- take action that would reasonably be expected to materially impair or delay obtaining the necessary regulatory approvals to complete the Deutsche Telekom/Powertel merger;
- take any action that would be reasonably likely to prevent or impede the Deutsche Telekom/Powertel merger from qualifying as a reorganization under Section 368(a) of the U.S. tax code or cause the stockholders of Powertel to recognize gain in the Deutsche Telekom/Powertel merger under Section 367(a)(1) of the U.S. tax code;
- take any action that would cause the Powertel common shares to cease to be quoted on the Nasdaq Stock Market;
- during the five business days prior to the completion of the Deutsche Telekom/Powertel merger, take or omit to take any action that could increase the number of Powertel shares outstanding on a fully diluted basis; and
- enter into any contract, agreement or arrangement to do any of the foregoing.

Covenants of Deutsche Telekom. Except as contemplated by the Deutsche Telekom/Powertel merger agreement, Deutsche Telekom has agreed that until the Deutsche Telekom/Powertel merger is completed, Deutsche Telekom and its subsidiaries will not take the actions listed in the Deutsche Telekom/Powertel merger agreement, which includes the following actions, without Powertel's prior written consent:

- except for the purpose of using or increasing Deutsche Telekom's authorized capital or as necessary for the conduct of its business, amend or propose to amend the Memorandum and Articles of Association or Management Board Rules of Procedure or other comparable organizational document of Deutsche Telekom in any manner that would be adverse to Powertel or its stockholders;
- take action that would be reasonably likely to prevent or impede the Deutsche Telekom/Powertel merger from qualifying as a reorganization under Section 368(a) of the U.S. tax code or cause Powertel stockholders to recognize gain in the Deutsche Telekom/Powertel merger under Section 367(a)(1) of the U.S. tax code; or
- take action that would reasonably be likely to materially adversely affect or materially adversely delay the ability of the parties to obtain any required regulatory approval or to complete the transactions contemplated by the Deutsche Telekom/Powertel merger agreement.
    - *Important Exception:* Deutsche Telekom may make acquisitions as long as the acquisitions, individually or in the aggregate, are not reasonably likely to prevent the consummation of the Deutsche Telekom/Powertel merger.

Offers for Alternative Transactions

Powertel has agreed not to, has agreed not to permit any of its subsidiaries to, has agreed not to authorize or permit any of its or their respective officers, directors or employees to, and has agreed to use its reasonable efforts to cause its advisors and representatives not to:

- solicit, initiate or knowingly encourage, or knowingly take any other action designed to facilitate, any alternative transaction, which we define below, to the Deutsche Telekom/Powertel merger; or
- continue or participate in any discussions or negotiations regarding any alternative transaction to the Deutsche Telekom/Powertel merger.

However, if at any time before Powertel stockholders approve the Deutsche Telekom/Powertel merger, Powertel receives an unsolicited proposal for an alternative transaction, then Powertel may, after giving Deutsche Telekom three business days advance notice:

- furnish information with respect to Powertel pursuant to a confidentiality agreement substantially similar to the confidentiality agreement in place between Powertel and Deutsche Telekom; and

- engage in discussions and negotiations with the persons that made such proposal;

but only if:

- the Powertel board of directors has determined in good faith, after receiving advice from outside counsel, that providing information to the third party or participating in negotiations or discussions could be reasonably expected to result in a superior proposal, which we define below, being made; and
- Powertel is not otherwise in breach of its obligations described above not to solicit or engage in discussions regarding an alternative transaction.

Important Definitions:

"alternative transaction" means any of the following:

- a transaction or series of transactions in which any third party would acquire, directly or indirectly, beneficial ownership of more than 20% of the outstanding Powertel shares or pursuant to a tender offer or exchange offer;
- any acquisition of or business combination with Powertel or any of its significant subsidiaries, by a merger or other business combination; or
- any transaction in which any third party would acquire, directly or indirectly, control of assets of Powertel or any of its subsidiaries for consideration equal to 20% or more of the fair market value of all of the outstanding Powertel shares.

An alternative transaction does not include the acquisition of Powertel by VoiceStream pursuant to the VoiceStream/Powertel merger agreement.

"superior proposal" means any proposal made by a third party to enter into an alternative transaction which the Powertel board of directors determines in its good faith judgment, based on, among other things, the advice of a financial advisor of nationally recognized reputation, to be more favorable to Powertel's stockholders than the Deutsche Telekom/Powertel merger taking into account all relevant factors, including whether, in the good faith judgment of the Powertel board of directors, the third party is reasonably able to finance the proposed transaction.

Powertel also has agreed to notify Deutsche Telekom promptly of any request for information or of any proposal in connection with an alternative transaction, including the material terms of the request or proposal and the identity of the person making it, and Powertel has agreed to keep Deutsche Telekom informed of the status of any alternative transaction. In addition, Powertel agreed to cease any activities, discussions or negotiations with respect to an alternative transaction that existed at the time the Deutsche Telekom/Powertel merger agreement was signed.

Powertel Board of Directors' Recommendation

The Deutsche Telekom/Powertel merger agreement requires the Powertel board of directors:

- to recommend that the Powertel stockholders approve the Deutsche Telekom/Powertel merger agreement;
- not to withdraw, modify or qualify, or to propose publicly to withdraw, modify or qualify, its recommendation in a manner adverse to Deutsche Telekom;
- not to approve or recommend, or to propose publicly to approve or recommend, any alternative transaction; and
- not to cause Powertel to agree to engage in any alternative transactions.

However, if the Powertel board of directors receives a superior proposal before Powertel stockholders approve the Deutsche Telekom/Powertel merger, the Powertel board of directors may inform Powertel stockholders that it no longer recommends approval of the Deutsche Telekom/Powertel merger, if:

- Powertel sends Deutsche Telekom written notice that Powertel has received a superior proposal, which notice describes the terms of the superior proposal and identifies the proposers, and that Powertel intends to change its recommendation regarding the Deutsche Telekom/Powertel merger; and
- five business days have passed since Deutsche Telekom received the notice. In addition, Powertel must give Deutsche Telekom reasonable opportunity to make adjustments in the terms of the Deutsche Telekom/Powertel merger agreement that would enable the Powertel board of directors to maintain its recommendation to approve the Deutsche Telekom/Powertel merger.

The Deutsche Telekom/Powertel merger agreement also permits Powertel to comply with Rule 14d-9 or Rule 14e-2(a) under the Exchange Act or to make any other disclosure to Powertel stockholders if, in the good faith judgment of the Powertel board of directors, after receiving advice from outside counsel, failure to disclose would result in a reasonable likelihood that the Powertel board of directors would breach its duties to Powertel stockholders under applicable law.

Submission of Deutsche Telekom/Powertel Merger Agreement to Stockholder Vote. The Deutsche Telekom/Powertel merger agreement requires Powertel to submit the Deutsche Telekom/Powertel merger agreement to a stockholder vote at the Powertel special meeting even if the Powertel board of directors no longer recommends approval of the Deutsche Telekom/Powertel merger.

Additional Agreements

The Deutsche Telekom/Powertel merger agreement contains a number of other covenants and agreements by or between Powertel and Deutsche Telekom on subjects including:

- filing financial statements with the SEC;
- notification of the occurrence of material facts, events or circumstances;
- obtaining necessary tax opinions and representation letters;
- actions to be taken to cause the Deutsche Telekom/Powertel merger to qualify as a reorganization within the meaning of Section 368(a) of the U.S. tax code and to avoid gain recognition to the stockholders of Powertel in the Deutsche Telekom/Powertel merger under Section 367(a)(1) of the U.S. tax code; and
- taking appropriate actions to attempt to cause the Powertel warrants to be exercised in full prior to the completion of the Deutsche Telekom/Powertel merger to the extent agreed to by Deutsche Telekom and Powertel.

In addition, Deutsche Telekom has agreed to take all steps necessary to cause the new Deutsche Telekom ADSs and Deutsche Telekom ordinary shares to become listed on the NYSE and the Frankfurt Stock Exchange, respectively. Powertel has agreed to the termination of certain existing stockholder agreements.

Deutsche Telekom has additionally agreed to vote its VoiceStream shares in favor of the VoiceStream/Powertel merger.

Senior Discount Notes and Senior Notes

Deutsche Telekom has also agreed to cause the surviving corporation to commence offers to repurchase certain outstanding publicly-traded notes of Powertel pursuant to the terms of their indentures within 30 days following the completion of the Deutsche Telekom/Powertel merger.

Efforts to Complete the Deutsche Telekom/Powertel Merger

Powertel and Deutsche Telekom have agreed to:

- use reasonable best efforts to consummate and make effective the Deutsche Telekom/Powertel merger and the other transactions contemplated by the Deutsche Telekom/Powertel merger agreement;
- obtain in a timely manner all necessary consents, permits, approvals or waivers from any governmental or regulatory authority which are necessary for the completion of the Deutsche Telekom/Powertel merger;
- promptly prepare and file all required notifications under U.S. antitrust laws and to comply with any requests for additional information, and obtain termination of any applicable waiting periods or obtain any required approvals as promptly as practicable; and
- take all actions within their control necessary to obtain any required regulatory approvals.
  - *Important Exceptions:*
    - — Neither Deutsche Telekom nor its subsidiaries is required, nor will Powertel or its subsidiaries be permitted, to divest or hold separate or otherwise take or commit to take any action that limits its freedom of action with respect to Powertel, Deutsche Telekom, VoiceStream or any of their subsidiaries, any material portion of their assets or any of their businesses or product lines; and
    - — In connection with any filing or submission required or action to be taken to consummate the Deutsche Telekom/Powertel merger, Powertel will not, without Deutsche Telekom's prior written consent, commit to divest any assets of the business of Powertel and its subsidiaries if such divested assets and/or businesses are material to the assets or profitability of Powertel and its subsidiaries taken as a whole.

