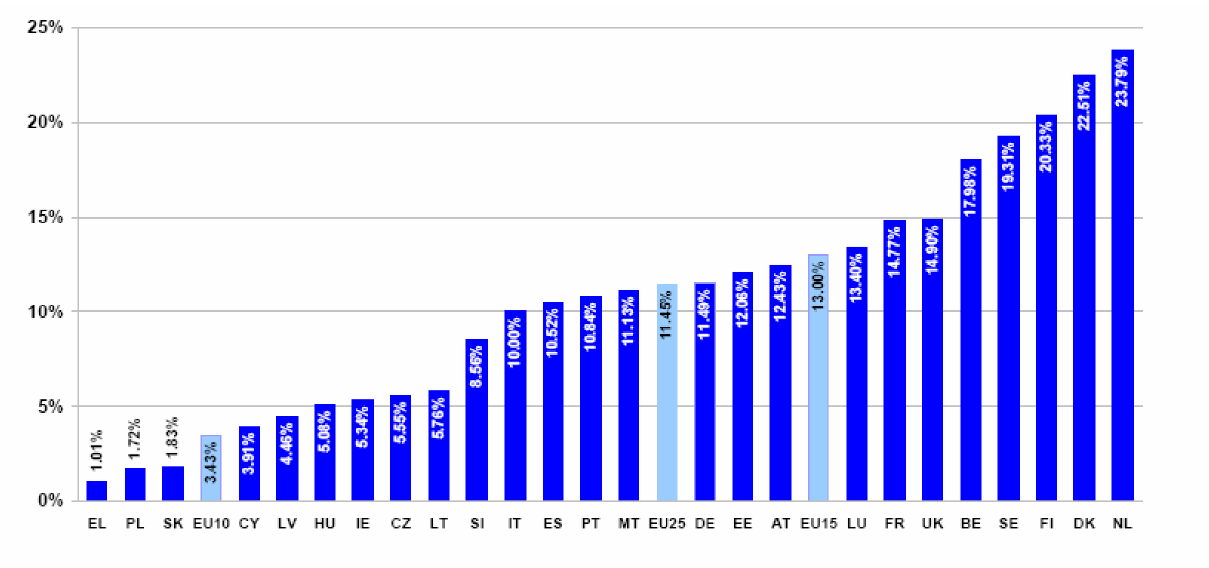
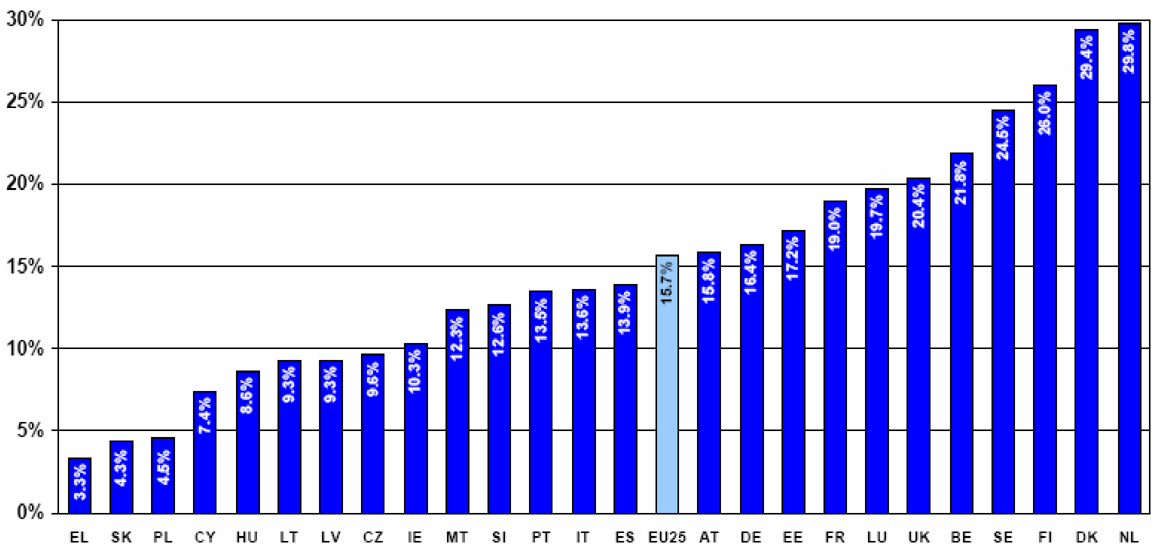
I. Broadband Penetration - EU Comparison[1]

