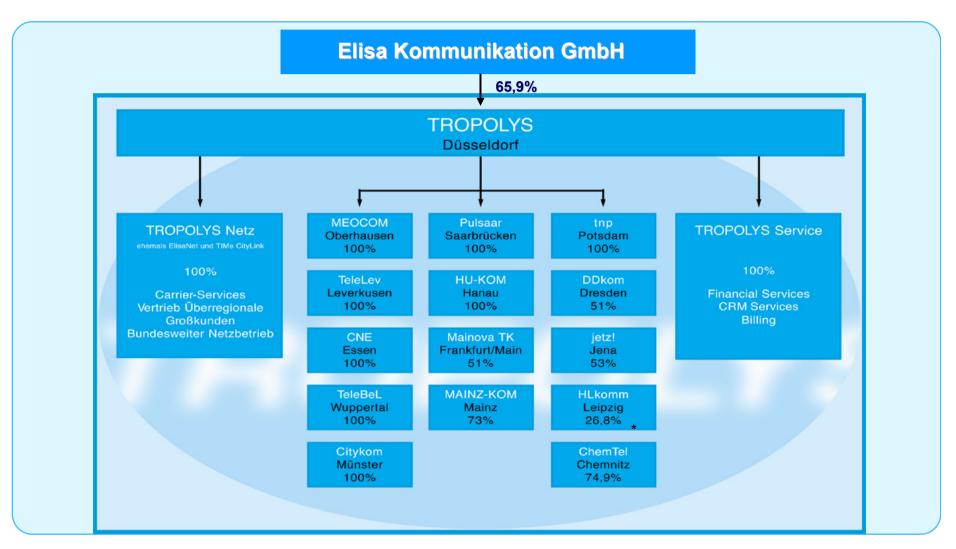




### **TROPOLYS – Structure**





\*planned as of 2003-01-01

### **Executive Summary and Company Overview**



- ◆ TROPOLYS is a company group of 14 local telecommunication operators (city carriers) in Saarland, North Rhine Westphalia, in the Rhine Main region and in the Eastern Germany
- The group will be successfully enlarged by a phased consolidation of new carriers
- As a competitor to Deutsche Telekom AG (DTAG) all the TROPOLYS Group companies provide fixed line telecommunication services (voice, broadband, Internet, value added services)
- By possessing state of the art telecommunication infrastructure in their licence areas all the TROPOLYS carriers are able to provide direct (technical) access to end customers
- Main customer segments of the TROPOLYS carriers are municipal organisations and companies, small and medium sized companies (SME), other telecommunication carriers, Internet service providers (ISP) and residential customers
- By a rapid customer growth rate TROPOLYS carriers expand their already solid customer basis at the expense of Deutsche Telekom AG

### **Facts**



- Market potential today
  - 8,8 Mio. citizens
  - 4,4 Mio. households
  - 252.000 SME
- 640 employees year end2002

- Customers
  - approx. 13.000 business customers
  - strong increase in business customers continues
- Network
  - approx. 11.000 route kilometres of fibre network
  - at present 243 developed main distribution frames of Deutsche Telekom AG



Strategy

### The Consolidating City Carrier Market



 The consolidation opportunity is to integrate City Carriers to overcome their scale deficiencies while maintaining their inherent strengths

## City Carriers' Advantages/Deficiencies

- Local market knowledge
- Strong position in SME and SOHO segments
- Own MANs and local access infrastructure
- Not enough manpower to enhance customer base and product portfolio
- Limited geographical coverage
- X Lack of economies of scale
- X Lack of financial resources

#### **Consolidation:**

- Synergies with the revenues
- Synergies with the costs
- Synergies with the capex

## Consolidated Company's Advantages

Local market knowledge

Strong position in SME and SOHO segments

Own MANs and local access infrastructure

Broader product portfolio

Larger customer base

Nationwide geographical coverage

Economies of scale

Financial resources

### **Products Description**



A dedicated array of products for the SME/corporate customer base

Narrow band services (ISDN / IP)

Product bundle

of Voice and

Data and

accordingly

Internet

with up to

128 kbit/s

High speed data transmission up to 2 Mbit/s

Broadband services (DSL / IP)

Carrier and ISP products

Provision of broadband products to alternative carriers for "last mile" access to the customer (leased lines with 2 Mbit/s to n\*155 Mbit/s, POP's as "carrier hotels")

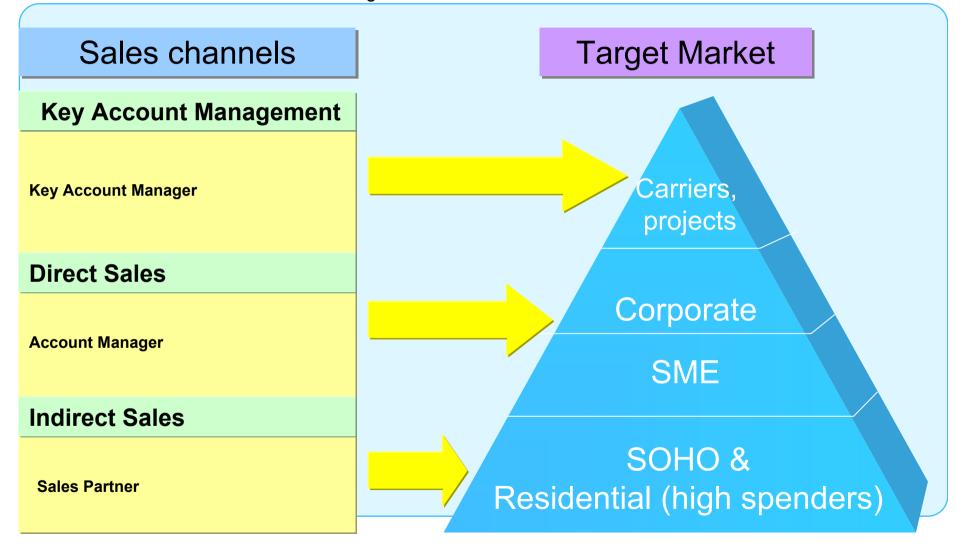
Advanced services (IN / UMS)

Intelligent mailboxes, free phone, share cost services, unified message services

### Marketing and Sales



Focused sales channels for each target customer base





# Management

## **TROPOLYS Management Structure**



## CEO Peer Knauer



- Corporate Development
- ◆ M&A
- Public Relations
- Human Resources

### CTO Dr. Hai Cheng



- Network Planning
- Network Operations
- ♦ IT / Billing

#### CFO Werner Kühne



- Accounting
- Controlling
- Finances
- Investor Relations

### COO Detlef Wientgen



- Sales
- Marketing
- Product Management
- Customer Care



## Summary

### Summary



- TROPOLYS is one of the largest local access network carriers in Germany
- TROPOLYS aims to become the leading alternative local access network carrier after Deutsche Telekom AG in its respective regions
- TROPOLYS has a clear strategy for achieving growth through strategic acquisitions and delivery of high quality products and services
- TROPOLYS enjoys strong financial and political support from its shareholders