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AGREEMENT AND PLAN OF MERGER

Dated as of August 26, 2000

Between

Deutsche Telekom AG

And

Powertel, Inc.

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of August 26, 2000, between DEUTSCHE TELEKOM AG, an AKTIENGESELLSCHAFT organized and existing under the laws of the Federal Republic of Germany ("DT"), and POWERTEL, INC., a Delaware corporation ("Powertel") (each a "Party" and, together, the "Parties").

WITNESSETH:

WHEREAS, VoiceStream Wireless Corporation, a Delaware corporation ("VoiceStream"), and DT entered into an Agreement and Plan of Merger dated as of July 23, 2000 (as amended or modified from time to time, the "VoiceStream Merger Agreement"), providing for the acquisition of VoiceStream by DT (the "VoiceStream Merger") and VoiceStream and Powertel are entering into a separate merger agreement dated as of the date hereof (as amended or modified from time to time (the "Alternative Merger Agreement"), providing for the acquisition of Powertel by VoiceStream (the "Alternative Merger") if the VoiceStream Merger Agreement is terminated and certain other conditions are satisfied or waived;

WHEREAS, the Management Board (VORSTAND) and the Supervisory Board (AUFSICHTSRAT) of DT and the Board of Directors of Powertel have determined that it is fair to and in the best interests of their respective companies and stockholders to consummate the strategic combination transaction provided for in this Agreement and the other transactions contemplated hereby in accordance with the laws of their respective jurisdictions of organization and have authorized the execution and delivery of this Agreement;

WHEREAS, simultaneously with the execution and delivery of this Agreement and the Alternative Merger Agreement, as part of a single overall transaction, and to induce DT to enter into this Agreement, certain stockholders of Powertel are each entering into a stockholder agreement (collectively, the "Powertel Stockholder Agreements") with DT dated as of the date hereof;

WHEREAS, for United States federal income tax purposes the parties intend that the Merger (as defined below) will qualify (i) as a reorganization within the meaning of Section 368(a) of the Code (as defined below) and (ii) for an exception to the general rule of Section 367(a)(1) of the Code; and

WHEREAS, DT and Powertel desire to make certain representations, warranties, covenants and agreements in connection with the transactions contemplated by this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements herein contained, and intending to be legally bound hereby, DT and Powertel hereby agree as follows:

ARTICLE 1

THE MERGER

SECTION 1.01. *Appointment of Escrow Agent and Formation of Merger Sub.*

(a) As soon as practicable after the execution of this agreement, DT shall cause to be incorporated pursuant to Delaware Law, a corporation which shall be a constituent company in the Merger ("**Merger Sub**"). DT shall own 100 percent of the outstanding capital stock of Merger Sub.

(b) As soon as practicable after the date hereof, DT shall appoint a United States bank or trust company or other independent financial institution in the United States reasonably satisfactory to Powertel to act, inter alia, as escrow agent and exchange agent for the Merger and the delivery of the Merger Consideration (as defined below) to former stockholders of Powertel and the other Merger Consideration Recipients (as defined below) (the "**Escrow Agent**"). DT and Powertel shall enter into an escrow agency agreement with the Escrow Agent, in substantially the same form as the Escrow Agency Agreement to be entered into in connection with the VoiceStream Merger Agreement but with such changes as may be appropriate (the "**Escrow Agency Agreement**"), which agreement shall set forth the duties, responsibilities and obligations of the Escrow Agent consistent with the terms of this Agreement. Solely to accommodate the transactions described in this Article 1 and subject to the terms and conditions of the Escrow Agency Agreement, one day prior to the Effective Time DT shall cause the Escrow Agent to be registered, as DT's fiduciary (for the period prior to the Effective Time) as the record holder of all of the issued and outstanding shares of common stock, par value \$.000001 per share, of Merger Sub (the "**Merger Sub Common Stock**").

SECTION 1.02. *The Merger.* (a) Upon the terms and subject to the conditions of this Agreement and in accordance with Delaware Law, on the Closing Date (as defined below), Powertel will cause a certificate of merger (the "**Certificate of Merger**") to be executed and filed with the Secretary of State of the State of Delaware and make all other filings or recordings required by applicable law in connection with the Merger. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware or at such later time as is specified in the Certificate of Merger in accordance with Delaware Law (the "**Effective Time**").

(b) Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Merger Sub shall be merged with and into Powertel in accordance with Delaware Law (the "**Merger**"), whereupon the separate existence of Merger Sub shall cease, Powertel shall be the surviving corporation in the Merger (the "**Surviving Corporation**") and shall continue to be governed by the laws of the State of Delaware, and the separate corporate existence of Powertel, with all its rights, privileges, immunities, powers and franchises, shall continue unaffected by the Merger except as set forth in this Article 1. The Merger shall have the effects specified in Delaware Law.

SECTION 1.03. *The Closing.* On the fifth Business Day after the last to be fulfilled or waived of the conditions set forth in Article 6 hereof (other than the conditions contained in Sections 6.02(c), 6.02(d), 6.02(e), 6.03(c), 6.03(d) and 6.03(e) so long as it is reasonably apparent that such conditions and the condition contained in Section 6.01(b) will be

able to be satisfied at the Closing) shall be fulfilled or waived in accordance with this Agreement, the closing of the Merger (the "Closing") shall be held (but only after all of the conditions set forth in Article 6 shall have been satisfied or waived prior to the Effective Time) at such time as DT and Powertel shall agree (the "Closing Date") at the offices of Cleary, Gottlieb, Steen & Hamilton, New York, New York, unless this Agreement shall have been terminated and the transactions contemplated by this Agreement abandoned pursuant to Article 7 or unless another date, time or place is agreed to in writing by DT and Powertel.

SECTION 1.04. *The Merger Exchange.*

(a) Upon the terms and subject to the conditions of this Agreement and the Escrow Agency Agreement, as soon as possible after the Effective Time, (x) on the Closing Date, the Escrow Agent shall contribute, for the account of the former stockholders of Powertel, all of the issued and outstanding shares of the Surviving Corporation Common Stock (as defined below) to DT as a transfer in kind, and (y) DT shall deliver the Merger Consideration to the Escrow Agent for the account of (i) the former stockholders of Powertel, (ii) the Options Trustee (as defined in Annex 1.08(a)), (iii) the Warrants Trustee (as defined in Annex 1.05(h)) and (iv) the Eliska Partners Shares Trustee (as defined in Annex 1.05(i)) (collectively, the "Merger Consideration Recipients"). DT and the Escrow Agent shall effect the foregoing in accordance with Sections 183 et seq. and 203 et seq. of the German Stock Corporation Act (AKTIENGESETZ) (the "German Act") by registering the increase of the DT stated share capital with the commercial register (HANDELSREGISTER) for DT (the "Commercial Register") as soon as possible after the Effective Time. In the event that, in connection with the performance of DT's obligations in this Section 1.04(a), on or prior to the Closing Date the Management Board of DT passes a resolution to increase the issued capital of DT in accordance with Article 5(2) of the Articles of Association of DT by such number of shares as is equal to the number of shares to be delivered as part of the Merger Consideration, and the Supervisory Board shall have consented thereto, then (i) the Escrow Agent shall promptly subscribe for such new ordinary shares of DT ("DT Ordinary Shares") to be issued as part of the Merger Consideration and shall promptly on the Closing Date make the contribution to DT referred to in the first sentence of this Section 1.04(a) and (ii) the Management Board and the chairman of the Supervisory Board shall as soon as possible thereafter file the application for registration of the implementation of the capital increase with the Commercial Register, with the effect that, on registration of the capital increase in the Commercial Register, such new DT Ordinary Shares shall by operation of law be held solely by the Escrow Agent for delivery to and for the benefit of the Merger Consideration Recipients. At the Effective Time, the obligations of DT and the Escrow Agent under this Section 1.04(a) shall be unconditional.

(b) Each share certificate (a "Certificate") formerly representing any Powertel Stock (as defined below) (other than Excluded Powertel Shares (as defined below)) shall thereafter represent only the right to receive the Merger Consideration as set forth in Section 1.05(b) and the right, if any, to receive pursuant to Section 1.09 cash in lieu of fractional DT Depository Shares (as defined below) or fractional DT Ordinary Shares, as applicable, and any dividend or distribution pursuant to Section 1.06(f), in each case, without interest. The DT Ordinary Shares and the DT Depository Shares issued as provided in Section 1.05 shall be of the same class and shall have the same rights as the currently outstanding DT Ordinary Shares and the currently outstanding DT Depository Shares, respectively.

SECTION 1.05. *Conversion and Exchange of Shares.* At the Effective Time:

(a) Each share of common stock, par value \$0.01 per share, of Powertel ("**Powertel Common Stock**") and Powertel Preferred Stock (as defined below) owned by DT or Powertel immediately prior to the Effective Time (each, an "**Excluded Powertel Share**") shall, by virtue of the Merger, and without any action on the part of the holder thereof, no longer be outstanding, be cancelled and retired without payment of any consideration therefor and shall cease to exist.

(b) By virtue of the Merger and without any action on the part of the holder thereof (in each of the following cases other than Excluded Powertel Shares) and subject to the further provisions of this Section 1.05:

(i) each share of Powertel Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive 2.6353 validly issued, fully paid and nonassessable DT Ordinary Shares (the "**Common Stock Exchange Ratio**");

(ii) each share of Powertel Series A Preferred Shares (as defined below) and Powertel Series B Preferred Shares (as defined below) issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive 121.9294 validly issued, fully paid and nonassessable DT Ordinary Shares (the "**Series A and B Preferred Exchange Ratio**");

(iii) each share of Powertel Series D Preferred Shares (as defined below) issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive 93.0106 validly issued, fully paid and nonassessable DT Ordinary Shares (the "**Series D Preferred Exchange Ratio**"); and

(iv) each share of Powertel Series E Preferred Shares (as defined below) and Powertel Series F Preferred Shares (as defined below) issued and outstanding prior to the Effective Time shall be converted into the right to receive (A) 179.5979 validly issued, fully paid and non-assessable DT Ordinary Shares (the "**Series E and F Preferred Exchange Ratio**"), plus (B) a number of validly issued, fully paid and nonassessable DT Ordinary Shares equal to the product of the number of shares of Powertel Common Stock representing accrued or declared but unpaid dividends on such Powertel Series E Preferred Share or Powertel Series F Preferred Share (calculated as if the Closing Date were a dividend payment date), as the case may be, and the Common Stock Exchange Ratio.

