

# Modern teams.

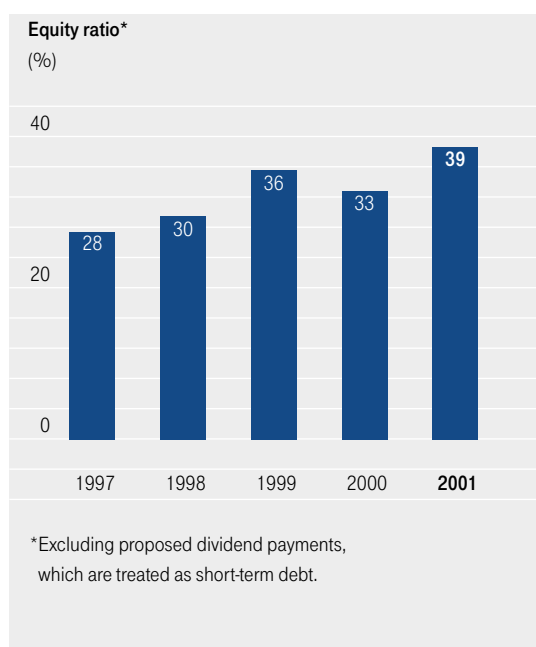
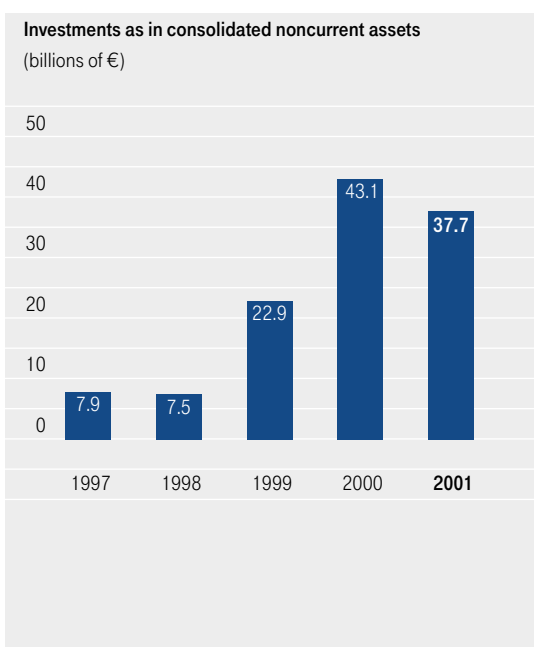
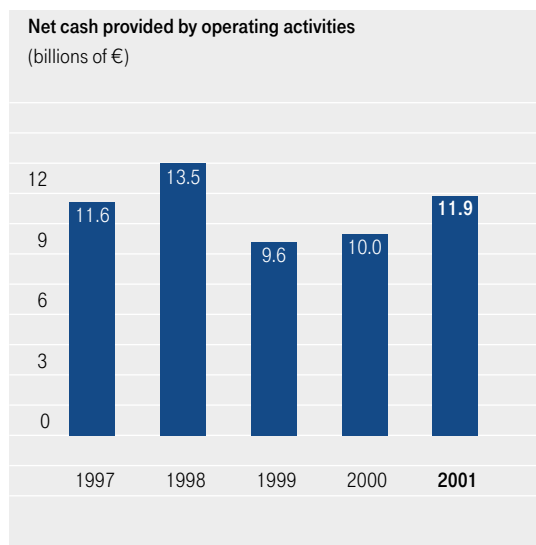