Indemnification and Insurance

The surviving corporation of the Deutsche Telekom/Powertel merger is required by the Deutsche Telekom/Powertel merger agreement to maintain in effect the current provisions regarding indemnification of officers and directors contained in the charter and bylaws and any indemnification agreements of Powertel and each of its subsidiaries.

Prior to the completion of the Deutsche Telekom/Powertel merger, Powertel has the right, subject to Deutsche Telekom's prior written approval, to obtain a "tail" coverage directors' and officers' liability insurance policy providing coverage in amounts and on terms consistent with Powertel's existing insurance for a period of six years after the completion of the Deutsche Telekom/Powertel merger. If Powertel does not obtain this insurance prior to the completion of the Deutsche Telekom/Powertel merger, Deutsche Telekom has agreed to cause the surviving corporation to continue to provide directors' and officers' liability insurance for a period of six years after the completion of the Deutsche Telekom/VoiceStream merger. However, the surviving corporation is not required to expend in any year an amount in excess of 250% of the last annual premium paid by Powertel prior to August 26, 2000. If the aggregate expenditure on coverage exceeds that amount, the surviving corporation will purchase as much insurance as can be obtained for that amount.

Employee Benefits

Following the completion of the Deutsche Telekom/Powertel merger, Deutsche Telekom will take all necessary action so that each current and former Powertel employee who was eligible to participate in a Powertel benefit plan before the Deutsche Telekom/Powertel merger will be eligible to participate in a corresponding employee benefit plan maintained by Deutsche Telekom or its subsidiaries after the Deutsche Telekom/Powertel merger. The Deutsche Telekom/Powertel merger agreement also specifies the

treatment of pre-existing conditions, exclusions and waiting periods with respect to current and former employees of Powertel and its subsidiaries under any welfare or fringe benefit plans of Deutsche Telekom in which such employees and former employees participate in after completion of the Deutsche Telekom/Powertel merger.

Powertel agreed to enact and implement the plans described under "The Deutsche Telekom/Powertel Merger and the VoiceStream/Powertel Merger — Interests of Directors and Officers of Powertel in the Deutsche Telekom/Powertel Merger and the VoiceStream/Powertel Merger" after approval of the specifics of each plan by Deutsche Telekom and VoiceStream, which plans are to be effective as of the completion of the Deutsche Telekom/Powertel merger:

- a $3,000 cash bonus payable to each full-time employee of Powertel who is continuously employed by Powertel during the period starting December 31, 2000 and ending three months after the completion of the Deutsche Telekom/Powertel merger, or whose job is eliminated within that period, with such payment prorated for part-time employees and for those employees who are hired after December 31, 2000;

- a $20 million cash retention bonus pool to be paid to 150-300 key employees, as determined by the chief executive officer and chief operating officer of each of VoiceStream and Powertel, with such payments to be earned and payable over the two-year period following the completion of the Deutsche Telekom/Powertel merger;

- a $20 million cash incentive bonus pool to be paid to the same 150-300 key employees, as determined by the chief executive officer and chief operating officer of each of VoiceStream and Powertel, with such payments to be earned and payable in September 2001 for performance during the first and second calendar quarters of 2001, and in January 2002 for performance during the third and fourth calendar quarters of 2001;

- a severance plan for employees of Powertel employed immediately before the completion of the Deutsche Telekom/Powertel merger whose employment is terminated due to job elimination resulting from the Deutsche Telekom/Powertel merger. Severance payments will represent a minimum of four weeks base salary or hourly equivalent, not including overtime, and targeted bonus, plus two weeks per year of actual service to Powertel or Deutsche Telekom, respectively, up to a maximum of 20 weeks. Any payments under the severance plan will be reduced by any payments received by the affected employee under the cash bonus, retention bonus or incentive bonus plans described above. To obtain benefits under this plan, an employee must agree to release the surviving corporation from all claims against Powertel, Deutsche Telekom and VoiceStream; and

- Powertel will be allowed to issue up to an aggregate of 575,000 options prior to the completion of the Deutsche Telekom/Powertel merger to Powertel employees in yearly performance grants, to DiGiPH PCS employees that become Powertel employees and in connection with offers of employment outstanding as of August 26, 2000. Employees whose employment is terminated due to job elimination resulting from the merger will receive change of control accelerated vesting of their options if their job is eliminated within 18 months of the completion of the Deutsche Telekom/Powertel merger. Individuals receiving change of control vesting will not be eligible for actual or potential remaining payments under the cash bonus, retention bonus or incentive bonus plans but will be eligible for severance payments, subject to certain reductions.

Closing Conditions

Conditions to Each Party's Obligations to Complete the Deutsche Telekom/Powertel Merger. Powertel's and Deutsche Telekom's respective obligations to complete the Deutsche Telekom/Powertel merger are subject to the satisfaction or waiver of conditions, including the following:

- *Powertel Stockholder Approval.* The holders of a majority of the outstanding voting power of the Powertel common shares and Series A preferred shares, voting together as a single class with the

Series A preferred shares voting on an as-converted-to-common shares basis, and the holders of two-thirds of each class of the Powertel Series A preferred shares, Series B preferred shares, Series D preferred shares, Series E preferred shares and Series F preferred shares, each voting as a separate class, having approved and adopted the Deutsche Telekom/Powertel merger agreement.

- *Legality.* The absence of any law, order or injunction preventing the completion of the Deutsche Telekom/Powertel merger or which would have a material adverse affect on Powertel.
- *Regulatory Approvals.* All required regulatory approvals having been obtained and all applicable waiting periods having expired, as described under "Regulatory Approvals — Regulatory Approvals Required for the Deutsche Telekom/VoiceStream Merger and the Deutsche Telekom/Powertel Merger."
- *Registration Statement Effective.* No stop order suspending the effectiveness of the Form F-4 registration statement or the proxy statement/prospectus then being in effect and no proceedings for that purpose then being threatened by the SEC or having been initiated by the SEC and not concluded or withdrawn.
- *Stock Exchange Listings.*
  - — All steps necessary for the Deutsche Telekom ordinary shares that will be issued in the Deutsche Telekom/Powertel merger to be listed on the Frankfurt Stock Exchange having been taken; and
  - — The Deutsche Telekom ADSs that will be issued in the Deutsche Telekom/Powertel merger having been authorized for listing on the NYSE, subject to official notice of issuance.
- *Deutsche Telekom/VoiceStream Merger.* The Deutsche Telekom/VoiceStream merger having been consummated.

Additional Conditions to the Obligations of Powertel. The obligations of Powertel to effect the Deutsche Telekom/Powertel merger are also subject to the satisfaction, or waiver by Powertel, of conditions, including the following:

- *Representations and Warranties True and Correct.*
  - — Deutsche Telekom's representation that, since December 31, 1999, there has not been any material adverse effect on Deutsche Telekom will have been true and correct when the Deutsche Telekom/Powertel merger agreement was entered into and as of the date the Deutsche Telekom/Powertel merger is completed; and
  - — other representations and warranties of Deutsche Telekom and the representations and warranties of merger subsidiary in the Deutsche Telekom/Powertel merger agreement having been true and correct, with respect to Deutsche Telekom, when the Deutsche Telekom/Powertel merger agreement was entered into and, with respect to merger subsidiary, when the Deutsche Telekom/Powertel merger agreement was amended and restated and, with respect to Deutsche Telekom and merger subsidiary, as of the date the Deutsche Telekom/Powertel merger is completed, except to the extent that any representation or warranty expressly speaks as of an earlier date, in which case that representation or warranty must have been true and correct as of that date;
    - (a) except for inaccuracies caused by changes permitted by the Deutsche Telekom/Powertel merger agreement; and
    - (b) except for such failures which in the aggregate would not reasonably be expected to result in a material adverse effect on Deutsche Telekom.

Notwithstanding the conditions described above, Deutsche Telekom is permitted to make subsequent acquisitions, and no changes resulting to any of its representations and warranties as a result of a subsequent transaction will result in a failure of these conditions.

- *Compliance with Covenants.* Deutsche Telekom having complied in all material respects with all its agreements and covenants required by the Deutsche Telekom/Powertel merger agreement to be complied with by the completion of the Deutsche Telekom/Powertel merger.

- *Receipt of FCC Opinion.* Powertel having received an opinion of FCC counsel to Deutsche Telekom and/or VoiceStream substantially in the form agreed upon in the Deutsche Telekom/Powertel merger agreement.

- *Receipt of Governmental Approvals.* All necessary consents or authorizations from any governmental or regulatory authority required for the Deutsche Telekom/Powertel merger having been received, unless the failure to receive any such consent or authorization would not have a material adverse effect on Deutsche Telekom or the transactions contemplated by the Deutsche Telekom/Powertel merger agreement, provided that the consents or authorizations do not contain any conditions which would reasonably be expected to have a material adverse effect on Deutsche Telekom or the transactions contemplated by the Deutsche Telekom/Powertel merger agreement. However, Powertel's obligation to effect the Deutsche Telekom/Powertel merger will not be subject to the condition that any FCC consents or authorizations have become final orders.

