



INTRODUCTION LETTER FROM THE CHAIRMAN

The DSL Forum has now completed its 6th full year since it was created in 1994. It has been a turbulent year with many ups and downs, but it has been a very successful one. We now are starting to see the first real fruits of our work.

I would like to thank all the members of the DSL Forum and their delegates for the incredible amount of work that has gone into making this happen. I believe that we can be proud of how far we have come and we can say with some pride that the DSL Forum is making a difference.

DSL awareness has risen dramatically all over the world and we now are counting the number of connected customers in millions. There is little doubt that growth will continue in the US and will accelerate further in all other parts of the world.

Regulation definitely has had a role in preparing the market place for DSL. But we also may say - and with some justification, since we are starting to see the shortcomings of current regulation all over - that the growth of DSL has happened despite the continuing regulatory uncertainties. These, together with a good deal of unconventional behavior of the financial markets, and their ways to evaluate market potential and value, have provided us with a good deal of excitement, especially during the latter part of 2000.

The fact that DSL continues to be on the top of the agenda of the telecom sector is a strong sign that the underlying logic for DSL continues to be sound and the outlook for DSL certainly is positive.

The work of DSL Forum is, however, far from complete. During 2000 we have seen that topics like flow through management and autoconfiguration are vital. They will turn into one of the essential tools to overcome the problems we face today with dissatisfied customers. They are dissatisfied, not because DSL does not live up to its promise, but because of the complexity introduced by technology, by the number of players involved in the provision of services and by the competence of those players on the customer care level.

DSL Forum has shown an impressive capability to adapt and improve its way of working over the years. It has accepted and successfully handled many challenges and used them to further enhance its collective competence. Now, DSL Forum continues to be the reference not only in the broadband technology sector but also for similar organizations.

Having had the honor to serve on the Board of Directors of DSL Forum since spring 1995 and as its Chairman and President, I have tried to fulfill my role as part of a magnificent team in managing DSL Forum. I am convinced that it is now time to step down as Chairman and President and make room for somebody else to take over and lead DSL Forum and its membership into a new phase of continuously expanding work. I will continue to serve my full term on the Board of Directors until the Annual Meeting in 2002 to assist the new Chairman in the transition.

I wish to thank everybody with whom I have had the pleasure to work with in my role as chairman of DSL Forum, particularly its members who during several years helped me and all other members of the Board of Directors with their confidence. I hope that our common goals will continue to prevail over individual company objectives, and that DSL Forum will continue to be a well managed but consensus driven and an even more results focused organization.

Hans-Erhard Reiter
Chairman and President, DSL Forum

DSL FORUM ACCOMPLISHMENTS IN 2000

DSL Forum is a non-profit industry association working cooperatively to promote DSL. We have forged a powerful alliance of service providers and companies from virtually every sector of communications, networking and computer industries around the world to focus on developing and promoting end-to-end solutions.

Drawing on the enormous collective expertise of our members and joining forces to develop a focused strategy, we have directed significant resources toward the development of end-to-end solutions to deliver DSL technologies to global mass markets. A similar approach to promoting DSL in the media, analyst community, communications industry and a full range of user audiences, has been ensuring that DSL gets the recognition it deserves as an affordable, secure and continuous high-speed remote access solution and enabler of e-business and interactive multimedia applications.

Membership at the end of 2000 was as follows:

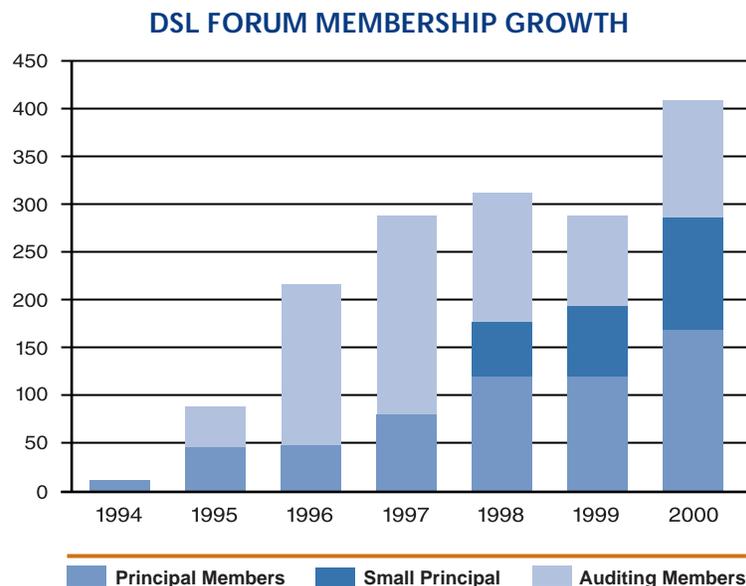
| | |
|---------------------------------|-----|
| Principal Members | 168 |
| Small Company Principal Members | 119 |
| Auditing Members | 120 |