EU Broadband penetration rate, 1 October 2005



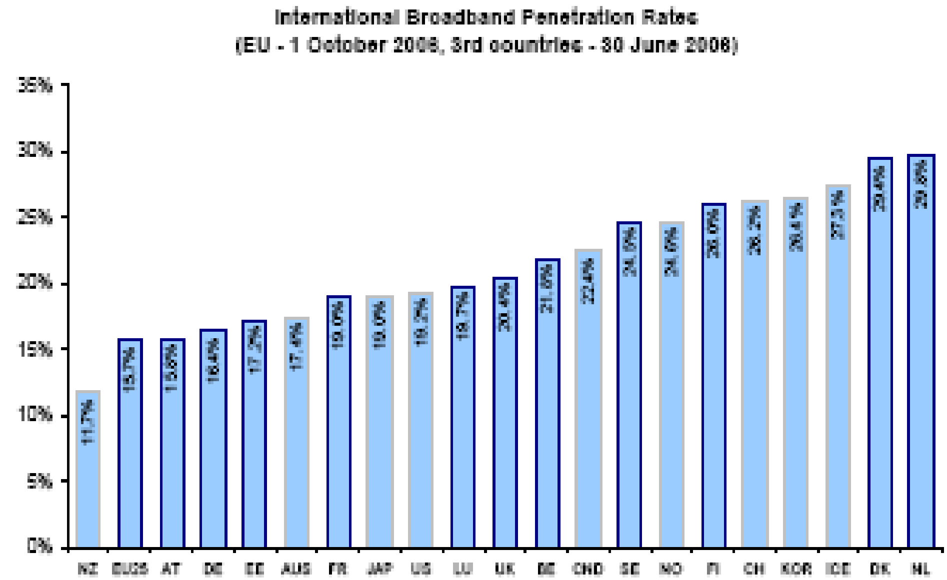
EU Broadband penetration rate, 1 October 2006



The European Commission observes an increase of the broadband penetration within the EU from **11.45% (2005)** to **15.7% (2006)**. Germany, with an increase from **11.49% (2005) to 16.4% (2006)** is slightly above the EU average (on the basis of the 25 Member States), but is also far lagging behind the leader (the Netherlands) and Scandinavian countries; their penetration rates of 30% in 2006 is almost twice as high.

[1] All viewgraphs are taken from the 11th and 12th Implementation Reports of the European Commission, which are downloadable at:
http://ec.europa.eu/information_society/policy/ecomm/implementation_enforcement/index_en.htm
In all graphs DE ("Deutschland") stands for Germany.