The consideration payable pursuant to this paragraph (b) is referred to herein as the "**Merger Consideration.**"

(c) Any DT Ordinary Shares constituting a portion of the Merger Consideration shall be delivered to the holders of Powertel Stock in the form of American depositary shares, each representing the right to receive one DT Ordinary Share (the "**DT Depositary Shares**"). The DT Depositary Shares may be evidenced by one or more receipts ("**DT ADRs**") issued in accordance with the Deposit Agreement, dated as of November 18, 1996, as amended, among

DT, Citibank N.A., as Depositary (the "**Depositary**"), and the holders and beneficial owners from time to time of DT ADRs, as it may be further amended from time to time (the "**Deposit Agreement**"). Notwithstanding the foregoing, each Person who is entitled to receive DT Ordinary Shares as Merger Consideration shall be entitled, with respect to all or any portion of his Powertel Stock, to make an unconditional and irrevocable election (the "**Ordinary Share Election**") to receive DT Ordinary Shares in lieu of DT Depositary Shares. The Letter of Transmittal (as defined below) shall contain a form of Ordinary Share Election and shall be used by each holder of Powertel Stock who wishes to make an Ordinary Share Election.

(d) Each share of Merger Sub Common Stock issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger, and without any action on the part of the holder thereof, no longer be outstanding, be cancelled and retired. Immediately following the Effective Time, the Surviving Corporation shall issue to the Escrow Agent a number of shares of common stock, par value \$0.000001 per share, of the Surviving Corporation ("**Surviving Corporation Common Stock**") equal to the total number of Adjusted Fully Diluted Shares (as defined below) outstanding immediately prior to the Merger in consideration of the payment by the Escrow Agent to the Surviving Corporation of an amount equal to the product of the number of shares of Surviving Corporation Common Stock and the par value of such shares.

(e) In consideration of the contribution to DT by the Escrow Agent of Surviving Corporation Common Stock pursuant to Section 1.04(a) hereof, DT shall issue, in accordance with Section 1.04(a), and deliver to the Escrow Agent, the maximum number of DT Ordinary Shares (including DT Ordinary Shares underlying DT Depositary Shares that are to be delivered as part of the Merger Consideration) that has become payable pursuant to Section 1.05 for delivery to the Merger Consideration Recipients entitled thereto.

(f) If, between the date of this Agreement and the Effective Time, all of the outstanding DT Ordinary Shares, or more than 80% of the outstanding DT Ordinary Shares pursuant to an exchange offer for all outstanding shares, shall have been changed into or exchanged for a different number of shares or kind of shares of DT or another corporation or entity owning more than 80% of the DT Ordinary Shares, or the DT Ordinary Shares outstanding shall have changed, by reason of any reclassification, split-up, stock-split, reverse stock-split, stock dividend, stock combination, recapitalization or redenomination of share capital, merger or similar statutory procedure or pursuant to an exchange offer, or DT changes the number of DT Ordinary Shares represented by a DT Depositary Share, then the Common Stock Exchange Ratio, the Series A and B Preferred Exchange Ratio, the Series D Preferred Exchange Ratio, the Series E and F Preferred Exchange Ratio and the amount of any portion of the Merger Consideration that would otherwise be payable in DT Ordinary Shares and the issuer thereof and other definitions and provisions of this Agreement dependent thereon shall be appropriately adjusted.

(g) In the event that the aggregate number of shares of Powertel Common Stock and the Powertel Common Stock Equivalents (as defined below) ("**Adjusted Fully Diluted Shares**") exceeds the Maximum Share Amount as of the Effective Time, excluding, for purposes of this Section 1.05(g), Powertel Common Stock issuable after the date hereof and prior to the Effective Time in respect of dividends accrued on the Series E Preferred Shares and the Series F Preferred Shares, each of the Common Stock Exchange Ratio, the Series A and B Preferred Exchange Ratio, the Series D Preferred Exchange Ratio and the Series E and F

Preferred Exchange Ratio shall be adjusted by multiplying each of the Common Stock Exchange Ratio, the Series A and B Preferred Exchange Ratio, the Series D Preferred Exchange Ratio and the Series E and F Preferred Exchange Ratio by a fraction the numerator of which shall be the Maximum Share Amount and the denominator of which shall be the number of Adjusted Fully Diluted Shares as of the Effective Time. Except as described in the preceding sentence, the number of shares of Powertel Common Stock and Powertel Common Stock Equivalents for the purpose of such recalculation shall be determined in the same manner as described in **Schedule 2.03**, including the shares of Powertel Stock actually outstanding and shares of Powertel Stock issuable (i) in exchange for Powertel Preferred Stock, (ii) pursuant to Powertel Stock Options (as defined below) and Powertel Warrants (as defined below), (iii) pursuant to Powertel Restricted Stock Awards (as defined below), (iv) in connection with the Eliska Put Rights, (v) pursuant to the Sonera Stock Purchase Agreement (as defined below) and (vi) any other Powertel Common Stock and Powertel Common Stock Equivalents outstanding as of the Effective Time. For purposes of this Section 1.05(g), the "Maximum Share Amount" means 55,784,000 shares; *provided, however*, that if prior to the Effective Time the Stock Purchase Agreement between Powertel and Sonera B.V. relating to the DiGiPH Transaction (the "**Sonera Stock Purchase Agreement**") or the Eliska Put or the Sonera Put shall have been terminated, the Maximum Share Amount shall be appropriately reduced.

(h) *Warrants*. If all the warrants (the "**Powertel Warrants**") to purchase Powertel Common Stock issued by Powertel pursuant to the Warrant Agreement (the "**Powertel Warrant Agreement**") dated February 7, 1996 between Powertel and Bankers Trust Company, as warrant agent, shall not have been exercised prior to the Effective Time and any holder of such Powertel Warrants becomes entitled to DT Ordinary Shares after the Effective Time, such DT Ordinary Shares to which such holder of Powertel Warrants is entitled will be issued from a U.S. trust, as described in Annex 1.05(h) (which shall be in form and substance reasonably satisfactory to DT and Powertel, the "**Warrants Trust**"), and to the extent any holder of Powertel Warrants becomes entitled to cash payment after the Effective Time, such cash payment to which such holder of Powertel Warrants is entitled will be paid by DT.

(i) *Eliska Partners*.

(i) To the extent that prior to the Effective Time, any of the Eliska Partners receives Powertel Common Stock in respect of its rights to sell its interest in the Eliska Joint Venture pursuant to (x) the Put Agreement dated May 30, 2000 between Powertel and Sonera Holding B.V. (the "**Sonera Put**") or (y) the Put Agreement dated May 30, 2000 between Powertel, Eliska Wireless Investors I, L.P. ("**Eliska**") and Sonera Holding B.V. (the "**Eliska Put**," and together with the Sonera Put, the "**Eliska Put Rights**"), such Eliska Partner shall have all the rights with respect to such Powertel Common Stock which a Powertel stockholder has.

(ii) To the extent that any of the Eliska Partners does not receive Powertel Common Stock prior to the Effective Time in respect of its Eliska Put Rights, such Eliska Partner shall be entitled to receive DT Ordinary Shares, DT Depositary Shares or cash as the case may be, pursuant to the Eliska Put Rights. To the extent that, on or after the Effective Time, an Eliska Partner is entitled to DT Ordinary Shares, such shares will be delivered from a U.S. trust, as described in Annex 1.05(i) (which shall be in form and substance reasonably satisfactory to DT and Powertel, the "**Eliska Partners Shares**")

Trust") and to the extent that such Eliska Partner is entitled to cash, such cash shall be paid by DT. The consideration payable to an Eliska Partner pursuant to this clause (ii) shall not constitute Merger Consideration for the purpose of this Agreement.

(iii) Prior to the date hereof Powertel, DT and the Eliska Partners have entered into an agreement pursuant to which the Eliska Partners have consented to the assumption by DT of Powertel's obligations under the Eliska Put Rights and the treatment of the Eliska Put Rights as contemplated by this Agreement.

SECTION 1.06. *Surrender and Payment.* (a) Promptly after the Effective Time, DT shall cause the Surviving Corporation to send, or will cause the Escrow Agent to send, to each holder of record as of the Effective Time of Powertel Stock (other than holders of Excluded Powertel Shares) a letter of transmittal which shall specify that the delivery of Certificates shall be effected, and risk of loss and title shall pass, only upon proper delivery of a Certificate to the Escrow Agent, and instructions for use in effecting the surrender to the Escrow Agent of Certificates in exchange for the Merger Consideration (the "Letter of Transmittal"). The Letter of Transmittal shall contain such other terms and conditions as DT and Powertel may reasonably specify.

(b) Each record holder of any Powertel Stock (other than Excluded Powertel Shares) shall, upon surrender to the Escrow Agent of a Certificate or Certificates representing such shares of Powertel Stock, together with a properly completed Letter of Transmittal covering the Powertel Stock represented by such Certificate or Certificates, without further action, be entitled to receive, and the Escrow Agent shall deliver (and DT shall cause the Escrow Agent to deliver) to each such holder, subject to Section 1.06(e) below, (i) the number of whole DT Depository Shares or DT Ordinary Shares included in the Merger Consideration in respect of such Powertel Stock, subject to the provisions of Section 1.05, and (ii) a check in the amount (after giving effect to any required tax withholdings) of (A) any cash in lieu of Fractional Interests (as defined below) to be paid pursuant to Section 1.09, plus (B) any cash dividends or other distributions that such holder has the right to receive pursuant to Section 1.06(f). Until so surrendered, each such Certificate shall, after the Effective Time, represent for all purposes only the right to receive the number of whole DT Depository Shares or DT Ordinary Shares, as applicable, to which it is entitled pursuant to Section 1.05 and the applicable amounts of cash provided in the foregoing clause (ii) of the preceding sentence.

(c) If any DT Depository Shares or DT Ordinary Shares are to be delivered to a Person other than the registered holder of the Powertel Stock represented by a Certificate or Certificates surrendered with respect thereto, it shall be a condition to such issuance that the Certificate or Certificates so surrendered shall be properly endorsed or otherwise be in proper form for transfer and that the Person requesting such delivery shall pay to the Escrow Agent any transfer or other taxes required as a result of such delivery to a Person other than the registered holder of such Powertel Stock or establish to the satisfaction of the Escrow Agent that such tax has been paid or is not payable.

(d) The stock transfer books of Powertel shall be closed after the close of trading on the National Market System (the "Nasdaq") on the trading day immediately prior to the Effective Time, and thereafter there shall be no further registration of transfers of Powertel Common Stock that were outstanding prior to the Effective Time. After the Effective Time,

Certificates presented to the Surviving Corporation for transfer shall be cancelled and exchanged for the consideration provided for, and in accordance with the procedures set forth, in this Article 1.

