access to the Internet. Since Deutsche Telekom expects the Internet to grow in importance as a means of communication in the future, Deutsche Telekom considers continued growth in the number of T-DSL access lines to be an important strategic priority.

Calling Services

T-Com provides comprehensive local calling services as well as national and international long-distance calling services for customers that have access to T-Com's fixed-line network. For customers connecting to one another on its network, or connecting customers who place a call from T-Com's network to the network of another network operator, T-Com charges tariffs that are proportionate to

the duration of the call and to the distance traveled by the call. These tariffs generally are higher during peak calling hours than during off-peak calling hours.

Under the regulatory framework applicable to the German telecommunications sector, T-Com's tariffs for fixed-line network calling services are subject to regulatory approval for so long as Deutsche Telekom is considered to be a market-dominant provider.

Following the complete liberalization of Germany's telecommunications market in 1998, Deutsche Telekom's tariffs for fixed-line network calling services have declined dramatically, primarily as a result of action by the German telecommunications regulator that has significantly reduced the rate that other telecommunications providers are required to pay to Deutsche Telekom for interconnection with Deutsche Telekom's network. Future reductions mandated by the German telecommunications regulator could cause further declines in the rates that Deutsche Telekom can charge for fixed-line network calling services.

Since January 1, 1998, the provision of fixed-line voice telephony services in Germany has been open to full competition. In 2002, competition still concentrated on long distance and international calls, both areas in which Deutsche Telekom's competitors have made considerable inroads into the market. Fixed terms for interconnection, which particularly favor competitors that have not invested heavily in infrastructure, enabled competitors to benefit from Deutsche Telekom's infrastructure investments. In Germany, telephone customers have been free since 1998 to choose providers either through preselection (selecting one long-distance carrier to handle all domestic long distance and international calls on a default selection basis) or through call-by-call selection (selecting a carrier when such a call is made by dialing the carrier's numeric prefix before dialing the telephone number) for long-distance and international calls. Preselection and call-by-call selection for local calls is set to commence this year. In addition, mobile telephone calling services have begun to compete with the fixed-line calling services Deutsche Telekom offers. Deutsche Telekom has countered the challenge posed by its competitors with sharply reduced tariffs and innovative, customer-oriented and reliable products and services.

SMS (Short Message Services) in the Fixed-Line Network

SMS services, which allow text messaging over Deutsche Telekom's fixed-line network, were introduced in the second-half of 2001. SMS services can be used from any of T-Com's T-Net or T-ISDN lines using SMS-capable equipment. More than 8 million SMS messages were sent from the fixed-line network in 2002. More than 23 million SMS messages were received by fixed-line network customers from the T-Mobile network.

T-Pay

T-Pay is T-Com's new payment system of simple and safe payment of online purchases. T-Pay covers four different types of payment: by Deutsche Telekom invoice, with MicroMoney (the prepaid card of T-Pay), by direct debit or by credit card. T-Pay is marketed to providers, who wish to offer their products and services on the Internet and who desire a safe and easy customer payment option. T-Pay is free of charge for the user and can be used from any PC with Internet access.

Special Service Offerings for Business Customers

During 2002, T-Com continued its marketing efforts for virtual private network solutions for small to medium-sized enterprises under the brand name "T-VPN". The T-VPN package consists of value added modules that can be combined in different configurations to produce applications that are tailored to the needs of particular customers. T-Com also offers special tariff packages that are customized to meet the needs of business customers. In 2002, the German telecommunications regulator examined a number of contracts with closed user groups (T-VPN).

Data Services

T-Com offers small and medium-sized enterprises many of the data communications services that T-Systems offers to large business customers. These services include leased lines, which are marketed under the brand name "LeasedLink", FrameLinkPlus, a FrameRelay service, which is the basis for seamless, national and international branch networks solutions (IP-VPN), X.25, which is marketed under the brand name "Datex-P"; Internet communications applications which are marketed under the brand name "T-InterConnect" and local area networks which are marketed under the brand name "T-LAN". T-Com also provides, under the brand name "Telekom Designed Networks" communications solutions that are tailored to specific customer requirements. These solutions involve design and installation of communications networks, network management and ongoing services.

E-Business

Deutsche Telekom offers E-business products to mid-sized companies. Although E-business is not part of Deutsche Telekom's core business, revenues have been increasing in this sector over the past four years. T-Com offers small and medium-sized companies web hosting as a basic service of E-business products and services.

IT Solutions

T-Com's Information Technology (IT) Solutions products and services consist of desktop services, CRM (customer relationship management) and systems integration. Desktop services provides installation, software and service solutions for corporate PCs, servers and peripheral equipment. CRM provides integrated information systems for all corporate divisions of the customer (marketing, sales and customer care). Systems integration provides medium-sized business customers ways to integrate existing and new IT and telecommunications applications into an overall solution for their businesses.

Wireless LAN

Deutsche Telekom offers private and business customers all the products necessary to implement wireless local area network (LAN) networks and complete Internet solutions. Wireless LAN services provide wireless communications based on international broadcasting standards. For broadband Internet access, such as through Deutsche Telekom's T-DSL/T-DSL Business products, a wireless LAN is an inexpensive alternative to cable-bound solutions.

Carrier Services

Deutsche Telekom's business with other telecommunications carriers is conducted through the T-Com and T-Systems divisions. As of January 1, 2002, Deutsche Telekom transferred operational responsibility for the domestic carrier services business to T-Com and operational responsibility for the international carrier services business to T-Systems. This new allocation of operational responsibility for the carrier services business is reflected in the financial data of Deutsche Telekom's segments for the year ended December 31, 2002.

The products and services provided by the domestic carrier services business consist primarily of interconnection services for operators of fixed networks and mobile communications networks, carrier-specific transmission paths and access to the unbundled subscriber line that runs into a customer's premises (the "unbundled local loop"). The terms for interconnection of Deutsche Telekom's telephone network with networks of other national providers are contained in bilateral contracts. At December 31, 2002, Deutsche Telekom had signed 94 such agreements. The total number of leased lines provided to carriers (i. e., transmission paths that are made available to competitors in the fixed-line network) increased by 16% in 2002. In the national market, the German telecommunications regulator determines the terms on which Deutsche Telekom provides interconnection to competitors as well as access to the unbundled local loop so that competitors have direct access to customers.

Broadband Cable

As of December 31, 2002, Deutsche Telekom was the 100% indirect owner of six regional cable companies that offer cable television service to approximately 75% of the geographic area of Germany and approximately 58% of the population of Germany. On March 13, 2003, Deutsche Telekom completed the sale of these six regional cable companies and certain related shareholdings and assets to a consortium of financial investors for a purchase price of EUR 1,725 million in cash plus contingent sales considerations of up to an additional EUR 375 million depending on the value of the cable businesses in the future. Deutsche Telekom has also entered into service agreements with these sold companies that include long-term lease agreements relating to infrastructure (cable ducts, glass fibres, technical facilities). Under certain circumstances, Deutsche Telekom may be responsible for certain compensation obligations relating to Deutsche Telekom's former employees.

Deutsche Telekom continues to indirectly own a 40% interest in the regional cable company that provides service to the German federal state of Baden-Württemberg.

In November 2002, the regional cable company that provides service to the German federal state of North Rhine-Westphalia, in which Deutsche Telekom indirectly owned a 45% interest, was restructured. The restructuring was necessary due to the insolvency of the holding companies through which Deutsche Telekom held its indirect interest. As a result of the restructuring Deutsche Telekom ceased to own such indirect interest in this regional cable company and has renegotiated the service level agreements with this company.

In December 2002, the regional cable company that provides service to the German federal state of Hessen was restructured. The restructuring was caused by the financial distress of the holding companies through which Deutsche Telekom held its indirect 35% interest in this regional cable company. In the course of the restructuring, the regional cable company was indirectly acquired by certain bondholders of one of the holding companies. Accordingly, Deutsche Telekom no longer holds any interest in this regional cable company.

Terminal Equipment

Through its terminal equipment business, T-Com distributes an extensive range of telecommunications equipment produced by third party manufacturers, from individual telephone sets and facsimile machines targeted at private customers to more complex telephone and facsimile terminals, private branch exchanges (PBXs) and complex network systems targeted at business customers. With most of T-Com's terminal equipment, customers have the choice of purchasing or leasing. T-Com also provides installation and repair services.

Customer Support Services

Installation, maintenance, service hotlines, customer education, software installation and network management are important parts of T-Com's business activities. Standardized service levels are offered to individual customers under the brand names "Compact-Service" and "Comfort-Service". Customized services are offered to business customers.

Other Services

In Germany, T-Com offers a range of sales and service phone numbers for business and private use, provides directory assistance, manages a network of public telephones and produces prepaid calling cards. Commencing in 2003, the directory publishing operations of DeTeMedien will be included in T-Com's operations. The main focus of DeTeMedien's business activities is the marketing of advertising in paper and online telephone directories and the publication and distribution of telecommunications directories in Germany in cooperation with small and medium-sized publishing companies. DeTeMedien receives most of its revenues from advertisements contained in the various telephone directories it publishes. DeTeMedien and its publishing partners are market leaders in Germany for directory media. In recent years, DeTeMedien's products have been subject to increasing pressure from competitors.

International Activities

Deutsche Telekom's main subsidiaries belonging to the T-Com division conducting international operations are MATAV, Slovak Telecom and Croatian Telecom (Hrvatski Telekom). Until December 31, 2001, these subsidiaries' operations were included in "Other Activities" for financial reporting purposes and are now included in the T-Com division.

MATAV

Deutsche Telekom holds a 59.5% equity interest in MATAV, the leading full service telecommunications provider in Hungary in terms of revenues. MATAV also owns Westel, a Hungarian mobile communications provider. Westel maintained its leading position in an expanding mobile market characterized by intense competition. Its customer base was above 3.4 million subscribers at December 31, 2002. In addition, MATAV acquired a 51% interest in a company that owns 86.5% of the Macedonian telecommunications company Makedonski Telekomunikacii A.D., Skopje (MAKTEL).

During 2002, MATAV's fixed line network penetration and the total number of access lines marginally declined. The total number of access channels decreased by 0.1% from 2.90 million to 2.88 million due to increased competition mainly from mobile services. However, the number of ISDN channels increased to approximately 511,000, a 14.0% increase over 2001. At December 31, 2002, approximately 17.7% of MATAV's total fixed lines were ISDN channels. MATAV was successful in broadband applications, with the number of installed ADSL lines growing to approximately 34,000 by the end of 2002. The number of mobile subscribers increased by around 36.4% from 2.5 million at the end of 2001 to 3.4 million at the end of 2002. MATAV's Internet subsidiary, Axelero, maintained its leading position among ISPs in the dial-up market with a market share of approximately 43% and almost 150,000 Internet subscribers.

Although Deutsche Telekom has the power to appoint a majority of MATAV's board of directors, the Republic of Hungary retains significant influence over MATAV's activities as the holder of the Series B share, the regulator of the Hungarian telecommunications sector and MATAV's largest customer. The Series B share gives the Hungarian state certain special rights in the election of MATAV's boards and with respect to certain decisions taken at shareholders' meetings.

MATAV's monopoly in the Hungarian market for long-distance and international telecommunications services expired at the end of 2001.

Hrvatski Telekom

In October 1999, Deutsche Telekom acquired a 35% equity interest in the then state-owned Hrvatski Telekom, the leading full-service telecommunications service provider in Croatia in terms of revenues, for US\$850 million. In October 2001, Deutsche Telekom acquired an additional 16% interest in Hrvatski Telekom for EUR 500 million and increased its aggregate ownership to 51%. Hrvatski Telekom operates mainly digitalized fixed-line and mobile networks. The number of access channels increased by 1% from 1.785 million in 2001 to 1.806 million in 2002. Hrvatski Telekom's mobile subscriber base increased from 0.9 million at year-end 2001 to 1.2 million at year-end 2002. It had a mobile market share of 53% at October 2002. Hrvatski Telekom's online business had 370,000 dial up customers and a market share of 74% at December 31, 2002. The full liberalization of the Croatian telecommunications market took place on January 1, 2003. Hrvatski Telekom pursued restructuring and market repositioning projects in 2002, including HTtel brand positioning, the transformation of telecommunications centers (with implementation in January 2003), the continuation of the outsourcing of non-core business activities and defining a "go to market" strategy in order to counter increased competition.

Slovak Telecom.

In July 2000, Deutsche Telekom acquired a 51% equity interest in the state-owned Slovak Telecom, the leading full-service telecommunications service provider in Slovakia in terms of revenues, for a purchase price of EUR 1 billion. Slovak Telecom offers local, long-distance and international tele-

phone services, data communications services, telex and telegraph services, distribution and broadcast radio and television signals and mobile communications services via its majority-owned but, on T-Com's level, not fully consolidated subsidiary, Eurotel. Although pursuant to Eurotel's Shareholders Agreement, Slovak Telecom has a 51% economic interest in the profits and net assets of Eurotel, control of Eurotel is shared between Slovak Telecom and another company (Atlantic West B.V.), because neither party has unilateral control over major decisions affecting Eurotel. Hence this investment is considered a joint venture.