Forum meetings, summits, trade show exhibits, interoperability testing events and other activities not only keep participants abreast of industry news and technical developments, but also provide an essential platform for influencing DSL marketing, technical developments, and consumer buying decisions.

Membership is now at 407, which is a 67% increase over 1999. We also have added new members among service providers as the market continues to mature and deployment momentum grows with providers deploying commercial services and the application and user markets realize its tremendous potential. Service Providers have joined the Forum in greater numbers than ever before, demonstrating market maturation. Deployment momentum has grown as market potential begins to be realized. Ten auditing members upgraded their membership to Principal or Small Company Principal status in 1999. Voting members increased from 186 to 287 from 1999 to 2000.

DSL Forum has a balanced demography of membership represented by Service Providers, Equipment Suppliers and Technology Providers. This balance leads to confidence that the Forum's work represents a broad and international industry consensus.

Figure 1 shows the development of the total number of members since the creation of the DSL Forum.



DSL FORUM ORGANIZATION

By drawing upon the tremendous collective expertise of our members and joining forces to develop a focused strategy, DSL Forum can direct significant resources toward the development of end-to-end solutions.

Membership Classes of DSL Forum:

Principal Members

(full rights and membership fee)

Small Company Principal Members

(full rights and reduced fee)

Auditing Members

(no voting rights, no right to nominate Officers, admission to Plenary Meeting only, full information, reduced fee)

Associate Member *New 2000*

(for non-profit and educational institutions, provides no right to vote, but will have all other rights associated with a Principal membership.)

Each year, members elect new officers to the DSL Forum Board of Directors to lead the effort to promote DSL. Board members themselves serve on several internal Board sub-committees to focus on specific areas of management.

Finance & Audit

Membership & Nominations

Technical Management

Marketing Management

As in previous years, the Board of Directors elected at the Annual Meeting in March held a full-day strategy meeting where they discussed the issues ahead of the Forum and mapped out our activity plan to be ready to efficiently drive our work. Among matters related to the technical and marketing work were such initiatives as:

- Recognition Program - Circle of Excellence, Ambassador posting on the Tradeshow Calendar, Summit Speaker Gifts.
- Targeted membership drives, including the creation of the Service Provider Action Council, and personal guest invitations to identified key players.

The work of DSL Forum is performed under two main committees, which were headed by the following chairpersons:

Technical Committee

Chair: Gavin Young

Vice Chair: Frank van der Putten

Marketing Committee

Chair: Nabil Gebrael

Vice Chair: Jay Fausch

The Technical Committee is subdivided into a series of sub-committees or working groups that focus on specific areas to facilitate and expedite the technical work of the Forum.

The Technical Committee structure for 2000:

Architecture and Transport

Autoconfiguration

Operations & Network Management

Support to the Emerging DSLs study group (inc. VDSL)

Testing & Interoperability

Voice over DSL (VoDSL)

The Marketing Committee also is subdivided into task-oriented groups, which focus on increasing awareness of DSL, and providing true Marketing expertise in the area of identifying and prioritizing DSL development needs. In 2000, these working groups were:

MarCom –

Ambassador Program

Public Relations

Tradeshows

Web Site

Deployment Council

E-Commerce

Mindshare

Summit & Best Practices

In November 2000, Voce Communications became the Forum's new public relations consultant for the Americas. They and Pielle Consulting, responsible for public relations work on behalf of the Forum in the European and Asia/Pacific regions, continued their high impact activities throughout 2000. In May 2000 the Board retained the services of Laurie Gonzalez as Marketing Director to provide support in all areas of strategic planning, marketing communications and public relations.

MARKETING

2000 was a successful year for the DSL Forum Marketing Committee. Participants and volunteers in the Marketing Committee have grown by more than 50%. Participation between the meetings is incredible; with the fourth quarter as an example - there were 45 conference calls in between our quarterly meetings. This is an indication of the valuable work the Marketing Committee is engaged in, and to the commitment from the DSL marketing community to the initiatives that we are working on. Here are some of the highlights of 2000.