(e) Any DT Ordinary Shares issued and delivered in respect of Powertel Stock pursuant to this Article 1 and any cash in lieu of Fractional Interests to be paid pursuant to Section 1.09, plus any cash dividend or other distribution that such holder has the right to receive pursuant to Section 1.06(f) that remains unclaimed by any holder of Powertel Stock six months after the Effective Time, shall be held by the Escrow Agent (or a successor agent appointed by DT) or shall be delivered to the Depository upon the instruction of DT and held by the Depository, in either case subject to the instruction of DT, in an account or accounts designated for such purpose. None of DT, Merger Sub, Powertel, the Surviving Corporation or the Exchange Agent shall be liable to any holder of Powertel Stock for any securities delivered or any amount paid by the Depository, the Escrow Agent or its nominee, as the case may be, to a public official which it is so required to pay under applicable abandoned property laws. Any cash remaining unclaimed by holders of Powertel Stock five years after the Effective Time (or such earlier date immediately prior to such time as such cash would otherwise escheat to or become property of any Governmental or Regulatory Authority or as is otherwise provided by any applicable Legal Requirement (as defined below)) shall, to the extent permitted by applicable Legal Requirements, become the property of the Surviving Corporation or DT, as DT may determine.

(f) No dividends or other distributions nor any voting rights with respect to securities of DT issuable to the Escrow Agent with respect to Powertel Stock shall be paid to or exercised by the holder of any unsurrendered Certificates until such Certificates are surrendered as provided in this Section. Subject to the effect of applicable Legal Requirements, upon such surrender, there shall be issued and/or paid to the holder of DT Depository Shares or DT Ordinary Shares issued in exchange therefor, without interest and after giving effect to any required tax withholding, (A) at the time of such surrender, the dividends or other distributions payable with respect to such DT Depository Shares or DT Ordinary Shares with a record date after the Effective Time and a payment date on or prior to the date of such surrender and not previously paid and (B) at the appropriate payment date, the dividends or other distributions payable with respect to such DT Depository Shares or DT Ordinary Shares with a record date after the Effective Time but with a payment date subsequent to such surrender. For purposes of dividends or other distributions in respect of DT Depository Shares or DT Ordinary Shares, all DT Depository Shares and DT Ordinary Shares to be issued pursuant to the Merger shall be deemed issued and outstanding as of the Effective Time. Notwithstanding the foregoing, no dividends or other distributions nor any voting rights with respect to securities of DT issuable to the Escrow Agent for the account of the Options Trustee, the Warrants Trustee and the Eliska Partners Trustee shall be paid to or exercised by any such trustees.

SECTION 1.07. *[Reserved]*

SECTION 1.08. *Treatment of Powertel Option Plans.* (a) Subject to the consummation of the Merger, immediately prior to the Effective Time, each outstanding Powertel Stock Option will be converted (and such Powertel Stock Option will be extinguished) into a right to acquire (each, a "Powertel Rollover Option") from a U.S. trust, as described in Annex 1.08(a) (which shall be in form and substance reasonably satisfactory to DT and Powertel,

the "Options Trust") on the same terms and conditions as were applicable under the Powertel Stock Option (but taking into account any changes thereto, including any acceleration thereof, provided for in the option award or in the Powertel Stock Option Plans listed on Schedule 1.08 and applicable to such Powertel Stock Options by reason of this Agreement or the transactions contemplated hereby) that number of DT Ordinary Shares (the "Powertel Option Amount") determined by multiplying the maximum number of shares of Powertel Common Stock subject to such Powertel Stock Option by the Common Stock Exchange Ratio, rounded if necessary to the nearest whole DT Ordinary Share at an exercise price per DT Ordinary Share equal to the exercise price per share of Powertel Common Stock in effect with respect to such Powertel Stock Option immediately prior to the Effective Time divided by the Common Stock Exchange Ratio. In order to implement the conversion of the Powertel Stock Options described above, the arrangements set forth in Annex 1.08(a) will be effected at the Effective Time. In the case of a Powertel Stock Option which is intended to be an incentive stock option under Section 422 of the Code, the adjustment in this Section 1.08 shall be modified if necessary to permit such Powertel Stock Option to continue to comply with Section 422 of the Code.

(b) To the extent that any Person would otherwise be entitled to receive a fraction of a DT Ordinary Share pursuant to this Section 1.08, such fraction shall be treated in accordance with Section 1.09.

(c) As soon as practicable after the Effective Time, DT shall cause to be delivered to the holders of Powertel Stock Options appropriate notices setting forth such holders' rights pursuant to the respective Powertel Stock Option Plans and agreements evidencing the grants of such Powertel Stock Options (including that, in connection with the Merger and to the extent provided by the terms of the Powertel Stock Option Plans award agreements thereunder, the Powertel Stock Options subject to change of control vesting have become fully vested).

(d) No later than the Effective Time, DT shall file or cause to be filed with the SEC a registration statement on an appropriate form or a post-effective amendment to a previously filed registration statement under the Securities Act with respect to the DT Ordinary Shares and DT Depositary Shares which are subject to the Powertel Rollover Options as provided in Section 1.08(a), and shall use reasonable best efforts to maintain the current status of the prospectus associated therewith, as well as to comply with any applicable state securities or "blue sky" laws for so long as such options remain outstanding.

SECTION 1.09. Fractional DT Depositary Shares and Fractional DT Ordinary Shares. No fraction of a DT Depositary Share or a DT Ordinary Share will be issued to holders of Powertel Stock, but each holder of Powertel Stock otherwise entitled to receive a fraction of a DT Depositary Share or DT Ordinary Share will be entitled to receive in accordance with the provisions of this Section 1.09 from the Escrow Agent a cash payment in lieu of such fraction of a DT Depositary Share or DT Ordinary Share, as applicable (each a "Fractional Interest") representing such holder's proportionate interest in the net proceeds from the sale by the Escrow Agent on behalf of all such holders of the aggregate of the fractions of DT Depositary Shares and DT Ordinary Shares which would otherwise be issued ("Excess ADSs" and "Excess Shares", respectively). The sale of the Excess ADSs and the Excess Shares by the Escrow Agent shall be executed on the New York Stock Exchange, Inc. (the "NYSE") and the Frankfurt Stock Exchange (the "FSE"), respectively, through one or more member firms of the NYSE or the FSE, as the case may be, and shall be executed in round lots to the extent practicable. Until the

net proceeds of such sale or sales have been distributed to the holders of Powertel Stock otherwise entitled to receive Fractional Interests, the Escrow Agent will hold such proceeds in trust for such holders of Powertel Stock (the "Powertel Stock Trust"). DT shall pay all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation, of the Escrow Agent incurred in connection with such sale of the Excess ADSs and Excess Shares. The Escrow Agent shall determine the portion of the Powertel Stock Trust to which each holder of Powertel Stock shall be entitled, if any, by multiplying the amount of the aggregate net proceeds comprising the Powertel Stock Trust by a fraction, the numerator of which is the amount of Fractional Interests to which such holder of Powertel Stock is entitled and the denominator of which is the aggregate amount of Fractional Interests to which all holders of Powertel Stock are entitled. As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of Powertel Stock in lieu of any Fractional Interests, the Escrow Agent shall make available such amounts to such holders of Powertel Stock without interest.

SECTION 1.10. *The Surviving Corporation.* (a) The certificate of incorporation of Powertel in effect at the Effective Time as amended and restated to be identical to the certificate of incorporation of Merger Sub shall be the certificate of incorporation of the Surviving Corporation until amended in accordance with applicable law, except that Article 1 thereof shall be amended to read: "The name of the Corporation is Powertel Inc."

(b) The bylaws of Merger Sub in effect at the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with applicable law.

(c) The directors of Merger Sub and the officers of Powertel immediately prior to the Effective Time shall be the directors and officers of the Surviving Corporation, respectively, and such individuals shall serve in such positions until their successors shall have been duly elected and shall qualify.

SECTION 1.11. *Lost, Stolen or Destroyed Certificates.* In the event any Certificate shall have been lost, stolen or destroyed, upon the holder's compliance with the replacement requirements established by the Escrow Agent, including, if necessary, the posting by such Person of a bond in customary amount as indemnity against any claim that may be made against it with respect to such Certificate, the Escrow Agent will issue (or cause to be issued) in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration and any cash payable in lieu of Fractional Interests and any unpaid dividends or other distributions deliverable pursuant to Section 1.06(f) in respect of the Powertel Stock represented by such Certificate pursuant to this Agreement.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF POWERTEL

Except as disclosed in Powertel Filed SEC Documents (as defined below) and except as set forth in the Powertel disclosure schedules attached to this Agreement (it being agreed that disclosure of any item in the schedules shall be deemed disclosure with respect to any section of this Agreement to which the relevance of such item is reasonably apparent), Powertel hereby represents and warrants as of the date hereof to DT as follows:

SECTION 2.01. *Organization.* Each of Powertel and its Subsidiaries (collectively, the "Powertel Subsidiaries") is a corporation or limited liability company duly organized, validly existing and is in good standing (where such concept is applicable) under the laws of the jurisdiction of its incorporation or organization and has the requisite power and authority to carry on its business as now being conducted, except where the failure to be so organized, existing and in good standing or to have such power and authority could not reasonably be expected to have a Material Adverse Effect on Powertel or prevent or materially delay the consummation of the Merger. Powertel and each of the Powertel Subsidiaries is duly qualified or licensed to do business and is in good standing (where such concept is applicable) in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, except in such jurisdictions where the failure to be so duly qualified or licensed and in good standing could not reasonably be expected to have a Material Adverse Effect on Powertel or prevent or materially delay the consummation of the Merger. Powertel has delivered to DT complete and correct copies of the Restated Certificate of Incorporation of Powertel and Restated By-laws of Powertel and has made available to DT the certificate of incorporation and by-laws (or similar organizational documents) of each of the Powertel Subsidiaries.

SECTION 2.02. *Subsidiaries.* **Schedule 2.02** lists each Powertel Subsidiary and any Investment Entity. All of the outstanding shares of capital stock of each Powertel Subsidiary that is a corporation have been validly issued and are fully paid and nonassessable. All of the outstanding shares of capital stock of each Powertel Subsidiary are owned by Powertel or by another Powertel Subsidiary free and clear of all Liens, except for Liens which are granted to secure indebtedness and are disclosed in **Schedule 2.02**. Except as set forth in **Schedule 2.02**, (i) Powertel and the Powertel Subsidiaries have no material ongoing obligations, agreements, commitments, rights, understandings or arrangements with respect to any Investment Entities, including funding obligations; and (ii) all Investment Interests are owned by Powertel or the Powertel Subsidiaries free and clear of all Liens. Except as set forth in **Schedule 2.02** and except for the capital stock owned by Powertel, directly or indirectly, in the Powertel Subsidiaries, neither Powertel nor any of the Powertel Subsidiaries owns, directly or indirectly, any capital stock or other ownership interest in any corporation, partnership, joint venture, limited liability company or other entity.