The total number of access channels declined by 6% compared to 2001 from 1.58 million to 1.46 million. Slovak Telecom is the leading provider of online services in Slovakia. As of December 31, 2002, it had a 52% market share of dial up traffic and nearly 70,000 customers. This online customer number represents a 50% increase over 2001. This increase is due to a successful online marketing effort.

Suppliers

The principal types of equipment purchased by the T-Com division are network components such as switching systems, transmission systems, access network components and customer premises equipment, such as telephones and fax machines, T-DSL modems and similar items. Although Deutsche Telekom does not believe that T-Com is dependent on any single supplier, due to the multiple suppliers strategy that Deutsche Telekom has implemented, there may be occasions when a particular product from a particular supplier is delayed or backordered. Major suppliers of T-Com are Alcatel SEL AG, Cisco Systems International B.V., Corning Cable Systems GmbH & Co. KG, ECI Telecom GmbH, Lucent Technologies Network Systems GmbH and Siemens AG.

Competition

Fixed Network Voice Telephony and Local Access

Since the full liberalization of the German telecommunications market in January 1998, Deutsche Telekom has faced intense competition, based primarily on price, in the market for fixed-line network voice telephony.

Effect of regulatory decisions. In the market for international and domestic long-distance calling services, the level of competition is influenced by the fact that Deutsche Telekom is required by law to permit other telecommunications companies to interconnect with its fixed-line network at rates that are set by the German telecommunications regulator. As a result, decisions of the German telecommunications regulator regarding the maximum rate that Deutsche Telekom is permitted to charge for interconnection have a very significant impact on the level of competition in the market for fixed-line network voice telephony. When the maximum permitted interconnection rate is below the price charged by Deutsche Telekom for calling services, competitors can interconnect with fixed-line network and offer calling services for a lower price, forcing Deutsche Telekom to lower its prices for calling services. The price structure for interconnection rates particularly benefits those competitors that have not made substantial investments in their own infrastructure. As a result of several decisions of the German telecommunications regulator between 1998 and 2002 that reduced the maximum permitted interconnection rate, Deutsche Telekom reduced its tariffs substantially from 1998 on, particularly in the areas of international and domestic long-distance calls. After massive price reductions in the standard rate at the start of 1999, Deutsche Telekom introduced optional tariffs that enable the customer to make inexpensive local, regional and international calls for a monthly fee. In 2002, Deutsche Telekom further reduced its standard prices as a result of mandatory (regulatory) price-cap targets. T-Com's share of the German market for calls declined from approximately 100% in 1997 to 72.7% in 2001 and continued to fall to 68% in 2002.

Future decisions of the German telecommunications regulator could require Deutsche Telekom to lower its prices further, cause it to lose additional market share, or both. In 2002, the German telecommunications regulator issued a decision that reduces the permitted fixed-fixed interconnection rate by an average of approximately 14%. A reduction in interconnection rates means more advantageous advance payment costs for competitors and thus the opportunity to reduce end user prices or to increase their margin. Some competitors used the reduction to increase their own margins on calls

and other competitors passed these reductions on to end users. As part of the new price cap regime (2002 – 2004), Deutsche Telekom will again be required to reduce charges for calls. In order to offset such reductions, Deutsche Telekom intends to increase charges for access and other services.

Regulatory decisions also play a critical role in the level of competition in the markets for regional and local calls and for local access. Deutsche Telekom is required by law to rent subscriber access lines to competitors at prices determined by the German telecommunications regulator. Deutsche Telekom is required to permit “line sharing”, which means renting to a competitor only that portion of the subscriber access line that is required for high-bandwidth services, such as high-speed Internet access. As a result of a decision by the German telecommunications regulator, Deutsche Telekom is also required to offer local access and local call minutes to competitors at wholesale prices for purposes of resale. In addition, the German government has agreed on draft legislation that would mandate the availability of carrier preselection for local calls by July 9, 2003, and call-by-call carrier selection by April 25, 2003. Deutsche Telekom expects that competitors will begin to offer those services in 2003.

Further regulatory initiatives of Germany or the European Union aimed at increasing competition in the markets for local calls and for access may be expected in the coming years.

All of these regulatory decisions and initiatives are likely to cause intensified competition in the markets for local calls and for access in the coming years, which may have an adverse impact on Deutsche Telekom’s operations and its competitive position.

Effect of investments by other companies. Deutsche Telekom also faces significant competition in the markets for international and domestic long-distance calls, regional calls and access lines from competitors that have made investments in their own infrastructure, such as Arcor AG & Co., Colt Telecom Group Plc., MCI Worldcom Inc. and BT Group Plc. In addition, national network operators, such as Arcor AG & Co., and local network operators, such as HanseNet Telekommunikation GmbH, Kom-Tel GmbH and NetCologne Gesellschaft für Telekommunikation mbH, have made substantial investments in local network infrastructure and compete with Deutsche Telekom in major urban centers throughout Germany. Furthermore, as prices for mobile telephony decline, Deutsche Telekom’s local and other calling services as well as access services face increasing competition from mobile telephone operators. Additionally, as alternative technologies, such as voice-over-IP and use of the Internet, gain market acceptance, Deutsche Telekom’s fixed-line network telephone usage may be adversely affected.

Other Services. The recently completed sale of the remaining six regional cable companies and, thus, the sale of nearly the whole of Deutsche Telekom’s broadband cable interests may in time lead to additional competition from parties seeking to provide telecommunications services, including access services, and multimedia services, through these broadband cable networks.

Although Deutsche Telekom does not manufacture its own equipment, it does resell equipment under its own label that has been manufactured for it. The terminal equipment sector has been open to full competition since 1990 and is characterized by falling prices, low margins, rapid technological innovation and intense competition. The basis for competition in this field is primarily price. T-Com’s most significant competitors are Siemens AG, Alcatel S.A., Philips Electronics N.V. and Tenovis GmbH & Co. KG (formerly Bosch Telekom GmbH / Telenorma AG). Most of these competitors are also suppliers to T-Com.

T-Systems

Principal Activities

Through its T-Systems division, Deutsche Telekom offers its large German and international business and governmental customers a broad range of telecommunications (TC) and information technology (IT) services. These services are provided through its wholly-owned subsidiary, T-Systems International GmbH, which was established in 2000 by combining certain of Deutsche Telekom’s business units with the business of debis Systemhaus

T-Systems uses advanced information technology and telecommunications expertise to provide customized solutions to its customers. Such solutions include planning, construction, integration and operations services relating to complex information technology and telecommunication systems. T-Systems provides support for customers through Deutsche Telekom's global telecommunications network in more than twenty countries. In 2002, T-Systems opened offices in Japan and Hong Kong. Effective January 1, 2002, the domestic carrier services business of the T-Systems division was transferred to the T-Com division and the international carrier services business of the T-Com division was transferred to the T-Systems division. Accordingly, the financial information of the T-Systems division for the previous reporting periods have been adjusted to reflect this reorganization.

T-Systems' primary non-German markets are in Western Europe, North America and Asia. In 2002, German-based operations contributed approximately 72.6% of the division's revenues. For the year ended December 31, 2002, the TC services group contributed approximately 49.5% of T-Systems' revenues and the IT services group contributed approximately 50.5% of T-Systems' revenues.

Telecommunications Services (TC)

Telecommunications services encompass a global network infrastructure for voice and data communications and a range of related consulting services, including the "Global Network Factory (GNF)," "Network Services (NWS)," "International Carrier Sales and Solutions (ICSS)," "Hosting and ASP Services (H&ASP)" and "Media Broadcast." Operating divisions of Deutsche Telekom other than T-Systems account for approximately 20.4% of the revenues of the TC services area.

Global Network Factory (GNF). The Global Network Factory group plans, builds and operates the global telecommunications platforms of T-Systems and those of Deutsche Telekom's customers. The GNF group, through T-Systems' global network platform and through the operation of Deutsche Telekom's customers' networks, is responsible for providing equipment and services relating to the operation of telecommunications networks and other telecommunications services for Deutsche Telekom's customers. In addition to serving customers that use Deutsche Telekom's global telecommunications network, the GNF group manages the national and international corporate networks of Deutsche Telekom's customers. The GNF group is also responsible for the selection and implementation of leading edge technologies within the networks that it builds and operates on behalf of Deutsche Telekom's customers.

Network Services (NWS). The Network Services group installs and operates customized voice and data communications networks for businesses, non-profit organizations and governmental agencies. Projects for customers generally operate through Deutsche Telekom's global network. The solutions offered by the NWS group support fast and reliable communications throughout a customer's organization as well as communications outside of the customer's organization (for example, with their customers, suppliers and partners).

The services offered by the NWS group include the installation of networks covering a single customer location ("local area networks"), exclusive end-to-end communications lines between two customer locations ("leased lines"), and complex virtual private networks ("VPN"), in which Deutsche Telekom uses its global network to create virtual links between a number of geographically dispersed customer locations. The NWS group also offers VPN through the Internet.

The NWS group offers VPN services like "Global Frame Relay," "Global Business-Link," "Global Intranet" and "Global Internet" to Deutsche Telekom's multinational corporate customers in Europe, North and South America, Asia and the Pacific Rim, as well as in Australia and South Africa. It also creates customized voice communication networks for its customers and constructs complex call center solutions that assist customers with the professional management of their incoming calls, faxes and e-mails.

International Carrier Sales and Solutions (ICSS). The International Carrier Sales and Solutions business provides customers (typically other fixed-line and mobile carriers) with direct access to Deutsche Telekom's telecommunications networks, including those networks that are leased from other carriers. Since January 1, 2002, the revenues of the ICSS business have been reflected in the revenues of the T-Systems division. Formerly, they were included in the T-Com division. During

2002, ICSS managed total worldwide voice traffic of approximately 13 billion minutes. The ICSS group provides innovative solutions relating to data transmission, voice and wireless, to telecommunications carriers (including, former incumbent or dominant regional/national carriers, emerging regional and long-distance carriers, Internet service providers and mobile carriers).

ICSS also provides carrier termination and transit services to other fixed-line and mobile carriers for calls that originate outside Germany and are routed through T-Systems' international network for termination in Germany or a third country. Deutsche Telekom purchases termination services from foreign carriers for termination of T-Systems' outbound international traffic.

The international services that Deutsche Telekom provides have been augmented by the continuous build up of Deutsche Telekom's own global network through partnering and leasing arrangements. In 2002, Deutsche Telekom had points of presence (leased space where network infrastructure is installed and maintained) in 22 major cities in 16 countries. Further extensions of Deutsche Telekom's network are planned based on customers' needs and cost considerations.

Hosting and ASP Services (H & ASP). Hosting and ASP Services enable Deutsche Telekom's customers to employ Internet technologies in their businesses. H & ASP Services provide the underlying infrastructure that enables a customer's business to operate more efficiently and seamlessly. The H & ASP Services group arranges (or "hosts") the Internet presence of customers by providing a reliable connection to Deutsche Telekom's network and managing the customer's website. In addition, as an application service provider (or "ASP"), the H & ASP Services group provides the software necessary to maintain a reliable Internet connection. The H & ASP Services group also provides electronic marketplaces and portals that enable enterprises to conduct business transactions electronically, either within a single industry or between enterprises from different industries. With these electronic marketplaces and portals, Deutsche Telekom's customers can facilitate their relationships with suppliers ("supply chain management") or with customers ("customer relationship management"). In 2003, T-Systems expects to expand this aspect of its business beyond Germany into other parts of Europe and the United States.

In Germany, T-Systems' H & ASP Services are also marketed by the T-Com division to its small and medium-sized business customers. Outside Germany, T-Systems also markets these services through arrangements with third parties. H & ASP Services generates approximately 35% of its revenues in Germany via T-Com sales channels and about 65% via T-Systems sales channels.

Media and Broadcast. In Europe, T-Systems is one of the largest providers of broadcast services, including analog and digital terrestrial broadcasting, satellite broadcasting and innovative digital applications. At December 31, 2002, the broadcast network of T-Systems included more than 8,000 analog television and radio transmitters and over 100 digital television and radio transmitters. T-Systems has expertise in providing systems equipment technology and digital radio transmitters.

Information Technology Services (IT)

The information technology (IT) services group provides information technology services, including, systems integration services, computing services and desktop services, to large and multinational enterprises. Other operating divisions of Deutsche Telekom account for approximately 41.8% of revenues of the IT services group.

Systems Integration and Consulting. The Systems Integration group provides customers with consulting, implementation and applications support relating to systems solutions in the area of telecommunication and information technology. The Systems Integration group develops software solutions customized for the needs of individual customers and integrates those solutions into the information technology and telecommunications structures of the customer.

T-Systems offers customers comprehensive consulting services in all service and business lines. These include management and technology consulting in all lines of business regarding the use of information technology and telecommunications in all facets of a customer's business, such as supply chain management, business process optimization and modeling, customer relationship management and knowledge management. Consulting services also include strategy, organization and

technology consulting for companies that are primarily engaged in the information technology and telecommunications markets. Consulting services are an integral part of the services provided by each of the other business lines and service lines.