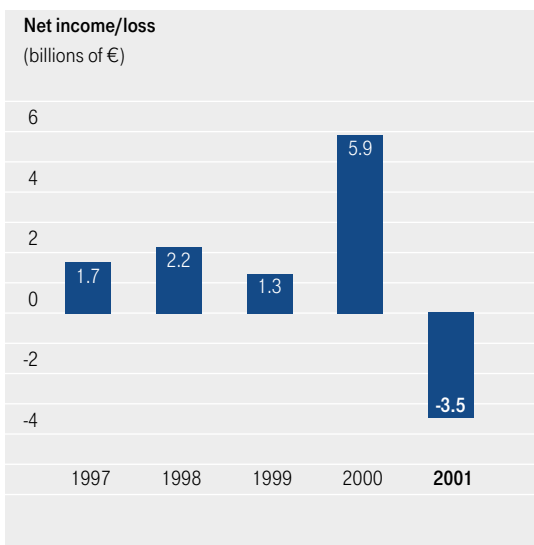
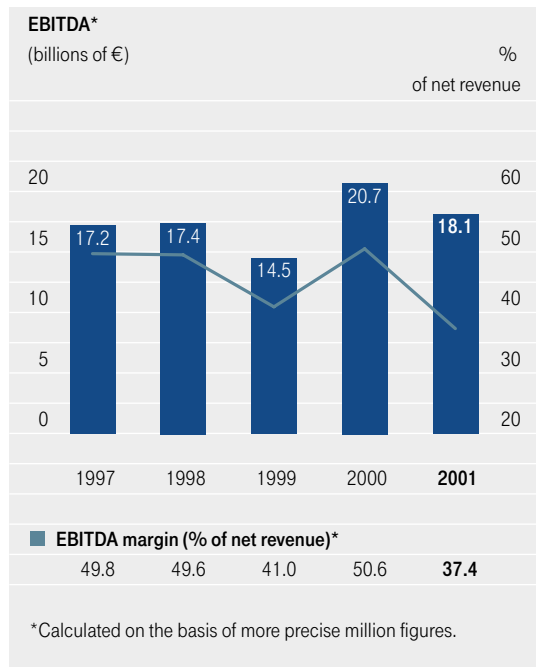
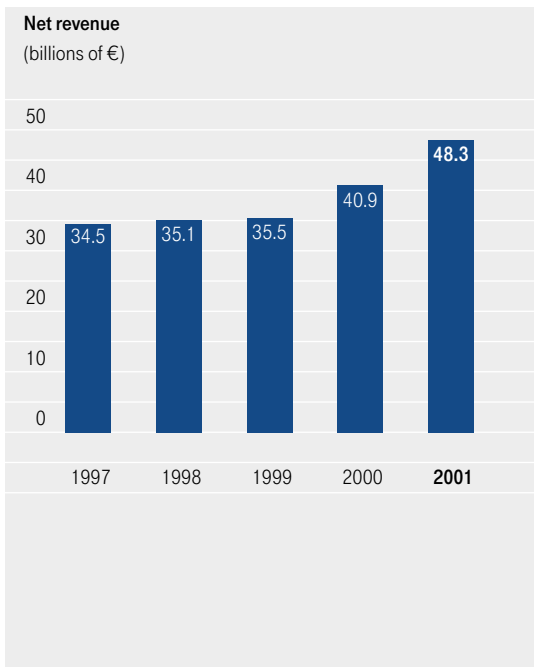
The 2001 financial year.

