

Investor Relations
Ad hoc notification

Preliminary key figures for the first quarter of the 2001 financial year (January 1, 2001 to March 31, 2001)



Deutsche
Telekom

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

April 24, 2001

First quarter confirms growth expectations and improvement in operating results in the double-digit area for the 2001 financial year.

- Group revenue increased by approximately 16% in the first quarter to EUR 11.1 billion.
- Net income (excluding goodwill and UMTS costs) increased by over 18% to approximately EUR 450 million.
- EBITDA from mobile communications increased by approximately 68% to EUR 590 million in the first quarter; considerable contribution to improvement of operating result in the Group as a whole.
- Proposed dividend for the 2000 financial year remains at same level of EUR 0.62 per share.

Deutsche Telekom emphasizes that these results are only initial results on the basis of current information. Deviations may arise between these figures and the final figures, which are planned to be published on May 23, 2001. The increase in revenue of the Deutsche Telekom Group in the first quarter of 2001 by approximately 16% to EUR 11.1 bil-

lion (2000: EUR 9.5 billion) confirms the growth target set for the top line for the entire 2001 financial year of over 15%. As an expression of the Group's operating earnings power, net income before amortization of goodwill and UMTS costs (amortization and interest) increased by approximately 18% over the figure for the first quarter of 2000 (EUR 377 million) to EUR 450 million. Including goodwill and UMTS costs, net income amounted to EUR minus 0.4 billion, compared with EUR minus 1.0 billion in the fourth quarter of 2000. The improvement in earnings before interest, taxes, depreciation and amortization (EBITDA) for the Group in the 2001 financial year is expected to result mainly from the improvement at T-Mobile International. This trend is also confirmed in the first quarter by an increase of EUR 240 million in T-Mobile International's EBITDA from EUR 350 million to approximately EUR 590 million. Group EBITDA is expected to improve by a double-digit percentage over the entire 2001 financial year. The Board of Management and the Supervisory Board of Deutsche Telekom will propose payment of an unchanged dividend of EUR 0.62 per share for the 2000 financial year to the shareholders' meeting.

end of ad hoc announcement

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

Deutsche Telekom AG announces a preliminary indication of the corporate group's results for the first three months of the 2001 financial year.

Revenue and net income from January 1 to March 31, 2001

Billions of EUR	Q1 2001	Q1 2000	Change in %
Group revenue	11,1	9,5	16
Net income 1)	0,45	0,38	18

1) before goodwill / UMTS costs

Personnel (at March 31, 2001)

	Q1 2001	Q1 2000	Change in %
DTAG personnel	126,527	134,799	minus 6
Personnel Group	229,735	196,000	17

Debt

Net debt increased by a mere EUR 0.6 billion in the first quarter of 2001 compared with the year-end 2000. This is a result of the increased shareholding in the Czech mobile communications operator Radiomobil. The company will be consolidated on April 1, 2001.

Billions of EUR	March 31, 2001	Dec. 31, 2000	Change in %
Netto Finanzverbindlichkeiten	57,1	56,5	1

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Customer trends for selected services

Net growth in subscriber numbers for mobile communications companies under majority ownership was 2.6 million in the first quarter of 2001 compared with the end of 2000, but we maintain our expectation that subscriber growth will slow over the course of the year. Besides the current high penetration rate in Western Europe, this is also due to the announcement made by all large mobile communications operators that they intend to reduce their customer acquisition costs substantially (in particular the subsidization of mobile phones). Pro rata to its shareholdings in mobile communications operators, Deutsche Telekom now has almost 38 million subscribers and over 46 million subscribers worldwide.

The strategy of continuously upgrading accesses was also pushed ahead in the fixed network. This was demonstrated clearly with approximately 850,000 sold T-DSL accesses (over 50% of which have been connected), further unabated growth in ISDN to 18.6 million channels and 5.8 million Aktiv Plus customers. Deutsche Telekom thus not only has a leading position in Europe with T-DSL accesses and the most ISDN channels in the world, but also offers one of the most attractive tariff schedules in Europe.

The business model at T-Online for the current financial year is also focused on an improvement of the cost basis. With 8.7 million subscribers T-Online succeeded, however, in expanding its market leadership in Europe considerably in the first quarter of 2001.

	March 31, 2001 million	March 31, 2000 million	Dec. 31, 2000 million	March 31, 2001/2000 in % 5)
Mobile subscribers				
Majority-owned companies	33,8	18,6	31,2	82
of which: T-D1	20,8	10,9	19,1	91
of which: One 2 One	9,0	5,0	8,3	80
of which: max.mobil	2,1	1,6	2,1	31
of which: Westel 1)	1,9	1,1	1,7	73
Proportionate subscribers 2)	37,9	20,3	34,8	87
Total mobile subscribers 3)	46,0	24,3	42,1	89
Telephone lines	49,9	48,2	49,4	3,5
Aktiv Plus customers	5,8	1,5	4,5	287
T-DSL contracts	0,85	0,0	0,6	n.a
ISDN channels	18,6	14,4	17,3	29
of which: residential customers	9,7	6,8	8,8	43
of which: business customers	8,9	7,5	8,5	19
T-Online subscribers	8,7	5,6	7,9	55
of which: T-Online	7,1	4,9	6,5	45
of which: Club Internet 4)	0,7	0,4	0,6	75
of which: Ya.com 4)	0,7	0,3	0,7	133
of which: others	0,2	0,0	0,1	n.a.

1) held directly and indirectly via MATAV

2) proportion of subscribers pro rata to shareholding

3) majority shareholdings in mobile communications and total subscribers of shareholdings not fully consolidated

4) figures for Q1 2000 not consolidated at this time (pro forma)

5) percentages on the basis of rounded figures

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