SECTION 2.03. *Capital Structure.* The authorized capital stock of Powertel consists of 401,000,000 shares of capital stock of which 400,000,000 shares are authorized to be issued as Powertel Common Stock and 1,000,000 shares are authorized to be issued as Powertel Preferred Stock. As of the close of business on August 18, 2000, Powertel had 31,381,461 shares of Powertel Common Stock issued and outstanding (not including 75,272 shares of restricted stock issued under the Restricted Stock Plan). The series of Powertel Preferred Stock and the number of designated, issued and outstanding shares, the current exchange ratio and the number of shares of Powertel Common Stock issuable upon conversion as of the close of business on August 18, 2000 were as follows:

Series	Designated, Issued and Outstanding Shares	Current Exchange Ratio ¹	Common Stock Equivalents
Series A Convertible Preferred Stock ("Series A Preferred Shares")	100,000	46.26774	4,626,774
Series B Convertible Preferred Stock ("Series B Preferred Shares")	100,000	46.26774	4,626,774
Series C Convertible Preferred Stock ("Series C Preferred Shares")	- ²	-	-
Series D Convertible Preferred Stock ("Series D Preferred Shares")	50,000	35.29412	1,764,706
Series E 6.5% Cumulative Convertible Preferred Stock ("Series E Preferred Shares") ³	50,000	68.15084	3,407,542
Series F 6.5% Cumulative Convertible Preferred Stock ("Series F Preferred Shares") ³	50,000	68.15084	3,407,542

¹ Subject to applicable adjustments set forth in the related Certificate of Designations.

² 50,000 shares initially designated as Series C Preferred Shares have been converted to Powertel Common Stock.

³ The Series E Preferred Shares and Series F Preferred Shares bear cumulative dividends that accrue on a daily basis at an annual rate of 6.5% of the initial purchase price of such shares.

The Series A, B, C, D, E, and F Preferred Shares are hereinafter collectively referred to as the "Powertel Preferred Stock" and, with the Powertel Common Stock, the "Powertel Stock". As of the close of business on August 18, 2000: (i) 56,438 shares of Powertel Common Stock were held by Powertel in treasury; (ii) an aggregate of 17,833,338 shares of Powertel Common Stock were reserved for issuance upon conversion of Powertel Preferred Stock; (iii) an aggregate of 2,152,602 shares of Powertel Common Stock were reserved for issuance upon exercise of outstanding stock options (the "Powertel Stock Options") granted under the Amended and Restated 1991 Employee Stock Option Plan (the "1991 Plan"), the Amended Nonemployee Stock Option Plan (the "Nonemployee Option Plan") and the 2000 Stock Option and Incentive Plan (the "2000 Plan" and with the 1991 Plan and the Nonemployee Option Plan, the "Powertel Stock Option Plans"); (iv) 75,272 shares of Powertel Common Stock were reserved for issuance pursuant to outstanding Powertel Restricted Stock Awards granted under the 1995 Employee Restricted Stock Plan (the "Restricted Stock Plan"); (v) 3,446,340 shares of Powertel Common Stock remained available for issuance pursuant to future stock option grants and restricted stock awards under the 2000 Plan; (vi) 966,688 shares of Powertel Common Stock were reserved for issuance pursuant to outstanding Powertel Warrants, which have an exercise price of \$16.9546 per share, subject to adjustment; and (vii) an aggregate of 30,142 shares of Powertel Common Stock are reserved for accrued but unpaid dividends on the Series E Preferred Shares and Series F Preferred Shares. Schedule 2.03 sets forth a complete and accurate schedule of all Powertel Stock Options and their respective shares, vesting schedules, exercise prices and expiration dates that are

outstanding on the date hereof (*provided*, that with respect to Powertel employees below the director level, such list need only set forth the aggregate number of options with the weighted average exercise prices at which grants have been made and need not specify grants by grantee). Except as set forth above and in Schedules 2.02 and 2.03, as of the date hereof, no shares of Powertel Stock or shares of capital stock of any Powertel Subsidiary were issued, reserved for issuance or outstanding and there are no stock appreciation rights, phantom stock rights or other contractual rights the value of which is determined in whole or in part by the value of any capital stock ("Powertel Stock Rights") of Powertel or any Powertel Subsidiary. The Powertel Preferred Stock, the Powertel Stock Options, the Powertel Warrants, the Eliska Put Rights, the Powertel Stock Rights and any other security convertible into, or exercisable or exchangeable for, Powertel Common Stock (each of which shall be determined on an as-if-converted, exercised or exchanged basis) are herein referred to as "**Powertel Common Stock Equivalents.**" Each outstanding share of Powertel Stock is, and each share of Powertel Stock which may be issued pursuant to the Powertel Benefit Plans and the other agreements and instruments listed above will be, when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There are no outstanding bonds, debentures, notes or other indebtedness of Powertel or any Powertel Subsidiary having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matter on which Powertel's stockholders may vote. Except as set forth above or in Schedule 2.02 or Schedule 2.03, as of the date of this Agreement, there are no securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind obligating Powertel or any of the Powertel Subsidiaries to issue, deliver or sell or create, or cause to be issued, delivered or sold or created, additional shares of capital stock or other voting securities or Powertel Common Stock Equivalents or stock equivalents of any of the Powertel Subsidiaries or obligating Powertel or any of the Powertel Subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking.

Except as set forth in Schedule 2.02 or Schedule 2.03, as of the date of this Agreement, there are no outstanding contractual obligations of Powertel or any of the Powertel Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of Powertel or any of the Powertel Subsidiaries.

Between August 18, 2000 and the date of this Agreement, no Powertel Common Stock or Powertel Common Stock Equivalents have been issued or granted, except issuances of Powertel Common Stock upon the exercise of Powertel Stock Options or Powertel Warrants outstanding on August 18, 2000, and grants of new Powertel Stock Options to new employees or employees granted promotion in the ordinary course of business, provided that such shares of Powertel Common Stock underlying such new Powertel Stock Options will not exceed 50,000 shares.

SECTION 2.04. *Authority.* The Board of Directors of Powertel, at a meeting duly called and held, duly adopted resolutions (i) approving this Agreement, the Merger and the Powertel Stockholder Agreements, (ii) determining that the Merger is fair to and in the best interests of Powertel's stockholders and (iii) recommending that Powertel's stockholders approve and adopt this Agreement. Powertel has requisite corporate power and authority to execute and deliver this Agreement and the other agreements to which it is a party that are referenced herein and, subject to the adoption and approval of this Agreement by (i) a majority of the votes entitled

to be cast by the holders of all outstanding shares of Powertel Common Stock and Series A Preferred Shares, voting on an as-if-converted to Powertel Common Stock basis and voting together with the holders of Powertel Common Stock as a single class, and (ii) two-thirds of each class of the Series A Preferred Shares, Series B Preferred Shares, Series D Preferred Shares, Series E Preferred Shares and Series F Preferred Shares, each such class of preferred stock voting as a single class (collectively, the "**Powertel Stockholder Approval**"), to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Powertel and the consummation by Powertel of the Merger and of the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Powertel, subject to the Powertel Stockholder Approval. This Agreement has been duly executed and delivered by Powertel and (assuming the valid authorization, execution and delivery of this Agreement by DT) constitutes the valid and binding obligation of Powertel enforceable against Powertel in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights and remedies generally, and (ii) is subject to general principles of equity (regardless of whether considered in a proceeding in equity or at law).

SECTION 2.05. *No Conflict; Required Filings and Consents.* (a) Except as set forth in subsection (b) below or as set forth in **Schedule 2.05**, neither the execution, delivery or performance (assuming such performance occurred on the date hereof) of this Agreement by Powertel nor the consummation by Powertel of the transactions contemplated hereby will (i) violate or conflict with the Restated Certificate of Incorporation or Restated By-laws of Powertel or of the similar organizational documents of any of the Powertel Subsidiaries, (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which Powertel or any of the Powertel Subsidiaries is a party or by which any of their properties are bound, (iii) violate any law, court order, judgment, decree or regulation applicable to Powertel or any of the Powertel Subsidiaries or by which any of their respective properties are bound, or (iv) result in the creation or imposition of any Lien on any asset of Powertel or the Powertel Subsidiaries, except in the case of clauses (ii), (iii) or (iv) for violations, breaches or defaults that could not reasonably be expected to have a Material Adverse Effect on Powertel or prevent or materially delay the consummation of the Merger.

(b) Except for filings, permits, authorizations, consents and approvals as may be required under, and other applicable requirements of, the Securities Act, state securities or "Blue Sky" laws, the Exchange Act, the Communications Act, the HSR Act, Council Regulation (EEC) No. 4064/89, if applicable, Delaware Law, the rules, regulations and published decisions of the FAA, the FCC and state public utility or service commissions or similar agencies, or the rules and regulations of the Nasdaq or as specified in **Schedule 2.05** (collectively, "**Powertel Required Approvals**"), neither the execution, delivery or performance of this Agreement by Powertel nor the consummation by Powertel of the transactions contemplated hereby will require any filing with, or permit, authorization, consent or approval of, any Governmental or Regulatory Authority (except where the failure to obtain such permit, authorization, consent or

approval or to make such filings could not reasonably be expected to have a Material Adverse Effect on Powertel or prevent or materially delay the consummation of the Merger).

SECTION 2.06. SEC Filings; Financial Statements. Powertel has filed with the SEC all documents required to be filed by it since January 1, 1997 under the Securities Act or the Exchange Act (the "**Powertel SEC Documents**"). As of their respective filing dates, the Powertel SEC Documents were prepared substantially in accordance with the requirements of the Securities Act or the Exchange Act, as the case may be, each as in effect on the date so filed, and at the time filed with the SEC (or if amended or superseded by a filing prior to the date hereof, then on the date of such filing) none of the Powertel SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of Powertel included in the Powertel SEC Documents have been prepared in accordance with GAAP (except in the case of the unaudited statements, as permitted by Form 10-Q under the Exchange Act) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly present the consolidated financial position of Powertel and the consolidated Powertel Subsidiaries as of the respective dates thereof and the consolidated results of operations and consolidated cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments and to any other adjustments described therein).

SECTION 2.07. Absence of Certain Changes or Events. Except as disclosed in **Schedule 2.07** or in the documents filed by Powertel with the SEC and publicly available prior to the date of this Agreement (the "**Powertel Filed SEC Documents**"), since December 31, 1999, Powertel and the Powertel Subsidiaries have conducted their respective businesses in all material respects only in the ordinary course, consistent with past practices, and there has not been (i) any Material Adverse Change with respect to Powertel, (ii) any declaration, setting aside or payment of any dividend or other distribution with respect to its capital stock (other than regularly scheduled dividends on the Series E Preferred Shares and Series F Preferred Shares) or any redemption, purchase or other acquisition of any of its capital stock, (iii) any split, combination or reclassification of any of its capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or (iv) any change in accounting methods, principles or practices by Powertel affecting its assets, liabilities or business, except insofar as may have been required by a change in GAAP.