Computing Services. The services offered by the IT-group include the operation of data centers, applications management, user support and network management. The IT group can also facilitate the transfer of information technology assets and personnel from the customer to T-Systems. The IT group also installs, operates and administers central computer systems (mainframes), open computer systems and business applications on behalf of customers.

T-Systems operates a very large computer network, called the "Global Computing Factory", as a platform for the information technology services offered to customers. The Global Computing Factory provides the personnel, servers (assets) and infrastructure necessary to operate the information technology resources of customers.

Desktop Services. T-Systems develops and implements for customers complete office systems solutions, desktop operations services, call centers and help desk services. These services may include the sale or lease of desktop computer hardware produced by third parties.

Principal Markets

T-Systems' business model is focused on large business customers, German and non-German multinational corporations, and international telecommunication carriers and broadcasters (including companies that provide content for broadcast media). During 2002, T-Systems in Germany offered services to more than 1,500 large business customers (and approximately 10,000 subsidiaries of such customers). T-Systems offers its services primarily to customers in the financial services, manufacturing, public and healthcare, retail and distribution, telecommunications, media broadcast, and travel and transport industries. Most of these customers are German or European-based with operations in various countries around the world.

Suppliers

The principal goods and services purchased by the T-Systems division are computer hardware for client server and mainframe, computer standard- and application-software, network capacity and network services, telecommunications network components and IT consulting services. T-Systems manages, on behalf of customers, the risk in the supplier relationship as well as quality and cost considerations. Deutsche Telekom does not believe that T-Systems is dependent on any single supplier.

Competition

T-Systems operates in markets that are subject to intense competitive pressures. T-Systems faces a significant number of competitors, ranging from large IT companies to an increasing number of relatively small, rapidly growing and highly specialized organizations. Deutsche Telekom believes that T-System's combination of service, performance, quality, reliability and price are important factors in maintaining Deutsche Telekom's competitive position.

The principal competitors of T-Systems in the telecommunications area include AT&T, France Telecom/Equant, British Telecom, Cable & Wireless and Colt Telecom. The principal competitors of T-Systems in the information technology area include IBM Global Services, EDS, CSC, Cap Gemini Ernst & Young, Siemens Business Service and Accenture.

Competition in the telecommunications area (including network services, IP, voice and data communications) is intense, based primarily on price, service offerings, network connectivity and reliability and customer support. Although prices for leased lines and customer telecommunications networks had been declining for the past several years as a result of this competition, Deutsche Telekom's telecommunications activities at T-Systems were positively affected by the addition of new customers as a consequence of the recent bankruptcies of WorldCom, Global Crossing and KPNQwest.

In the information technology area (including systems integration services), competition is intense and the current market is characterized by strong pricing pressures, reduced IT budgets of customers and an extension of customers' sales cycles. As a result of these competitive pressures, many companies, including T-Systems, are attempting to maintain market share through improved productivity, cost-cutting measures, reliance on IT expertise and maintenance of existing customer relationships. This situation has also led to consolidation of the IT sector, which consolidation is expected to continue for the foreseeable future.

Like many of its competitors, T-Systems provides outsourcing services to large enterprises and therefore must allocate significant resources to projects for these customers. Although the allocation of resources in this way has not adversely affected T-Systems' business in the past, it is possible that intensified competitive and cost reduction pressures may result in reduced profit margins and/or loss of market opportunities.

However, Deutsche Telekom believes that T-Systems can compete effectively, largely due to its strategy of providing comprehensive solutions (planning, building and operating) to its customers' needs across a broad spectrum of IT and telecommunications activities.

T-Mobile

Principal Activities

The principal services offered by the T-Mobile division are digital mobile telephony services based on the mobile telecommunications technology known as "GSM" (or Global System for Mobile Communications) and non-voice services such as SMS (Short Message Services) MMS (Multimedia Messaging Services) and other data services to residential and business subscribers based on CSD (Circuit Switched Data) or GPRS (General Packet Radio Service) technologies. T-Mobile USA, Inc. and PowerTel, Inc. operate a specific wireless broadband (WLAN) network, which can be used by subscribers in more than 2,000 public locations in the United States including airports, conference centers and coffeehouses. Each of T-Mobile's subsidiaries offers international roaming services for GSM and GPRS to subscribers through a large number of international roaming agreements with third-party operators, so that subscribers can access mobile services while they are outside their network service area. The T-Mobile division also sells mobile handsets to subscribers as part of packaged service offerings.

Mobile voice and data services are offered both on a prepay basis and on a contract (postpay) basis. Subscribers purchase contract services on the basis of fixed monthly fees and pay time-based airtime, or per message, fees. Some contract service offerings include a limited amount of airtime, data volume or messages in the monthly fee. Usage fees can vary according to the tariff plan selected by the customer, the day and time of day when a call is made, the destination of the call and, in some cases, other provisions applicable to the tariff plan and whether the called party is also a customer of the same network.

Integration and Alliances

T-Mobile International has started to coordinate its European operations (Germany, Austria, the Czech Republic, the United Kingdom and The Netherlands) so that they run more like a single enterprise. Operating areas with potential for efficiencies such as IT/Network Technology and Product Management/Marketing/Branding Development are in the process of being combined. The objective of this effort is to achieve economies of scale, including increased purchasing power.

T-Mobile announced in April 2003 that it intends to join in an alliance with Telefonica Moviles and Telecom Italia Mobile (TIM) to cooperate in several key areas, including the development of joint services relating to roaming, voice and the development of handsets. The key focus of the alliance is to make services more widely available and seamless. The alliance is to be open to other operators as potential members and is still subject to approval by certain regulatory authorities.

New Services

T-Mobile offers mobile online services in Europe developed by T-Mobile International UK Limited (TMO UK Ltd., formerly T-Motion plc.). TMO UK Ltd.'s services were launched in Germany in September 2000, in the United Kingdom in February 2001 and in Austria in May 2001 and are now also available in the Czech Republic. In April 2003, these services were bundled and branded as t-zones. In the future, Deutsche Telekom plans to further expand its mobile online services to other markets where it holds mobile communication interests. Mobile online services can be accessed through WAP-enabled handsets using GPRS as well as CSD for access.

T-Mobile has invested in network infrastructure relating to the GPRS mobile communications platform. GPRS is a technology that permits transmission of data at rates substantially faster than those that can be achieved using CSD technology. For contract subscribers GPRS is available on a commercial basis in Germany, in Austria, in the Czech Republic, in The Netherlands and in the United Kingdom. In November 2001, GPRS-based services were launched in the United States under the name iStream which was subsequently branded as t-zones.

Revenues from SMS and other mobile data services ("mobile data revenue") in Europe increased in 2002 by 48% compared to 2001 when non-voice revenues were EUR 1.1 billion. Total mobile data revenues in Europe were EUR 1.7 billion in 2002 representing 12.3% of T-Mobile's revenues in Europe. A major part of the data revenues was from SMS services.

T-Mobile has also made substantial investments in the next generation mobile communications standard, known as Universal Mobile Telecommunications System or "UMTS." UMTS is a technology that is expected to permit transmission of data at rates faster than those that can be achieved using GPRS technology. T-Mobile invested EUR 8.5 billion in UMTS licenses in Germany, EUR 171 million in licenses in Austria, EUR 395 million in licenses in The Netherlands and EUR 6.6 billion in licenses in the United Kingdom and EUR 103 million in licenses in the Czech Republic. These investments in licenses do not include the costs of UMTS network build-out in these countries.

In February 2002, T-Mobile announced plans to cooperate with several infrastructure suppliers in the construction of UMTS mobile communications systems. T-Mobile has agreements with mmO2 plc ("mmO2") jointly to construct and maintain UMTS networks in Germany and the United Kingdom. Deutsche Telekom expects these arrangements to reduce the total UMTS network construction costs and operational expenditures substantially. The agreements, which are subject to regulatory approval by the European Commission, provide for the sharing of new and existing base stations, including sites and masts, predominantly in certain urban areas. The parties will also designate certain non-urban areas to one or the other party to construct, maintain and operate a UMTS network. Deutsche Telekom also entered into a joint venture with Dutchtone N.V. in The Netherlands to jointly construct and maintain a UMTS network there.

Global Branding

As part of T-Mobile's global marketing strategy to increase customer awareness of and loyalty to its brand, Deutsche Telekom has internationally introduced the "T-Mobile" brand. T-Mobile's operations in Germany, formerly known as "T-Mobil", began operating under the "T-Mobile" brand in February 2002. In April 2002, the operations in the United Kingdom, formerly known as "One 2 One", were rebranded as "T-Mobile" and the Austrian operations, formerly known as "max.mobil", were rebranded as "T-Mobile". Deutsche Telekom began rebranding VoiceStream/Powertel's operations as "T-Mobile" with the rollout of its services in California and Nevada in the third quarter of 2002, and completed the rebranding of VoiceStream/Powertel as "T-Mobile" throughout the United States in the fourth quarter of 2002. In the Czech Republic, rebranding was completed in 2002, and the Czech company's legal name will be changed from "Radiomobil" to "T-Mobile Czech Republic" in the first half of 2003. In February 2003, the operations in The Netherlands, formerly known as "Ben", were rebranded as "T-Mobile" as well.

Principal Markets

The T-Mobile division includes the activities of Deutsche Telekom's majority-owned mobile communications subsidiaries in Germany, the United States, the United Kingdom, Austria, the Czech Republic and The Netherlands. Through its T-Mobile division, Deutsche Telekom also holds minority investments in mobile communications providers in Poland and Russia and indirectly in the Ukraine.

The Deutsche Telekom group also directly or indirectly owns interests in mobile communications companies in Hungary, Croatia, Macedonia, Slovakia, the Philippines and Malaysia which currently are not included in the T-Mobile segment for reporting purposes.

T-Mobile Deutschland and Deutsche Telekom's other mobile communications subsidiaries count contract customers as subscribers for the length of their contracts and count prepay customers as subscribers for a prescribed amount of time, which differs according to the market. At the end of this time, or in the case of payment default or voluntary disconnection, the subscribers are cancelled or "churned". The churn rate for any given period represents the number of subscribers whose service was discontinued during that period, expressed as a percentage of the average number of subscribers during that period, based on beginning and period-end figures.

Germany

Through T-Mobile Deutschland, Deutsche Telekom offers mobile communications services to individual and business subscribers in Germany. At December 31, 2002, T-Mobile Deutschland had approximately 24.6 million subscribers as compared to approximately 23.1 million subscribers at December 31, 2001. Of the total subscribers at December 31, 2002, approximately 11.5 million were contract subscribers, as compared to approximately 10.7 million at December 31, 2001. T-Mobile Deutschland had approximately 13.1 million prepay subscribers at December 31, 2002, as compared to approximately 12.4 million at December 31, 2001.

T-Mobile Deutschland's average churn rate for 2002 was 1.5% per month compared to 1.4% per month in 2001 and 1.0% per month in 2000. The average churn rate increased between 2000 and 2002 due to the increased proportion of prepay subscribers to total subscribers. Prepay subscribers generally have higher churn rates than contract subscribers reflecting the tendency of the prepay customers to change mobile communication providers. Generally, a prepay customer is churned after a maximum period of 15 months (depending on the prepay tariff plan) if the customer has neither originated nor received a data or voice communication in that period.

North America

In May 2001, Deutsche Telekom acquired all of the outstanding equity securities of VoiceStream Wireless Corporation and of Powertel, Inc., two formerly independent U.S. mobile operators, in exchange for Deutsche Telekom's shares having a market value on the acquisition date of EUR 28.7 billion plus EUR 4.9 billion in cash. As from May 31, 2001, VoiceStream Wireless Corporation and Powertel, Inc. have been fully consolidated within the T-Mobile division. VoiceStream Wireless Corporation was renamed T-Mobile USA, Inc. in August 2002. The name T-Mobile USA/Powertel as used herein and the annual report refers to T-Mobile USA, Inc. and Powertel, Inc. on a combined basis.

Through T-Mobile USA/Powertel, Deutsche Telekom offers mobile communications services to individual and business subscribers in the United States. At December 31, 2002, T-Mobile USA/Powertel had approximately 9.9 million subscribers, as compared to approximately 7.0 million at December 31, 2001. Of the total subscribers at December 31, 2002, approximately 8.6 million were contract subscribers, as compared to approximately 5.2 million at December 31, 2001, and approximately 1.4 million were prepay subscribers, as compared to approximately 1.8 million at December 31, 2001.