Deutsche Telekom. The 2001 financial year.



Deutsche  
Telekom







**T · · Com · · · · ·**

**T-Com. Innovation paves the way for multimedia communication.**

- 41 million residential and small business customers and 420,000 SMEs
- Aggressive T-DSL marketing strategy taps mass market for broadband communications
- Systematic upgrading of subscriber lines increases revenue and customer loyalty
- Sustained growth for T-ISDN

**T · · Systems ·**

**T-Systems. Joining forces for sustained growth in the convergence market.**

- Second-largest system solutions provider in Europe
- Marked revenue increase among named accounts
- Extended worldwide presence for global corporate customers
- Pioneering e-business customer projects

**T · · Mobile · · ·**

**T-Mobile. Global player in tomorrow's mobile communications market.**

- Revenue increased by 41 percent to EUR 14.6 billion in 2001
- Brand migration of fully owned T-Mobile subsidiaries launched
- Internationalization of mobile communications holding continues
- Cooperation agreements to build and operate UMTS networks

**T · · Online · · ·**

**T-Online. Charting a clear course for success.**

- Losses markedly reduced
- A leading Internet provider with around 11 million customers
- Considerable growth and efficiency gains in the 2001 financial year
- T-Online makes its mark as an Internet media network

# Selected financial data of the Deutsche Telekom Group.

Earnings position (billions of €)	Change <sup>a</sup>	2001	2000	1999	1998	1997	1996	1995
Net revenue	18.0%	<b>48.3</b>	40.9	35.5	35.1	34.5	32.3	30.5 <sup>b</sup>
Changes in inventories and other own capitalized costs	1.7%	<b>0.9</b>	0.9	0.9	1.0	1.6	1.7	1.7
Other operating income	-39.8%	<b>6.6</b>	11.0	1.9	2.1	1.9	2.0 <sup>c</sup>	1.1
Goods and services purchased	12.8%	<b>13.5</b>	12.0	7.7 <sup>d</sup>	5.5 <sup>d</sup>	6.2	5.2	4.9
Personnel costs	24.7%	<b>12.1</b>	9.7	9.2	9.2	9.4	9.6	9.4
Depreciation and amortization	17.2%	<b>15.2</b>	13.0	8.4 <sup>e</sup>	9.0 <sup>e</sup>	9.5 <sup>e</sup>	9.0 <sup>e</sup>	7.9
Other operating expenses	16.6%	<b>12.2</b>	10.4	6.9 <sup>d</sup>	6.1 <sup>d</sup>	5.2	4.9	4.9
Financial income/expense, net	334.8%	<b>-5.3</b>	-1.2	-2.9	-3.3	-4.0	-3.9	-4.2
Results from ordinary business activities	-138.6%	<b>-2.5</b>	6.5	3.2	5.1	3.7	3.4	5.3
Extraordinary income/loss	-100.0%	<b>-</b>	-0.2	-0.2	-	-	-1.3	-0.7
Taxes, levy to the Federal Republic of Germany <sup>f</sup>	154.1%	<b>0.8</b>	0.3	1.4	2.7	1.9	1.1	1.9
Net income/loss	-158.3%	<b>-3.5</b>	5.9	1.3	2.2	1.7	0.9	2.7
EBITDA <sup>a, g</sup>	-12.8%	<b>18.1</b>	20.7	14.5	17.4	17.2	16.3	17.3
Cash earnings <sup>a, h</sup>	-37.8%	<b>11.8</b>	18.9	9.7	11.3	11.2	9.9	10.6
<b>Assets and liabilities (billions of €)</b>								
Noncurrent assets	37.6%	<b>146.7</b>	106.6	82.0	66.5	70.0	73.8	71.2
Current assets, prepaid expenses, deferred charges	1.2%	<b>17.8</b>	17.6	12.6	12.8	13.2	15.3	10.7
Shareholders' equity	55.2%	<b>66.3</b>	42.7	35.7	25.1	24.6	23.8	12.7
Accruals	61.9%	<b>18.4</b>	11.4	9.3	8.3	7.7	7.6	6.6
Debt	11.1%	<b>67.0</b>	60.4	42.3	39.9	44.9	51.1	56.4
Other liabilities and deferred income	32.0%	<b>12.8</b>	9.7	7.3	6.0	6.0	6.6	6.2
Balance sheet total	32.5%	<b>164.5</b>	124.2	94.6	79.3	83.2	89.1	81.9
<b>Financing (billions of €)</b>								
Net cash provided by operating activities	19.3%	<b>11.9</b>	10.0	9.6	13.5	11.6	11.4	12.1
Net cash used for investing activities	-80.6%	<b>-5.4</b>	-27.7	-18.7	-7.5	-5.4	-13.0	-6.8
Net cash provided by/used for financing activities	-126.9%	<b>-4.8</b>	17.9	8.0	-6.8	-7.0	3.5	-7.8
Capital expenditures <sup>i</sup>	-53.8%	<b>10.9</b>	23.5	6.0	4.8	6.8	8.6	7.5
<b>Figures in accordance with U.S. GAAP (billions of €)</b>								
Net income/loss	-94.4%	<b>0.5</b>	9.3	1.5	2.2	1.3	1.3	2.9
Shareholders' equity	-59.9%	<b>73.7</b>	46.1	37.6	26.9	26.1	25.9	15.1
<b>Ratios</b>								
Employees at balance sheet date								
(full-time employees, without trainees/student interns) (thousands)	13.2%	<b>257</b>	227	196	196	210	221	213
Revenue per employee (thousands of €) <sup>j</sup>	-1.0%	<b>199</b>	201	183	173	159	152	139
EBITDA adjusted for special factors (billions of €) <sup>a, g, k</sup>	16.9%	<b>15.1</b>	12.9	14.5	17.3	17.02	16.0	17.3
Cash earnings adjusted for special factors (billions of €) <sup>a, h, k</sup>	1.9%	<b>8.7</b>	8.5	9.7	11.2	11.3	10.2	11.2
Earnings per share/ADS under German GAAP (€) <sup>l</sup>	-147.4%	<b>-0.93</b>	1.96	0.43	0.82	0.62	0.43	1.33
Earnings per share/ADS under U.S. GAAP (€) <sup>l</sup>	-95.4%	<b>0.14</b>	3.06	0.53	0.81	0.46	0.62	1.40
Weighted average of outstanding shares (millions)	22.6%	<b>3,715</b>	3,030	2,884	2,743	2,743	2,110	2,030
Dividend per share (€)	-40.3%	<b>0.37<sup>m</sup></b>	0.62	0.62	0.61	0.61	0.31	0.31
Equity ratio (%) <sup>n</sup>	17.6%	<b>39</b>	33	36	30	28	26	15