- *Receipt of Tax Opinion.* Powertel having received an opinion of Morris, Manning & Martin, LLP, dated as of the date the Deutsche Telekom/Powertel merger is completed, substantially to the effect that for U.S. federal income tax purposes:

  — the Deutsche Telekom/Powertel merger will qualify as a reorganization within the meaning of Section 368(a) of the U.S. tax code; and

  — each transfer of property to Deutsche Telekom by a stockholder of Powertel pursuant to the Deutsche Telekom/Powertel merger will not be subject to Section 367(a)(1) of the U.S. tax code.

Additional Conditions to the Obligations of Deutsche Telekom. The obligations of Deutsche Telekom to effect the Deutsche Telekom/Powertel merger are also subject to the satisfaction, or waiver by Deutsche Telekom, of conditions, including the following:

- *Representations and Warranties True and Correct.*

  — Powertel's representation that since December 31, 1999, there has not been any material adverse effect on Powertel will have been true and correct when the Deutsche Telekom/Powertel merger agreement was entered into and as of the "bringdown date", which is the date, at least five business days after the last closing condition has been fulfilled or waived, on which Powertel delivers a certificate relating to the accuracy of Powertel's representations and warranties; and

  — other representations and warranties of Powertel in the Deutsche Telekom/Powertel merger agreement having been true and correct when the Deutsche Telekom/Powertel merger agreement was entered into and as of the bringdown date (except to the extent that any representation or warranty expressly speaks as of an earlier or a later date, in which case, that representation or warranty having been true and correct as of that date);

    (1) except for inaccuracies caused by changes permitted by the Deutsche Telekom/Powertel merger agreement; and

    (2) except for such failures which in the aggregate would not reasonably be expected to result in a material adverse effect on Powertel, Deutsche Telekom or the transactions contemplated by the Deutsche Telekom/Powertel merger agreement.

- *Compliance with Covenants.* Powertel having complied in all material respects with all its agreements and covenants required by the Deutsche Telekom/Powertel merger agreement to be complied with by the time the Deutsche Telekom/Powertel merger is completed.

- *Receipt of Tax Opinion.* Deutsche Telekom having received an opinion of Cleary, Gottlieb, Steen & Hamilton, dated as of the date the Deutsche Telekom/Powertel merger is completed, substantially to the effect that for U.S. federal income tax purposes:
  - the Deutsche Telekom/Powertel merger will qualify as a reorganization within the meaning of Section 368(a) of the U.S. tax code; and
  - each transfer of property to Deutsche Telekom by a stockholder of Powertel pursuant to the Deutsche Telekom/Powertel merger will not be subject to Section 367(a)(1) of the U.S. tax code.
- *Receipt of FCC Opinion.* Deutsche Telekom having received an opinion of FCC counsel of Powertel substantially in the form agreed upon in the Deutsche Telekom/Powertel merger agreement.
- *Receipt of Consents.* Powertel having obtained all material consents or approvals required under Powertel's and its subsidiaries' debt instruments.
- *Receipt of Governmental Approvals.* All necessary consents or authorizations from any governmental or regulatory authority required for the Deutsche Telekom/Powertel merger having been received, including from the FCC and state public utility or service commissions and, in the case of the FCC, having become final orders, unless the failure to receive any such consent or authorization would not have a material adverse effect on Powertel or Deutsche Telekom or the transactions contemplated by the Deutsche Telekom/Powertel merger agreement and such consents or authorizations do not contain any conditions which would reasonably be expected to have a material adverse effect on Powertel or Deutsche Telekom or the transactions contemplated by the Deutsche Telekom/Powertel merger agreement.

Waiver of Conditions. In the event Powertel waives a material condition to the Deutsche Telekom/Powertel merger, Powertel will, if legally required, resolicit approval of its stockholders.

Termination and Termination Fee

Automatic Termination. The Deutsche Telekom/Powertel merger agreement will terminate automatically upon the termination of the Deutsche Telekom/VoiceStream merger agreement.

Right to Terminate. The Deutsche Telekom/Powertel merger agreement may be terminated at any time before the completion of the Deutsche Telekom/Powertel merger in any of the following ways:

- by mutual written consent;
- by either Deutsche Telekom or Powertel:
  - if the Deutsche Telekom/Powertel merger has not been completed on or before December 31, 2001, unless the party seeking to terminate the Deutsche Telekom/Powertel merger has failed to fulfill its obligations under the Deutsche Telekom/Powertel merger agreement and such failure has caused the delay;
  - if the Deutsche Telekom/Powertel merger is permanently restrained, enjoined or otherwise prohibited by a governmental order, decree, ruling or other action, and the order, decree, ruling or other action has become final and nonappealable;
  - at any time that is not less than 15 days after any statute, rule, decree, order or injunction has been enacted, entered, promulgated or enforced by any governmental or regulatory authority, other than a court, that has the effect of making any of the closing conditions described under "— Closing Conditions — Conditions to Each Party's Obligations to Complete the Deutsche Telekom/Powertel Merger — Legality," "— Closing Conditions — Conditions to Each Party's Obligations to Complete the Deutsche Telekom/Powertel Merger — Regulatory Approvals" and "Regulatory Approvals — Regulatory Approvals Required for the Deutsche

Telekom/VoiceStream Merger and the Deutsche Telekom/Powertel Merger" incapable of being satisfied by December 31, 2001; or

— if Powertel's stockholders fail to approve the Deutsche Telekom/Powertel merger at the Powertel special meeting; or

- by Powertel:

  — if a condition to the obligations of Powertel to complete the Deutsche Telekom/Powertel merger is or becomes incapable of being satisfied prior to December 31, 2001; or

  — if Deutsche Telekom breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the Deutsche Telekom/Powertel merger agreement, which breach or failure cannot be cured by Deutsche Telekom before December 31, 2001, or, if curable, is not cured by Deutsche Telekom within 30 days of receipt by Deutsche Telekom of notice of the breach from Powertel and such breach or failure renders any condition to the obligation of Powertel to complete the Deutsche Telekom/Powertel merger incapable of being satisfied prior to December 31, 2001; or

- by Deutsche Telekom:

  — if Powertel breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the Deutsche Telekom/Powertel merger agreement, which breach or failure cannot be cured by Powertel before December 31, 2001, or, if curable, is not cured by Powertel within 30 days of receipt by Powertel of notice of the breach from Deutsche Telekom and such breach or failure renders any condition to the obligations of Deutsche Telekom to complete the Deutsche Telekom/Powertel merger incapable of being satisfied prior to December 31, 2001;

  — if a condition to the obligations of Deutsche Telekom to complete the Deutsche Telekom/Powertel merger is or becomes incapable of being satisfied prior to December 31, 2001;

  — if, in connection with the grant of any required regulatory approval relating to the Deutsche Telekom/Powertel merger, Powertel, Deutsche Telekom, VoiceStream or any of their subsidiaries will be required to divest or hold separate or otherwise take any action that limits its freedom of action with respect to Powertel, Deutsche Telekom, VoiceStream or any of their subsidiaries or any material assets of Powertel, Deutsche Telekom, VoiceStream or any of their subsidiaries, or any of the businesses, product lines or assets of Powertel, Deutsche Telekom, VoiceStream or any of their subsidiaries and such order, decree, ruling, or other action will have become final and nonappealable; or

  — if the VoiceStream/Powertel merger agreement has been terminated at any time prior to the termination or consummation of the Deutsche Telekom/VoiceStream merger agreement.

Should any of these potential grounds for termination occur, Powertel's board of directors may or may not exercise its rights to terminate the Deutsche Telekom/Powertel merger agreement.

Termination Fees Payable to Deutsche Telekom. Powertel has agreed to pay Deutsche Telekom a termination fee of $150 million plus expenses not to exceed $10 million if all three of the following events occur:

- after August 26, 2000 and before the Powertel special meeting a proposal for certain types of alternative transactions is announced or publicly disclosed and not withdrawn;

- the Deutsche Telekom/Powertel merger agreement is terminated by either party because Powertel's stockholders do not approve the Deutsche Telekom/Powertel merger at the Powertel special meeting; and

- within six months after the termination of the Deutsche Telekom/Powertel merger agreement, Powertel enters into a definitive agreement with any third party with respect to certain types of alternative transactions.

In that circumstance, Powertel would pay to Deutsche Telekom the termination fee no later than one business day after the signing of the definitive agreement with the third party.

In the event Powertel is also obligated to pay a termination fee pursuant to the VoiceStream/Powertel merger agreement, Powertel will instead pay each of Deutsche Telekom and VoiceStream $75 million plus expenses not to exceed $10 million. For purposes of determining whether a termination fee is payable, the term "alternative transaction" has the meaning described under "— Offers for Alternative Transactions," except that the 20% thresholds are treated as 50% thresholds, and mergers or business combinations in which Powertel stockholders would continue to hold at least 65% of the outstanding stock of the entity surviving the transaction are not considered to be "alternative transactions".

Expenses

Whether or not the Deutsche Telekom/Powertel merger is completed, all costs and expenses incurred in connection with the Deutsche Telekom/Powertel merger and the Deutsche Telekom/Powertel merger agreement will be paid by the party incurring the expense, except that Deutsche Telekom, VoiceStream and Powertel will share equally the costs and expenses of printing the Form F-4 registration statement and this document, and Deutsche Telekom and Powertel will each share equally the costs and expenses of any SEC filing fees with respect to the Deutsche Telekom/Powertel merger. Deutsche Telekom, VoiceStream and Powertel have shared the costs and expenses of the filing fees paid under the HSR Act.