SECTION 2.08. Information Provided by Powertel. None of the information supplied or to be supplied by Powertel specifically for inclusion or incorporation by reference in (i) the DT Registration Statement or (ii) the proxy statement/prospectus (together with any amendments or supplements thereto, the "**Powertel Proxy Statement**") relating to the Powertel Stockholders' Meeting (as defined below) and the prospectus included in the DT Registration Statement for the distribution of DT Ordinary Shares or DT Depositary Shares pursuant to the Merger, will, in the case of the DT Registration Statement, at the time it becomes effective, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or in the case of the Powertel Proxy Statement, at the time of the mailing of the Powertel Proxy Statement or the time of the Powertel

Stockholders' Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The DT Registration Statement will comply (with respect to Powertel) as to form in all material respects with the requirements of the Securities Act, and the Powertel Proxy Statement will comply (with respect to Powertel) as to form in all material respects with the requirements of the Exchange Act. None of the information supplied or to be supplied by or on behalf of Powertel for inclusion or incorporation by reference in the German Listing Prospectus will, at the time the German Listing Prospectus is published, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the information supplied or to be supplied by or on behalf of Powertel for inclusion or incorporation by reference in the auditor's report to be prepared pursuant to Section 183(3) of the German Act will, at the time the report is filed with the Commercial Register, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the information to be supplied by or on behalf of Powertel pursuant to Section 5.06(d) will contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Powertel makes no representation or warranty with respect to any information supplied by DT or any other Person who is not an Affiliate of Powertel that is contained in the DT Registration Statement, Powertel Proxy Statement, the German Listing Prospectus or the auditor's report to be prepared pursuant to Section 183(3) of the German Act.

SECTION 2.09. *Permits; Compliance with Laws.* (a) Each of Powertel and the Powertel Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, charters, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental or Regulatory Authority necessary for Powertel or any of the Powertel Subsidiaries to own, lease and operate its properties or to carry on its business as it is now being conducted (the "**Powertel Permits**"), except where the failure to have any of the Powertel Permits could not, individually or in the aggregate, have a Material Adverse Effect on Powertel, and, as of the date of this Agreement, no suspension or cancellation of any of the Powertel Permits is pending or, to the Knowledge of Powertel, threatened, except where the suspension or cancellation of any of the Powertel Permits could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Powertel. The business of Powertel and the Powertel Subsidiaries is not being conducted in violation of any applicable law, ordinance regulation, judgement, order or decree of any Governmental or Regulatory Authority ("**Legal Requirements**"), except for possible violations that could not reasonably be expected to have a Material Adverse Effect on Powertel or prevent or materially delay the consummation of the Merger. None of the representations made in this Section 2.09 are being made with respect to Environmental Laws.

(b) Except as set forth in **Schedule 2.09**:

(i) Powertel and each of the Powertel Subsidiaries holds, and is qualified and eligible to hold, all material licenses, permits and other authorizations issued or to be

issued by the FCC to such entity for the operation of their respective businesses, all of which are set forth in **Schedule 2.09(b)(i)** (the "**Powertel FCC Licenses**"). Each of the Powertel FCC Licenses that is subject to restrictions under Section 310(b) of the Communications Act is held by a Powertel Subsidiary.

(ii) The Powertel FCC Licenses are valid and in full force and effect, and neither Powertel nor any of the Powertel Subsidiaries is or has been delinquent in payment on or in default under any installment obligation owed to the United States Treasury in connection with the Powertel FCC Licenses. As used herein, the term "full force and effect" means that (A) the orders issuing the Powertel FCC Licenses have become effective, (B) no stay of effectiveness of such orders has been issued by the FCC, and (C) the Powertel FCC Licenses have not been invalidated by any subsequent published FCC action.

(iii) All material reports and applications required by the Communications Act or required to be filed with the FCC by Powertel or any of the Powertel Subsidiaries have been filed and are accurate and complete in all material respects.

(iv) Powertel and the Powertel Subsidiaries are, and have been, in compliance in all material respects with, and the wireless communications systems operated pursuant to the Powertel FCC Licenses are and have been operated in compliance in all material respects with, the Communications Act.

(v) There is not pending or, to Powertel's Knowledge, threatened as of the date hereof any application, petition, objection, pleading or proceeding with the FCC or any public service commission or similar body having jurisdiction or authority over the communications operations of Powertel or any of the Powertel Subsidiaries which is reasonably likely to result in the revocation, cancellation, suspension, dismissal, denial or any materially adverse modification of any Powertel FCC License or imposition of any substantial fine or forfeiture against Powertel or any of the Powertel Subsidiaries.

(vi) No facts are known to Powertel or the Powertel Subsidiaries which if known by a Governmental or Regulatory Authority of competent jurisdiction would present a substantial risk that any Powertel FCC License could be revoked, cancelled, suspended or materially adversely modified or that any substantial fine or forfeiture could be imposed against Powertel or any of the Powertel Subsidiaries.

(vii) Powertel and the Powertel Subsidiaries have not made any material misstatements of fact, or omitted to disclose any fact, to any Government Entity or in any report, document or certificate filed therewith, which misstatements or omissions, individually or in the aggregate, could reasonably be expected to subject any material Powertel FCC Licenses to revocation or failure to renew, except to the extent that such revocation or failure to renew would not have a Material Adverse Effect on Powertel or the transactions contemplated by this Agreement.

SECTION 2.10. Tax Matters. Except as set forth in **Schedule 2.10** or as would not have a Material Adverse Effect on Powertel: (i) Powertel and each of the Powertel Subsidiaries have timely filed (after taking into account any extensions to file) all Tax Returns

required to be filed by them either on a separate or combined or consolidated basis; (ii) all such Tax Returns are correct in all respects and accurately disclose in all respects all Taxes required to be paid for the periods covered thereby; (iii) Powertel and the Powertel Subsidiaries have paid or caused to be paid all Taxes shown as due on such Tax Returns and all Taxes for which no Tax Return was required to be filed, and the financial statements contained in the Powertel SEC Documents reflect an adequate reserve as determined in accordance with GAAP for all material Taxes payable by Powertel and the Powertel Subsidiaries and not yet due (other than a reserve for deferred Taxes established to reflect timing differences between book and Tax treatment) for all taxable periods and portions thereof accrued through the date of such financial statements; (iv) none of Powertel or any Powertel Subsidiary has waived in writing any statute of limitations in respect of Taxes; (v) there is no action, suit, investigation, audit, claim or assessment that has been formally commenced or proposed to Powertel in writing with respect to Taxes of Powertel or any of the Powertel Subsidiaries where an adverse determination is reasonably likely; (vi) there are no Liens for Taxes upon the assets of Powertel or any Powertel Subsidiary except for Liens relating to current Taxes not yet due; (vii) all Taxes which Powertel or any Powertel Subsidiary is required by law to withhold or to collect for payment have been duly withheld and collected, and have been paid or accrued on the books of Powertel or such Powertel Subsidiary; (viii) neither Powertel nor any Powertel Subsidiary has been a member of any group of corporations filing Tax Returns on a consolidated, combined, unitary or similar basis other than each such group of which it is currently a member; (ix) no deduction of any amount that would otherwise be deductible by Powertel or any of the Powertel Subsidiaries with respect to taxable periods ending on or before the Effective Time could be disallowed under Section 162(m) of the Code; (x) neither Powertel nor any of the Powertel Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (a) in the two years prior to the date of this Agreement or (b) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Merger; (xi) neither Powertel nor any of the Powertel Subsidiaries is a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code; (xii) neither Powertel nor DT will be obligated to make a payment, in connection with the transactions contemplated hereunder or otherwise, to any employee or former employee of, or individual providing services to, Powertel or Powertel Subsidiaries that would be a "parachute payment" to a "disqualified individual" as those terms are defined in Section 280G of the Code without regard to whether such payment is reasonable compensation for personal services performed or to be performed in the future; and (xiii) none of Powertel, the Powertel Subsidiaries or DT will be obligated to pay any excise taxes or similar taxes imposed on any employee or former employee of, or individual providing services to, Powertel or the Powertel Subsidiaries under Section 4999 of the Code or any similar provisions as a result of the consummation of the transactions contemplated hereby, either alone or in connection with any other event.

SECTION 2.11. *Liabilities.* Except as set forth in Powertel Filed SEC Documents or **Schedule 2.11**, and as permitted by this Agreement and the Alternative Merger Agreement, Powertel and the Powertel Subsidiaries, taken as a whole, do not have any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by GAAP to be set forth on a consolidated balance sheet of Powertel and the Powertel Subsidiaries or in the notes thereto, other than (i) liabilities and obligations incurred in the ordinary course of business since December 31, 1999 or (ii) liabilities arising after December 31, 1999 which could

not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Powertel.

SECTION 2.12. *Benefit Plans; Employees and Employment Practices.*

(a) Except as disclosed in the Powertel Filed SEC Documents or **Schedule 2.12(a)** or to the extent required by law or required to maintain in compliance with provisions of the Code, neither Powertel nor any of the Powertel Subsidiaries has adopted or amended in any material respect any ERISA Benefit Plan since the date of the most recent audited financial statements included in the Powertel Filed SEC Documents. Except as set forth in **Schedule 2.12(a)**, Powertel does not have any commitment to create, adopt or contribute to any Powertel Benefit Plan. Except as disclosed in **Schedule 2.12(a)** or in the Powertel Filed SEC Documents, as of the date of this Agreement, there exist no material employment, consulting, severance, bonus, incentive or termination agreements between Powertel or any of the Powertel Subsidiaries and any current or former employee, officer or director of Powertel or any of the Powertel Subsidiaries.

(b) **Schedule 2.12(b)** contains a list of all the material Powertel Benefit Plans. None of Powertel, any of the Powertel Subsidiaries, any officer of Powertel or any of the Powertel Subsidiaries or any of the ERISA Benefit Plans has on or before the date of this Agreement engaged in a "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) with respect to any ERISA Benefit Plan that could reasonably be expected to subject Powertel, any of the Powertel Subsidiaries or any officer of Powertel or any of the Powertel Subsidiaries to any Tax on prohibited transactions imposed by Section 4975 of the Code or to any liability under Section 502(i) or (l) of ERISA where such Tax or liability has or would be reasonably expected to have a Material Adverse Effect on Powertel. No ERISA Benefit Plan has incurred any "accumulated funding deficiency" (as defined in Section 412 of the Code or Part 3 of Title I of ERISA), whether or not waived. Neither Powertel nor any of the Powertel Subsidiaries has incurred and none of such entities reasonably expects to incur, any material liability to the PBGC with respect to any ERISA Benefit Plan. No assets of Powertel or any of the Powertel Subsidiaries are subject to liens arising under ERISA or the Code on account of any ERISA Benefit Plan, neither Powertel nor any of the Powertel Subsidiaries has been required to provide any security under Sections 401(a)(29) or 412(f) of the Code, or under Section 307 of ERISA, and, to Powertel's Knowledge, no event has occurred that could give rise to any such lien or a requirement to provide any such security. Except as disclosed in **Schedule 2.12(b)**, none of Powertel, the Powertel Subsidiaries or any ERISA Affiliate has at any time during the five-year period preceding the date hereof contributed to any "multiemployer plan" (as defined in Section 3(37) of ERISA).