II. Broadband Penetration - International Comparison

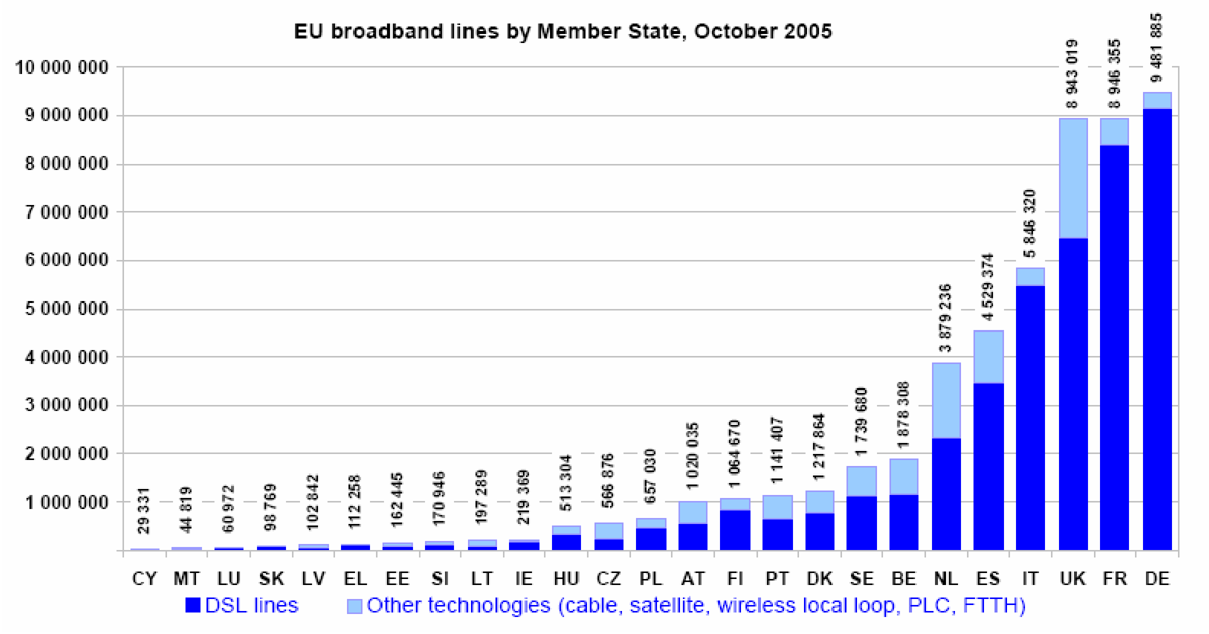


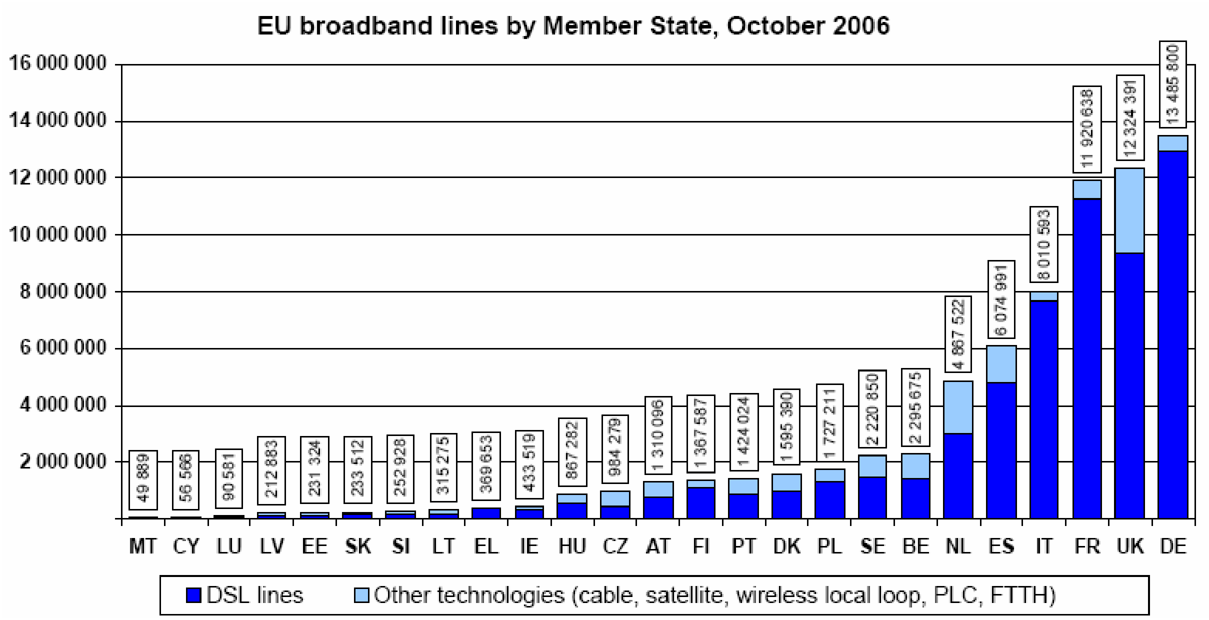
Data for Austria as of July 2006. The estimate of the Austrian NRA for October 2006 is 16.42%.

Broadband transmission speeds within the EU vary, but they are still higher than in the United States, Japan and South Korea. To a certain degree, this can be explained by the higher densities of population in South Korea and Japan. In the United States, there is intramodal competition between the cable and DSL technologies.

Based on the international comparison, Germany is lagging behind other leading industrialized nations - with a broadband penetration rate of 16.4%.