Amendment; Waiver; Assignment

Powertel, Deutsche Telekom and merger subsidiary may amend the Deutsche Telekom/Powertel merger agreement by written agreement prior to completion of the Deutsche Telekom/Powertel merger, but after Powertel's stockholders have approved the Deutsche Telekom/Powertel merger agreement, no amendment may be made which by law requires further stockholder approval without such approval being obtained.

At any time before the Deutsche Telekom/Powertel merger is completed, Powertel, Deutsche Telekom and merger subsidiary may:

- extend the time for the performance of any of the obligations or other acts required by the Deutsche Telekom/Powertel merger agreement; and

- waive any inaccuracies in the representations and warranties or contained in the Deutsche Telekom/Powertel merger agreement or any document required to be delivered pursuant to the Deutsche Telekom/Powertel merger agreement.

Deutsche Telekom, Powertel and merger subsidiary may not assign the Deutsche Telekom/Powertel merger agreement or any of their rights, interests or obligations under the Deutsche Telekom/Powertel merger agreement, in whole or in part, to any other person, without the prior written consent of the non-assigning parties; except that:

- Deutsche Telekom may assign the Deutsche Telekom/Powertel merger agreement to an entity which owns more than 80% of the Deutsche Telekom ordinary shares and which succeeds to all of the rights and obligations of Deutsche Telekom under the Escrow Agency Agreement executed pursuant to the Deutsche Telekom/Powertel merger agreement; and

- merger subsidiary may assign the Deutsche Telekom/Powertel merger agreement to an entity which is a direct, wholly-owned subsidiary of the entity to which Deutsche Telekom has assigned the agreement under the immediately preceding clause.

Important Definition

"material adverse effect." As used in the Deutsche Telekom/Powertel merger agreement, a "material adverse effect" on any company means any change in or effect on the business of the company and its subsidiaries that is or is reasonably likely to be materially adverse to the business, operations or financial condition of the company.

However, "material adverse effect" does not include the effects of changes or developments:

- in the wireless telecommunications industry, including regulatory and political conditions, and not uniquely relating to Deutsche Telekom or Powertel;
- in the U.S. or European economy;
- in the U.S. or European securities markets; or
- resulting from the announcement or the existence of the Deutsche Telekom/Powertel merger agreement and the transactions contemplated by the Deutsche Telekom/Powertel merger agreement.

Amendment and Restatement

The Deutsche Telekom/Powertel merger agreement was originally entered into between Deutsche Telekom and Powertel on August 26, 2000. On September 28, 2000 the Deutsche Telekom/Powertel merger agreement was amended and restated for the purpose of making merger subsidiary a party to the agreement and other technical changes.

On February 8, 2001 the Deutsche Telekom/Powertel merger agreement was further amended and restated primarily for the purpose of permitting Powertel to pay a stock dividend of 0.0075 of a Powertel common share for each Powertel common share outstanding prior to the completion of the Deutsche Telekom/Powertel merger and, in the event that such dividend is paid, to adjust correspondingly the exchange ratios for exchange of Powertel preferred stock for Deutsche Telekom shares pursuant to the Deutsche Telekom/Powertel merger agreement and to provide that the earliest date that the Deutsche Telekom/Powertel merger will be completed is May 31, 2001. This amendment also provided that if all of the conditions to completion of the Deutsche Telekom/Powertel merger are satisfied or waived as of a date that is earlier than May 31, 2001, including the condition that no material adverse effect on Powertel shall have occurred, then after that earlier date Deutsche Telekom will no longer have the ability to terminate the Deutsche Telekom/Powertel merger agreement because of any material adverse effect on, or any material inaccuracy in, a representation or warranty of Powertel.

Deutsche Telekom's Agreements with Stockholders of Powertel

In connection with the execution of the Deutsche Telekom/Powertel merger agreement, stockholders of Powertel who, in the aggregate, had sufficient voting power as of the Powertel record date to approve the Deutsche Telekom/Powertel merger entered into separate stockholder agreements with Deutsche Telekom and agreed to vote all of their shares in favor of the Deutsche Telekom/Powertel merger. We summarize the material terms of these agreements below, and this description is qualified in its entirety by reference to the text of the agreements, copies of which have been filed as exhibits to Deutsche Telekom's and VoiceStream's respective registration statements and are incorporated herein by reference.

The following Powertel stockholders and some of their affiliates have entered into stockholder agreements with Deutsche Telekom in connection with the Deutsche Telekom/Powertel merger:

ITC Holding Company, Inc.
SCANA Communications Holdings, Inc.
Sonera Corporation
Donald W. Burton and certain limited partnerships controlled by him
American Water Works Company

Agreement to Vote

Each stockholder agreement obligates the stockholder that is a party to the agreement to vote all its Powertel shares in favor of the Deutsche Telekom/Powertel merger and the Deutsche Telekom/Powertel merger agreement and to vote all of its Powertel shares against any alternative transaction, as defined in the Deutsche Telekom/Powertel merger agreement and as discussed under "— The Deutsche Telekom/Powertel Merger Agreement — Offers For Alternative Transactions," or the liquidation or winding up of Powertel. Each stockholder's obligation to vote in this manner applies whether or not the Powertel board of directors continues to recommend the Deutsche Telekom/Powertel merger to the Powertel stockholders.

Transfer Restrictions and Waiver of Rights

Each stockholder agreement restricts or limits the ability of the stockholder that is a party to the agreement to sell, transfer, pledge, assign or otherwise dispose of, including by short sale or the use of derivative or futures contracts, any shares of, or rights to purchase, Powertel shares or, until six months after completion of the Deutsche Telekom/Powertel merger, Deutsche Telekom ADSs or Deutsche Telekom ordinary shares, in each case that are subject to the stockholder agreement, except in limited circumstances, with Deutsche Telekom's written consent or as expressly permitted by the stockholder agreement or pursuant to the Deutsche Telekom/Powertel merger agreement. In that regard, each stockholder agreement, other than the agreement with American Water Works Company, provides that:

- until the later of January 1, 2001 and the date of the Powertel special meeting, the stockholder may not sell, transfer, pledge, assign or otherwise dispose of, any Powertel shares or rights that are subject to the stockholder agreement;
- from the later of January 1, 2001 and the date of the Powertel special meeting, until the earlier of the completion of the Deutsche Telekom/Powertel merger or the termination of the Deutsche Telekom/Powertel merger agreement, the stockholder may sell or transfer up to an aggregate of 17.5% of the total number of Powertel shares owned by such stockholder, which percentage increases to 21.25% on August 1, 2001 and to 25% on September 1, 2001 if the Deutsche Telekom/Powertel merger is not completed by those dates;
- from the completion of the Deutsche Telekom/Powertel merger through and including the three month anniversary of the completion of the Deutsche Telekom/Powertel merger, the stockholder may not sell or transfer any Deutsche Telekom ADSs, Deutsche Telekom ordinary shares or securities convertible into Deutsche Telekom ADSs or Deutsche Telekom ordinary shares;
- from the day following the three month anniversary of the completion of the Deutsche Telekom/Powertel merger, through and including the six month anniversary of the completion of the Deutsche Telekom/Powertel merger, the stockholder may sell or transfer up to an aggregate of 40%

of the total number of Deutsche Telekom ADSs or Deutsche Telekom ordinary shares owned by the stockholder, as calculated pursuant to the stockholder agreement; and

- after the six month anniversary of the completion of the Deutsche Telekom/Powertel merger, all sale and transfer restrictions end.

Deutsche Telekom reserves the right to waive the transfer restrictions described above at any time or from time to time.

Each stockholder, other than American Water Works Company, agreed to waive, until the earlier of the completion of the Deutsche Telekom/Powertel merger or termination of the Deutsche Telekom/Powertel merger agreement, any preemptive rights and, until the earlier of:

- the later of (A) January 1, 2001 and (B) the date of the Powertel special meeting; and
- the termination of the Deutsche Telekom/Powertel merger agreement,

any registration rights they may have.

Each stockholder also agreed to terminate any of its existing registration rights agreements with Powertel upon the completion of the Deutsche Telekom/VoiceStream merger.

In some circumstances, if Deutsche Telekom acquires any other company for consideration in excess of $15 billion and significant stockholders of the acquired company enter into agreements or could reasonably be expected to enter into agreements with Deutsche Telekom that are more favorable to those stockholders in terms of the obligations to vote in favor of the related transaction or to refrain from selling or transferring shares, the transfer restrictions in the stockholder agreements will be modified to reflect the more favorable provisions or absence of restrictions, as the case may be.

Termination

Each stockholder agreement will terminate, except with respect to the transfer restrictions, which will terminate as set forth above, and the agreement to vote, which will terminate upon the earlier of the completion or termination of the Deutsche Telekom/Powertel merger agreement, upon the earliest to occur of:

- the completion of the Deutsche Telekom/Powertel merger;
- the termination of the Deutsche Telekom/Powertel merger agreement; and
- August 26, 2002.

No Solicitation

Each stockholder agrees not to solicit, initiate or participate in, and not to authorize any representatives to solicit, initiate or participate in, discussions or negotiations regarding transactions or business combinations between Powertel and a company other than Deutsche Telekom, except as otherwise permitted by the Deutsche Telekom/Powertel merger agreement. See "— The Deutsche Telekom/Powertel Merger Agreement — Offers for Alternative Transactions."

