Four pillars for sustainable growth.





## T-Com – sales stronghold T-Systems – comprehenfor residential customers

- Serves 41 million residential customers and some 350,000 business custom- IT/telecoms solutions from ers from the SME segment a single source (small and medium-sized enterprises)
- Nationwide presence on the German consumer market – Serves the Deutsche through a proprietary retail network (T-Punkt outlets) and licensed distributors
- Expands its product and special needs of SMEs
- T-DSL broadband cam-

- sive IT/telecoms solutions for global customers. Offers worldwide systems solutions and innovative
  - Second-largest system house in Europe
  - Telekom Group's top corporate customers, i.e., named accounts with global operations
- service portfolio to suit the International presence with 37,000 employees in more than 20 countries. The footprint is being enlarged
  - Comprehensive product and service portfolio through the combination of debis Systemhaus' and Deutsche Telekom's com-

# T-Mobile International AG - T-Online International AG en route to becoming a leading brand in global

mobile communications. - Integrates the Deutsche Telekom Group's major mobile communications operations

solid mainstay on the

- Europe's biggest online

- Operates in Germany,

Austria, France, Spain and

Internet market.

service

Portugal

content

- Uniquely positioned as a global wireless carrier using - Growth strategy sharply GSM technology, the world's focuses on access, adverleading mobile communitising, e-commerce and cations standard
- Enters the US market with the planned acquisition of a majority shareholding in VoiceStream/Powertel
- Bundles mobile Internet operations to take advantage of business opportunities in the m-commerce sector in concert with T-Motion, the joint venture between T-Mobile and T-Online

# Selected financial data of the Deutsche Telekom Group.



Earnings position (billions of €)	Changea	2000	1999	1998	1997	1996	1995	1994 <sup>b</sup>
Net revenue	15.4%	40.9	35.5	35.1	34.5	32.3	30.5 c	32,6
Changes in investories and								
other own capitalized costs	-8.8%	0.9	0.9	1.0	1.6	1.7	1.7	1.9
Other operating income	488.0%	11.0	1.9	2.1	1.9	2.0 d	1.1	1.0
Goods and services purchased	55.9%	12.0	7.7e	5.5 e	6.2	5.2	4.9	4.7
Personnel costs	5.5%	9.7	9.2	9.2	9.4	9.6	9.4	9.3
Depreciation and amortization	53.4%	13.0	8.5 f	9.0 <sup>f</sup>	9.5 <sup>f</sup>	9.0 <sup>f</sup>	7.9	7.5
Other operating expenses	51.7%	10.4	6.9e	6.1e	5.2	4.9	4.9	4.2
Total operating expenses	39.9%	45.1	32.2	29.8	30.3	28.7	27.1	25.7
Financial income (expense) net	-57.4%	-1.2	-2.9	-3.3	-4.0	-3.9	-4.2	-4.1
Results from ordinary business activities	103.9%	6.5	3.2	5.1	3.7	3.4	5.3	5.7
Extraordinary losses (income)	-33.8 %	-0.2	-0.2	-	-	-1.3	-0,7	-0,2
Taxes, levy to the Federal Republic of Germany <sup>9</sup>	-77.6%	0.3	1.4	2.7	1.9	1.1	1.9	2.5
Net income	372.9%	5.9	1.3	2.2	1.7	0.9	2.7	1.8
Assets and liabilities (billions of €)								
Noncurrent assets	30.0%	106.6	82.0	66.5	70.0	73.8	71.2	71.2
Current assets, prepaid expenses, deferred charges	39.4%	17.6	12.6	12.8	13.2	15.3	10.7	14.7
Shareholders' equity	19.7%	42.7	35.7	25.1	24.6	23.8	12.7	9.9
Accruals	22.6%	11.4	9.3	8.3	7.7	7.6	6.6	5.8
Debt	42.6%	60.4	42.3	39.9	44.9	51.1	56.4	64.1
Other liabilities and deferred income	33.6 %	9.7	7.3	6.0	6.0	6.6	6.2	6.1
Balance sheet total	31.3%	124.2	94.6	79.3	83.2	89.1	81.9	85.9
Financing (billions of €)								
Net cash provided by operating activities	4.3%	10.0	9.6	13.5	11.6	11.4	12.1	12.3
Net cash used for investing activities	48.3 %	-27.7	-18.7	-7.5	-5.4	-13.0	-6.8	-14.8
Net cash provided by (used for) operating activities	124.3%	17.9	8.0	-6.8	-7.0	3.5	-7.8	5.7
Capital expenditures <sup>h</sup>	294.0%	23.5	6.0	4.8	6.8	8.6	7.5	9.9
Figures in accordance with U.S. GAAP (billions of €)								
Net income	511.2%	9.2	1.5	2.2	1.3	1.3	2.9	4.1
Balance sheet total	36.1 %	132.7	97.5	81.5	84.9	91.4	84.3	88.0
Total long-term liabilities	31.4%	51.8	39.4	39.7	45.3	51.3	56.5	62.9
Shareholders' equity	22.3%	46.0	37.6	26.9	26.1	25.9	15.1	12.3
Ratios								
Employees at balance sheet date (thousands)i	-3.2 %	167	172	179	191	201	213	229
Employees, average for the year (thousands) <sup>i</sup>	-2.8 %	170	175	186	197	208	220	231
Dividend per share/ADS (€)	0.0%	0.62 <sup>j</sup>	0.62	0.61	0.61	0.31	0.31	-
Earnings per share/ADS in accordance with HGB (€) <sup>k</sup>	355.8%	1.96	0.43	0.82	0.62	0.43	1.33	0.91
Earnings per share/ADS								
in accordance with U.S. GAAP (€) <sup>k</sup>	475.5%	3.05	0.53	0.81	0.46	0.62	1.40	2.00
Revenue per employee (thousands of €) <sup>I</sup>	7.0 %	199	186	182	169	150	139	141
Equity ratio (%) <sup>m</sup>	-7.8	32.9	35.7	29.5	27.5	25.8	14.7	11.5
EBITDA (billions of €) <sup>n</sup>	42.5%	20.7	14.5	17.4	17.1	16.4	17.3	17.3

