

Investor Relations
Ad hoc notification

Preliminary key figures for the first half of the 2001
financial year (January 1, 2001 to June 30, 2001)



Deutsche
Telekom

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

July 31, 2001

- Group revenue increased by 17.4% in the first half of the financial year to EUR 22.6 billion from EUR 19.2 billion
- Income a) rose by approximately 20% to EUR 0.6 billion
- EBITDA in mobile communications more than doubled compared with the first half of 2000
- The number of fixed network telephone lines continued to grow - more than 1 million T-DSL contracts sold
- Subscriber growth of the worldwide mobile communications business greater than 60%
- T-D1 is market leader in Germany - strong growth at VoiceStream - T-Mobile International listing will not take place in 2001
- Deutsche Telekom successfully placed Euro bonds of EUR 8 billion

a) excluding goodwill, UMTS costs, Sprint FON sale and VoiceStream

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

Income before amortization of goodwill and UMTS costs (including tax related effects) rose by approximately 20% in the first half of 2001 to approximately EUR 0.6 billion compared to EUR 0.5 billion in the same period last year. This excludes the positive effects from the sale of Sprint FON shares and the effect of the first-time consolidation of VoiceStream/Powertel.

In the second quarter of 2001, Deutsche Telekom generated neutral net income resulting in net income of EUR -0.4 billion for the first six months of 2001. This figure includes the entire amortization of goodwill (EUR -1.0 billion) and

Deutsche Telekom AG today announced its preliminary indication of the Group's results for the first half of the 2001 financial year. Deutsche Telekom emphasized that these results are initial results based on current information. Deviations may arise between these figures and the final figures, which will be published on August 28, 2001. Compared with the first half of the 2000 financial year, Group revenue increased by 17.4% to EUR 22.6 billion. Of this, EUR 0.4 billion is attributable to the first-time consolidation of the U.S. mobile communications company VoiceStream Wireless (including Powertel) for the month of June 2001. Preliminary indications show a significant increase in the Group's operating results for the first half of the 2001 financial year.

end of ad hoc announcement (c) DGAP 31.07.2001

UMTS costs (EUR -0.9 billion), as well as the sale of Sprint FON shares (EUR +1.0 billion) and the impact of VoiceStream/Powertel's first-time consolidation (EUR -0.3 billion excluding goodwill) for the month of June. In the first half of 2001, EBITDA of the mobile communications business more than doubled to EUR 1.4 billion from EUR 0.6 billion in the same period last year. It has nearly reached the level attained for the entire 2000 financial year. After a thorough review, Deutsche Telekom has decided not to proceed with the listing of T-Mobile International before the end of 2001. However, this does not in any way change the strategic decision to proceed with the company's listing in the future.

Revenue and net income from January 1 to June 30, 2001

Billions of EUR	H1/2001	H1/2000	Change
Group revenue	22.6	19.2	17.4%
Net income (see footnotes)	0.6 a)	0.5 b)	20.0%

a) before goodwill/UMTS costs (taking into account the related tax effect), excluding VoiceStream/Powertel, excluding sale of Sprint FON shares

b) before goodwill/UMTS costs (taking into account the related tax effect), excluding special effects announced last year

Personnel

Deutsche Telekom AG has continued to reduce staff systematically. The number of employees in the Group increased by approximately 54,100 primarily as a result of changes in the composition of the Deutsche Telekom Group. In particular, this includes approximately 14,200 employees at VoiceStream/Powertel, approximately 12,100 employees at Slovenske Telekomunikacie and approximately 20,800 employees from debis Systemhaus.

Reporting date	June 30, 2001	June 30, 2000	Change
personnel DTAG	125.900	133.128	-5.4 %
Group personnel	245.200	195.648	25.3 %

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Net debt

As expected, net debt has increased by EUR 12.0 a) billion as of June 30, 2001, compared with the first quarter of 2001. This results primarily from the full consolidation of VoiceStream/Powertel's net debt of approximately EUR 8.3 billion, the payment of the cash component to VoiceStream shareholders of EUR 4.9 billion, the dividend payment of EUR 1.9 billion for the 2000 financial year, and tax pay-

ments amounting to EUR 0.8 billion. The sale of Sprint FON shares, amounting to EUR 1.9 billion (cash effect) and the inflow of cash from Wind amounting to EUR 2.3 billion (balance of purchase price) both had a positive effect on net debt. Deutsche Telekom remains fully committed to its long-term goal to reduce debt. The company expects a further inflow of cash from the sale of other assets in the coming months.