<sup>a</sup> Calculated on the basis of more precise million figures.

<sup>b</sup> Including pro-forma value-added tax, revenue would have been EUR 33.8 billion.

<sup>c</sup> Including one-time value-added tax refund amounting to EUR 338 million.

<sup>d</sup> 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.

<sup>e</sup> Including depreciation of value-added tax capitalized prior to January 1, 1996.

<sup>f</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.

<sup>g</sup> Results from ordinary business activities plus financial income (expense), net and depreciation and amortization.

<sup>h</sup> Net income/loss plus depreciation and amortization.

<sup>i</sup> In accordance with cash flow statement.

<sup>j</sup> Average annual number of employees excluding trainees/student interns.

<sup>k</sup> EBITDA and cash earnings, after adjustment for special factors, should not be regarded in isolation as an alternative to net income, operating income, net cash provided by operating activities or other German GAAP (HGB) or U.S. GAAP indicators. For more details and exact derivation please refer to the information given in the section on "Reconciliation to pro forma figures" on pp. 114 to 118.

<sup>l</sup> Net income/loss based on the weighted average of outstanding shares. The share/ADS ratio is 1:1.

In 1995 and 1996 with retroactive consideration of ten-for-one stock split and new shares issued by way of a capital increase from retained earnings at July 31, 1996.

<sup>m</sup> Proposed dividend.

<sup>n</sup> Without amounts earmarked for dividend payment, which are treated as short-term debt.