- a On the basis of the more exact figures expressed in millions.
- b Figures adjusted retroactively to the accounting principles applied to Deutsche Telekom AG since January 1, 1995
- c Including pro-forma value-added tax, revenue would have been € 33.8 billion.
- d Including one-time value-added tax refund amounting to € 338 million.
- e Since the beginning of the 2000 financial year, certain expenses have been shown as other operating expenses, rather than goods and services purchased.
- EUR 737 million was reclassified for the 1999 financial year and EUR 683 million for 1998.
- f Including depreciation of value-added tax capitalized prior to January 1, 1996.
- <sup>9</sup> In 1995, the levy to the Federal Republic was paid for the last time with the Company being exempt almost fully from tax.
- Since January 1, 1996, the Company has been subject to normal corporate taxation.
- h In accordance with cash flow statement.
- Full-time employees, without trainees/student interns, based on the 1995 composition of the Group.
- j Proposed dividend.
- k Based on dividing net income by the weighted average number of ordinary bearer shares outstanding. The share/ADS ratio is 1:1.
- In 1996, after giving effect to the 10:1 stock split and the issuance of shares from retained earnings on July 1, 1996. Pro forma for 1994.
- Average number of employees for the year without trainees/student interns, based on the 1995 composition of the Group.
- m Without amounts proposed for dividend payment, which are treated as short-term debt.
- <sup>n</sup> Income before taxes, financial income (loss), net extraordinary income (loss), depreciation and amortization.

Deutsche Telekom's most important statistical data.