(c) Except as disclosed in **Schedule 2.12(c)**, and except for such matters as could not be reasonably expected to have a Material Adverse Effect on Powertel, to the extent applicable, (i) each ERISA Benefit Plan complies with the requirements of ERISA and the Code, (ii) each ERISA Benefit Plan intended to be qualified under Section 401(a) of the Code has been determined by the Internal Revenue Service to be so qualified and nothing has occurred since the date of that determination that could reasonably be expected to adversely affect the qualified status of such plan and its related trust is tax-exempt and has been so since its creation, and (iii) each Powertel Benefit Plan has been maintained, administered and operated in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and

regulations, including but not limited to ERISA and the Code, which are applicable to such Powertel Benefit Plans.

(d) Except as disclosed in **Schedule 2.12(d)**, all material contributions, reserves or premium payments under or to Powertel Benefit Plans, accrued to the date hereof have been made or provided for.

(e) Except as disclosed in **Schedule 2.12(e)**, and except for any liability as could not be reasonably expected to have a Material Adverse Effect on Powertel, Powertel has not incurred any liability under Subtitle C or D of Title IV of ERISA with respect to any "single-employer plan" within the meaning of Section 4001(a)(15) of ERISA, currently or formerly maintained by Powertel, or any entity which is considered one employer with Powertel under Section 4001 of ERISA.

(f) Except as disclosed in **Schedule 2.12(f)** neither Powertel nor any of the Powertel Subsidiaries has any obligation to provide retiree health or welfare benefits for any current or former employee under any Powertel Benefit Plan, except as required by Part 6 of Title I of ERISA or to avoid excise taxes under Section 4980B of the Code, and the terms of Powertel Benefit Plans permit Powertel to amend or terminate such Powertel Benefit Plans at any time without incurring liability thereunder.

(g) Except as disclosed in **Schedule 2.12 (g)**, Powertel has not engaged in, nor is it a successor or parent corporation to an entity that has engaged in a transaction described in Section 4069 of ERISA.

(h) Except as disclosed in **Schedule 2.12(h)**, the consummation or announcement of any transaction contemplated by this Agreement will not (either alone or upon the occurrence of any additional or further acts or events) result in any (i) payment (whether of severance pay or otherwise) becoming due from Powertel or any of the Powertel Subsidiaries to any officer, employee, former employee or director thereof or to the trustee under any "rabbi trust" or similar arrangement; (ii) benefit under any Powertel Benefit Plan being established or becoming accelerated, vested or payable; or (iii) "reportable event" (as defined in Section 4043 of ERISA) with respect to any ERISA Benefit Plan subject to Title IV of ERISA.

(i) Except as disclosed in **Schedule 2.12(i)**, as of the date of this Agreement there are no pending disputes, arbitrations, claims, suits, grievances or, to the Knowledge of Powertel, governmental audits involving a Powertel Benefit Plan (other than routine claims for benefits payable under any such Powertel Benefit Plan or routine audits) that would reasonably be expected either individually or in the aggregate, to have a Material Adverse Effect on Powertel.

(j) **Schedule 2.12(j)** contains a list setting forth the name and current annual salary and other material compensation payable to each Significant Employee, and the profit sharing, bonus or other form of additional cash compensation paid or payable by Powertel or the Powertel Subsidiaries to or for the benefit of each such person for the current fiscal year. Except as set forth in **Schedule 2.12(j)**, there are no oral or written contracts, agreements or arrangements obligating Powertel or any of the Powertel Subsidiaries to increase the compensation or benefits presently being paid or hereafter payable to any Significant Employees or any oral employment or consulting or similar arrangements regarding any Significant -

Employee that are not terminable without liability on thirty days' or less prior notice. **Schedule 2.12(j)** lists all written employment and consulting agreements with respect to any Significant Employee. Powertel has provided true and correct copies of all employment agreements listed on **Schedule 2.12(j)**. Except for severance or retention obligations to Significant Employees set forth in **Schedule 2.12(j)** or as otherwise set forth on **Schedule 2.12(j)**, there is not due or owing and there will not be due and owing at the Effective Time to any Significant Employees, any sick pay, severance pay (whether arising out of the termination of a Significant Employee prior to, on, or subsequent to the Effective Time), compensable time or pay, including salary, commission and bonuses, personal time or pay or vacation time or vacation pay attributable to service rendered on or prior to the Effective Time the aggregate amount of which exceeds \$50,000 for any Significant Employee. Except as disclosed in **Schedule 2.12(j)** and other than claims made in the ordinary course of business consistent with past practice in an aggregate amount not to exceed \$500,000 neither Powertel nor any of the Powertel Subsidiaries have any liability arising out of claims made or suits brought (including workers' compensation claims and claims or suits for contribution to, or indemnification of, third parties, occupational health and safety, environmental, consumer protection or equal employment matters) for injury, sickness, disease, discrimination, death or termination of employment of any Significant Employee, or other employment matter to the extent attributable to an event occurring or a state of facts existing on or prior to the Effective Time.

(k) Except as set forth on **Schedule 2.12(k)**, Powertel and each of the Powertel Subsidiaries (i) is in compliance with all applicable federal and state laws, rules and regulations respecting employment, employment practices, terms and conditions of employment and wages and hours, in each case, with respect to Powertel Employees, except where the failure to be in compliance would not, singly or in the aggregate, have a Material Adverse Effect on Powertel or any of the Powertel Subsidiaries or their financial condition or business; (ii) has withheld all amounts required by law or by agreement to be withheld from the wages, salaries and other payments to Powertel Employees; (iii) is not liable for any arrears of wages or any taxes or any penalty for failure to comply with any of the foregoing, except as would reasonably be expected to not have a Material Adverse Effect on Powertel; and (iv) (other than routine payments to be made in the normal course of business and consistent with past practice) is not liable for any payment to any trust or other fund or to any governmental or administrative authority, with respect to unemployment compensation benefits, Social Security or other benefits for Powertel Employees.

(l) Except as disclosed in **Schedule 2.12(l)**, as of the date of this Agreement there are no controversies, strikes, work stoppages or disputes pending or to Powertel's Knowledge threatened against Powertel or any of the Powertel Subsidiaries, and no organizational effort by any labor union or other collective bargaining unit currently is under way with respect to any employee, which in any such case would reasonably be expected to have a Material Adverse Effect on Powertel. None of Powertel or any of the Powertel Subsidiaries is a party to a collective bargaining agreement. Except as set forth in **Schedule 2.12(l)**, there is no, and there is not threatened, any labor dispute, grievance or litigation relating to labor, safety or discrimination matters involving any Powertel Employee including charges of unfair labor practices or discrimination complaints, which, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Powertel. There has been no engagement in any unfair labor practices by Powertel or the Powertel Subsidiaries

within the meaning of the National Labor Relations Act which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Powertel.

SECTION 2.13. *Litigation.* Except as disclosed in **Schedule 2.13** or in the Powertel Filed SEC Documents, as of the date of this Agreement, there is no suit, action, proceeding or investigation pending or, to Powertel's Knowledge, threatened, against Powertel or any of the Powertel Subsidiaries before any Governmental or Regulatory Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Powertel or prevent or materially delay the consummation of the Merger. Except as disclosed in **Schedule 2.13** or in the Powertel Filed SEC Documents, neither Powertel nor any of the Powertel Subsidiaries is subject to any outstanding judgment, order, writ, injunction or decree that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Powertel.

SECTION 2.14. *Environmental Matters.* Except for such matters that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Powertel, or would not otherwise require disclosure pursuant to the Securities Act or Exchange Act, (i) each of Powertel and the Powertel Subsidiaries has complied and is in compliance with all applicable Environmental Laws; (ii) the properties currently owned or operated by Powertel or any of the Powertel Subsidiaries (including soils, groundwater, surface water, buildings or other structures) are not contaminated with any Hazardous Substances; (iii) to Powertel's Knowledge, no Hazardous Substances were present, disposed, released or otherwise deposited on, under, at or from the properties formerly owned or operated by Powertel or any of the Powertel Subsidiaries during the period of ownership or operation by Powertel or any of the Powertel Subsidiaries; (iv) to Powertel's Knowledge, neither Powertel nor any of the Powertel Subsidiaries is subject to liability for any Hazardous Substance disposal or contamination on any third party property; (v) neither Powertel nor any of the Powertel Subsidiaries has received any notice, demand, threat, letter, claim or request for information alleging that Powertel or any of the Powertel Subsidiaries may be in violation of or liable under any Environmental Law (including any claims relating to electromagnetic fields or microwave transmissions); and (vi) to Powertel's Knowledge, neither Powertel nor any of the Powertel Subsidiaries is subject to any orders, decrees, injunctions or other arrangements (other than those of general applicability not specifically related to Powertel) with any Governmental or Regulatory Authority or regulatory authority or is subject to any indemnity or other agreement with any third party relating to liability under any Environmental Law or relating to Hazardous Substances (except for such agreements entered into by Powertel in the ordinary course of business).

SECTION 2.15. *Section 203 of the Delaware Law.* The Board of Directors of Powertel has approved this Agreement, the Merger and the Stockholders Agreement and the transactions contemplated hereby, with the effect that the restrictions on business combinations contained in Section 203 of the Delaware Law will not apply to DT as a result of this Agreement, the Merger and the Stockholders Agreement. To Powertel's Knowledge, (i) no anti-takeover statute or similar law of Georgia or Delaware imposes restrictions which could reasonably be expected to adversely affect or delay the consummation of the transactions contemplated by this Agreement, and (ii) no "control share acquisition," "fair price," "moratorium" or other anti-takeover laws or regulations enacted under Georgia or Delaware law ("**Takeover Law**") are applicable to Powertel apply to this Agreement or any of the transactions related thereto.