T-Mobile USA/Powertel's average churn rate for 2002 was 4.0% per month, as compared to 4.7% per month for 2001. For postpay subscribers, the average churn rate decreased to 2.5% in 2002 compared to 3.2% in 2001. For prepay subscribers, the average churn rate increased to 10.2% in 2002 compared to 8.4% in 2001. This increase in prepay churn was the consequence of the integration of Powertel,

whose subscriberbase was mainly prepay. The higher average churn rate compared to European operations is mainly due to a much higher prepay churn in the United States. This is caused by a different disconnection policy at T-Mobile USA/Powertel. Depending on the voucher customers buy, they are disconnected 15 to 60 days after purchase of the voucher. The decrease in churn in 2002 was achieved by various customer retention and churn prevention measures started in different areas at T-Mobile USA/Powertel and changed subscriber mix with a higher percentage of contract subscribers.

T-Mobile USA entered into an agreement with Cingular Wireless LLC ("Cingular") in November 2001 to share in the ownership and operation of GSM network infrastructures in specified markets. Deutsche Telekom contributed its network assets in the New York Basic Trading Area ("BTA") (the "New York City market"), and Cingular contributed its network assets in the Los Angeles and San Francisco Major Trading Areas ("MTAs"), which cover most of California and parts of Nevada (the "California/Nevada market"), to a newly formed joint venture entity, GSM Facilities. Concurrent with its formation, GSM Facilities entered into operating agreements with T-Mobile USA and Cingular to manage and maintain the assets previously owned by each company on behalf of the joint venture.

The capital expenditure requirements of the joint venture are funded through capital contributions from T-Mobile USA, Inc. and Cingular.

United Kingdom

In October 1999, Deutsche Telekom purchased T-Mobile UK (formerly One2One), the fourth largest provider of mobile communications services in the United Kingdom, for a purchase price of EUR 10.9 billion (including the assumption of outstanding shareholder loans).

Through T-Mobile UK, Deutsche Telekom offers mobile communications services to individual and business subscribers in the United Kingdom. At December 31, 2002, T-Mobile UK had approximately 12.4 million subscribers, as compared to approximately 10.4 million at December 31, 2001. Of the total subscribers at December 31, 2002, approximately 2.2 million were contract subscribers, as compared to 1.7 million at December 31, 2001, and approximately 10.2 million were prepay subscribers, as compared to 8.7 million at December 31, 2001.

Of the total number of T-Mobile UK subscribers at December 31, 2002, approximately 2.4 million were subscribers of Virgin Mobile, a joint venture between T-Mobile UK and the Virgin Group. Virgin Mobile is a so-called mobile virtual network operator established jointly by T-Mobile UK and the Virgin Group. As a virtual network operator, Virgin Mobile purchases airtime minutes and basic mobile services from T-Mobile UK and resells these minutes and services under the "Virgin Mobile" brand name.

T-Mobile UK's average monthly churn rate during 2002 was 2.2%, as compared to 1.9% per month in 2001. While T-Mobile UK historically counted prepay subscribers as part of its subscriber base for 12 months after their last outbound call, after July 1, 2001, T-Mobile UK reduced this period to six months, which T-Mobile UK believes is more in line with competitors in the United Kingdom. This change in the churn policy caused customers to be removed from T-Mobile UK's subscriber base after a shorter period of inactivity. Deutsche Telekom expects a high rate of disconnection of prepay subscribers in the first quarter of 2003.

Austria

Through T-Mobile Austria (formerly max.mobil), the T-Mobile division offers mobile communications services to individual and business subscribers in Austria. At December 31, 2002, T-Mobile Austria had approximately 2.04 million mobile communications subscribers, slightly below the number of subscribers at December 31, 2001, due to a higher churn rate and less gross additions. Of the total subscribers at December 31, 2002, approximately 0.9 million were contract subscribers, slightly above the number of contract subscribers at December 31, 2001, and approximately 1.1 million were prepay subscribers, slightly above the number of prepay subscribers at December 31, 2001.

T-Mobile Austria's average churn rate during 2002 was 2.3% per month, as compared to 1.6% in 2001. The increase of the churn rate was due to the disconnection of a high number of prepay subscribers. T-Mobile Austria churns prepay subscribers 12 months after their last outbound call or last reload of their prepay cards.

Czech Republic

T-Mobile International holds an equity interest of approximately 92% in Cmobil, which owns an equity interest of 61% in the Czech mobile communications network operator RadioMobil. Until April 2001, Cmobil owned 49% of RadioMobil. RadioMobil has been fully consolidated in Deutsche Telekom's financial statements since April 1, 2001. At December 31, 2002, RadioMobil had approximately 3.5 million subscribers, as compared to approximately 2.9 million at December 31, 2001. RadioMobil's average churn rate during 2002 was 0.9% per month, as compared to 0.5% in 2001. This is due to a rising prepay churn resulting from the high number of gross additions in 2000 and 2001. Principally, a prepay customer is churned after a period of 12 months if no originating or receiving communication is recorded.

The Netherlands

In October 2000, T-Mobile International acquired an equity interest of 50% minus one share in Ben Nederland Holding, B.V., whose wholly owned subsidiary, Ben Nederland B.V., was one of five operators in the Dutch mobile communications market. The acquisition of the stake in Ben took place after T-Mobile International acquired a third generation UMTS license in The Netherlands in July 2000 in a consortium with Belgacom S.A. and Tele Danmark A/S called 3-G Blue, which subsequently merged with Ben. T-Mobile International had a shareholders' agreement with Belgacom, Tele Danmark ("TDC Mobile") and Gringots S.A.R.L. ("Gringots"), which gave T-Mobile International the right, from January 2002 through December 2005, to require Belgacom, TDC Mobile and Gringots to sell all or parts of their shareholdings in Ben to T-Mobile International. T-Mobile International exercised the call option on September 30, 2002 and acquired all 100 million shares held by Belgacom, TDC Mobile and Gringots at a price amounting to approximately EUR 1.7 billion. T-Mobile Netherlands (formerly Ben) has been fully consolidated in Deutsche Telekom's financial statements since October 1, 2002. In addition, T-Mobile Netherlands has repaid all outstanding shareholder loans from Belgacom and TDC Mobile (approximately EUR 274 million) on September 30, 2002.

At December 31, 2002, T-Mobile Netherlands had approximately 1.4 million subscribers, as compared to approximately 1.2 million at December 31, 2001. T-Mobile Netherlands' average churn rate for 2002 was 2.8% per month, as compared to 3.0% in 2001. If they have not originated or received a call for a period of 180 days, prepay subscribers at T-Mobile Netherlands are churned and removed from the subscriber base.

Poland

T-Mobile International holds a 49% equity interest in Polska Telefonia Cyfrowa Sp. z o.o. ("PTC"). At December 31, 2002, PTC had approximately 4.9 million subscribers, as compared to approximately 3.8 million at December 31, 2001. Deutsche Telekom has a contingent obligation of EUR 128 million to acquire further shares in PTC. PTC's average churn rate for 2002 was 1.6% per month, as compared to 1.8% in 2001. A PTC prepay customer is churned after a period of 9 months after the expiration of a customer's prepay coupon. A PTC customer is able to receive calls but not originate calls after the customer's coupon has expired.

Russia

T-Mobile International holds an equity interest of approximately 36.27% in Mobile TeleSystems OJSC ("MTS"), a Russian mobile telecommunications company. T-Mobile International also owns a 49% stake in a Russian company that owns approximately 4% of MTS's outstanding shares. At December 31, 2002, MTS had approximately 6.6 million subscribers, as compared to approximately 2.8 million at December 31, 2001. MTS's average churn rate for 2002 was 3.7% per month, as com-

pared to 2.2% in 2001. In April 2003, T-Mobile International is in the process of reducing its interest in MTS to 25.1% through sales of shares to third parties.

Suppliers

T-Mobile purchases network components, as well as mobile handsets for purposes of resale, from a number of different suppliers. T-Mobile has attempted to address the risk of delays in the supply of UMTS network equipment and other technologies by using multiple suppliers where appropriate and by negotiating contractual penalties to be enforced if the supplier does not meet the agreements in time and quality. T-Mobile expects the first market release of commercially viable European Standard UMTS handsets by the fourth quarter of 2003.

Dependence on Patents, Licenses, Industrial, Commercial or Financial Contracts

T-Mobile owns a large number of registered patents and has a number of patent applications outstanding, particularly in Germany, for technical innovations in the area of mobile telecommunications applications resulting from its development activities. However, Deutsche Telekom does not believe that its T-Mobile division is dependent on any one or group of patents.

To offer mobile telecommunications services in the different jurisdictions in which Deutsche Telekom operates, it requires and therefore is dependent on licenses from the relevant authorities in each of these jurisdictions. Some of these licenses have limited terms which expire within the next 20 years. For example, the German GSM license expires on December 31, 2009. Although T-Mobile Deutschland expects to be able to renew this license if necessary, it has no legal entitlement in this regard. The Austrian GSM license expires on December 31, 2015 with additional GSM licenses expiring 2019. In the United Kingdom, T-Mobile UK has an individual Public Telecommunications Operator License which cannot be revoked without cause until May 9, 2020. Otherwise, the PTO license will remain in force indefinitely unless terminated or revoked. T-Mobile Netherlands holds a DCS 1800-licence expiring in February 2013 as well as a UMTS licence expiring in December 2016. The licence conditions do not contain extensions of the licence period. In Germany, the United Kingdom and Austria, T-Mobile holds UMTS licences expiring in 2020.

However, Deutsche Telekom does not believe that its T-Mobile division is dependent on any third party industrial, commercial or financial contract.

Competition

General

Competition in mobile communications is generally intense and conducted on the basis of price, subscription options offered, offers of subsidized handsets, coverage, range of services offered, innovation and quality of service.

In the past, competition in the European mobile communications market has been conducted at the national level. Increasingly, however, competition in this market is being conducted on a more international basis than in the past.

Deutsche Telekom has not acquired a UMTS license in auction or non-public tender procedures in Italy, Spain or France. It is unclear at the present time, however, to what extent ownership of a UMTS license in each of these major markets will be advantageous in comparison to other strategies for entering those markets, such as participating as a Mobile Virtual Network Operator (MVNO). A MVNO is a provider that relies on another company for its network, focusing its efforts on marketing and customer service.

In Germany, the United Kingdom, Austria, the Czech Republic and The Netherlands, the rate of mobile phone penetration is quite high. As a result, growth in the number of T-Mobile subscribers in these markets is expected to be significantly lower than in past years, and the focus of competition will shift from customer acquisition to customer retention and to increasing average revenues per

user by stimulating demand for new products and services. In this connection, the timely introduction of new technologies that permit faster data transmission is highly significant. Churn rates could rise as mobile network operators seek to acquire subscribers of other mobile network operators. While the focus of competition is shifting, Deutsche Telekom expects that competition will continue to be intense. Large numbers of subscribers in Europe have taken advantage of prepay tariff packages. Since these prepay subscribers are not bound to T-Mobile or other operators by contract, this trend may generate additional competitive pressure in the future.

The global mobile communications industry has been undergoing consolidation in recent years, which may increase competitive pressure. Deutsche Telekom expects that the crowded markets caused by the UMTS auctions will lead to further consolidation in Europe. In the United States, Deutsche Telekom expects that pressures to consolidate will increase due to the expiration of spectrum ownership limits imposed by the U.S. telecommunications regulator in December 2002. In addition, new technologies, whether introduced by Deutsche Telekom or by others, can be expected to draw subscribers from existing technologies, including those of Deutsche Telekom. The competitive dynamics of the mobile telecommunications industry therefore could change in ways that Deutsche Telekom cannot predict and that could adversely affect its financial position and results of operations.

Germany

In Germany, T-Mobile Deutschland faces intense competition from the network operators Vodafone D2 (formerly Mannesmann D2), E-Plus and mm02 (formerly Viag Interkom). In 2002, T-Mobile Deutschland achieved again the same high level of market share compared to 2001. T-Mobile Deutschland had a market share of approximately 41% at December 31, 2002, while Vodafone D2 had a market share of approximately 38%, E-Plus had a market share of approximately 13% and mm02 had a market share of approximately 8% at that date. The penetration rate in the German mobile communications market was approximately 71% at December 31, 2002.

In the retail market, in addition to competition from other network operators, T-Mobil faces significant competition from resellers.

The German government awarded six UMTS licenses in August 2000, including to the four existing German mobile communications network operators, the German mobile services reseller Mobilcom and a joint venture owned by Telefonica and Sonera. A significant number of subscribers on T-Mobile Deutschland's GSM network currently have customer relationships with Mobilcom. The joint venture partners Telefonica and Sonera have announced that they have abandoned their plans to enter the German UMTS market and terminated their German GSM activities in 2002. In November 2002, Mobilcom wrote down its UMTS network and license completely. According to Mobilcom, it agreed with major shareholder France Telecom to suspend the development of its UMTS business in Germany. New entrants, and agreements between new entrants and existing network operators, could cause competition in the German UMTS market to be even more intense than competition in the GSM market has been, particularly as a result of the need operators will have to recoup substantial sums expended on acquiring UMTS licenses.