Figures on telephony	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Total number of telephone lines in Germany (millions)b	49.4	47.8	46.5	45.2	44.2	42.0	39.9	37.5	35.6	33.7	32.0
of which: Standard analog lines (millions)	32.1	34.5	36.4	37.8	39.0	39.2	38.2	36.7	35.2	33.5	31.9
of which: with AktivPlus rate option (millions)	4.3	0.8	_	-	-	-	-	-	-	-	_
of which: ISDN channels (thousands)c	17,271.6	13,320.4	10,093.5	7,341.3	5,203.4	2,743.9	1,669.2	842.8	402.9	161.0	84.1
- Residential customers (thousands)e	8,783	6,051	3,939	2,430	-	-	-	-	-	-	-
- Business customers (thousands)e	8,489	7,269	6,155	4,911	-	-	-	-	-	-	-
Total number of subscribers abroad (thousands)	5,443	2,679	2,472	2,264	1,967	1,735	-	-	-	-	-
Total number of telephone lines											
in Germany and abroad (millions) <sup>b</sup>	54.8	50.5	49.0	47.5	46.2	43.7	-	-	-	-	-
T-DSL (lines marketed; thousands)	628.0	2.9	-	-	-	-	-	-	-	-	-
AktivPlus subscribers (marketed; millions)	4.5	0.8	-	-	-	-	-	-	-	-	-
Mobile communications											
Total number of subscribers											
in Germany and abroad (thousands)											
T-C-Tel	-	165	366	476	532	648	724	794	772	533	274
T-D1	19,141	9,067	5,474	3,276	2,156	1,482	887	481	69	-	-
One 2 One	8,324	4,157	-	-	-	-	-	-	-	-	-
max.mobil.	2,084	1,508	-	-	-	-	-	-	-	-	-
Westel	1,675	900	-	-	-	-	-	-	-	-	-
Total number of subscribers (fully consolidated subsidiaries)	31,224	15,797	5,840	3,752	2,688	2,130	1,611	1,275	841	533	274
Pro-rata number of subscribers (including not fully consolidated											
investments in related companies) (millions)	4.1	2.0	-	-	-	-	-	-	-	-	-
of which: RADIOMOBIL	0.9	0.4	-	-	-	-	-	-	-	-	-
of which: PTC	1.3	0.8	-	-	-	-	-	-	-	-	-
of which: MTS	0.5	0.2	-	-	-	-	-	-	-	-	-
Total number of mobile subscribers incl. not fully consolidated		17.0	5.0	2.0	0.7	0.4	1.0	4.0	0.0	0.5	0.0
investments in related companies (pro rata) (millions)	35.4	17.8	5.8	3.8	2.7	2.1	1.6	1.3	0.8	0.5	0.3
T-Online, international figures (thousands)											
T-Online in Germany	6,529	4,151	2,699	1,919	1,354	965	709	497	340	302	260
Club-Internet	581	-	-	-	-	-	-	-	-	-	-
Ya.com	677	-	-	-	-	-	-	-	-	-	-
T-Online.at	153	-	-	-	-	-	-	-	-	-	-
Total number of online subscribers	7,940	4,151	2,699	1,919	1,354	965	709	497	340	302	260
Data communications											
T-Net-ATM points of presence	70	54	42	42	-	-	-	-	-	-	-
FrameLink Plus lines	17,417	12,625	7,146	2,382	631	-	-	-	-	-	-
T-LAN-to-LAN Dial in (thousands)	24.1	-	-	-	-	-	-	-	-	-	-
Network											
Copper (thousands of km) <sup>a</sup>	1,449.8	1,450.2	1,452.3	1,455.7	1,446.1	1,410.8	1,399.9	1,367.6	1,204.1	1,330.7	1,309.7
Fiber optic (thousands of km)	167.7	162.5	157.4	150.6	137.6	124.6	114.7	102.3	67.2	54.5	40.0
Field organization											
Branch offices	52	78	118	118	118	118	120	121	121	123	123
T-Punkt sales outlets	525	563	578	455	416	364	354	320	292	257	192

a Updated figure.

b Standard analog lines including public telephones and ISDN channels in operation.

<sup>&</sup>lt;sup>c</sup> Two ISDN channels are available per basic access line, 30 ISDN channels per primary rate access line.

d Figure refers to western Germany only.

e Small and medium-sized enterprises (SMEs) were regrouped to the Business Customers division in 2000.

Deutsche Telekom worldwide.

1 . . . . . .

■ Bonn (Deutsche Telekom Group Headquarters)

### Foreign subsidiaries and representative offices

London Brussels

■ Kiev

Moscow

America ■ New York – with offices in

Atlanta ■ Brisbane

■ Singapore – with offices in

■ Tokyo ■ Beijing

■ Hong Kong ■ New Delhi

France Club-Internet ■ Red Bank Reston

■ San Francisco

■ Washington - debis IT Services Joint Venture ■ Toronto (Canada) ■ Netherlands - BEN

Austria

■ Croatia

Republic

Czech

 debis IT Services Joint Venture ■ Portugal Terravista

Russia debis IT Services Joint Venture
South Africa – debis IT Services Joint Venture Slovenské Telekomunikácie

- debis IT Services Joint Venture ■ Switzerland - Multilink - debis IT Services Joint Venture

- One 2 One T-Motion

- debis IT Services Joint Venture - UMC

## Selected subsidiaries and associated companies

max.mobil.

Pragonet

- debis IT Services Joint Venture

- debis IT Services Joint Venture

Hrvatske Telekomunikacije

- RADIOMOBIL/Paegas

 VoiceStream/Powertel (planned acquisition, subject to approvals) debis IT Services Joint Venture

 T-Venture of America - T-Nova North America

### debis IT Services Joint VentureSouth America

 debis IT Services Joint Venture
Brazil debis IT Services Joint Venture

debis IT Services Joint Venture■ Indonesia- Satelindo ■ Malaysia - TRI/Celcom ■ Philippines – Islacom

- debis IT Services Joint Venture debis IT Services Joint Venture
Singapore
debis IT Services Joint Venture

### debis IT Services Joint Venture Middle East

Israel

VocalTec

**Australia** – debis IT Services Joint Venture

As of March 2001



Deutsche Telekom at a glance.