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
<b>Total number of fixed-network lines including ISDN channels</b>											
<b>Germany and abroad (millions)<sup>a</sup></b>	<b>56.9</b>	<b>54.8</b>	<b>50.5</b>	<b>49.0</b>	<b>47.5</b>	<b>46.2</b>	<b>43.7</b>	<b>39.9</b>	<b>37.5</b>	<b>35.6</b>	<b>33.7</b>
<b>of which: Germany</b>	<b>50.7</b>	<b>49.4</b>	<b>47.8</b>	<b>46.5</b>	<b>45.2</b>	<b>44.2</b>	<b>42.0</b>	<b>39.9</b>	<b>37.5</b>	<b>35.6</b>	<b>33.7</b>
of which: standard analog lines	30.3	32.1	34.5	36.4	37.8	39.0	39.2	38.2	36.7	35.2	33.5
of which: ISDN channels <sup>b</sup>	20.4	17.3	13.3	10.1	7.3	5.2	2.7	1.7	0.8	0.4	0.2
Number of subscribers to AktivPlus calling plan (in operation)	8.4	4.3	0.8	-	-	-	-	-	-	-	-
T-DSL subscriptions (marketed)	2.2	0.6	2.9 thousand	-	-	-	-	-	-	-	-
<b>of which: abroad<sup>c</sup></b>	<b>6.2</b>	<b>5.4</b>	<b>2.7</b>	<b>2.5</b>	<b>2.3</b>	<b>2.0</b>	<b>1.7</b>	-	-	-	-
of which: MATÁV	2.9	2.9	2.7	2.5	2.3	2.0	1.7	-	-	-	-
of which: Slovenské Telekomunikácie	1.6	1.6	-	-	-	-	-	-	-	-	-
of which: HT-Hrvatske telekomunikacije <sup>d</sup>	1.7	0.7	-	-	-	-	-	-	-	-	-
<b>Mobile subscribers (millions)</b>											
<b>Total number of subscribers<sup>e</sup></b>	<b>66.9</b>	<b>42.1</b>	<b>20.3</b>	<b>5.8</b>	<b>3.8</b>	<b>2.7</b>	<b>2.1</b>	<b>1.6</b>	<b>1.3</b>	<b>0.8</b>	<b>0.5</b>
<b>Subscribers of fully consolidated subsidiaries</b>	<b>48.9</b>	<b>31.2</b>	<b>15.8</b>	<b>5.8</b>	<b>3.8</b>	<b>2.7</b>	<b>2.1</b>	<b>1.6</b>	<b>1.3</b>	<b>0.8</b>	<b>0.5</b>
of which: T-Mobile Deutschland <sup>f</sup>	23.1	19.1	9.2	5.8	3.8	2.7	2.1	1.6	1.3	0.8	0.5
of which: One 2 One (to become T-Mobile UK)	10.4	8.3	4.2	-	-	-	-	-	-	-	-
of which: VoiceStream <sup>d</sup>	7.0	-	-	-	-	-	-	-	-	-	-
of which: T-Mobile Austria (formerly max.mobil.)	2.1	2.1	1.5	-	-	-	-	-	-	-	-
of which: Westel	2.5	1.7	0.9	-	-	-	-	-	-	-	-
of which: RadioMobil <sup>d</sup>	2.9	-	-	-	-	-	-	-	-	-	-
of which: HT-Hrvatske telekomunikacije <sup>d</sup>	0.9	-	-	-	-	-	-	-	-	-	-
<b>Subscribers (pro rata)<sup>g</sup></b>	<b>51.2</b>	<b>34.8</b>	<b>16.9</b>	-	-	-	-	-	-	-	-
<b>T-Online subscribers (millions)</b>											
<b>Total number of subscribers</b>	<b>10.7</b>	<b>7.9</b>	<b>4.2</b>	<b>2.7</b>	<b>1.9</b>	<b>1.4</b>	<b>1.0</b>	<b>0.7</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>
of which: T-Online International AG (Germany)	8.8	6.5	4.2	2.7	1.9	1.4	1.0	0.7	0.5	0.3	0.3
of which: T-Online France (Club-Internet)	0.8	0.6	-	-	-	-	-	-	-	-	-
of which: Ya.com	0.9	0.7	-	-	-	-	-	-	-	-	-
of which: others <sup>h</sup>	0.2	0.1	-	-	-	-	-	-	-	-	-
<b>T-Systems figures (services)</b>											
Systems integration (millions of billed hours)	11.4	-	-	-	-	-	-	-	-	-	-
Number of e-business marketplaces	6	2	-	-	-	-	-	-	-	-	-
Number of workstations managed and serviced	970,000	-	-	-	-	-	-	-	-	-	-
Overall processor performance (MIPS) <sup>i</sup>	79,122	59,992	37,110	29,787	26,143	16,703	12,172	7,596	3,601	3,424	-
Points of presence (POPs)	63	-	-	-	-	-	-	-	-	-	-
Number of servers managed and serviced	23,852	-	-	-	-	-	-	-	-	-	-
<b>Network (Germany)</b>											
Copper cable (millions of km)	1,481.1	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
Fibre optic cable (millions of km)	172.9	167.7	162.5	157.4	150.6	137.6	124.6	114.7	102.3	67.2	54.5