North America

In the United States, T-Mobile USA/Powertel operates the smallest of the six national mobile networks in terms of subscribers. T-Mobile USA/Powertel faces intense competition in the United States mobile telecommunications market from the national mobile providers, Verizon Wireless, Cingular, AT&T Wireless, Sprint PCS and Nextel, and from some regional operators. The market share of T-Mobile USA/Powertel is approximately 7.2% at December 31, 2002, compared to approximately 5.3% per end of 2001. Most of these competitors have been operating in the U.S. mobile communications market for a considerable time prior to the entry of T-Mobile USA/Powertel's predecessors, VoiceStream and Powertel, into the market.

The U.S. mobile telecommunications market is quite different in a number of respects from the European telecommunications mobile markets. No single communications standard is used by the nationwide network operators. Cingular Wireless and AT&T Wireless have started to switch their networks to

the GSM standard. Licenses to provide wireless services cover numerous localities, rather than the entire nation. It can be difficult for network operators to obtain the spectrum needed in some localities to expand subscriber bases, upgrade the quality of service and add new services, particularly in densely populated urban areas. On the other hand, low population density in some areas can cause problems with network efficiency and result in geographically sizeable areas with no or limited coverage. For these and other reasons, penetration levels for mobile telephony services in the United States are generally lower than penetration levels in Western European countries, with an estimated 52% mobile penetration rate as of December 31, 2002. As a result, operators in the United States market generally continue to invest heavily in order to encourage and capture growth in subscriber numbers.

United Kingdom

In the United Kingdom, T-Mobile UK faces intense competition, principally from Vodafone, mmo2 (formerly BT Cellnet), and Orange, a subsidiary of France Telecom. Vodafone had a market share of approximately 27% at December 31, 2002, while mmo2 had a market share of approximately 24%, Orange had a market share of approximately 26% and T-Mobile UK had a market share of approximately 24%. T-Mobile UK's share in 2001 was approximately 22%. Compared to its competitors, T-Mobile UK's customer base, including the part provided by Virgin Mobile, has a lower proportion of business subscribers. The penetration rate in the British mobile communications market was approximately 88% at December 31, 2002.

In the retail market, in addition to competition from other network operators, T-Mobile UK faces significant competition from resellers and is starting to compete with virtual mobile network operators who have entered the U.K. mobile telecommunications market.

In addition to the existing mobile operators, T-Mobile also faces potential competition from the launch of 3G services from "3" (a brand name of Hutchison 3G UK Limited).

Austria

In Austria, T-Mobile Austria faces competition from Mobilkom (A1), Connect Austria (One) and tele.ring. T-Mobile Austria's market share decreased to approximately 32% at December 31, 2002, compared to approximately 34.8% at December 31, 2001 mainly due to an increased churn among prepay subscribers. A1 had a market share of 42.1%, One had a market share of 20.4% and tele.ring had a market share of 5.4% at December 31, 2002. The penetration rate in the Austrian mobile communications market was approximately 80% at December 31, 2002.

Czech Republic

In the Czech Republic, RadioMobil faces competition from Eurotel and Cesky Mobil. At the end of 2002, Eurotel had a market share of approximately 45%, compared to approximately 46% in 2001, and Cesky Mobil had a market share of approximately 15%, compared to approximately 13% in 2001. RadioMobil had a market share of approximately 40% compared to approximately 41% in 2001. The penetration rate in the Czech mobile communications market was approximately 85% at December 31, 2002, up by approximately 17% in comparison to year-end 2001.

The Netherlands

In The Netherlands, T-Mobile Netherlands (formerly Ben) faces intense competition from KPN Mobile, Vodafone, O2 and Orange (formerly Dutchtone). At December 31, 2002, KPN Mobile and Vodafone had market shares of 42% (compared to 43% at December 31, 2001) and 27% (compared to 43% at December 31, 2001), respectively. The market share of T-Mobile Netherlands increased to approximately 12% at December 31, 2002, compared to approximately 10% at December 31, 2001. Compared to its competitors, T-Mobile Netherlands has a high proportion of contract subscribers. The penetration rate in the Dutch mobile telecommunications market was approximately 76% at December 31, 2002, and unchanged compared to December 31, 2001.

In the retail market, in addition to competition from other network operators, T-Mobile Netherlands is starting to compete with virtual mobile network operators who have entered the Dutch mobile telecommunications market.

T-Online

Deutsche Telekom offers Internet services in Europe for residential customers and for small and medium-size business customers through Deutsche Telekom's subsidiary T-Online International AG. T-Online International AG also offers multimedia applications and services for business customers. Until the end of 2002, the T-Online division also included the activities of DeTeMedien, whose primary activity is the marketing of advertising in paper and online telephone directories. Beginning in 2003, DeTeMedien's activities will be included in the T-Com division.

Internet Services

General

With its combined business model of offering both access and non-access Internet services, Deutsche Telekom's T-Online division's aim is to develop into a Internet media network provider. T-Online International AG markets a broad spectrum of online services and operates a variety of Internet portals. The T-Online division also offers a range of value-added services, such as web hosting, web organizer, e-mails, chats and international Internet roaming access.

T-Online International AG was first listed on the Neuer Markt segment of the Frankfurt Stock Exchange in April 2000 through a public offering of newly issued shares representing approximately 10% of its then equity capitalization. Deutsche Telekom's interest was subsequently diluted through new share issuances in connection with acquisitions to approximately 81.7%. In December 2002, Deutsche Telekom sold shares representing an additional 9.81% of T-Online International AG's share capital. As of December 31, 2002, Deutsche Telekom had a controlling ownership interest in T-Online International AG of approximately 71.9%.

Access business

With more than 12.2 million subscribers, T-Online International AG is one of the largest European Internet service providers, based on revenues and number of subscribers. T-Online International AG retained its leading position on the German market with 9.96 million subscribers at the end of 2002. In keeping with T-Online division's growth strategy, international subsidiaries T-Online France in France, Ya.com in Spain and T-Online.at in Austria also capitalized on the expansion of the broadband market to increase their customer base. Key growth drivers for the access business were user-focused Internet access services, a broad range of free and pay value-added services for residential and corporate customers, and the expansion of the portal offerings with the introduction of broadband dedicated portals in France and Spain.

Internet access subscriber growth in 2002 was driven by the systematic marketing of DSL-enabled broadband services. At December 31, 2002 the number of T-DSL subscribers in Germany had increased to 2.6 million. An important factor influencing the growth of the T-DSL subscriber base was T-Online's usage-based tariff-rate policy.

Internet Media and Content. To become Europe's leading Internet media network T-Online International AG developed its own portal into a multi-access theme portal (featuring, for example, games, music, sports and movies) and entered into new cooperation agreements with Burda People Group, Axel Springer Verlag and F.C. Bayern München concerning content. The goal of these measures is to increase the amount and quality of the content provided on T-Online's portals and thereby increase the time spent on them by visitors.

In January 2002, T-Online International AG launched its first paid-content service. By the end of the year, the company was offering more than 3,000 content items in more than 100 different categories.

The billing arrangements between T-Online International AG and its customers (through Deutsche Telekom) are crucial to the successful development of the emerging paid-content market. Paid-content premium services evolved into a strategic cornerstone for the T-Online division in 2002. These services are billed on a monthly or pay-per-use basis. Around 250,000 customers signed up for T-Online premium services in 2002. A further 450,000 users subscribed on a pay-per-use basis.

International Internet Activities. The T-Online division took a significant step in the development of its international business. In March 2000, when T-Online International AG acquired a 99.9% equity interest in T-Online France, the online service business of the French Lagardère group, in exchange for 5.69% of T-Online shares (after giving effect to the listing of T-Online shares that took place in April 2000 and to the acquisition of an interest in comdirect bank). T-Online France, known under the name of Club Internet, concentrated on expanding its broadband business last year. T-Online France had approximately 1,031,000 subscribers in France at December 31, 2002. With over 100,000 DSL subscribers, T-Online France is currently the second largest internet service provider in ADSL business.

In October 2000, T-Online International AG acquired Ya.com, a leading Spanish Internet service provider, in exchange for cash and approximately 1.25% of T-Online shares. Ya.com had approximately 1,004,000 customers in Spain at December 31, 2002.

Regulation

T-Online is not subject to regulation of tariffs under the German Telecommunications Act. However, Internet subscribers are indirectly affected by regulation of tariffs, as wholesale costs include charges for telecommunications services that are regulated by that Act.

Competition

The German and European markets for Internet access and portal services have been and will continue to be very competitive. In the market for Internet access services, competition occurs on multiple fronts, including pricing, brand recognition, network speed and reliability, customer support and timely introduction of new products and services. The regulatory environment can also exert a significant influence on the level of competition in this market. For Internet access providers, the terms on which they and their customers are able to secure telecommunications network services from carriers are important factors in the development of the market, and these services are generally regulated to promote competition. In the market for portal services, T-Online faces competition from websites maintained by Internet service providers, Internet information retrieval services, online community websites, homepage services, e-Commerce retailers and shopping portals, as well as from traditional media including newspapers, magazines, radio and television.

Other Activities

As part of Deutsche Telekom's four-pillar strategy, it assigned its telecommunications industry activities to its four corresponding divisions. Deutsche Telekom's "Other Activities" segment focuses on cross-division management functions and consists mainly of Deutsche Telekom's administration and operations of the headquarters, including the treasury function and certain "shared services" – relating to Deutsche Telekom's divisions – that are combined for greater cost efficiencies. The shared services include, among others, the administration of Deutsche Telekom's owned real estate within Germany, domestic billing services, domestic fleet management, domestic training center and the Personnel Services Agency (PSA) relating to employee transfer and relocation. Furthermore, the segment "Other Activities" also includes some competence centers and various shareholdings including minority interests in certain foreign entities. The shares of T-Mobile International GmbH, T-Online International AG and T-Systems International GmbH also are included in Other Activities.

As part of the repositioning of Deutsche Telekom's divisions, its interests in its Eastern European subsidiaries, MATAV, Hrvatski Telekom and Slovak Telecom have been consolidated in the T-Com division from January 1, 2002. Furthermore, its subsidiaries in New York, Tokyo, London and Singapore, which

were to a large extent sales and marketing operations of the T-System division were transferred from the "Other Activities" segment to the T-Systems division from January 1, 2002.

Activities in Germany

The real estate unit generated the largest proportion of the revenue of the shared services within the segment "Other Activities". The real estate unit is responsible for renting and selling commercial real estate and for providing facility management services for its own and third-party-owned real estate.

Billing services is another centrally organized service unit. This unit provides billing services for Deutsche Telekom's divisions within Germany (except T-Mobile), and also for certain third party carriers that use Deutsche Telekom's telecommunications networks.

Deutsche Telekom's fleet management company *DeTeFleetServices GmbH* was established in July 2002 to capitalize on synergy effects. It manages a fleet operation of approximately 40,000 vehicles throughout Deutsche Telekom's divisions in Germany. It operates as a full-service provider in the field of fleet management and mobility services.

Also included in the segment "Other Activities" is the T-Venture Holding Company ("T-Venture"). This holding company invests in young, innovative technology companies that operate in the T.I.M.E.S. (Telecommunications, IT, Multimedia, Entertainment/Electronic Business and Security) markets. T-Venture also invests in venture capital funds in North America, Europe, Asia and Israel. During the fourth quarter of 2002, Deutsche Telekom decided to reduce its level of investing activities due to market conditions.

The segment "Other Activities" also includes the establishment and maintenance of the international property rights for the Deutsche Telekom group, including the "T-Mobile", "T-Online" and "T-Systems" brands.

In December 2002, the segment "Other Activities" sold 120 million shares of T-Online International AG to institutional investors for net proceeds of EUR 706 million, reducing its shareholding in the T-Online subsidiary to 71.9%.

International activities

The international activities of the "Other Activities" segment have decreased considerably as a result of the transfer of certain foreign shareholdings to Deutsche Telekom's other divisions. Since January 1, 2002, the remaining international activities included in the "Other Activities" segment are Deutsche Telekom's minority shareholdings in South-East Asia.

Deutsche Telekom currently indirectly holds an 8% minority interest (diluted from 21% during 2002) in the Malaysian telecommunications provider Celcom (Malaysia) Berhad. Celcom is number two in the Malaysian mobile business market, had approximately 1.8 million customers, and generated revenues of approximately USD 632 million (EUR 671) in the year ended December 31, 2002. This investment is accounted for using the cost method.

Deutsche Telekom also currently indirectly holds a 20% preferred stock interest and directly holds a 25% minority interest in the common stock of Globe Telecom, the leading national mobile communications and fixed-line network operator in the Philippines. Globe Telecom had approximately 6.8 million customers, and generated revenues of USD 888 million (EUR 943 million) at December 31, 2002. These investments are accounted for using the cost method.

During 2002, Deutsche Telekom sold all of its remaining shares of France Telecom for approximately of EUR 294 million, and its remaining 25% interest in Satelindo, an Indonesian mobile and international telecommunications provider for USD 325 million (EUR 321 million).

