

Deutsche Telekom AG
Bonn
- Security ID No. 555 750 -

Dividend announcement

On 25 May 2000 the Shareholders' Meeting of our company approved the payment of a dividend of €0.62 per individual no par value share on the dividend-bearing capital stock of €7,741,336,299.68 as at 31 December 1999, payable as of 26 May 2000.

The dividends will be paid by Clearstream Banking AG, Frankfurt on Main, via the depository banks, less 25% capital gains tax and a 5.5% solidarity surcharge on the capital gains tax (a total of 26.375%).

Combined with the dividend is a tax credit of €0.41 of the payment per share amounting to 3/7 of the dividend; this amounts to €0.18. This credit, like the capital gains tax and the solidarity surcharge, is set off against the income tax or corporate income tax paid by domestic shareholders who are not exempt from these taxes. The remaining €0.21 of the dividend is subject to tax under EK 01 (foreign earnings under § 30 section 2 No. 1 KStG (Corporate Income Tax Law)) and thus does not qualify for a tax credit.

The deduction of capital gains tax and the solidarity surcharge on the capital gains tax does not apply to shareholders who have submitted to their depository banks a non-assessment note from the tax authorities. In such cases the tax credit will also be granted by the bank making the payment. The same applies in toto or in part to shareholders who have submitted to their depository bank an exemption order as long as the amount of the exemption specified in the order has not been used up by other capital gains.

Bonn, May 2000

Deutsche Telekom AG
The Board of Management

Deutsche Telekom AG, Bonn

555 700 + bearer shares

Financial year: 01.01.1997 – 31.12.1997 Solidarity surcharge: 5.5%
DM 1.20 per DM 5.00; capital gains tax: 25% – corporate tax credit
3/7 – payment via Deutsche Börse Clearing AG
ex 05.06.1998; payable 05.06.1998; AGM 04.06.1998
Central paying agent: Dresdner Bank AG, Frankfurt/M
Paying agents: Dresdner Bank AG, Deutsche Bank AG, DG BANK
Deutsche Genossenschaftsbank, Westdeutsche Landesbank Giro-
Zentrale, Bayerische Landesbank Girozentrale, Commerzbank AG,
Bayerische Hypotheken- und Wechsel-Bank AG, Bayerische Ver-
einsbank AG, Landesbank Hessen-Thüringen Girozentrale, Bankge-
sellschaft Berlin AG, Norddeutsche Landesbank Girozentrale,
Südwestdeutsche Landesbank Girozentrale, Baden-Württembergi-
sche Bank AG, BHF-BANK AG, Sal. Oppenheim jr & Cie, KGaA,
M. M. Warburg & CO KGaA