SECTION 2.16. *Intellectual Property.* Except as set forth in the Powertel Filed SEC Documents or in Schedule 2.16, the Intellectual Property Rights consist solely of items and rights which are: (i) owned by Powertel or the Powertel Subsidiaries, (ii) in the public domain or (iii) rightfully used by Powertel or the Powertel Subsidiaries pursuant to a license, and, with respect to Intellectual Property Rights owned by Powertel or the Powertel Subsidiaries, Powertel or the Powertel Subsidiaries own the entire right, title and interest in and to such Intellectual Property Rights free and clear of any Liens. Powertel and the Powertel Subsidiaries have all rights in the Intellectual Property Rights necessary to carry out their businesses substantially as currently conducted except as could not reasonably be expected to have a Material Adverse Effect on Powertel. The Intellectual Property Rights do not infringe on any proprietary right of any Person, except to the extent that any such infringement, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Powertel. As of the date of this Agreement, no claims against Powertel or any Powertel Subsidiary (or to Powertel's Knowledge, against any other holder of Intellectual Property Rights) (x) challenging the validity, effectiveness, or ownership by Powertel or the Powertel Subsidiaries of any of the Intellectual Property Rights, or (y) to the effect that the Intellectual Property Rights infringe or will infringe on any intellectual property or other proprietary right of any person have been asserted or, to Powertel's Knowledge, are threatened by any person nor to Powertel's Knowledge are there any valid grounds for any bona fide claim of any such kind. To Powertel's Knowledge, there is no material unauthorized use, infringement or misappropriation of any of the Intellectual Property Rights by any third party, employee or former employee of Powertel or the Powertel Subsidiaries.

SECTION 2.17. *Opinion of Financial Advisor.* The Board of Directors of Powertel has received the oral opinion of Morgan Stanley Dean Witter & Co. ("**Powertel Financial Advisor**"), on the date hereof, to the effect that, as of the date hereof, the consideration to be received in the Merger by Powertel's stockholders is fair to Powertel's stockholders from a financial point of view.

SECTION 2.18. *Brokers.* Except for the Powertel Financial Advisor, the fees and expenses of which will be paid by Powertel (and are reflected in agreements with Powertel, a true and correct copy of which has been furnished to, and accepted by, DT), no broker, investment banker, financial advisor or other person, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Powertel. In no event shall the amounts paid or payable by Powertel to the Powertel Financial Advisor in connection with the transactions contemplated by this Agreement exceed \$28,000,000.

SECTION 2.19. *Tax Status.* To the Knowledge of Powertel after due investigation, neither Powertel nor any of its Affiliates has taken any action or failed to take any action which action or failure would (i) jeopardize the qualification of the Merger as a reorganization within the meaning of Section 368(a) of the Code or (ii) cause the stockholders of Powertel, other than any such stockholder that would be a "five-percent transferee shareholder" of DT (within the meaning of U.S. Treasury Regulations Section 1.367(a)-3(c)(5)) following the Merger, to recognize gain pursuant to Section 367(a) of the Code. To the Knowledge of Powertel after due investigation, there are no facts or circumstances relating to Powertel or its Affiliates, including any covenants or undertakings of Powertel pursuant to this Agreement, that

would prevent Morris, Manning & Martin, LLP from delivering the opinion referred to in Section 6.02(d) as of the date hereof.

SECTION 2.20. *Contracts.* Except as set forth in the Powertel Filed SEC Documents or in **Schedule 2.20**, and except for this Agreement, the Alternative Merger Agreement and the agreements referenced hereby and thereby, neither Powertel nor any of the Powertel Subsidiaries is a party to or bound by (i) any "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC) or any agreement, contract or commitment the loss or termination of which could have a Material Adverse Effect on Powertel; (ii) any non-competition agreement or any similar agreement or obligation which materially limits or could materially limit Powertel or any of the Powertel Subsidiaries from engaging in the business of providing wireless communications services or from developing wireless communications technology anywhere in the world or (iii) any management agreement, technical services agreement or other agreement whereby Powertel or any of the Powertel Subsidiaries is providing or is required to provide management or technical services to any other Person. Taken as a whole, the contracts and agreements required to be filed by Powertel with the SEC together with the contracts and agreements required to be set forth on **Schedule 2.20** are collectively referred to as the "**Powertel Contracts**". With such exceptions as, individually or in the aggregate, have not had, and could not be reasonably expected to have, a Material Adverse Effect on Powertel, (x) each of the Powertel Contracts is valid and in full force and effect (except to the extent they have previously expired with no residual obligation in accordance with their terms), and (y) except as set forth in **Schedule 2.20**, neither Powertel nor any of the Powertel Subsidiaries has violated any provision of, or committed or failed to perform any act which, with or without notice, lapse of time, or both, would constitute a default under the provisions of any such Powertel Contract. To the knowledge of Powertel, no counterparty to any such Powertel Contract has violated any provision of, or committed or failed to perform any act which, with or without notice, lapse of time, or both would constitute a default or other breach under the provisions of, such Powertel Contract, except for defaults or breaches which, individually or in the aggregate, have not had, or would not reasonably be expected to have, a Material Adverse Effect on Powertel. Neither Powertel nor any of the Powertel Subsidiaries is a party to, or otherwise a guarantor of or liable with respect to, any interest rate, currency or other swap or derivative transaction, other than any such transactions which are not material to the business of Powertel or the Powertel Subsidiaries. Powertel has provided or made available to DT a copy of each agreement described in item (i), (ii) and (iii) above. The designation or definition of Powertel Contracts for purposes of this Section 2.20 and the disclosures made pursuant hereto shall not be construed or utilized to expand, limit or define the terms "material" and "Material Adverse Effect" as otherwise referenced and used in this Agreement.

SECTION 2.21. *Vote Required.* The only vote of the holders of any class or series of capital stock of Powertel necessary to approve this Agreement and the transactions contemplated hereby is the Powertel Stockholder Approval. As of the date hereof, the Powertel Principal Stockholders have the requisite voting power to satisfy the Powertel Stockholder Approval.

SECTION 2.22. *Transactions with Affiliates.* Except as described in **Schedule 2.22** or in the Powertel Filed SEC Documents, to Powertel's Knowledge, no director or executive officer of Powertel or any 5% or greater stockholder of Powertel is at the date hereof a

party to any transaction with Powertel or any of the Powertel Subsidiaries in which the amount involved exceeds \$60,000, including any contract or arrangement providing for the furnishing of services to or by, providing for rental of real or personal property (including intellectual property) to or from, or otherwise requiring payments to or from Powertel or any of the Powertel Subsidiaries.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF DT

Except as disclosed in the DT Filed SEC Documents and except as set forth in the DT disclosure schedules attached to this Agreement (it being agreed that disclosure of any item in the schedules shall be deemed disclosure with respect to any section of this Agreement to which the relevance of such is reasonably apparent), DT hereby represents and warrants as of the date hereof to Powertel as follows:

SECTION 3.01. *Organization; Subsidiaries.* DT and each of its Significant Subsidiaries, as listed on **Schedule 3.01** hereto, is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization. Each of DT and its Subsidiaries has the requisite corporate power and authority and any necessary franchise, grant, authorization, license, permit, easement, variance, exception, consent, certificate, approval and order of any Governmental or Regulatory Authority necessary for DT or any of its Subsidiaries to own, operate or lease the properties that it purports to own, operate or lease and to carry on its business as it is now being conducted (the "**DT Permits**"), and is duly qualified to do business, and is in good standing, in each jurisdiction where the character of its properties owned, operated or leased or the nature of its activities makes such qualification necessary, except for such failure which, when taken together with all other such failures, would not reasonably be expected to have a Material Adverse Effect on DT or materially delay the consummation of the Merger.

SECTION 3.02. *Certificate of Incorporation and Bylaws.* DT is an Aktiengesellschaft organized and existing under the laws of the Federal Republic of Germany. DT has heretofore furnished, or otherwise made available, to Powertel a complete and correct copy of the Memorandum and Articles of Association (SATZUNG) and Management Board (VORSTAND) Rules of Procedure (GESCHAFTSORDNUNG), each as amended to the date hereof, of DT. Such Memoranda and Articles of Association (SATZUNG), Management Board (VORSTAND) Rules of Procedure (GESCHAFTSORDNUNG), are in full force and effect. DT is not in violation of any of the provisions of its Memorandum or Articles of Association (SATZUNG) or, in any material respect, its Management Board (VORSTAND) Rules of Procedure (GESCHAFTSORDNUNG).

SECTION 3.03. *Capital Structure.* (a) As of the date hereof, DT's stated share capital (GRUND KAPITAL) amounts to Euro7,755,786,327.04 divided into 3,029,604,034 ordinary shares, all of which, as of the date hereof, are issued and outstanding and not held in the Treasury of DT, and DT's authorized capital (GENEHMIGTES KAPITAL) available for the issuance of new DT Shares against contributions in kind amounts to up to Euro3,865,093,163.52, as set forth in Section 5 of the Articles of Association of DT. As of the date hereof, 4,969,388 shares were held in the treasury of DT (EIGENE AKTIEN). Except as set forth on

Schedule 3.03 and except for the VoiceStream Merger Agreement, there are no outstanding DT Equity Rights on the date hereof. For purposes of this Agreement, "DT Equity Rights" shall mean subscriptions, options, warrants, calls, commitments, agreements, conversion rights or other rights of any character (contingent or otherwise) to purchase or otherwise acquire from DT or any of DT's Significant Subsidiaries at any time, or upon the happening of any stated event, any shares of the capital stock or other voting or non-voting securities of DT.

(b) All of the issued and outstanding capital stock of DT is validly issued, fully paid and nonassessable. All DT Depository Shares and DT Ordinary Shares to be issued as Merger Consideration will be, when issued, validly issued, fully paid and nonassessable.

(c) Except as disclosed on **Schedule 3.03** hereto, all the outstanding capital stock of each of DT's Significant Subsidiaries which is owned by DT is duly authorized, validly issued, fully paid and nonassessable, and is owned by DT free and clear of any liens, security interest, pledges, agreements, claims, charges or encumbrances except for any liens, security interest, pledges, agreements, claims, charges or encumbrances which would not, individually or in the aggregate, have a Material Adverse Effect on DT. Except as set forth on **Schedule 3.03** or in connection with the VoiceStream Merger Agreement, on the date hereof there are no existing subscriptions, options, warrants, calls, commitments, agreements, conversion rights or other rights of any character (contingent or otherwise) to purchase or otherwise acquire from DT or any of DT's Significant Subsidiaries at any time, or upon the happening of any stated event, any shares of the capital stock or other voting or non-voting securities of any DT Subsidiary, whether or not presently issued or outstanding (except for rights of first refusal to purchase interests in Subsidiaries which are not wholly-owned by DT), and there are no outstanding obligations of DT or any of DT's Significant Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock or other voting or non-voting securities of any of DT's Subsidiaries, other than such as would not, individually or in the aggregate, have a Material Adverse Effect on DT.

SECTION 3.04. Authority. DT has the necessary corporate power and authority to enter into this Agreement and the Powertel Stockholder Agreements and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Stockholders Agreement by DT and the consummation by DT of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of DT, including by the Management Board (VORSTAND) of DT, and the Supervisory Board (AUFSICHTSRAT) of DT of this Agreement and the Stockholders Agreement (except for the determination by the Board of Management which will be made pursuant to Section 205(2) of the German Act and except for the application to be filed with the Commercial Register). This Agreement and the Stockholders Agreement have been duly executed and delivered by DT and, assuming the due authorization, execution and delivery thereof by the other Parties, constitutes legal, valid and binding obligations of DT, enforceable against it in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the rights and remedies of creditors generally and to general principles of equity (regardless of whether considered in a proceeding in equity or at law).