III. Broadband connections in absolute figures

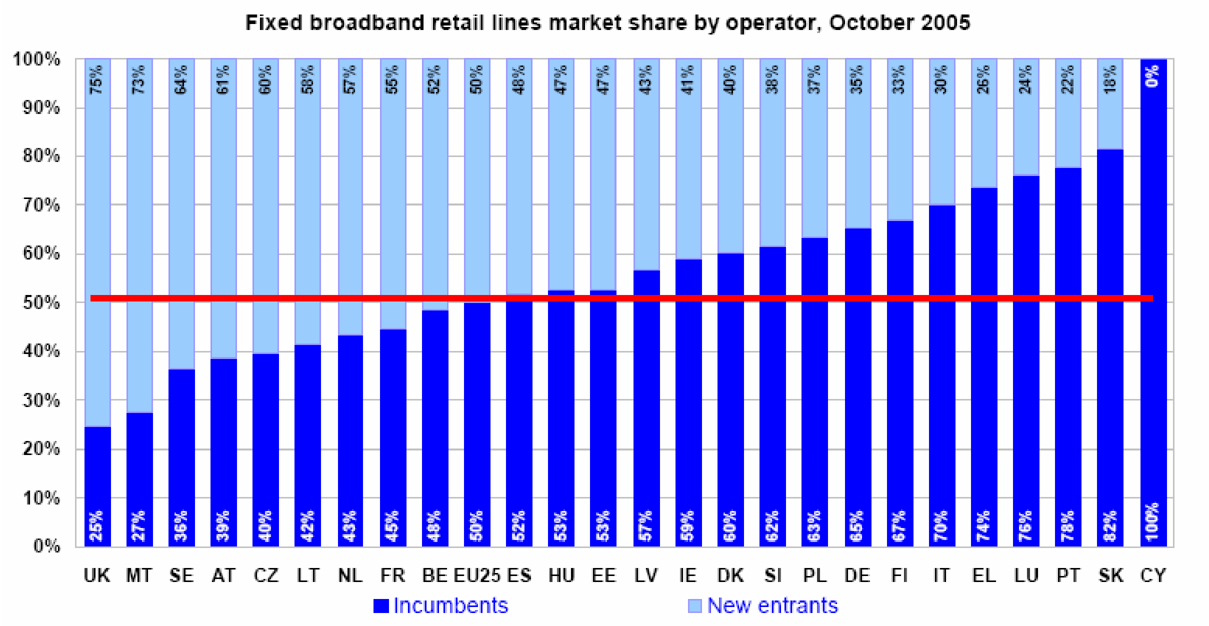


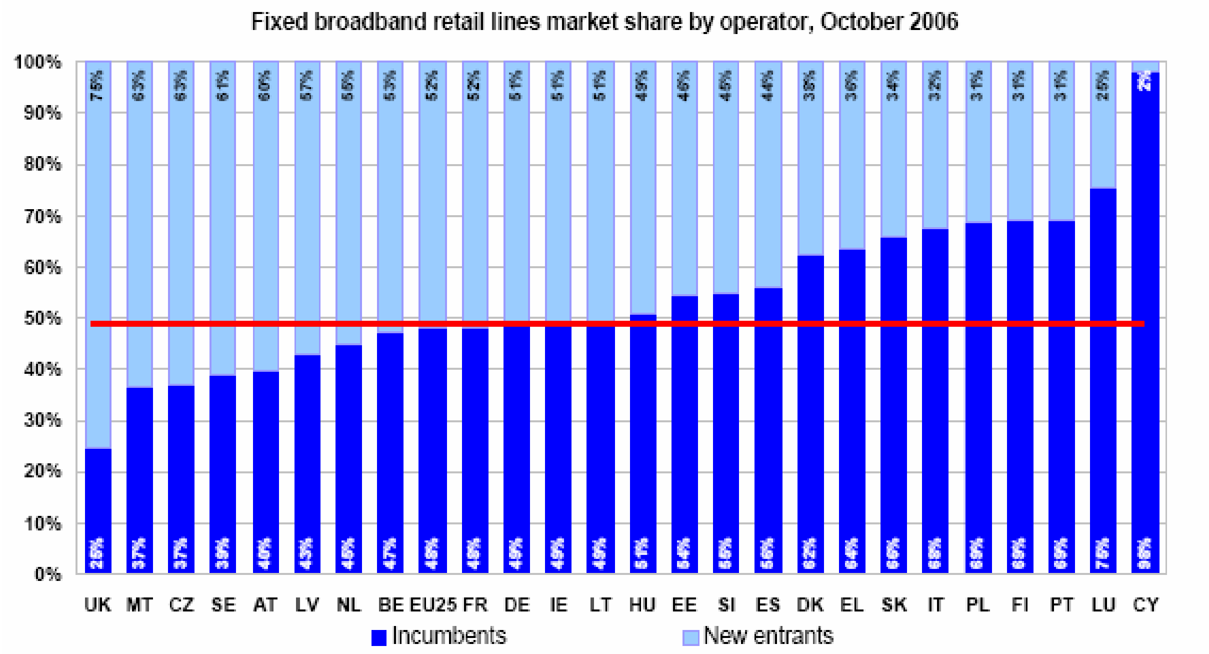


Based on the absolute figure of broadband connecting, Germany was able to increase the numbers form **9,481,885 (2005)** to **13,485,800 (2006).** In absolute figures Germany continues to hold the top position within the EU.

IV. Broadband connections by providers