The Stockholder Agreement with American Water Works Company

The transfer restrictions described above applicable to each of the stockholder agreements do not apply to American Water Works Company. The American Water Works Company stockholder agreement only restricts transfers of Powertel shares by the American Water Works Company as described below:

- until the date of the Powertel special meeting, the American Water Works Company may not sell, transfer, pledge, assign or otherwise dispose of, any Powertel shares or rights that are subject to its stockholder agreement; and
- until the date of the Powertel special meeting, the American Water Works Company may not effect, directly or indirectly, or through any arrangement with a third party pursuant to which such

third party may effect, directly or indirectly, any short sales of Powertel shares that are subject to its stockholder agreement, as well as any short sales of Deutsche Telekom ADS, Deutsche Telekom ordinary shares or securities convertible into Deutsche Telekom ADSs or Deutsche Telekom ordinary shares that are subject to the agreement.

Deutsche Telekom's Agreement with Joint Venture Partners of Powertel

In connection with the execution of the Deutsche Telekom/Powertel merger agreement, Deutsche Telekom entered into separate agreements with Eliska Wireless Investors I, L.P. and Sonera Holding B.V., joint venture partners of Powertel. We summarize the material terms of these agreements below and the following summaries are qualified in their entirety by reference to the text of the agreements, copies of which have been filed as an exhibit to Deutsche Telekom's and VoiceStream's respective registration statements and are incorporated herein by reference.

Agreement with Eliska Wireless Investors I, L.P.

Under the agreement with Eliska Wireless Investors, Deutsche Telekom agreed to assume on the date the Deutsche Telekom/Powertel merger is completed various obligations of Powertel under an existing agreement relating to Eliska Wireless Investors' rights, exercisable at various times, to exchange its ownership interest in an affiliate of Eliska Wireless for shares or cash. Eliska Wireless Investors agreed that its registration rights under an existing agreement will be terminated on the date the Deutsche Telekom/Powertel merger is completed.

Agreement with Sonera Holding B.V.

Deutsche Telekom has agreed to assume, on the date the Deutsche Telekom/Powertel merger is completed, obligations under an existing agreement between Powertel and Sonera Holding B.V. relating to the DiGiPH transaction, including, without limitation, Sonera Holding B.V.'s right to exchange its ownership interest in an affiliate of Eliska Wireless for Deutsche Telekom shares.

The VoiceStream/Powertel Merger Agreement

The following is a summary of the material provisions of the VoiceStream/Powertel merger agreement. This summary is qualified in its entirety by reference to the VoiceStream/Powertel merger agreement, a copy of which is attached as Annex C to this proxy statement/prospectus and is incorporated herein by reference. VoiceStream and Powertel stockholders are urged to read the VoiceStream/Powertel merger agreement in its entirety, as it is the legal document governing the VoiceStream/Powertel merger. This section assumes that the VoiceStream/Powertel merger will occur. You should remember, however, that the VoiceStream/Powertel merger will not occur if the Deutsche Telekom/VoiceStream merger occurs.

The VoiceStream/Powertel Merger

A Delaware corporation formed by VoiceStream will merge with and into Powertel, and, as a result, Powertel will become a wholly-owned subsidiary of VoiceStream.

Effective Time and Timing of Closing

The VoiceStream/Powertel merger will be completed and become effective when Powertel files a certificate of merger 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. We expect the VoiceStream/Powertel merger to become effective on the same day as the closing of the VoiceStream/Powertel merger. The closing of the VoiceStream/Powertel merger will take place on the fifth business day after the conditions to the VoiceStream/Powertel merger have been satisfied or waived, or on such other date as VoiceStream and Powertel may agree. In addition, on the closing date of the VoiceStream/Powertel

merger or as soon as possible after the closing date, VoiceStream and Powertel will undertake a number of additional actions, including making filings with regulatory and stock exchange authorities, necessary to permit the issuance of the VoiceStream/Powertel merger consideration under Delaware law and the rules of the Nasdaq Stock Market.

Consideration To Be Received in the VoiceStream/Powertel Merger

In the VoiceStream/Powertel merger, holders of Powertel common shares will receive for each of their Powertel common shares a number of VoiceStream common shares determined as follows:

- 0.75 of a VoiceStream common share if the VoiceStream average closing price is $113.33 or below;
- 0.65 of a VoiceStream common share if the VoiceStream average closing price is $130.77 or above; or
- if the VoiceStream average closing price is greater than $113.33 and less than $130.77, the quotient determined by dividing $85.00 by the VoiceStream average closing price.

We refer to the number of VoiceStream common shares a Powertel stockholder will receive in the VoiceStream/Powertel merger in exchange for their Powertel common shares as the "conversion number". The conversion number is subject to adjustment as described below.

Holders of Powertel preferred shares will receive for each Powertel preferred share the right to receive a number of VoiceStream common shares determined by multiplying the conversion number by the sum of:

- the number of Powertel common shares into which such Powertel preferred share would be converted as of the completion of the VoiceStream/Powertel merger, plus
- with respect to Powertel Series E preferred shares and Series F preferred shares, the number of Powertel common shares that represent accrued or declared but unpaid dividends on those Powertel preferred shares.

The "VoiceStream average closing price" means the volume weighted average closing price, based on the Nasdaq composite volume published by The Wall Street Journal, of the VoiceStream common shares as publicly reported on the Nasdaq Stock Market as of 4:00 p.m. eastern time on 10 trading days randomly selected from the 20 trading-day period ending five trading days prior to the completion of the VoiceStream/Powertel merger.

Adjustment of Conversion Number if Maximum Share Amount is Exceeded. The conversion number was determined assuming that at the time the VoiceStream/Powertel merger is completed, the aggregate number of Powertel common shares outstanding on a fully diluted basis and adjusted for specific commitments to issue Powertel common shares, excluding Powertel common shares issuable as dividends after August 26, 2000 on the Series E preferred shares and Series F preferred shares, will not exceed the "maximum share amount". In this document we refer to this aggregate number of Powertel common shares as the "adjusted fully diluted shares amount." The maximum share amount is 55,742,000 and may be reduced as set forth in the VoiceStream/Powertel merger agreement. The conversion number is subject to adjustment in the event that the adjusted fully diluted shares amount as of the date the VoiceStream/Powertel merger is completed exceeds the maximum share amount. In the event of an adjustment, the effect will be to cap the number of VoiceStream common shares that will be issued in the VoiceStream/Powertel merger and to reduce the number of VoiceStream common shares to be received by Powertel stockholders, optionholders and warrantholders in the VoiceStream/Powertel merger in exchange for each of their Powertel common shares or Powertel preferred shares, as the case may be. We illustrate below how the adjustment mechanism will be used.

- Step 1. Derive the adjusted fully diluted shares amount: The adjusted fully diluted shares amount is the sum of the number of outstanding Powertel common shares, less the number of shares issuable

as dividends after August 26, 2000 on the Series E preferred shares and Series F preferred shares, plus

- — the number of Powertel common shares issuable upon conversion of the Powertel preferred shares;
- — the number of Powertel common shares issuable pursuant to the exercise of Powertel stock options and Powertel warrants;
- — the number of Powertel common shares issuable pursuant to Powertel restricted stock awards;
- — the number of Powertel common shares issuable pursuant to the exercise of the put rights held by Sonera Holding B.V. and Eliska Wireless Investors, unless such rights have been terminated;
- — the number of Powertel common shares issuable pursuant to the stock purchase agreement between Powertel and Sonera Holding B.V., unless this stock purchase agreement has been terminated;
- — the number of Powertel common shares issuable pursuant to the exercise of any 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 Powertel shares; and
- — the number of Powertel common shares issuable pursuant to any other securities outstanding, which are convertible into, or exercisable or exchangeable for, Powertel common shares.

- Step 2. Derive the adjustment factor: The adjustment factor is a fraction (a) the numerator of which is 55,742,000, as it may be adjusted in accordance with the VoiceStream/Powertel merger agreement, and (b) the denominator of which is the adjusted fully diluted shares amount.
- Step 3. Derive the adjusted conversion number: The conversion number will be reduced by multiplying the conversion number by the adjustment factor.
- Step 4. Derive the adjusted stock consideration: Each outstanding Powertel common share, each Powertel common share issuable upon the exercise of outstanding Powertel warrants and Powertel stock options and each Powertel preferred share will then be converted in the VoiceStream/Powertel merger into the right to receive a number of VoiceStream common shares equal to the adjusted conversion number calculated pursuant to Step 3.

Example. If the adjusted fully diluted shares amount exceeds 55,742,000, as it may be adjusted in accordance with the VoiceStream/Powertel merger agreement, we would calculate the number of VoiceStream common shares into which each Powertel share will be converted as illustrated above. Assuming that the adjusted fully diluted shares amount is 55,795,000, then the adjustment factor would be 0.9991. If you own 100 Powertel common shares and the VoiceStream average closing price is $110.00 under these circumstances, you would receive the amount of VoiceStream common shares equal to 0.75 multiplied by 0.9991, multiplied by the number of shares you hold, or 100, for a total of 74 VoiceStream common shares, plus cash for 0.929 of a VoiceStream common share.

Powertel stockholders will not receive fractional VoiceStream common shares and instead will receive an amount of cash calculated in the manner described under "— Exchange of Certificates Representing Powertel Shares."

