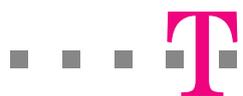


Investor Relations
Ad-hoc-notification

Deutsche Telekom AG
Preliminary key figures for the first three quarters of
2002 (January 1, 2002 to September 30, 2002) and
results of the strategic review



Deutsche
Telekom

Investor Relations

Ad-hoc-notification

Ad-hoc-notification from Deutsche Telekom AG

Bonn, November 14, 2002

- Group revenue increased by around 12 % to EUR 39.2 billion
- Group EBITDA 1 (excluding special influences) up 5.6 % to EUR 12.0 billion
- Net loss after taxes at EUR 4.2 billion compared to EUR 2.8 billion
- Net loss for the nine month ended September 30, 2002, EUR 24.5 billion, net loss excluding the effects arising from the strategic review EUR 5.3 billion.
- Capital expenditure reduced by 24 % to EUR 4.8 billion
- Net cash-flow provided by operating activities increased by almost 42 % to EUR 10.1 billion.
- Free cash flow² increased from EUR 6 million to around EUR 4.7 billion
- Reduction of net debt by 1.8 % to EUR 64.0 billion, compared with EUR 65.2 billion at September 30, 2001
- T-Com's EBITDA was EUR 7.5 billion, remaining at the same level as the previous nine month period, after adjusting for special influences
- T-Systems increased adjusted EBITDA compared with the first nine months of 2001 by 33.7 % to EUR 833 million with double -digit EBITDA margin of around 10 % for the first time.
- T-Mobile's revenue of around EUR 14.2 billion after nine months is already almost at the same level as for the whole of 2001. Adjusted EBITDA increased by 76 % to EUR 3.85 billion
- With 869,000 new customers, T-Mobile USA records the highest Organic growth of all U.S. mobile communications operators. Around 1.1 million new contract subscribers emphasize the company's focus on qualitative growth
- T-Online recorded EBITDA improved by EUR 35.6 million compared to the nine month period ended September 30, 2001
- Board of Management and Supervisory Board propose to suspend dividend for the 2002 financial year
- Sale or merger of T-Mobile USA (formerly VoiceStream) not necessary for achieving debt reduction target.

1 EBITDA: Results from ordinary business activities plus the net financial income (expense) net and amortization and depreciation

2 Free cash-flow before dividends: Net cash provided by operating activities minus cash outflow from investments in property plant and equipment and intangible assets.

Deutsche Telekom hereby announces the key figures for the first three quarters of the 2002 financial year. Deutsche Telekom emphasizes that these results are only initial results on the basis of current information. Deviations may arise between these figures and the audited figures to be published on November 27. All information is based on calculations made in accordance with the provisions of German GAAP.

Information and elaborations of the issuer concerning this ad-hoc-notification

Investor Relations

Ad-hoc-notification

Revenue and adjusted EBITDA increased

Deutsche Telekom recorded revenue growth in the first nine months of 2002 of 12 % compared with the first nine months of 2001 to EUR 39.2 billion. International revenue increased from EUR 8.9 billion in the first nine months of 2001 to EUR 13.2 billion in the period under review. This represents an increase of around 48 %. Revenue generated outside Germany therefore amounted to around 34% of Group revenue in the first nine months of 2002, compared with around 26 % in the first nine months of 2001. The revenue increase is mainly attributable to the strong growth in the mobile communications business, in particular at T-Mobile USA.

In the same period, Group EBITDA excluding special influences increased by 5.6 % to EUR 12 billion. Group EBITDA including special influences amounted to EUR 11.4 billion compared with EUR 14.1 billion in the first nine months of 2001. While the adjusted EBITDA of the T-Com division remained largely stable, the other three divisions recorded considerable increases.

Special influences affecting EBITDA in the first nine months of 2002 were a book profit of EUR 0.2 billion from the sale of the shares in Satelindo, a book loss of EUR 0.4 billion from the sale of shares in France Telecom and restructuring expenses of EUR 0.4 billion relating to the T-Systems division in the third quarter of 2002. In the first nine months of 2001, by contrast, the special influences affecting EBITDA, amounting to EUR 2.8 billion, were positive. These related to the proceeds from the sale of Sprint FON and PCS shares, minus sale costs, and the proceeds of the sale of the cable network in Baden-Württemberg.