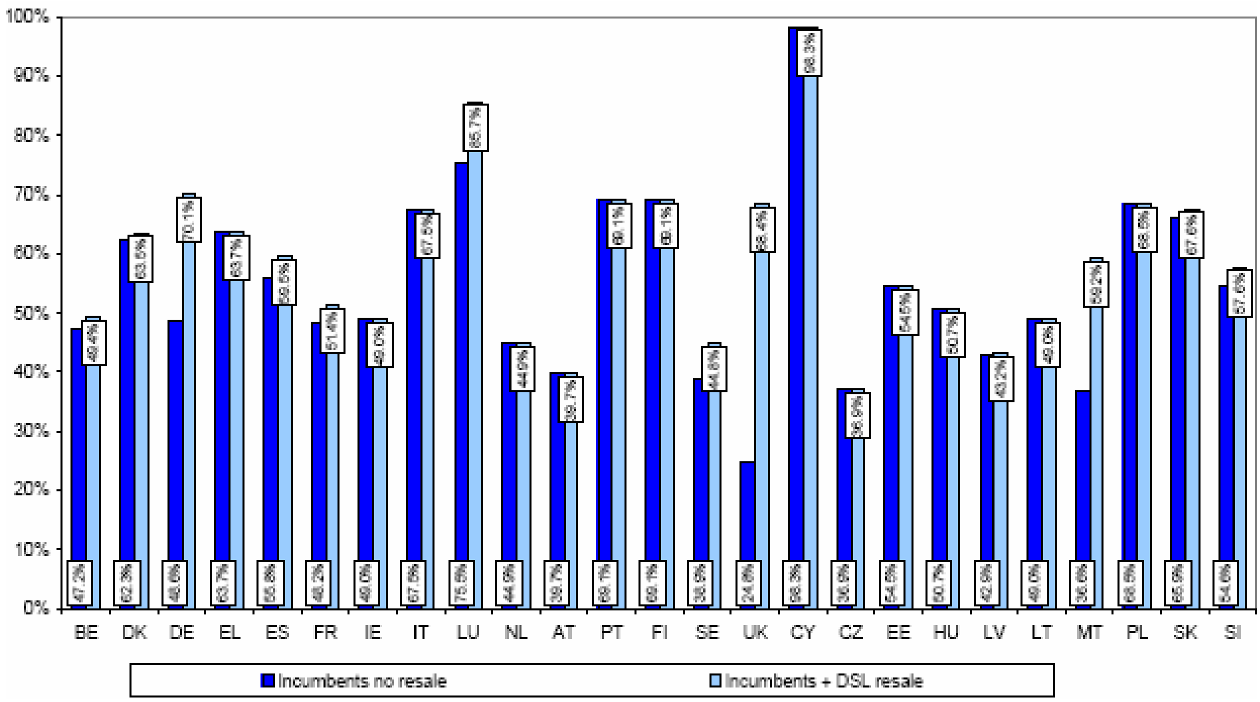
In spite of increasing competition, the EU incumbents still control far more than 48% (average) of all broadband connections - a slight decrease by 2% compared to 2005.





The competitors of Deutsche Telekom were able to expand their market share from **35% (2005**) to **51% (2006)**. The main reason for this is the significant increase in resale.

