

Investor Relations

Ad hoc Mitteilung

18 March 2002 - Deutsche Telekom adopts a package of measures following the Federal Cartel Office's decision and in the light of the stock-market environment.



Deutsche
Telekom

Investor Relations

Ad hoc Mitteilung

Ad hoc notification in accordance with Paragraph 15 Security Trading Act (WpHG)

March 18, 2002

- Dividend recommendation of 37 cents
- Resolute cost-cutting program, portfolio adjustment and reduced investment after prohibited sale of cable interests
- Stock-market flotation of T-Mobile not in the 1st half of the year
- Debt reduction to be resolutely continued

Issuer's information/explanation remarks concerning this ad hoc announcement:

The package of measures covers four main points:

- A dividend of 37 cent for 2001 is to be proposed to the Supervisory Board and the General Meeting of Shareholders. The dividend per share will thus be approximately 40 per cent lower than last year. Nevertheless, Deutsche Telekom's dividend yield is still among the best of European and American telecommunications corporations - and the companies quoted on the DAX.
- There will also be sharp cuts in capital expenditure (from Euro 9.9 billion in 2001) and in costs.
- In addition, the Board of Management reaffirmed its intention to spin off non-strategic equity holdings. The process of selling cable interests will continue.
- Against the background of the negative global stock-market climate, Deutsche Telekom's Board of Management furthermore decided against holding the initial public offering of T-Mobile in the 1st half of the year. A new date for the flotation will be set flexibly in line with stock-market situation.

After consultations with the committees of the Supervisory Board, on Monday the Board of Management of Deutsche Telekom adopted an extensive package of measures as a reaction to the prohibition of the planned sale of cable interests and the current stock-market environment. As is generally known, in February the Federal Cartel Office had prohibited the sale of six cable regions to the American company Liberty for approximately Euro 5.5 billion. The Board of Management is sticking to its positive growth and profit forecasts, as well as to its aim of significantly reducing debt.

The aim of this package of measures is to achieve the aim of reducing debt to approximately Euro 50 billion by the end of 2003.

All four pillars of the Group continue to show strong growth, as expressed by a big increase in customer figures and operational financial ratios. The Board of Management is confident that this package of measures will secure and additionally strengthen Deutsche Telekom's continued positive development.