Other Potential Adjustments. The conversion number will be adjusted in the event that one of the following occurs or the record date for one of the following is set before the completion of the VoiceStream/Powertel merger:

- any reclassification, stock-split or stock dividend with respect to the VoiceStream common shares or Powertel common shares;

- any change, exchange or conversion of VoiceStream common shares into other securities or property; or
- any dividend or distribution with respect to VoiceStream common shares.

Adjustment of Conversion Number in Connection with the 0.0075 Permitted Stock Dividend

The VoiceStream/Powertel merger agreement provides that in the event VoiceStream and/or Powertel pays the 0.0075 stock dividend discussed previously in this document in connection with the Deutsche Telekom/VoiceStream merger agreement and the Deutsche Telekom/Powertel merger agreement, as applicable, the calculation of the conversion number will be adjusted as appropriate so that the aggregate consideration received by Powertel stockholders in the VoiceStream/Powertel merger following such stock dividend will be equivalent to the aggregate consideration Powertel stockholders would have received if the stock dividend had not been paid. For example, if VoiceStream pays a dividend of 0.0075 of a VoiceStream common share for each VoiceStream common share outstanding and Powertel pays a stock dividend of 0.0075 of a Powertel common share for each Powertel common share outstanding, the conversion number will be 0.65 if the average closing price of the VoiceStream common shares is $129.80 or above and 0.75 if the average closing price of VoiceStream common shares is $112.49 or below. If the average closing price of VoiceStream common shares is greater than $112.49 and less than $129.80, the conversion number will be the quotient determined by dividing $84.37 by the average closing price of VoiceStream common shares.

Treatment of Powertel Warrants

VoiceStream will assume all obligations of Powertel with respect to any warrants to purchase Powertel common shares granted pursuant to the warrant agreement dated February 7, 1996 between Powertel and Bankers Trust Company, as warrant agent, outstanding at the time the VoiceStream/Powertel merger is completed.

Exchange of Certificates Representing Powertel Shares

ChaseMellon Shareholder Services LLC will act as exchange agent in the VoiceStream/Powertel merger. Shortly after the VoiceStream/Powertel merger is completed, ChaseMellon will mail to each registered holder of Powertel common shares and Powertel preferred shares a letter of transmittal which the holder must properly complete and deliver to the exchange agent with the holder's stock certificates.

After a record holder of Powertel shares delivers certificates for those shares and a properly completed letter of transmittal to the exchange agent, the exchange agent will deliver to the holder:

- the number of whole VoiceStream common shares included in the merger consideration in respect of such Powertel shares; and
- after giving effect to any required tax withholdings, a check in the amount of:
  - — cash in lieu of any fractional interest in VoiceStream common shares on the terms described below, plus
  - — any cash dividends or other distributions that the holder has the right to receive, including dividends or other distributions payable with respect to the holders of VoiceStream common shares with a record date after the completion of the VoiceStream/Powertel merger and a payment date on or before the date the holder properly delivers Powertel stock certificates to the exchange agent.

The exchange agent will not deliver fractional VoiceStream common shares in connection with the VoiceStream/Powertel merger. Instead, each holder of Powertel shares exchanged in the VoiceStream/Powertel merger who would otherwise have received a fraction of a VoiceStream common share will be entitled to receive an amount in cash determined by multiplying the per share closing price on the Nasdaq

Stock Market of VoiceStream common shares on the date on which the VoiceStream/Powertel merger is completed by the fractional share to which the holder would otherwise be entitled.

Powertel shares that are surrendered to the exchange agent will be canceled. No interest will be paid or accrued on any amount payable to holders of Powertel shares. In addition, no holder of Powertel shares will receive any dividends or other distributions with respect to VoiceStream common shares to which the holder is entitled under the VoiceStream/Powertel merger agreement until that holder's Powertel share certificate is surrendered to the exchange agent with a properly completed letter of transmittal.

If any VoiceStream common shares are to be delivered to a person other than the registered holder of the Powertel shares represented by the certificates surrendered to the exchange agent:

- those Powertel certificates must be properly endorsed or otherwise be in proper form for transfer; and
- the person requesting the delivery must pay to the exchange agent any transfer or other taxes required as a result of delivery to a person other than the registered holder, or establish to the satisfaction of the exchange agent that such tax has been paid or is not payable.

VoiceStream or the exchange agent will be entitled to deduct and withhold from the consideration otherwise payable pursuant to any holder of Powertel shares any amounts they are required to deduct and withhold with respect to the making of such payment under the U.S. tax code or under any provision of state, local or foreign tax law.

Treatment of Powertel Options and Restricted Stock

Powertel Options. If the VoiceStream/Powertel merger is completed, each outstanding Powertel stock option will be converted into an option to purchase the number of VoiceStream common shares determined by multiplying the number of Powertel common shares subject to the option immediately prior to completion of the VoiceStream/Powertel merger by the applicable conversion number. The conversion number is subject to adjustment as described under "— Consideration To Be Received in the VoiceStream/Powertel Merger." The exercise price per VoiceStream common share for each of these options will be the exercise price per Powertel common share applicable to that option immediately prior to the completion of the VoiceStream/ Powertel merger divided by the conversion number increased to the nearest whole cent. The replacement options will generally have the same terms and conditions as were applicable under the Powertel option plans.

Powertel Restricted Stock. At the time the VoiceStream/Powertel merger is completed, the Powertel restricted stock plan will terminate and any unvested Powertel restricted stock awards will become fully vested, except as otherwise provided in the individual restricted stock award agreements.

Dissenting Shares

If appraisal rights for any Powertel preferred shares are perfected by any holder of preferred shares then those shares will be treated as described under "The Deutsche Telekom/Powertel Merger and the VoiceStream/Powertel Merger — Appraisal Rights."

Representations and Warranties

The VoiceStream/Powertel merger agreement contains a number of representations and warranties made by VoiceStream and Powertel to each other, including those regarding:

- due organization, good standing and qualification;
- capital structure;
- corporate authority to enter into the VoiceStream/Powertel merger agreement and the stockholder agreements and lack of conflicts with corporate governance documents, contracts or laws;

- governmental filings;
- accuracy of SEC reports, financial statements and information provided for inclusion in this document by the parties;
- absence of certain material changes or events since December 31, 1999;
- permits and licenses;
- compliance with laws;
- absence of undisclosed liabilities and pending litigation;
- the receipt of a fairness opinion from a financial advisor;
- finders or brokers fees;
- tax matters, including the absence of facts inconsistent with the qualification of the VoiceStream/Powertel merger as a reorganization under Section 368(a) of the U.S. tax code;
- the vote necessary to approve the VoiceStream/Powertel merger agreement; and
- absence of affiliate transactions.

In addition, Powertel made representations and warranties to VoiceStream as to:

- employee benefit plans;
- employees and employment practices;
- Section 203 of the Delaware General Corporation Law and other anti-takeover laws enacted under Georgia or Delaware law applicable to Powertel;
- intellectual property; and
- material contracts.

In addition, the VoiceStream/Powertel merger agreement contains representations and warranties made by the merger subsidiary to Powertel representing some of the above matters.

Conduct of Business Pending the VoiceStream/Powertel Merger

Covenants of Powertel. Except as contemplated by the VoiceStream/Powertel merger agreement or the Deutsche Telekom/Powertel merger agreement, Powertel has agreed that, until the earlier of completion of the VoiceStream/Powertel merger or the termination of the VoiceStream/Powertel merger agreement, it will carry on its and its subsidiaries' business in the ordinary course in all material respects. Until the VoiceStream/Powertel merger is completed or the VoiceStream/Powertel merger agreement is terminated, Powertel and its subsidiaries will not take the actions listed in the VoiceStream/Powertel merger agreement, which includes the following actions, without VoiceStream's prior written consent, except under limited circumstances specified in the VoiceStream/Powertel merger agreement:

- declare, set aside or pay dividends on, or make distributions in respect of, Powertel shares, or split, combine or reclassify any outstanding Powertel shares;
- redeem or repurchase any Powertel shares, except as required by Powertel's certificate of incorporation or the Powertel stock option plans;
- issue, deliver, pledge, sell or encumber any Powertel shares or any options or other rights to acquire those shares;
  - *Important Exception:*
    - — Powertel may issue Powertel common shares upon the closing of the DiGiPH transaction and the performance of the agreements entered into in connection with the DiGiPH transaction,

including the stock purchase agreement between Powertel and Sonera Holding B.V., the put agreement dated May 30, 2000 between Powertel, Eliska Wireless Investors and Sonera Holding B.V. and the put agreement dated May 30, 2000 between Powertel and Sonera Holding B.V.; or otherwise pursuant to previously disclosed contractual obligations existing prior to the execution of the VoiceStream/Powertel merger agreement; and

  - Powertel may issue rights to acquire Powertel shares and may issue shares pursuant to such rights for an aggregate of 575,000 Powertel common shares pursuant to annual incentive grants, grants to newly hired employees and grants to be made pursuant to the DiGiPH transaction;