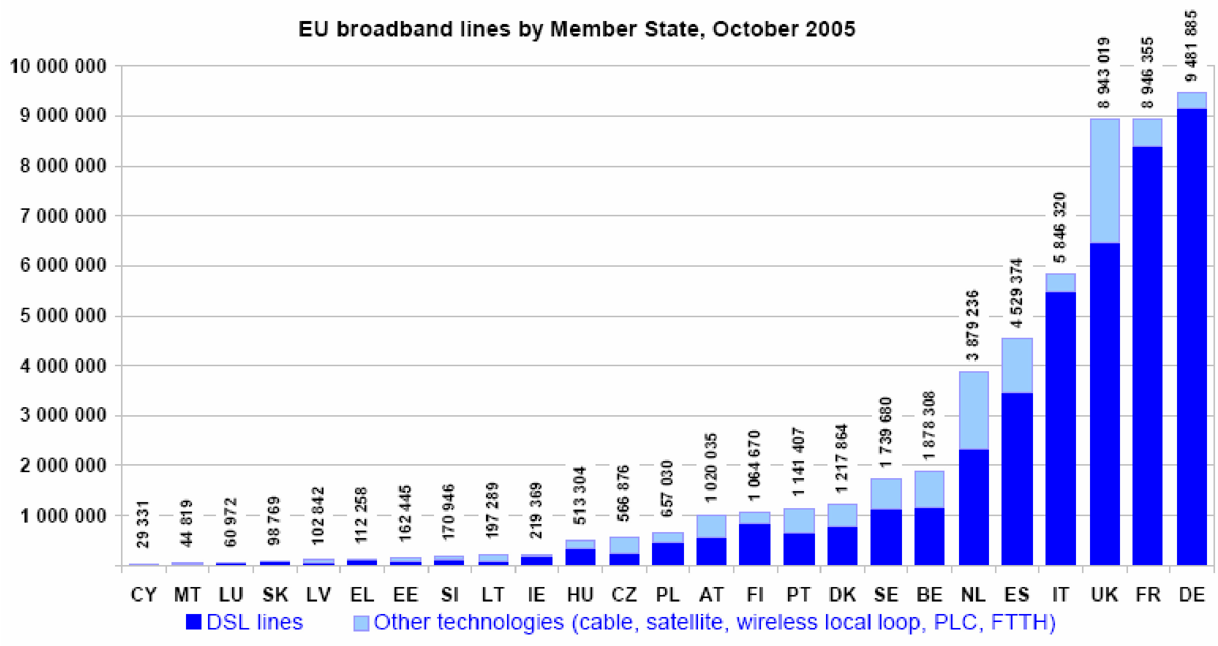
V. Broadband market shares of the incumbents including/ excluding resale