Consolidated Financial Statements of Deutsche Telekom AG ¹⁾

Consolidated balance sheets

	As of December 31,	
	2002	2001
	(€ in millions)	
Assets		
Noncurrent assets		
Intangible assets	53,402	80,051
Property, plant and equipment	53,955	58,708
Financial assets	4,169	7,957
	111,526	146,716
Current assets		
Inventories, materials and supplies	1,556	1,671
Receivables	6,258	6,826
Other assets	3,392	4,966
Marketable securities	413	702
Liquid assets	1,905	2,868
	13,524	17,033
Prepaid expenses, deferred charges and deferred taxation	771	813
	125,821	164,562
 Shareholders' equity and liabilities		
Shareholders' equity		
Capital stock	10,746	10,746
Additional paid-in capital	50,077	49,994
Retained earnings	248	5,179
Unappropriated net income carried forward from previous year	23	101
Net income / loss	(24,587)	(3,454)
Cumulative translation adjustment account	(5,079)	(1,572)
Minority interest	3,988	5,307
	35,416	66,301
Accruals		
Pensions and similar obligations	3,942	3,661
Other accruals	12,155	14,766
	16,097	18,427
Liabilities		
Debt	63,044	67,031
Other	10,541	12,020
	73,585	79,051
Deferred income	723	783
	125,821	164,562

⁽¹⁾ Prepared in accordance with German GAAP.

Consolidated statements of income

	For the year ended December 31,	
	2002	2001
	(€ in millions)	
Net revenue	53,689	48,309
Change in inventories and other own capitalized costs	534	879
Total operating performance	54,223	49,188
Other operating income	3,901	6,619
Goods and services purchased	(14,418)	(13,477)
Personnel costs	(13,480)	(12,114)
Depreciation and amortization	(36,880)	(15,221)
Other operating expenses	(14,110)	(12,151)
Financial income (expense), net	(6,022)	(5,348)
Results from ordinary business activities	(26,786)	(2,504)
Extraordinary income/(losses)	-	-
Taxes	2,483	(808)
Income/(loss) after taxes	(24,303)	(3,312)
Income/(losses) applicable to minority shareholders	(284)	(142)
Net income/(loss)	(24,587)	(3,454)
Earnings/(loss) per share in €	(5.86)	(0.93)

Consolidated statements of cash flows

	For the year ended December 31,	
	2002	2001
	(€ in millions)	
Net income (loss)	(24,587)	(3,454)
Income applicable to minority shareholders	284	142
Income (loss) after taxes	(24,303)	(3,312)
Depreciation and amortization	36,880	15,221
Income tax expense	(2,847)	751
Net interest expense	4,048	4,138
Net losses from the disposition of noncurrent assets	(428)	(1,106)
Results from associated companies	430	547
Other noncash transactions	1,144	(1,146)
(Increase)/decrease in capitalized working capital (*)	184	428
(Increase)/decrease in accruals	1,410	(136)
(Increase)/decrease in other working capital carried as liability (**)	101	761
Income taxes (paid)/received	(15)	10
Dividends received	63	115
Cash generated from operations	16,667	16,271
Interest paid	(6,112)	(4,779)
Interest received	1,908	442
Net cash provided by operating activities	12,463	11,934
Cash outflows from investments in		
– intangible assets	(841)	(1,021)
– property, plant and equipment	(6,784)	(9,847)
– financial assets	(568)	(498)
– consolidated companies	(6,405)	(5,695)
Cash inflows from disposition of		
– intangible assets	14	208
– property, plant and equipment	1,304	1,146
– financial assets	1,130	3,514
– shareholdings in consolidated companies and business units	697	1,004
Net change in short-term investments and marketable securities	226	4,440
Other	1,187	1,384
Net cash used for investing activities	(10,040)	(5,365)
Issuance of short-term debt	(10,012)	(10,266)
Issuance of medium and long-term debt	11,677	13,949
Repayments of medium and long-term debt	(3,472)	(6,589)
Dividends	(1,582)	(1,905)
Proceeds from share offering	1	0
Change in minority interests	(47)	0
Net cash provided by (used for) financing activities	(3,435)	(4,811)
Effect of foreign exchange rate changes on cash and cash equivalents	(14)	(26)
Net increase/(decrease) in cash and cash equivalents	(1,026)	1,732
Cash and cash equivalents, at beginning of year	2,738	1,006
Cash and cash equivalents, at end of year	1,712	2,738

(*)Change in liabilities, other assets, inventories, materials and supplies and prepaid expenses and deferred charges.

(**)Change in other liabilities (which do not relate to financing activities) and deferred income.

Recent Developments and Outlook

Acquisition of the Bundesliga broadcasting rights

In April 2003, T-Online acquired a license from its exclusive holder Infront BuLi GmbH, a wholly-owned subsidiary of the Swiss sports rights agency Infront Sports & Media AG, to present the German professional soccer league, the *Bundesliga*, via the Internet. Starting on April 12, 2003, T-Online presented the 1st Football *Bundesliga* at t-sports – Germany's highest-reach sports portal – and on the broadband portal T-Online Vision. The service includes summaries of all games, key scenes and most sensational goals and a 5-minute wrap-up of the day, all as video streams. T-Online offers various packages as a For-Pay service.

Sale of interests in the Russian mobile communications operator Mobile Telesystems (MTS)

On April 21, 2003, T-Mobile International's co-shareholder of MTS, AFK Sistema JCSC (Sistema), exercised a call option granted in March 2003 to purchase approximately 10% of the MTS shares held by Deutsche Telekom. The transaction will be closed within 30 days in accordance with the terms of the contractual agreement.

Deutsche Telekom already sold a 5% share in MTS on April 15, 2003 as part of a block trade. The total revenue from the two transactions amounts to approximately € 0.5 billion. As announced in a press release on March 12, 2003, the stake held by Deutsche Telekom, which originally amounted to approximately 40%, will be reduced to 25.1% when the two transactions have been completed. Revenue from this transaction will be used exclusively to reduce Deutsche Telekom's debt.

In 2003, Deutsche Telekom intends to focus on reducing its indebtedness and strengthening its cash flows, while investing in areas of its business that it believes offers the best potential for sustainable and rewarding growth. Deutsche Telekom intends to accomplish these financial and operating objectives by increasing consolidated net revenues and increasing operating efficiencies and capital expenditure control measures that should improve its cash flow from operations. Additionally, proceeds from the sale of non-core assets together with cash flows from operations should help to increase Deutsche Telekom's ability to reduce its debt balance.

Deutsche Telekom International Finance B.V.

– The Issuer –

Incorporation, Seat and Objects

Finance was incorporated on October 30, 1995 under the laws of the Netherlands as a private company with limited liability for an unlimited duration. Finance is a 100% subsidiary of Deutsche Telekom. The company has its corporate seat in Amsterdam and is registered with the Trade Register in Amsterdam under number 33274743. Its address is World Trade Center, Strawinskylaan 1243, NL-1077 XX Amsterdam, The Netherlands.

According to the Articles of Association of Finance the objects of the company are:

1. (a) The issue and acquisition of debt instruments issued by the company or of debt instruments issued by a limited partnership or a general partnership of which the company is the general partner with full liability;
 - (b) to participate in, to establish and to administer and/or manage, to finance and to render services to companies, firms and enterprises;
 - (c) to lend and/or borrow moneys, to provide guarantees, and to commit itself with respect to the commitments of third parties.
2. To do anything which is connected with the provisions of paragraph 1 of this article or which may be promotive thereof, all this in the broadest sense.

Share Capital

The authorised share capital of Finance amounts to € 2,268,901.08 and is divided into 5,000 ordinary shares with a nominal value of € 453.78 each, of which 1,000 shares are issued and fully paid up. The total issued and paid up capital of Finance amounts to € 453,780.

Capitalisation

The following table shows the unaudited capitalisation of Finance in accordance with German GAAP as of March 31, 2003:

	At March 31, 2003
	(€ in thousands)
Current debt	4,120,453
Long-term debt:	
Bonds and debentures	37,575,808
Liabilities to banks	652,275
Total long-term debt	38,228,083
Shareholders' equity	26,417
Total capitalisation	38,254,499

Save for the issuance of medium term notes in the aggregate principal amount of € 865 million, there has been no material change in the capitalisation of Finance since March 31, 2003.

Supervisory Board

The members of the Supervisory Board of Finance are at present as follows:

Gerhard Mischke

Senior Executive Vice President, Finance, Deutsche Telekom AG

Dieter Cazzonelli

Senior Executive Vice President, Taxes and Risk Management, Deutsche Telekom AG

Dr. Manfred Balz

Senior Executive Vice President, General Counsel, Deutsche Telekom AG

Jürgen Roeder

Vice President, Money Markets and Foreign Exchange, Deutsche Telekom AG

Board of Management

The members of the Board of Management of Finance are at present as follows:

Stephan Wiemann

Fred van der Horst

General Meeting of Shareholders

The ordinary general meeting shall be held annually not later than six months after the end of the fiscal year.

Auditors

The auditors of Finance are PricewaterhouseCoopers N.V., Marten Meesweg 25, NL-3068 AV Rotterdam, The Netherlands. They have audited the financial statements of Finance for the years 2000, 2001 and 2002 and have issued their unqualified opinion in each case.

Fiscal Year

The fiscal year of Finance is the calendar year.

Financial Statements of Deutsche Telekom International Finance B.V.

(after appropriation)

Unconsolidated Balance Sheets

	December 31, 2002	December 31, 2001
(€ in thousands)		
ASSETS		
Fixed assets	38	42
Financial fixed assets	35,840,885	28,992,961
Current assets		
Receivables from affiliated companies	4,489,587	1,720,297
Interest receivable from affiliated companies	833,641	468,061
Other interest receivable	24,359	43,116
	5,347,587	2,231,474
Cash at banks	19	0
Prepaid expenses	253,097	195,316
	41,441,626	31,419,793
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	454	454
Retained earnings	23,489	14,332
	23,943	14,786
Bonds and MTN 's	38,972,671	29,787,232
Bank loans	691,358	738,801
Liabilities to affiliated companies	248,739	194,823
Other liabilities	827,410	502,454
Deferred income	677,505	181,697
	41,441,626	31,419,793

Unconsolidated Profit and Loss Account for the fiscal years ended December 31, 2002 and 2001

	2002	2001
(€ in thousands)		
Income from financing activities	2,589,386	1,874,830
Direct costs of financing activities	(2,574,906)	(1,862,826)
Added value	14,480	12,004
Personnel costs	(304)	(317)
Other operating expenses	(222)	(371)
Total operating expenses	(526)	(688)
Operating Result	13,954	11,316
Financial income and expenses	0	790
Result from ordinary operations	13,954	12,106
Corporate income tax	(4,797)	(4,237)
Net income	9,157	7,869

Taxation in Germany

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this prospectus, which are subject to change, possibly with retroactive effect.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS IN GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

Tax Residents

Payments of interest on the Notes, including interest having accrued up to the sale of a Note and credited separately ("**Accrued Interest**") to persons who are tax residents of Germany (*i. e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal or corporate income tax (plus solidarity surcharge (*Solidarit tszuschlag*) at a rate of 5.5% thereon). Such interest is also subject to trade tax if the Notes form part of the property of a German trade or business. Accrued Interest paid upon the acquisition of the Notes may give rise to negative income if the Note is held as a non-business asset.

Upon maturity of a Note the initial subscriber of the Note receives, in addition to or, as in the case of a zero coupon Note, instead of the current interest, taxable investment income in an amount equal to the difference between the issue price of the Note and the redemption amount ("**Original Issue Discount**"), in the case of Notes held as non-business assets, however, only if the Original Issue Discount exceeds certain thresholds. Provided that the Note can be classified as a financial innovation (*Finanzinnovation*) under German tax law, including, among other things, zero coupon Notes, discounted Notes, and is purchased or disposed of while outstanding, or redeemed at maturity, the Original Issue Discount to the extent attributable to the period over which the holder of a Note has held such Note minus interest, including accrued interest, already taken into account is subject to personal or corporate income tax in the year of the disposition, assignment or maturity of the Note; if no yield to maturity can be determined upon issuance of the Note or the holder cannot give proof thereof, the difference between the proceeds from the disposition, assignment or redemption and the purchase price is subject to personal or corporate income tax in the year of the disposition, assignment or maturity of the Note. If, however, the Note forms part of the property of a German trade or business, in each year the part of the Original Issue Discount attributable to such year as well as interest accrued must be taken into account proportionately as interest income and may also be subject to trade tax. Where the Note is expressed in a currency other than the Euro, the difference referred to in the preceding sentence is computed as the difference between the foreign-currency denominated proceeds and the foreign-currency denominated price.

Capital gains from the disposition of Notes, other than income from Original Issue Discount exceeding certain thresholds, as defined above, are only taxable to a German tax-resident individual if the Notes are disposed of within one year after their acquisition or form part of the property of a German trade or business, in which case the capital gains may also be subject to trade tax. Capital gains derived by German-resident corporate holders of Notes will be subject to corporate income tax (plus solidarity surcharge at a rate of 5.5% thereon) and trade tax.