Negative special influences from nonscheduled write-downs of goodwill and mobile communications licenses as a result of the strategic review

The net loss in the first nine months of 2002 amounted to around EUR 24.5 billion. This includes special influences with a negative net impact on results of EUR 20.3 billion which mainly relate to nonscheduled write-downs of goodwill and licenses of mobile communications companies. Adjusted to exclude special influences, the net loss was EUR 4.2 billion, compared with EUR 2.8 billion in the same period last year. The special influences which had a positive impact on the net loss in the first nine months of 2001 amounting to around EUR 1.8 billion consist of the above-mentioned EUR 2.8 billion which had an effect on EBITDA, minus valuation adjustments on financial assets and the write-downs of the net carrying amount of the stake in France Telecom as a result of the decrease in the share price, and tax effects.

Investor Relations

Ad-hoc-notification

Specifically, the strategic review resulted in the following special influences in the third quarter:

Write-downs of mobile communications licenses in the U.S., EUR 9.6 billion; write-downs of goodwill relating to T-Mobile USA, EUR 8.4 billion; write-downs of UMTS license at T-Mobile UK, EUR 2.2 billion BEN (goodwill and UMTS license) EUR 1.1 billion; write-downs of other shareholdings (Siris, Comdirect), EUR 0.7 billion. These nonscheduled write-downs total EUR 22.0 billion. In addition, T-Systems recorded restructuring expenses of EUR 0.4 billion. The reversal of deferred tax liabilities of EUR 3.1 billion connected to the write-downs of mobile communications licenses in the U.S. had an offsetting effect. These factors had a net impact of EUR 19.3 billion.

Additional special influences amounting to EUR 1 billion, of which around EUR 0.3 billion are attributable to valuation adjustments for investments in noncurrent assets in the third quarter of 2002, are not related to the strategic review.

The write-downs of goodwill and the mobile communications licenses are the result of the strategic review throughout the Group, implemented by the Board of Management in the past months.

These nonscheduled write-downs, which have no impact on the cash situation, take into particular consideration the changed expectations in our plans regarding the medium and long-term prospects of the mobile communications industry and the changed view of the possible consolidation on the U.S. mobile communications market. Although the performance of T-Mobile in 2002 has exceeded previous expectations, the assumptions for medium and long-term forecasts have been reduced - partly as a result of the change in the overall economic environment. This leads, for example, to reduced estimates for the average revenue per user achievable in the long term, which are also affected by new assumptions for the consolidation of the U.S. market without the involvement of T-Mobile USA, and changes in the long-term expectations for penetration rates in various mobile communications markets. Business cases had to be adjusted in view of these changes in the long-term expectations for the development of the mobile communications markets and, as a consequence, the net carrying amounts for the companies and licenses were decreased.

Summary of Group financial figures

billions of €	30.09.02	30.09.01	Change % ¹
Net revenue	39,2	35,0	12,0
Changes in inventories and other own capitalized costs	0,4	0,8	-48,7
Total operating performance	39,6	39,6	10,6
Other operating income	2,4	4,9	-52,4
Goods and services purchased	-10,4	-9,8	-5,5
Personnel costs	-9,9	-8,7	-14,3
Depreciation and amortization	-33,4	-9,4	-255,1
of which, special influences	-21,7	0	n/a
Other operating expenses	-10,3	-8,1	-26,2
Financial income (expense), net	-4,6	-4,2	-8,8
of which, net interest expense	-3,0	-3,2	5,9
Results from ordinary business activities	-26,5	0,5	n/a
Taxes	2,2	-1,4	n/a
Loss after taxes	-24,3	-0,9	n/a
Income applicable to minority Shareholders	-0,2	-0,1	-83,5
Net income (loss)	-24,5	-1,0	n/a
EBITDA	11,4	14,1	-19,2
EBITDA after adjustment for special influences	12,0	11,3	5,6
Net loss adjusted to exclude special influences	-4,2	-2,8	-49,5

¹ Percentages calculated on the basis of precise absolute figures

Investor Relations

Ad-hoc-notification

Net debt reduced slightly compared to June 30, 2002, despite the acquisition of BEN

The Group's net debt decreased to EUR 64 billion by September 30, 2002, compared with EUR 64.2 billion by June 30, 2002, despite the acquisition of the remaining shares in the mobile communications operator BEN in the Netherlands for EUR 1.7 billion and the consolidation of the company's debts amounting to EUR 0.3 billion. This development is attributable to the liquidity of EUR 2.2 billion generated in the third quarter of 2002.