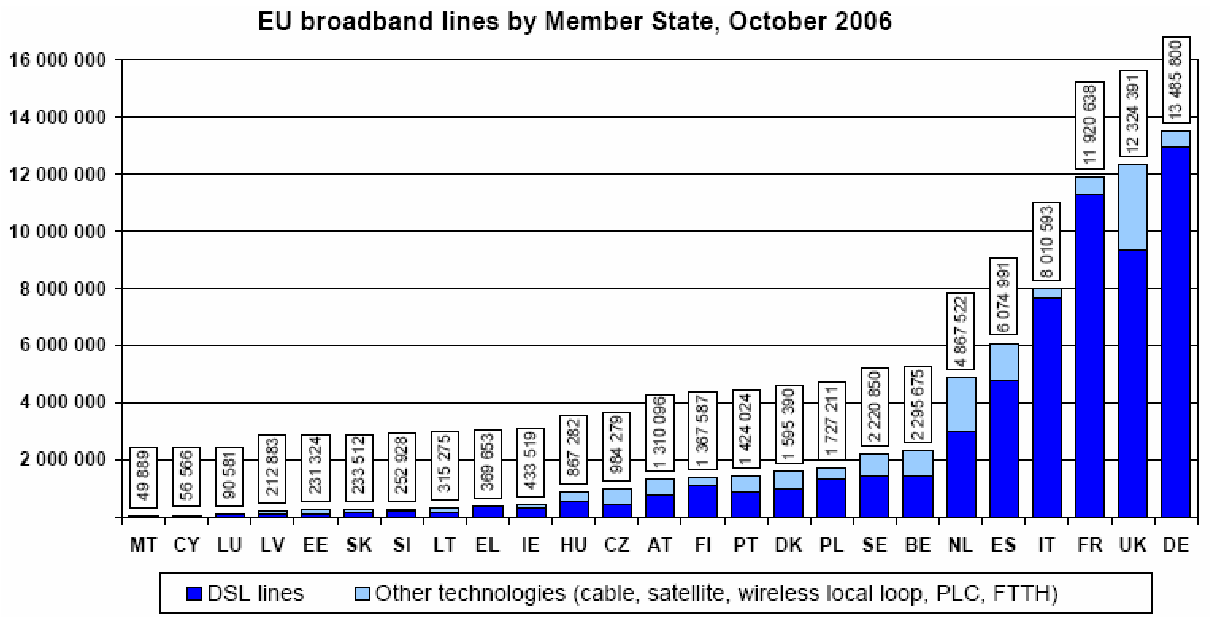


*numbers only available for 2006

If one attributes the resale market shares to the incumbent, Germany is on the third rank from the bottom (**70.1% of the broadband connections** in Germany are based in Deutsche Telekom's Infrastructure) - only Cyprus (98.3%) and Luxembourg (85.7%) rank lower.

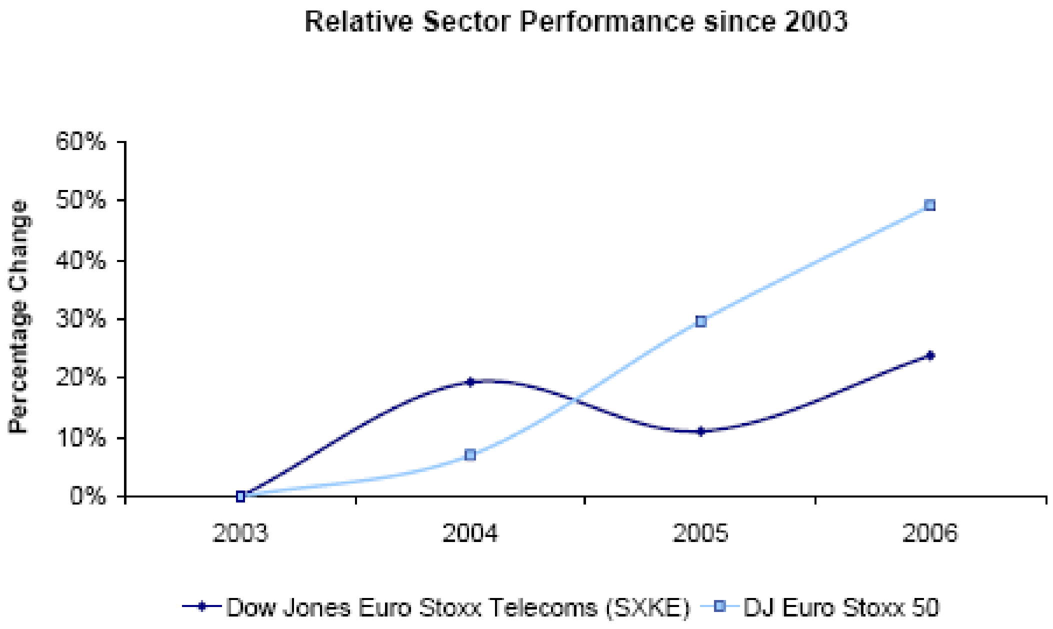
VI. Broadband connections by infrastructure





Throughout the EU broadband connections are based to a large degree on DSL technology. Only the United Kingdom and the Netherlands provide for competition between different platforms with alternative infrastructures. In Germany, out of the 13,485,00 broadband connections, 541,500 (=4%) are operated on the basis of alternative infrastructure (cable, satellite).

VII. Relative increase of the value of the telecommunications sector



The European Commission assesses the relative increase of the value of the telecommunications sector since 2003 as follows:

After a difficult year in 2005, the financial outlook for the major players in the European electronic communications brightened slightly in 2006. As measured by the Dow Jones Euro Stoxx Telecommunications Index (SXKE), the value of the sector in 2006 increased by 11.53%. Over three years, the increase was 23.84%.

One reason for the volatile performance of the sector since 2003 may be the uncertainty over the industry's future business model in the context of ongoing changes in the electronic communications value chain. European incumbent operators are still dependent on their traditional voice and access businesses for approximately 60% of their EBITDA.

In mobile sector meaningful revenue streams from next-generation services have yet to materialize. In mid-2006, revenues of European operators from areas other than voice telephony were estimated at 17.1%; these are significantly higher than the comparable figure for the US.

Brussels, 04-04-07