If the Notes are held in a custodial account which the Noteholder maintains with a German branch of a German or non-German financial or financial services institution (the "**Disbursing Agent**") a 30% withholding tax on interest payments (*Zinsabschlag*), plus 5.5% solidarity surcharge on such tax, will be levied, resulting in a total tax charge of 31.65% of the gross interest payment. Withholding tax is also imposed on Accrued Interest. If the Notes qualify as financial innovations, as explained above, and are kept in a custodial account which the Noteholder maintains with a Disbursing Agent such Agent will generally withhold tax at a rate of 30% (plus solidarity surcharge at a rate of 5.5% thereon)

from interest payments, Accrued Interest as well as from the positive difference between the redemption amount or proceeds from the disposition or assignment and the issue or purchase price of the Notes if the Note has been kept in a custodial account with such Agent since the time of issuance or acquisition, respectively, and will compute such difference, where the Note is expressed in a currency other than the Euro, as the difference between the foreign-currency denominated proceeds and the foreign-currency denominated price. Otherwise the 30% withholding tax is applied to 30% of the amounts paid in partial or final redemption of the Notes or the proceeds from the disposition or assignment of the Notes, respectively.

In computing the tax to be withheld the Disbursing Agent may deduct from the basis of the withholding tax any Accrued Interest paid by the holder of a Note to the Disbursing Agent during the same calendar year. In general, no withholding tax will be levied if the holder of a Note is an individual (i) whose Note does not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property, and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the holder of the Note has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If the Notes are not kept in a custodial account with a Disbursing Agent the withholding tax will apply at a rate of 35% of the gross amount of interest paid by a Disbursing Agent upon presentation of a Coupon (whether or not presented with the Note to which it appertains) to a holder of such Coupon (other than a non-German financial or financial services institution). In this case proceeds from the disposition or redemption of a Coupon, and if the Notes qualify as financial innovations 30% of the proceeds from the disposition, assignment or redemption of a Note, will also be subject to withholding tax at a rate of 35%. Where the 35% withholding tax applies no Accrued Interest paid can be taken into account in determining the withholding tax base. Again solidarity surcharge at a rate of 5.5% of the withholding tax applies so that the total tax burden to be withheld is 36.925%.

Withholding tax and solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German resident. Amounts overwithheld will entitle the holder of a Note to a refund, based on an assessment to tax.

Nonresidents

Interest, including Accrued Interest and Original Issue Discount, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of a Note or (ii) the interest income otherwise constitutes income taxable in Germany (such as income from the letting and leasing of certain German-situs property). In the latter case a tax regime similar to that explained above at "Tax Residents" applies; capital gains from the disposition of Notes are, however, only taxable in the case of (i).

Nonresidents of Germany are, in general, exempt from German withholding tax on interest and solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above at "Tax Residents".

Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition, assignment or redemption of a Note or Coupon are paid by a Disbursing Agent to a nonresident, the 35% withholding tax will apply as explained above at "Tax Residents".

Tax Reform Proposals

On March 17, 2003 the German Federal Government introduced draft legislation for granting tax amnesty to non-compliant taxpayers. As part of the incentive to become compliant, the existing tax regime in respect of interest income would be changed. Instead of the interest withholding tax cur-

rently imposed at a rate of 30% as a prepayment towards the taxpayer's ultimate tax liability, a security holder's liability to income tax on interest received would be satisfied by the withholding of tax from interest payments at a rate of 25%. Where the individual tax liability falls short of the 25% tax rate, however, any excess withheld would be refunded based on an assessment to tax. It is presently unclear whether and in which form this proposal will be implemented.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

2. The Netherlands

The information below is of a general nature based on current Dutch tax law and practice and is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of Notes. Prospective purchasers are urged to consult their professional advisers as to the overall tax consequences of purchasing, holding and/or selling the Notes.

Finance has been advised that:

- (1) all payments under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Notes (i) will not carry interest or any other payment which is wholly or partially contingent or deemed to be contingent on the profits or on the distribution of profits of the Issuer, or a related party (*verbonden lichaam*), or if the Notes will carry such interest or other payment of the Notes have a fixed term that does not exceed 10 years, and (ii) will not carry interest or any other payment which becomes only due dependent on the profits, or on a distribution of profits by the Issuer, or a related party (*verbonden lichaam*), or if the Notes will carry such interest or other payment the Notes are not subordinated or the Notes have a fixed term that does not exceed 50 years;
- (2) a holder of a Note will not be subject to Dutch taxation on income or capital gains in respect of any payment under the Notes or in respect of any gain realised on the disposal of the Notes, provided that:
 - (i) such holder is not a resident or a deemed resident of the Netherlands for Dutch tax law purposes; and
 - (ii) such holder is not an individual who opted to be taxed as a resident of the Netherlands for Dutch tax law purposes; and
 - (iii) such holder does not have an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable; and
 - (iv) such holder is not an individual who performs other activities in respect of the Notes in the Netherlands, including (without limitation), activities which are beyond the scope of "normal investment activities"; and

- (v) such holder is not an individual who has a substantial interest in the Issuer; and
 - (vi) such holder is not a corporate entity who has a substantial interest or a deemed substantial interest in the Issuer or, if a such Holder does have such an interest, it forms part of the assets of an enterprise other than an enterprise of the Netherlands;
- (3) Dutch gift, estate or inheritance taxes will not be levied on the occasion of the acquisition of a Note by way of gift by, or on the death of, a holder of a Note unless:
- (i) the holder is, or is deemed to be, resident of the Netherlands for the purpose of the relevant provisions; or
 - (ii) the holder at the time of the gift has or at the time of his death had an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are or were attributable; or
 - (iii) in the case of a gift of a Note by any individual who, at the date of the gift was not resident or deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands;
- (4) there is no Dutch registration tax, stamp duty or any other similar tax or duty other than court fees and contributions for the registration with the Trade Register of the Chamber of Commerce payable in The Netherlands in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Notes or the performance by the Issuer or the Guarantor of its obligations under the Notes or under the Guarantee;
- (5) there is no Dutch capital tax payable in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligation under the Notes, other than capital tax that may be due by the Issuer on capital contributions made or deemed to be made to the Issuer under the Guarantee;
- (6) there is no Dutch value added or turnover tax payable in consideration for the issue of the Notes, in respect of the payment by the Issuer of interest or principal under the Notes, or the transfer of a Note, or by the Guarantor under the Guarantee.

3. Proposed EU Savings Directive

According to a proposed draft directive regarding the taxation of savings income that was approved by the Council of the European Union on December 13, 2001, each EU Member State under its domestic law must require agents (within the meaning of the directive) established within its territory to provide to the competent authority of its EU Member State details of the payment of interest (within the meaning of the directive) to any individual resident in another EU Member State. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the recipient is a resident. The proposed directive shall be implemented by the EU Member States by January 1, 2004. The respective provisions shall apply as from January 1, 2005.

According to a political agreement reached by the council the Ministers of Finance of the EU Member States in January and March 2003, Austria, Belgium and Luxembourg may opt instead to withhold tax from such payments at a rate of 15% for the first three years starting January 1, 2005, of 20% as from January 1, 2008 and 35% as from January 1, 2011. Austria, Belgium and Luxembourg shall become obliged to supply information rather than to withhold tax only if and when: Switzerland, Monaco, Liechtenstein, Andorra and San Marino, after having levied withholding tax similar to the one to be imposed in Austria, Belgium and Luxembourg for a transitional period first, agree to supply information as well; and the Council of the European Union agrees unanimously that the United States is

committed to exchange information upon request. It is envisaged that the Council of the European Union will decide on a final text of the directive shortly and adopt the proposal in a way that substantially reflects the understanding described above. Since the implementation of these proposals depends on the above-mentioned non-EU Member States and territories also imposing a withholding tax or introducing an exchange of information, it is currently impossible to predict whether or not, when, or in what form these proposals ultimately will be adopted. Moreover, as of March 2003, one EU Member State (Italy) has withheld its consent to the proposed directive generally.

Holders who are individuals should note that, if this proposal is adopted, the Issuer will not pay additional amounts under § 7 of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result thereof.

General Information

Clearing Systems

The relevant Pricing Supplement will specify which clearing system or systems (including CBF, CBL and/or Euroclear) has/have accepted the relevant Notes for clearance and provide any further appropriate information.

Selling Restrictions

1. General

Each Dealer has agreed that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor the Guarantor (if Finance is the Issuer) and any other Dealer shall have any responsibility therefor.

Neither the Issuer nor the Guarantor (if Finance is the Issuer) and any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

2. United States of America

- (a) The Notes have not been and will not be registered under the Securities Act, and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Note as part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to a Note.
- (b) From and after the time that the Issuer notifies the Dealers in writing that it is no longer able to make the representation set forth in Article 4 (1)(g)(i) of the Dealer Agreement, each Dealer (i) acknowledges that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act; (ii) has represented and agreed that it has not offered and sold any Notes, and will not offer and sell any Notes (x) as part of its distribution at any time and (y) otherwise until 40 days after the later of the commencement of the offering and closing date only in accordance with Rule 903 of Regulation S under the Securities Act, and (iii) accordingly has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S; and (iv) has also agreed that at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903 (b) (2) (iii) (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

- (c) Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of syndicated issue, the relevant Lead Manager) shall determine and notify to the Fiscal Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Fiscal Agent has agreed to notify such Dealer/Lead Manager of the end of the restricted period with respect to such Tranche.

Terms used in the above paragraph have the meanings given to them by Regulation S.

- (d) Each Dealer has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.

- (e) Notes other than Notes with a initial maturity of one year or less will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “**D Rules**”), or in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (the “**C Rules**”), as specified in the applicable Pricing Supplement. In addition, in respect of Notes issued in accordance with the D Rules, each Dealer has represented and agreed that:

- (i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D), (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (iii) if such Dealer is a United States person, it has represented that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if such Dealer retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6); and
- (iv) with respect to each affiliate that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) has repeated and confirmed the agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate’s behalf or (y) has agreed that it will obtain from such affiliate for the benefit of the Issuer the agreements contained in sub-clauses (i), (ii) and (iii).

Terms used in this paragraph (e) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

In addition, where the C Rules are specified in the relevant Pricing Supplement as being applicable to any Tranche of Notes, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with the original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Notes in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

- (f) Each issue of index-, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the Pricing Supplement. Each Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

3. United Kingdom of Great Britain and Northern Ireland (“United Kingdom”)

Each Dealer has represented and agreed that:

- (i) in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of a period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (ii) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21 (1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

4. Japan

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption which will result in compliance with the Securities and Exchange Law and any applicable laws, regulations and guidelines of Japan.

5. Federal Republic of Germany

Each Dealer has agreed not to offer or sell Notes in the Federal Republic of Germany other than in compliance with the Securities Selling Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*) of December 13, 1990 (as amended), or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

6. The Netherlands

Each Dealer has represented and agreed with the relevant Issuer (and each further Dealer appointed under the Programme will be required to represent and agree with the relevant Issuer) that it has not and will not offer any Notes and that it has not or will not announce any such offer

except in accordance with the applicable laws and regulations of the Netherlands, which at the date of this Agreement require that:

- (a) except in circumstances where one of the exceptions of Article 3 of the 1995 Act on the supervision of the securities trade (*“Wet toezicht effectenverkeer 1995”*, the *“Securities Act”*) or one of the exemptions under Article 4 of the Securities Act is applicable, it has not directly or indirectly offered and will not directly or indirectly offer in the Netherlands (or anywhere in the world in the case of Notes issued by Finance) any Notes (including rights representing an interest in a Global Note) as part of their initial distribution or at any time thereafter, and that it has not, or will not, announce any such offer, other than (i) Notes with an individual denomination of at least € 50,000 or the equivalent thereof in any other currency or (ii) (a) to persons (including legal entities) who trade or invest in securities in the conduct of their profession or trade within the meaning of the Securities Act and its implementing regulations (which includes banks, brokers, dealers, insurance companies, pension funds, other institutional investors and commercial enterprises which regularly, as an ancillary activity, invest in securities) and (b) with due observance of article 2 paragraph 2 of the Exemption regulation pursuant to the 1995 Act on the supervision of the securities trade (*“Vrijstellingsregeling Wet toezicht effectenverkeer 1995”*); and
- (b) it has not transferred or accepted and it will not transfer or accept bearer Zero Coupon Notes or other Notes that qualify as savings certificates as defined in the Savings Certificates Act (*“Wet inzake spaarbewijzen”*) if such transfer or acceptance is not done through the mediation of either the Issuer or a Member (previously named Admitted Institution) of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act and its implementing regulations, provided that no such mediation is required (i) in respect of the initial issue of such Notes to the first holders thereof, (ii) if such Notes are physically issued outside of the Netherlands or to residents of the Netherlands and are not immediately thereafter distributed in the Netherlands or to residents of the Netherlands in the course of primary trading or immediately thereafter or (iii) in respect of any transfer and delivery by individuals who do not act in the conduct of a profession or trade.

Use of Proceeds

The net proceeds from each issue will be used for general financing purposes of the Deutsche Telekom group companies.