This was also supported by the continued strict discipline in investments in property, plant and equipment, which decreased in the first nine months of 2002 by 24 % to EUR 4.8 billion.

Positive development of customer numbers:

The Group recorded positive developments in the most important business segments, both in the first nine months of 2002 and in the third quarter of this year. The number of mobile communications subscribers served by majority-owned Deutsche Telekom subsidiaries increased compared with the end of September 2001 by 17.1 % to 55.5 million. The main driving force behind this increase was the continued positive development in the number of subscribers in T-Mobile's three most important markets, Germany, the U.S. and the United Kingdom. The company's market leadership in Germany was extended with 23.8 million mobile communications subscribers now being served, and in the U.S. T-Mobile USA recorded a net growth of 869,000 subscribers in the third quarter of this year, putting it ahead of all its domestic competitors in terms of organic customer growth. The high level of demand for the broadband T-DSL line continued at T-Com. A total of 2.7 million lines had been marketed at the end of the third quarter, compared with around 1.4 million contracts at the same time last year. The number of ISDN channels also increased further - despite the already high level - to 22.0 million compared with 19.8 million. The number of T-Online customers also increased by a good 20 % to 11.8 million.

Investor Relations

Ad-hoc-notification

Der Konzern im Überblick

	30.09.01 Mio. ⁷	30.09.01 Mio. ⁷	Veränderung Mio. ⁷	Veränderung in % ⁶
Telephone lines (Group) (incl. ISDN channels) Deutsche Telekom	56,8	57,3	0,5	0,9
(incl. public telephones) AktivPlus customers	50,5	51,2	0,7	1,4
(tariffs used) T-DSL contracts	7,5	10,2	2,7	36,0
(marketed)	1,4	2,7	1,3	92,9
ISDN channels	19,8	22,0	2,2	11,1
Mobile communications subscribers				
Majority shareholdings ^{1, 2}	47,4	55,5	8,1	17,1
of which: T-Mobile Deutschland	22,6	23,8	1,2	5,3
of which: T-Mobile UK (One 2 One) ³	9,9	11,8	1,9	19,2
of which: T-Mobile USA (VoiceStream / Powertel)	6,3	8,9	2,6	41,3
of which: T-Mobile Austria (max.mobil)	2,1	2,0	-0,1	-4,8
of which: RadioMobil	2,5	3,3	0,8	32,0
of which: Westel (via MATÁV)	2,2	3,2	1,0	45,5
of which: Hrvatske telekomunikacije ¹	0,8	1,2	1,2	50,0
of which: BEN ¹	1,1	1,4	0,3	27,3
Proportionate subscribers ⁴	48,5	56,8	8,3	17,1
Total number of subscribers ⁵	60,9	76,2	15,3	25,1
T-Online subscribers	9,8	11,8	2,0	20,4

1 Hrvatske telekomunikacije and BEN were not consolidated in the first nine months of 2001, but are shown here pro forma to facilitate comparison.

2 Number of subscribers of the fully consolidated mobile communications companies.

3 Including Virgin Mobile.

4 Proportion of subscribers of all associated mobile communications companies pro rata to shareholding. The 25% shareholding in PT Satelindo was sold in the second quarter of 2002. Historical figures have been adjusted.

5 Total number of subscribers of the fully consolidated mobile communications companies and total number of subscribers of minority shareholdings.