Billions of EUR	June 30, 2001	March 31, 2001	Change
Net debt	68.8 a)	56.8	21.1 %

a) The purchase price payment for Wind, which was actually posted on July 2, 2001 (June 30, 2001, was a Saturday) is taken into account in this figure.

With the exception of historical information, the matters discussed in this release are forward-looking statements that involve risks identified in Deutsche Telekom's filings with the U.S. Securities and Exchange Commission, particularly in its most recent Annual Report on Form 20-F.

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Customer trends for selected services

T-D1 was particularly successful in the German mobile market, achieving market leadership and outperforming the competition in the acquisition of postpaid customers.

The U.S. company VoiceStream (including Powertel), which had been consolidated for the first time for one month in the second quarter of 2001, had approximately 6 million customers on June 30, 2001. VoiceStream/Powertel thus posted a greater than 70% increase in customers over the first half of last year. Compared to the five other national U.S. mobile communications providers, this was by far the greatest percentage increase.

Deutsche Telekom's fixed network business continued to expand. With an increase of over 60% over year-end 2000, Deutsche Telekom made strong progress in DSL contracts sold.

The number of ISDN channels continued to increase significantly. Compared with the first half of 2000, the number of ISDN channels rose by 4 million to 19.3 million, representing 38% of the total telephone lines in Germany. The residential customer segment represents the growth driver in this market.

Growth has also continued unabated for the 'Aktiv Plus' calling plan. The number of subscribers increased by over 4.7 million to 6.8 million compared with the same period of the previous year.

At the end of the first half of the financial year, 335,000 customers were using T-Online International's T-DSL flat rate. Of these, just under 150,000 were attributable to the second quarter of 2001 alone. High growth rates were also posted for other tariffs, such as the 'Surftime' rates introduced on March 1, 2001.

	06/30/01 million	06/30/00 million	12/31/00 million	06/30/01/ 06/30/00 in % f)
Mobile subscribers				
Majority-owned Subsidiaries a) b)	43.9	27.4	37.9	60.2
of which: T-D1	22.1	13.4	19.1	64.9
of which: One 2 One	9.4	6.1	8.3	54.1
of which: VoiceStream/Powertel b)	6.0	3.5	4.8	71.4
of which: max.mobil.	2.1	1.8	2.1	16.7
of which: Westel c)	2.1	1.3	1.7	61.5
of which: RadioMobil b)	2.2	1.3	1.9	69.2
Proportion of subscribers d)	47.2	28.8	39.8	63.9
Total mobile subscribers e)	58.7	33.9	46.9	73.2
Telephone lines	55.0	53.0	53.9	3.8
Deutsche Telekom (channels)	50.4	48.5	49.4	3.9
Aktiv Plus customers	6.8	2.1	4.5	223.8
T-DSL contracts	1.0	0.1	0.6	900.0
ISDN channels	19.3	15.3	17.3	26.1
Matav	2.9	2.9	2.9	0.0
Slovak Telekom b)	1.7	1.6	1.6	6.3
T-Online subscribers	9.2	6.3	7.9	46.0
of which: T-Online	7.6	5.5	6.5	38.2
of which: Club Internet	0.7	0.5	0.6	40.0
of which: Ya.com b)	0.8	0.3	0.7	166.7
of which: others	0.1	0.0	0.1	n.a.

a) Subscribers of fully consolidated mobile communications companies

b) The companies were not yet fully consolidated in the first half of 2000, but have been presented pro forma for better comparability (VoiceStream/Powertel and RadioMobil for the entire year of 2000 as well)

c) Held directly and indirectly via MÄAV

d) Subscribers of mobile communications companies (consolidated and non consolidated subsidiaries) in proportion to shareholding

e) Total subscribers of fully consolidated mobile communications companies and total number of subscribers of other mobile communications companies in which minority interests are held