- adopt, amend or propose to amend any stockholder rights plan or related rights plan;
- acquire any business, corporation or partnership, or substantially all of the assets of any of the foregoing;
  - *Important Exceptions:*
    - Powertel is permitted to enter into acquisition transactions which involve individually, or in the aggregate, a purchase price of $500,000 or less without VoiceStream's consent;
    - Powertel is permitted to make capital expenditures in accordance with its capital budget for the fiscal years 2000 and 2001; and
    - Powertel may enter into transactions in connection with the DiGiPH transaction;
- authorize or make capital expenditures other than those for less than the aggregate annual amount contained in Powertel's capital budget for the years 2000 and 2001;
- sell, lease, encumber or otherwise dispose of any of its assets;
- increase the compensation or reimbursement allowances payable to an officer or director;
- enter into employment or severance agreements with, or establish any new benefit plan, other than in the ordinary course of business consistent with past practice or amend any existing Powertel benefit plan or take any action inconsistent with the cash bonus, retention bonus, incentive bonus, severance, equity awards and other plans set out in the VoiceStream/Powertel merger agreement, which are described in more detail below;
- make any awards under an existing Powertel benefit plan for the benefit of any director, officer or employee, except in the ordinary course of business consistent with past practices;
- except as required by a change in law or U.S. GAAP, make any change in its method of accounting or its fiscal year;
- enter into, modify or amend in any material respect or terminate any material contract or agreement to which Powertel is a party, or waive, release or assign any material rights or claims;
- amend any term of any of its outstanding securities in any material respect;
- adopt a plan or agreement of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other material reorganization;
- incur or guarantee material indebtedness, including refinancing existing indebtedness;
- create, incur, assume, or allow to exist material liens upon any property or assets, except for liens arising in the ordinary course of business or to secure indebtedness or arising by operation of law;
- guarantee any indebtedness, leases, dividends or other third party obligations;
- make any loan or capital contributions to or investment in any person, other than loans, capital contributions or investments made in the ordinary course of business, as required in connection with the DiGiPH transaction, or made to wholly-owned subsidiaries;

- enter into any agreement that materially restricts Powertel, or after completion of the VoiceStream/Powertel merger could materially restrict VoiceStream or the surviving corporation from engaging in the business of providing wireless telecommunications services or developing wireless telecommunications technology anywhere in the world, or otherwise from engaging in any other business;
- initiate, settle, appeal or propose to settle, initiate or appeal any material litigation, investigation, arbitration, proceeding or other claim;
- make any material tax election or enter into any settlement or compromise of any material tax liability;
- take action that could reasonably be expected to make any representation or warranty of Powertel under the VoiceStream/Powertel merger agreement inaccurate and have a material adverse effect on Powertel at the completion of the VoiceStream/Powertel merger;
- adopt, amend or propose to amend any Powertel benefit plans or make any discretionary contributions to any Powertel benefit plan which is also an "employee pension benefit plan" or "employee welfare benefit plan" as defined in the Employee Retirement Income Security Act of 1974, as amended, other than as required by law or as may be required to maintain compliance with the U.S. tax code and except for other limited exceptions;
- file any amended tax returns if the result would be a material increase in Powertel's tax liability;
- take action that would reasonably be expected to materially impair or delay obtaining the necessary regulatory approvals to complete the VoiceStream/Powertel merger;
- take any action that would be reasonably likely to prevent or impede the VoiceStream/Powertel merger from qualifying as a reorganization within the meaning of Section 368(a) of the U.S. tax code;
- take any action that would cause the Powertel common shares to cease to be quoted on the Nasdaq Stock Market;
- during the five business days prior to the completion of the VoiceStream/Powertel merger, take or omit to take any action that could increase the number of Powertel shares outstanding on a fully diluted basis; or
- enter into any contract, agreement or arrangement to do any of the foregoing.

Covenants of VoiceStream. VoiceStream has agreed that until the VoiceStream/Powertel merger is completed, VoiceStream and its subsidiaries will not take the actions listed in the VoiceStream/Powertel merger agreement, which includes the following actions, without Powertel's prior written consent, except under limited circumstances specified in the VoiceStream/Powertel merger agreement:

- amend its certificate of incorporation or bylaws or the equivalent organizational documents of any of its subsidiaries in any manner that would be adverse to Powertel or its stockholders;
- reclassify, recapitalize, restructure or engage in a similar transaction that results in the receipt by holders of VoiceStream common shares of any assets, property or cash for such VoiceStream common shares;
- take action that would or could reasonably be expected to prevent, impair or materially delay the ability of VoiceStream to complete the VoiceStream/Powertel merger;
- take action that would reasonably be likely to materially adversely affect or materially adversely delay the ability of the parties to obtain any required regulatory approval or to complete the transactions contemplated in the VoiceStream/Powertel merger agreement;
- fail to make in a timely manner any filings with the SEC required under the Securities Act or the Exchange Act;

- except as required by a change in law or U.S. GAAP, make any change in its method of accounting or its fiscal year; or
- enter into or acquire any new line of business that is material to VoiceStream and is not strategically related to the current business or operations of VoiceStream.

Offers for Alternative Transactions

Powertel has agreed not to, has agreed not to permit any of its subsidiaries to, has agreed not to authorize or permit any of its or their respective officers, directors or employees to, and has agreed to use its best efforts to cause its advisors and representatives not to:

- solicit, initiate or encourage, or knowingly take any other action designed to facilitate, any alternative transaction, which we define below, to the VoiceStream/Powertel merger; or
- continue or participate in any discussions or negotiations regarding any alternative transaction to the VoiceStream/Powertel merger.

However, if at any time before Powertel stockholders approve the VoiceStream/Powertel merger, Powertel receives an unsolicited proposal for an alternative transaction, then Powertel may, after giving VoiceStream three business days' advance written notice:

- furnish information with respect to Powertel pursuant to a confidentiality agreement substantially similar to the confidentiality agreement in place between VoiceStream and Powertel; and
- engage in discussions and negotiations with the persons that made such proposal;

but only if:

- the Powertel board of directors has determined in good faith, after receiving advice from outside counsel, that providing information to the third party or participating in negotiations or discussions could be reasonably expected to result in a superior proposal, which we define below, being made; and
- Powertel is not otherwise in breach of its obligations described above not to solicit or engage in discussions regarding an alternative transaction.

Important Definitions:

"alternative transaction" means a proposal or intended proposal regarding any of the following:

- a transaction or series of transactions in which any third party would acquire, directly or indirectly, beneficial ownership of outstanding shares representing more than 20% of the voting power of the outstanding Powertel shares or pursuant to a tender offer or exchange offer;
- any acquisition of or business combination with Powertel or any of its subsidiaries, as applicable, by a merger or other business combination; or
- any transaction in which any third party acquires or would acquire, directly or indirectly, control of assets of Powertel or any of its subsidiaries for consideration equal to 20% or more of the fair market value of all of the outstanding Powertel shares.

An alternative transaction does not include the Deutsche Telekom/Powertel merger or the Deutsche Telekom/Powertel merger agreement.

"superior proposal" means any proposal made by a third party to enter into an alternative transaction which the Powertel board of directors determines in its good faith judgment based on, among other things, the advice of a financial advisor of nationally recognized reputation, to be more favorable to Powertel's stockholders than the VoiceStream/Powertel merger taking into account all relevant factors, including whether, in the good faith judgment of the Powertel board of directors, the third party is reasonably able to finance the proposed transaction.

Powertel also has agreed to notify VoiceStream promptly of any request for information or of any proposal in connection with an alternative transaction, including the material terms of the request or proposal and the identity of the person making it, and Powertel has agreed to keep VoiceStream fully informed of the status of any alternative transaction. In addition, Powertel agreed to cease all activities, discussions or negotiations with respect to an alternative transaction that existed at the time the VoiceStream/Powertel merger agreement was signed.

Powertel Board of Directors' Recommendation

The VoiceStream/Powertel merger agreement requires the Powertel board of directors:

- to recommend that the Powertel stockholders approve the VoiceStream/Powertel merger agreement;
- not to withdraw, modify or qualify, or to propose publicly to withdraw, modify or qualify, its recommendation in a manner adverse to VoiceStream;
- not to approve or recommend, or to propose publicly to approve or recommend any alternative transaction; and
- not to cause Powertel to agree to engage in any alternative transactions.

However, if the Powertel board of directors receives a superior proposal before Powertel stockholders approve the VoiceStream/Powertel merger agreement, the Powertel board of directors may inform the Powertel stockholders that it no longer recommends approval of the VoiceStream/Powertel merger agreement, if:

- Powertel sends VoiceStream written notice that Powertel has received a superior proposal, which notice describes the terms of the superior proposal and the identity of the proposer, and that Powertel intends to change its recommendation regarding the VoiceStream/Powertel merger; and
- five business days have passed since VoiceStream received the notice. In addition, Powertel must give VoiceStream reasonable opportunity to make adjustments in the terms of the VoiceStream/Powertel merger agreement that would enable the Powertel board of directors to maintain its recommendation to approve the VoiceStream/Powertel merger agreement.

The VoiceStream/Powertel merger agreement also permits Powertel to comply with Rule 14d-9 or Rule 14e-2(a) under the Exchange Act or to make any other disclosure to Powertel stockholders if, in the good faith judgment of the Powertel board of directors, after receipt of advice from outside counsel, failure to disclose would result in a reasonable likelihood that the Powertel board of directors would breach its duties to Powertel stockholders under Delaware law.

Submission of VoiceStream/Powertel Merger Agreement to Stockholder Vote. The VoiceStream/Powertel merger agreement requires Powertel to submit the VoiceStream/Powertel merger agreement to a stockholder vote at the Powertel special meeting even if the Powertel board of directors no longer recommends approval of the VoiceStream/Powertel merger.

Additional Agreements

The VoiceStream/Powertel merger agreement contains a number of other covenants and agreements by or between VoiceStream and Powertel on subjects including:

- notification of material facts, events or circumstances; and
- registration rights of principal Powertel stockholders.