SECTION 3.05. No Conflict; Required Filings and Consents. (a) Except as set forth on **Schedule 3.05** or as described in subsection (b) below, the execution and delivery of this Agreement and the Stockholders Agreement by DT do not, and the performance of this Agreement and the Stockholders Agreement by DT will not, (i) violate or conflict with the

Memorandum and Articles of Association (SATZUNG) or the Management Board (VORSTAND) Rules of Procedure (GESCHAFTSORDNUNG) of DT, (ii) conflict with or violate any law, regulation, court order, judgment or decree applicable to DT or any of its Significant Subsidiaries or by which any of their respective property is bound or affected, (iii) violate or conflict with the Memorandum and Articles of Association (SATZUNG) or the Management Board (VORSTAND) Rules of Procedure (GESCHAFTSORDNUNG) of any Subsidiaries of DT or (iv) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination or cancellation of, or result in the creation of a lien or encumbrance on any of the properties or assets of DT or any of its Significant Subsidiaries pursuant to, or result in the loss of any material benefit or right, including the benefit of any standstill agreement, or result in an acceleration of any rights or amounts due resulting from a change of control or otherwise, or require the consent of any other party to, any contract, instrument, DT Permit, license or franchise to which DT or any of its Significant Subsidiaries is a party or by which DT or any of such Subsidiaries, or any of their respective property is bound or affected, except, in the case of clauses (ii), (iii) and (iv) above, for conflicts, violations, breaches, defaults, rights, results or consents which, individually or in the aggregate, would not have a Material Adverse Effect on DT or materially delay the consummation of the Merger.

(b) Except for applicable requirements, if any, of state, local, or foreign regulatory laws and commissions, the FCC, the Exchange Act, the premerger notification requirements of the HSR Act, Council Regulation (EEC) No. 4064/89, if required, filing of a notice pursuant to Section 721 of Exon-Florio, filing and recordation of appropriate merger or other documents as required by Delaware Law and any filings required pursuant to any state securities or "blue sky" laws or the rules of any applicable stock exchanges (the "DT Required Approvals" and together with the Powertel Required Approvals, the "Required Regulatory Approvals"), neither DT nor any of its Subsidiaries is required to submit any notice, report or other filing with any Governmental or Regulatory Authority in connection with the execution, delivery or performance of this Agreement and the Stockholders Agreement. Except as set forth in the immediately preceding sentence, no waiver, consent, approval or authorization of any Governmental or Regulatory Authority is required to be obtained by DT or any of its Subsidiaries in connection with its execution, delivery or performance of this Agreement and the Stockholders Agreement.

SECTION 3.06. *SEC Filings; Financial Statements.* (a) DT has filed all forms, reports and documents required to be filed with the SEC since January 1, 1999, and has heretofore made available to Powertel, in the form filed with the SEC, together with any amendments and exhibits thereto, (i) its Annual Report on Form 20-F for the fiscal year ended December 31, 1999 and (ii) all other reports or registration statements filed by DT with the SEC since January 1, 1999 (collectively, the "DT SEC Documents"). The DT SEC Documents (i) were prepared substantially in accordance with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations promulgated under each of such respective acts and (ii) did not at the time they were filed contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (the "DT Financial Statements"), including all related notes and schedules, contained in the DT SEC Documents (or incorporated by reference therein) fairly present the consolidated financial position of DT and its Subsidiaries as at the respective dates thereof and the consolidated results of operations and cash flows of DT and its Subsidiaries for the periods indicated in accordance with generally accepted accounting principles in Germany (with a reconciliation to GAAP in accordance with SEC rules) applied on a consistent basis throughout the periods involved (except for changes as disclosed in the notes thereto) and subject in the case of interim financial statements to normal year-end adjustments.

SECTION 3.07. *Absence of Certain Changes or Events.* Except as permitted by this Agreement or the VoiceStream Merger Agreement or consented to by Powertel hereunder or as disclosed in the documents filed by DT with the SEC and publicly available prior to the date of this Agreement (the "DT Filed SEC Documents"), (a) since December 31, 1999, there has not been any Material Adverse Effect on DT, and (b) DT and its Subsidiaries, taken as a whole, have not incurred since December 31, 1999 any material liabilities or obligations except (i) liabilities or obligations (A) which are accrued or reserved against in the DT Financial Statements or reflected in the notes thereto or (B) which were incurred after December 31, 1999 in the ordinary course of business and consistent with past practices, (ii) liabilities or obligations which have been discharged or paid in full prior to the date hereof in the ordinary course of business and (iii) liabilities and obligations which are of a nature not required to be reflected in the consolidated financial statements of DT and its Subsidiaries prepared in accordance with GAAP.

SECTION 3.08. *Litigation.* As of the date hereof, there are no claims, actions, suits, proceedings or investigations pending or, to DT's Knowledge, threatened against DT or any of its Subsidiaries, or any properties or rights of DT or any of its Subsidiaries, before any Governmental or Regulatory Authority that would reasonably be expected to result in an adverse judgment or determination against DT or any of its Subsidiaries, except for those that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect on DT or prevent or materially delay the consummation of the Merger except as set forth on Schedule 3.08 hereof.

SECTION 3.09. *No Violation of Law.* The business of DT and its Subsidiaries is not being conducted in violation of any Legal Requirements or in violation of any DT Permits, except for possible violations none of which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on DT or prevent or materially delay the consummation of the Merger. Except as disclosed in DT SEC Documents filed prior to the date hereof and as set forth on Schedule 3.09 hereto, as of the date hereof, no investigation, review or proceeding by any Governmental or Regulatory Authority (including, without limitation, any stock exchange or other self-regulatory body) with respect to DT or its Subsidiaries in relation to any alleged violation of law or regulation is pending or, to DT's Knowledge, threatened, nor has any Governmental or Regulatory Authority (including, without limitation, any stock exchange or other self-regulatory body) indicated in writing an intention to conduct the same, except for such investigations which, if they resulted in adverse findings, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on DT.

SECTION 3.10. *Information Provided by DT.* None of the information supplied or to be supplied by or on behalf of DT for inclusion or incorporation by reference in the

Registration Statement will, at the time the Registration Statement becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the information supplied or to be supplied by or on behalf of DT for inclusion or incorporation by reference in the Powertel Proxy Statement will, at the date mailed to stockholders of Powertel and at the time of the Powertel Stockholders' Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Registration Statement (except for information relating solely to Powertel) will comply as to form in all material respects with the provisions of the Securities Act and the rules and regulations promulgated thereunder. None of the information supplied or to be supplied by or on behalf of DT for inclusion or incorporation by reference in the German Listing Prospectus will, at the time the German Listing Prospectus is published, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the information supplied or to be supplied by or on behalf of DT for inclusion or incorporation by reference in the auditor's report to be prepared pursuant to Section 183(3) of the German Act will, at the time the report is filed with the Commercial Register, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 3.11. *Board Action; Vote Required.* (a) The Management Board (VORSTAND) and the Supervisory Board (AUFSICHTSRAT) of DT have determined that the transactions contemplated by this Agreement and the Stockholders Agreement are advisable and in the best interests of DT and its shareholders.

(b) No vote of holders of any class or series of DT capital stock, including, without limitation, holders of DT Ordinary Shares or DT Depositary Shares, is required for the approval or entering into of this Agreement or the consummation of the transactions contemplated hereby, including the Merger.

SECTION 3.12. *Brokers.* Except for Donaldson, Lufkin & Jenrette, no broker, finder or investment banker is entitled to any brokerage, finder's or investment banking fee in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of DT or any of its Subsidiaries.

SECTION 3.13. *Tax Matters.* Except as set forth on Schedule 3.13 and except to the extent that the failure of the following representations to be true, whether considered individually or in the aggregate, would not have a Material Adverse Effect on DT:

(a) All Tax Returns required to be filed by DT or its Subsidiaries on or prior to the Effective Time have been or will be timely filed with the appropriate Governmental or Regulatory Authorities and are or will be correct in all respects, and all Taxes due by DT or its Subsidiaries on or prior to the Effective Time have been, or will be, timely paid;

(b) There are no liens (except for statutory liens for current Taxes not yet due and payable) against any domestic or foreign assets of DT or any of its Subsidiaries resulting from any unpaid Taxes;

(c) No audit or other proceeding with respect to Taxes due from DT or any of its Subsidiaries, or any Tax Return of DT or any of its Subsidiaries, is pending, threatened in writing, or being conducted by any Governmental or Regulatory Authority;

(d) No extension of the statute of limitations on the assessment of any Taxes has been granted by DT or any of its Subsidiaries and is currently in effect;

(e) Neither DT nor any of its Subsidiaries has taken any action or knows of any fact that is reasonably likely to (i) prevent or impede the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code or (ii) cause the stockholders of Powertel, other than any such stockholder that would be a "five-percent transferee shareholder" of DT (within the meaning of U.S. Treasury Regulations Section 1.367(a)-3(c)(5)) following the Merger, to recognize gain pursuant to Section 367(a) of the Code; and

(f) The assets of DT do not consist wholly or principally of immovable property situated within Germany within the meaning of Article 13(2)(b) of the Income Tax Treaty between Germany and the United States.

SECTION 3.14. *Ownership of Securities.* Except pursuant to the Stockholders Agreement or as set forth on Schedule 3.14, as of the date hereof, neither DT nor, to DT's Knowledge, any of its Subsidiaries, beneficially owns, directly or indirectly, or is party to any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of, in each case, shares of capital stock of Powertel (other than shares held by DT Benefit Plans). Except as set forth on Schedule 3.14, DT owns no shares of Powertel Common Stock which would constitute Excluded Powertel Shares.

SECTION 3.15. *Licenses.* DT and each of its Subsidiaries are the authorized legal holders or otherwise have rights to all material Permits and licenses and operating rights necessary for the operation of their business as presently operated, except for such failures as would not reasonably be expected to have a Material Adverse Effect on DT (collectively, the "DT Licenses"). As of the date hereof there is not pending and, to DT's Knowledge, there is not threatened, any action by or before any Governmental or Regulatory Authority to revoke, suspend, cancel, rescind or modify in any material respect any of the DT Licenses which action would reasonably be expected to have a Material Adverse Effect on DT.

ARTICLE 4

CONDUCT OF BUSINESS PENDING THE MERGER

SECTION 4.01. *Conduct of Business by Powertel Pending the Merger.* During the period from the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, Powertel shall, and shall cause each of the Powertel Subsidiaries to, in all material respects, except as contemplated by this Agreement or the Alternative Merger Agreement or as disclosed in the disclosure schedules to this Agreement (including, without