6 Percentages calculated in millions and rounded off.

7 Rounded figures calculated on the basis of millions. The total was calculated on the basis of precise figures

Investor Relations

Ad-hoc-notification

T-Com increased revenue and kept EBITDA stable

T-Com's revenue in the period under review increased by around 1 % from EUR 22.1 billion in the first nine months of 2001 to EUR 22.3 billion. Thus, for two quarters in a row, T-Com succeeded in increasing its revenue compared with the same periods in the previous year. Domestic business accounted for around 87 % of T-Com's total revenue in the first three quarters of 2002. The Eastern European companies MATÁV (including Maktel), Slovenské Telekomunikácie and Hrvatske telekomunikacije shown under T-Com made a contribution to revenue of around 13 %. EBITDA in the T-Com division amounted to around EUR 7.5 billion in the first nine months of 2002, and was thus at approximately the same level as in the same period last year, EUR 7.6 billion, which was adjusted to exclude the book profit from the sale of the cable company in Baden-Württemberg amounting to EUR 908 million.

Adjusted EBITDA at T-Systems increased considerably

Revenue in the T-Systems division decreased by 3.4 % in the first three quarters of 2002 to EUR 8.3 billion, compared with the first three quarters of 2001 with EUR 8.6 billion. Adjusted EBITDA increased in the first three quarters of 2002 by around 34 % to EUR 0.8 billion from EUR 0.6 billion in the same period last year. T-Systems also succeeded in increasing the EBITDA margin considerably in all three quarters of the 2002 financial year in comparison with the previous year. The EBITDA margin (before special influences) was around 12 % in the third quarter of 2002. The strategic review resulted in a special influence affecting EBITDA at T-Systems in the third quarter which was attributable to restructuring expenses of around EUR 0.4 billion.

T-Mobile recorded strong increases in revenue and EBITDA

Revenue in the T-Mobile division increased by more than 40 % in comparison with the same period last year to EUR 14.2 billion. Besides the effects of T-Mobile CZ (formerly RadioMobil) and T-Mobile USA (formerly VoiceStream and Powertel), which were not consolidated for the entire first three quarters of 2001, the increased subscriber base and increased average revenues per user throughout the year from subsidiaries of T-Mobile International AG also had a positive impact. The EBITDA of the T-Mobile segment increased in the first three quarters of 2002 by around EUR 1.7 billion, 76 %, compared with September 30, 2001, to around EUR 3.9 billion. The EBITDA margin increased to 27.0 % from 21.5 % in the same period last year. All subsidiaries increased their respective EBITDA contributions compared with the same period last year and thus contributed to this very positive development.

Investor Relations

Ad-hoc-notification

T-Online recorded higher revenue and EBITDA

The 24.4 % increase in total revenue of the T-Online segment, including DeTeMedien, to EUR 1.3 billion was driven by the revenue growth at T-Online International AG. The EBITDA of the T-Online division amounted to around EUR 151 million in the first nine months of 2002 compared with minus EUR 67 million in the same period last year. The EBITDA margin in the first nine months of 2002 was 11.7 % compared with minus 6.4 % in the same period last year.

Principal results of the strategic review

The Board of Management and Supervisory Board of Deutsche Telekom have completed a strategic review of Deutsche Telekom's future position and business options. The main results are:

Reduction of net debt

The extensive reduction of net debt is to be continued. Deutsche Telekom is aiming to achieve a level of net debt by the end of 2003 which equals to roughly three times the EBITDA expected for the full 2003 financial year. Based on target EBITDA of between EUR 16.7 billion and EUR 17.7 billion for 2003, Deutsche Telekom strives for a target corridor of EUR 49.5 billion to EUR 52.3 billion net debt. In order to achieve this target, Deutsche Telekom intends to withdraw from non-strategic business areas such as real estate, the remainder of the cable business and other shareholdings and business units. Deutsche Telekom aims to generate proceeds of between EUR 6.2 billion and EUR 8.5 billion from these sales. In addition, Deutsche Telekom intends to reduce its investments in property, plant and equipment and intangible assets in the 2003 financial year to between EUR 6.7 billion and EUR 7.7 billion.

T-Mobile USA

The target for reducing net debt can be achieved without the need for a sale or merger of T-Mobile USA. Regardless of this fact, Deutsche Telekom is keeping all strategic business possibilities on the U.S. market open.

Dividend

The Board of Management and the Supervisory Board will propose to the 2003 Shareholders' Meeting that no dividend should be paid for the 2002 financial year.

With the exception of historical information, the matters discussed in this release are forward looking statements that involve risks identified in filings with the US Securities and Exchange Commission