In addition, VoiceStream has agreed to use its reasonable best efforts to cause the new VoiceStream common shares to be included on the Nasdaq Stock Market.

Senior Discount Notes and Senior Notes

VoiceStream has also agreed to cause the surviving corporation to commence offers to repurchase certain outstanding publicly-traded notes of Powertel pursuant to the terms of their indentures within 30 days following the completion of the VoiceStream/Powertel merger.

Efforts to Complete the VoiceStream/Powertel Merger

VoiceStream and Powertel have agreed to:

- use their reasonable best efforts to take all actions, and to cooperate with the other party in doing, all things necessary to complete the VoiceStream/Powertel merger and the other transactions contemplated by the VoiceStream/Powertel merger agreement;
- take all actions necessary to comply promptly with all legal requirements with respect to the VoiceStream/Powertel merger;
- obtain any consent by any governmental entity or other public or private third party required to be obtained; and
- oppose entry or lift the effects of any injunction or other order adversely affecting their ability to consummate the transactions contemplated by the VoiceStream/Powertel merger agreement.
  - *Important exceptions:*
    - — VoiceStream will not be required, nor, without the consent of VoiceStream, will Powertel be permitted, to divest or hold separate or otherwise take or commit to take any action that limits its freedom of action with respect to Powertel, VoiceStream or any of their subsidiaries or any material portion of the assets of Powertel, VoiceStream or any of their subsidiaries or any of the business, product lines, or assets of Powertel, VoiceStream or any of their subsidiaries; and
    - — In connection with any filing or submission required or action to be taken to consummate the VoiceStream/Powertel merger, Powertel will not, without VoiceStream's prior written consent, commit to divest any assets of the business of Powertel and its subsidiaries if such divested assets and/or businesses are material to the assets or profitability of Powertel and its subsidiaries taken as a whole.

Indemnification and Insurance

The surviving corporation of the VoiceStream/Powertel merger is required by the VoiceStream/Powertel merger agreement to maintain in effect the current provisions regarding indemnification of officers and directors contained in the charter and bylaws and any indemnification agreements of Powertel and each of its subsidiaries.

Prior to the completion of the VoiceStream/Powertel merger, Powertel has the right, subject to VoiceStream's prior written approval, to obtain a "tail" coverage directors' and officers' liability insurance policy providing coverage in amounts and on terms consistent with Powertel's existing insurance policy for a period of six years after the completion of the VoiceStream/Powertel merger. If Powertel does not obtain this insurance prior to the completion of the VoiceStream/Powertel merger, VoiceStream has agreed to cause the surviving corporation to continue to provide directors' and officers' liability insurance for a period of six years after the completion of the VoiceStream/Powertel merger. However, the surviving corporation is not required to expend in any year an amount in excess of 250% of the last annual premium paid by Powertel prior to August 26, 2000. If the aggregate expenditure on coverage exceeds that amount, the surviving corporation will purchase as much insurance as can be obtained for that amount.

Employee Benefits

Following the completion of the VoiceStream/Powertel merger, VoiceStream will take all necessary action so that each current or former Powertel employee who was eligible to participate in a Powertel

benefit plan before the VoiceStream/Powertel merger will either be eligible to continue participation in such Powertel benefit plan or participate in a corresponding employee benefit plan maintained by VoiceStream or any of its subsidiaries. The VoiceStream/Powertel merger agreement also specifies the treatment of pre-existing conditions, exclusions and waiting periods with respect to current and former employees of Powertel and its subsidiaries under any welfare or fringe benefit plans of VoiceStream in which such employees and former employees participate in after completion of the VoiceStream/Powertel merger.

Powertel agreed to enact and implement the plans described below, after approval of the specifics of each plan by Deutsche Telekom and VoiceStream, which plans are to be effective as of the completion of the VoiceStream/Powertel merger:

- a $3,000 cash bonus payable to each full-time employee of Powertel who is continuously employed by Powertel during the period starting December 31, 2000 and ending three months after the completion of the VoiceStream/Powertel merger, or whose job is eliminated within that period, with such payment prorated for part-time employees and for those employees who are hired after December 31, 2000;
- a $20 million cash retention bonus to be paid to 150-300 key employees, as determined by the chief executive officer and chief operating officer of each of VoiceStream and Powertel, with such payments to be earned and payable over a two-year period following the completion of the VoiceStream/Powertel merger;
- a $20 million cash incentive bonus pool to be paid to the same 150-300 key employees, as determined by the chief executive officer and chief operating officer of each of VoiceStream and Powertel, with such payments to be earned and payable in September 2001 for performance during the first and second calendar quarters of 2001, and in January 2002 for performance during the third and fourth calendar quarters of 2001;
- a severance plan for employees of Powertel employed immediately before the completion of the VoiceStream/Powertel merger whose employment is terminated due to job elimination resulting from the VoiceStream/Powertel merger. Severance payments will represent a minimum of four weeks base salary or hourly equivalent (not including overtime) and targeted bonus, plus two weeks per year of actual service to Powertel or VoiceStream, respectively, up to a maximum of 20 weeks. Any payments under the severance plan will be reduced by any payments received by the affected employee under the cash bonus, retention bonus or incentive bonus plans described above. To obtain benefits under this plan, an employee must agree to release the surviving corporation from all claims against Powertel, Deutsche Telekom and VoiceStream; and
- Powertel will be allowed to issue up to an aggregate of 575,000 options prior to the completion of the VoiceStream/Powertel merger, to Powertel employees in yearly performance grants, to DiGiPH PCS employees that become Powertel employees and in connection with offers of employment outstanding as of August 26, 2000. Employees whose employment is terminated due to job elimination resulting from the VoiceStream/Powertel merger will receive change of control accelerated vesting of their options if their job is eliminated within 18 months of the completion of the VoiceStream/Powertel merger. Individuals receiving change of control vesting will not be eligible for actual or potential remaining payments under the cash bonus, retention bonus or incentive bonus plans but will be eligible for severance payments, subject to certain reductions.

Closing Conditions

Conditions to Each Party's Obligations to Complete the VoiceStream/Powertel Merger. VoiceStream's and Powertel's respective obligations to complete the VoiceStream/Powertel merger are subject to the satisfaction or waiver of conditions, including the following.

- *Stockholder Approval.* The holders of a majority of the outstanding voting power of the Powertel common shares and Series A preferred shares voting together as a single class with the Series A

preferred shares voting on an as-converted-to-common shares basis, and the holders of two-thirds of each class of the Powertel Series A preferred shares, Series B preferred shares, Series D preferred shares, Series E preferred shares and Series F preferred shares, each voting as a separate class, having approved and adopted the VoiceStream/Powertel merger agreement.

- *No Injunction or Restraint.* The absence of any law, order or injunction preventing the completion of the VoiceStream/Powertel merger or which could reasonably be expected to have a material adverse effect on Powertel.
- *Nasdaq Stock Market Listings.* Authorization for listing on the Nasdaq Stock Market of the VoiceStream common shares issuable in accordance with the VoiceStream/Powertel merger.
- *HSR Act.* Expiration or termination of any waiting period under the HSR Act applicable to the VoiceStream/Powertel merger.
- *Registration Statement Effective.* No stop order suspending the effectiveness of the Form S-4 registration statement or this proxy statement/prospectus will have been issued by the SEC, and no proceedings for that purpose will have been initiated or, to the knowledge of VoiceStream or Powertel, threatened by the SEC.
- *Termination of Other Merger Agreements.* Termination of the Deutsche Telekom/VoiceStream merger agreement and the Deutsche Telekom/Powertel merger agreement in accordance with their respective terms.

Additional Conditions to the Obligations of Powertel. The obligations of Powertel to effect the VoiceStream/Powertel merger are also subject to the satisfaction, or waiver by Powertel, of conditions, including the following.

- *Performance of Obligations; Representations and Warranties.*
  - — VoiceStream having performed in all material respects each of its agreements contained in the VoiceStream/Powertel merger agreement required to be performed at or prior to the completion of the VoiceStream/Powertel merger; and
  - — the representations and warranties of VoiceStream and the representations and warranties of the merger subsidiary in the VoiceStream/Powertel merger agreement will be true and correct at and as of the date the VoiceStream/Powertel merger is complete;
    - (a) except as contemplated or permitted by the VoiceStream/Powertel merger agreement; and
    - (b) except for failures which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on VoiceStream or the transactions contemplated by the VoiceStream/Powertel merger agreement.

  Notwithstanding the conditions described above VoiceStream may enter into any subsequent transaction, and no changes of representation or warranty of VoiceStream contained in the VoiceStream/Powertel merger agreement as a result of any subsequent transaction will result in a failure of these conditions, provided the subsequent transaction would not reasonably be expected to have a material adverse effect on VoiceStream.
- *Receipt of Consents Under Agreements.* VoiceStream having obtained all material consents or approvals required under VoiceStream's and its subsidiaries' debt instruments.
- *Receipt of FCC Opinion.* Powertel having received an opinion of FCC counsel to VoiceStream substantially in the form agreed upon in the VoiceStream/Powertel merger agreement.
- *Receipt of Governmental Approvals.* All necessary consents or authorizations from any governmental entities required for the VoiceStream/Powertel merger having been received, unless the failure to receive any such consent or authorization would not have a material adverse effect on VoiceStream or the transactions contemplated by the VoiceStream/Powertel merger agreement, and such consents or