Listing Information

Luxembourg Stock Exchange

Application has been made to list Notes to be issued under the Programme on the Luxembourg Stock Exchange. Prior to the listing of the first series of Notes issued under the Programme, the constitutional documents of the Issuers and the Guarantor and the legal notice relating to the issue will have been registered with the Registrar of the District Court in Luxembourg (*Registre du Commerce et des sociétés à Luxembourg*), where copies of these documents may be obtained upon request.

The Luxembourg Stock Exchange has allocated to the Programme the number 11993 for listing purposes.

However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

The above-mentioned documents are available for inspection at the head office of the Paying Agent in Luxembourg, Banque Générale du Luxembourg S.A., at 50, avenue J.F. Kennedy, L-2951 Luxembourg.

Each Paying Agent shall have available at its specified office a copy of the Amended and Restated Dealer Agreement dated April 30, 2003 (the *“Dealer Agreement”*) and the Amended and Restated

Agency Agreement dated April 30, 2003 and shall make available the inspection of these documents free of charge during normal business hours. Each Pricing Supplement relating to the Notes which shall be quoted on the Luxembourg Stock Exchange may be obtained from the paying agent in Luxembourg.

Undertaking

Each of the Issuers and the Guarantor have undertaken, in connection with the listing of the Notes, that if, while Notes of an Issuer are outstanding and listed on the Luxembourg Stock Exchange, there shall occur any adverse change in the business, financial position or otherwise of such Issuer or the Guarantor that is material in the context of issuance under the Programme which is not reflected in the Information Memorandum (or any of the documents incorporated by reference in the Information Memorandum) such Issuer and/or the Guarantor, as the case may be, will prepare or produce the preparation of an amendment or supplement to the Information Memorandum or, as the case may be, publish a new Information Memorandum for use in connection with any subsequent offering by such Issuer of Notes to be listed on the Luxembourg Stock Exchange.

If the Terms and Conditions of the Notes (as set out in the Information Memorandum) are modified or amended in a manner which would make the Information Memorandum, as amended or supplemented, inaccurate or misleading, a new Information Memorandum will be prepared to the extent required by law.

Each of the Issuers will, at the specified offices of the Paying Agents, provide, free of charge, upon the oral or written request therefor, a copy of the Information Memorandum (or any document incorporated by reference in the Information Memorandum). Written or oral requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the Listing Agent in Luxembourg.

Authorisation

The establishment of the Programme was authorised by the board of managing directors of Deutsche Telekom and by the board of managing directors and the supervisory board of Finance on June 20, 1997, August 18, 1997 and September 1, 1997, respectively. The increase of the aggregate principal amount of Notes which may be issued under the Programme was authorised by the board of managing directors of Deutsche Telekom and by the board of managing directors and the supervisory board of Finance on April 11, 2000, as well as on March 22, 2000 and March 27, 2000, respectively. The further increase of the aggregate principal amount of Notes which may be issued under the Programme to Euro 15,000,000,000 was authorised by the board of managing directors of Deutsche Telekom on May 14, 2001 and by the board of managing directors of Finance on May 18, 2000 and the supervisory board of Finance on May 21, 2001. The further increase of the aggregate principal amount of Notes which may be issued under the Programme to Euro 20,000,000,000 was authorized by the board of managing directors of Deutsche Telekom on April 1, 2003 and by the board of managing directors of Finance on April 1, 2003 and by the supervisory board of Finance on April 1, 2003.

Documents Incorporated by Reference

The Annual Report of Deutsche Telekom for the financial year ended December 31, 2002, and the Annual Report of Finance for the financial year ended December 31, 2002 are incorporated by reference into the Information Memorandum. Copies thereof and of any other documents incorporated herein by reference may be obtained without charge at the head office of the Paying Agent in the city of Luxembourg. Finance does neither publish any interim reports nor does Finance prepare or publish consolidated financial statements.

The following documents shall be deemed to be incorporated in, and form part of, the Information Memorandum

- (1) the most recently published annual report of Finance, which includes unconsolidated financial statements, and the most recent annual report and most recent quarterly report of Deutsche Telekom which include only consolidated financial statements (whether audited or unaudited); and
- (2) all amendments and supplements to the Information Memorandum prepared by each of the Issuers and the Guarantor from time to time,

save that any statement contained in the Information Memorandum or in any of the documents incorporated by reference in, and forming part of, the Information Memorandum shall be deemed to be modified or superseded for the purpose of the Information Memorandum to the extent that a statement contained in any documents subsequently incorporated by reference modifies or supersedes such statement.

Litigation

Save as disclosed herein, neither the Issuers nor the Guarantor nor any consolidated subsidiary of the Guarantor is, or has during the last two fiscal years been, engaged in any litigation or arbitration proceedings which may have or have had during such period a significant effect on the financial position of the Issuer or the Guarantor, nor, as far as the Issuer or the Guarantor is aware, are any such litigation or arbitration proceedings pending or threatened.

A number of purported class action lawsuits have been filed and consolidated in the United States District Court for the Southern District of New York by or on behalf of purported purchasers of Deutsche Telekom ADSs issued pursuant to a registration statement on Form F-3 filed with the Securities and Exchange Commission on May 22, 2000, and pursuant to a prospectus dated June 17, 2000, and purported purchasers of Deutsche Telekom ADSs during the period from June 19, 2000 to and including February 21, 2001. The operative complaint in these consolidated actions asserts claims against Deutsche Telekom and the former Chairman of its Management Board, and others, under U.S. federal securities statutes based on allegations that statements made in the registration statement and prospectus were materially false and misleading because they allegedly failed adequately to disclose detailed information relating to merger negotiations between Deutsche Telekom and VoiceStream Wireless Corporation, and allegedly overstated the value of Deutsche Telekom's real estate portfolio. The Court has certified the action as a class action and defined the class to include all purchasers of Deutsche Telekom's ADSs during the period from June 19, 2000, to and including February 21, 2001. The selling shareholder in the offering, Kreditanstalt fuer Wiederaufbau, has been dismissed from the action.

Approximately 260 lawsuits have been filed in Germany by purported purchasers of Deutsche Telekom's shares sold pursuant to the prospectuses dated May 28, 1999 and May 26, 2000. These lawsuits allege that the book values recorded by Deutsche Telekom for its real property portfolio were improperly established and maintained under German accounting principles. In many of these lawsuits, claims have also been made with respect to the VoiceStream transaction analogous to those made in the purported U.S. class action lawsuits described above. These lawsuits are pending before the District Court in Frankfurt am Main. It is too early for the company to express a view of the possible outcome of the lawsuits. The presiding judge has issued a statement describing his preliminary view that it will be necessary to take evidence by obtaining an expert opinion. The presiding judge also stated that he is inclined to order a stay of the civil litigation until the criminal proceedings in the pertinent matter will be resolved. The court will probably decide on the stay in the course of the next months. The aggregate Euro amount of all shareholders' claims filed in Germany is € 9,239,396.85.

Deutsche Telekom is contesting each of the aforementioned lawsuits vigorously. Because the lawsuits, which in the aggregate involve substantial damage claims, are in their preliminary stages, Deutsche Telekom is not in a position to predict their outcome or impact. However, Deutsche Telekom believes that the allegations in the lawsuits do not provide a basis for the recovery of damages because all required disclosures were made on a timely basis.

As previously disclosed, the Bonn public prosecutor is conducting an investigation (*Ermittlungsverfahren*) into allegations in the press and elsewhere asserting that the book values recorded by Deutsche Telekom for its real property portfolio and fixed assets in general, including technical equip-

ment and machinery, have been improperly established and maintained under applicable accounting principles and so were substantially overvalued in Deutsche Telekom's 1995 opening balance sheet and in later balance sheets. The Bonn public prosecutor has notified Deutsche Telekom that his investigation also goes into whether Deutsche Telekom underpaid its German corporate income and trade taxes because amortization and depreciation were higher than they should have been as a result of the alleged overstatement. Deutsche Telekom believes that the book values of its fixed assets have been correctly presented in accordance with applicable accounting principles, and disputes allegations to the contrary. Deutsche Telekom has nonetheless been cooperating fully in the investigation and is interested in seeing it expeditiously resolved. According to press reports, the public prosecutor indicated in early 2003 that his investigation would also cover the allegations described in the preceding paragraph. Deutsche Telekom cannot offer assurances as to the timing or outcome of the prosecutor's investigation and believes that the investigation is being conducted with regard to certain individuals and is not directed against its company. Adverse consequences for its company could follow if any of the individuals who are or who become the subject of the investigation were found to have violated the law.

There are various proceedings pending in connection with the decisions issued by the German telecommunications regulator involving interconnection, local loop, leased lines, resale, billing and connection matters. Additional proceedings may be initiated from time to time as a result of future decisions by the German telecommunications regulator.

Media reports have suggested that radio frequency emissions from wireless handsets and cell sites may raise various health concerns, including cancer, and may interfere with various electronic medical devices, including hearing aids and pacemakers. Research and studies are ongoing. Whether or not such research or studies conclude there is a link between radio frequency emissions and health, these concerns over radio frequency emissions may discourage the use of wireless handsets and may result in significant restrictions on the location and operation of cell sites, either or both of which could have a material adverse effect on Deutsche Telekom's or on T-Mobile USA's results of operations. T-Mobile USA is subject to current, and potentially future, litigation relating to these health concerns. Several amended class action lawsuits have been filed against T-Mobile USA and several other wireless service operators and wireless phone manufacturers, asserting products liability, breach of warranty and other claims relating to radio frequency transmissions to and from wireless handsets. The complaints seek substantial money damages as well as injunctive relief. The defense of these lawsuits may divert management's attention, and T-Mobile USA may be required to pay significant awards or settlement and may incur significant expenses in defending these lawsuits. In addition, T-Mobile USA could be subject to potential litigation, legislation or adverse publicity relating to damage caused by persons who use mobile telephones while driving.

In April 2001, QPSX Europe GmbH filed suit for a permanent injunction with the District Court in Munich (Landgericht München) against Deutsche Telekom AG and Siemens AG, alleging that these companies are infringing on plaintiff's patent by providing services using Asynchronous Transfer Mode (ATM) technology. Since ATM technology is used in a number of products and services offered by Deutsche Telekom (e.g. T-DSL and T-ATM), an adverse outcome in this proceeding could have a substantial adverse effect on Deutsche Telekom's business.

Material Change

Save as disclosed herein, there has been no material adverse change in the financial position of Finance and the consolidated financial position of Deutsche Telekom since the date of the last published report.

Issuers

Deutsche Telekom AG
Friedrich-Ebert-Allee 140
D-53113 Bonn

Deutsche Telekom International Finance B.V.
World Trade Center
Strawinskylaan 1243
NL-1077 XX Amsterdam

Guarantor

Deutsche Telekom AG
Friedrich-Ebert-Allee 140
D-53113 Bonn

Arranger

Deutsche Bank Aktiengesellschaft
Grosse Gallusstrasse 10–14
D-60272 Frankfurt am Main

Dealers

Bayerische Hypo- und Vereinsbank AG
Arabellastrasse 12
D-81925 München

Commerzbank Aktiengesellschaft
60 Gracechurch Street
London EC3V 0HR

Deutsche Bank Aktiengesellschaft
Grosse Gallusstrasse 10–14
D-60272 Frankfurt am Main

Dresdner Bank Aktiengesellschaft
Jürgen-Ponto-Platz 1
D-60301 Frankfurt am Main

DZ BANK AG Deutsche
Zentral-Genossenschaftsbank,
Frankfurt am Main
Platz der Republik
D-60265 Frankfurt am Main

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB

J. P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ

Lehman Brothers International (Europe)
One Broadgate
London EC2M 7HA

Merrill Lynch International
Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ

UBS Limited
100 Liverpool Street
London EC2M 2RH

WestLB AG
Herzogstrasse 15
D-40217 Düsseldorf

Agents

Fiscal and Principal Paying Agent

Citibank, N.A.,
5, Carmelite Street
London EC4Y 0PA

Listing Agent

Banque Générale du Luxembourg S.A.
50, avenue J. F. Kennedy
L-2951 Luxembourg

Further Paying Agents

Banque Générale du Luxembourg S.A.
50, avenue J. F. Kennedy
L-2951 Luxembourg

Citibank AG
Neue Mainzer Strasse 75
D-60311 Frankfurt am Main

Legal Advisers

To the Dealers

De Brauw Blackstone Westbroek N.V.
Tripolis 300
Burgerweeshuispad 301
NL-1070 AB Amsterdam
member of Linklaters & Alliance

Hengeler Mueller
Bockenheimer Landstrasse 51
D-60325 Frankfurt am Main

Auditors of

Deutsche Telekom AG

Deutsche Telekom International Finance B.V.

PwC Deutsche Revision
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft
Olof-Palme-Strasse 35
D-60439 Frankfurt am Main

PricewaterhouseCoopers N.V.
Marten Meesweg 25
NL-3068 AV Rotterdam

Ernst & Young
Deutsche Allgemeine Treuhand AG
Wirtschaftsprüfungsgesellschaft
Eschersheimer Landstrasse 14
D-60322 Frankfurt am Main