<sup>a</sup> Standard lines (analog) including public telephones and ISDN channels in operation.

<sup>b</sup> Two ISDN channels are available per basic access line, and 30 per primary-rate access line.

<sup>c</sup> Until financial year 2000, this item still included the subsidiaries MultiLink, PRAGONET and SIRIS, which were however assigned to T-Systems with effect from 2001 in line with the reorganization of the Deutsche Telekom Group based on strategic divisions.

<sup>d</sup> These subsidiaries were not fully consolidated until financial year 2001.

<sup>e</sup> Total subscribers of fully consolidated mobile communications subsidiaries and total subscribers of other mobile communications shareholdings.

<sup>f</sup> Aggregated number of T-C-Tel and D1 network subscribers. Service in the C-Network was discontinued during the year 2000.

<sup>g</sup> Proportionate number of subscribers in all mobile communications subsidiaries according to the percentage of shares held in each subsidiary.

<sup>h</sup> Combined number of T-Online.at (Austria) and T-Online.ch (Switzerland) subscribers.

<sup>i</sup> Million instructions per second.



■ Bonn (Deutsche Telekom Group Headquarters)

**Country offices, regional offices and representative offices**

**Europe**

- Brussels
- Kiev
- London
- Madrid
- Milan
- Moscow
- Paris

**America**

- New York
- Washington

**Asia**

- Beijing
- Singapore
- Tokyo

**Selected subsidiaries and associated companies**

**Europe**

- Austria – T-Mobile Austria  
– T-Online.at  
– T-Systems
- Belgium – T-Systems
- Croatia – Hrvatske telekomunikacije
- Czech Republic – RadioMobil/T-Mobile  
– Pragonet  
– T-Systems
- Denmark – T-Systems
- France – T-Online France  
– T-Systems
- Hungary – MATÁV  
– Westel  
– T-Systems
- Italy – T-Systems
- Netherlands – BEN  
– T-Systems
- Poland – PTC  
– T-Systems
- Portugal – Terravista  
– MTS
- Russia – T-Systems
- Slovakia – Slovenské Telekomunikácie
- Spain – Ya.com  
– T-Systems
- Switzerland – T-Online.ch  
– T-Systems
- Turkey – T-Systems
- UK – T-Mobile UK  
– T-Motion  
– T-Systems
- Ukraine – UMC

**America**

- USA – VoiceStream  
– T-Systems  
– T-Venture of America

**Canada**

- T-Systems

**South America**

- Brazil – T-Systems

**Asia**

- Hong Kong – T-Systems
- Indonesia – Satelindo
- Japan – T-Systems
- Malaysia – TRI/Celcom
- Philippines – Globe Telecom  
– T-Systems
- Singapore – T-Systems

**Middle East**

- Israel – Barak I.T.C.  
– VocalTec

**Africa**

- South Africa – T-Systems

**Australia**

- T-Systems

As of March/April 2002