In May 2000, we hired Laurie Gonzalez as the Marketing Director for DSL Forum. She has been instrumental by helping set the strategy for the Marketing Committee and driving all of the marketing initiatives. She initiated a reorganization of the Marketing Committee into two distinct tracks, MarCom and classical Marketing.

MarCom:

- Tradeshows and Events
- Ambassador Program
- Web
- Public Relations

Marketing:

- Deployment Council
- Mindshare
- E-Commerce
- Summit & Best Practices

After encouragement from the technical side of the house, the Marketing Committee adopted the contribution system to help organize our activities. All relevant marketing documents are submitted as contributions. Two of our first contributions matured into white papers, the first on Voice over DSL, and the second on Internet Security.

We also followed through with two vehicles to improve member communications; 1) online Working Group Charts that define each working groups leadership, goals, and current action plan or contributions, and 2) an online Conference Call Calendar, which facilitates the ability for members to call in and stay abreast of the progress of multiple working groups, and become involved between meetings for ultimate effectiveness.

Tradeshows

We conducted two major interoperability shows (CES2000, and SUPERCOMM2000). In both shows, we had more participants than we could accommodate. At SUPERCOMM, we had more than 20 DSLAM vendors and 30 CPE vendors participating and demonstrating any-to-any ADSL interoperability. Thousands of people that stopped by were extremely impressed by the

progress of the DSL industry. In addition to these two major showcase events, we held a membership reception in DSL WorldForum, Chicago that resulted in many new members and positive coverage. We also were associate sponsors of the NCF show and held an informational booth there.

For 2001, we are planning for the following interoperability events: CES, CeBIT, and SUPERCOMM. We also will have a presence at:

DSL WorldForum USA (Associate Sponsors, booth and membership reception)

DSL WorldForum-Europe (Associate Sponsors, booth and membership reception)

DSLCon Asia (Booth, membership reception and sponsorship)

ISP Con (Booth Participation, and possible membership reception)

In 2001, we are changing our focus from Annex A ADSL, to embrace and demonstrate interoperability among other xDSL standards, including G.shdsl demonstrations.

DSL Mindshare Campaign

The DSL Forum teamed up with a number of companies in the industry including BellSouth, Intel, Verizon, SBC, Nortel Networks, AMD, Alcatel, Arescom, Efficient and Nokia in order to successfully run a nationwide campaign to promote DSL in North America.

The campaign included press conferences, print advertising (Time, Time Digital, and People magazines), and two TV Programs, which aired at CNBC. The purpose of the campaign was to raise awareness about DSL. By the end of the year the awareness level in North America has reached a significant level, which prompted the Forum to shift its efforts to Europe. For 2001, we are planning a DSL tutorial in 7 cities targeting the regulators and business community. This will be followed by a media campaign in the later part of the year.

Ambassador Program

DSL Forum Ambassadors continue to enjoy the prestige of being recognized throughout the world as the experts on DSL. DSL Forum receives invitations to most events around the world, and the Ambassadors participate in 25 to 30 conferences a year promoting DSL globally on behalf of the Forum. In 2000, the Ambassador program was updated to incorporate better web promotion of Ambassador presentations, a guideline for Ambassador contribution and commitment, and an increased

focus on incorporating new content, especially about new DSL options and killer applications empowered by DSL.

The Ambassador program increased its emphasis for 2001 on targeting the global market, especially regions of emerging DSL growth. The plan is to target Asia, the Middle East, South America, and other regions in addition to our coverage in North America and Europe.

Web Committee

DSL Forum's web sites took on increasing importance as our "Forum Face to the World". They are a valuable resource for anyone interested in DSL, drawing approximately 900,000 hits a month from members, editors, analysts, and industry observers and increasingly, the end user audience from businesses to the general public. A major update of our Forum web sites began during December 1999, continued throughout 2000 and will complete in 2001 with a new design, new automated capabilities, and new content.

You can expect in 2001 to see the DSLForum.org web site as the best in the industry, with great looking graphics, easy to maneuver layout, great search engines, much more advanced email exploder lists management, much easier contributions upload and download process, and many more features that would make it a great representation to the public and members of the kind of professional organization we are. The budget has been approved for this work, and the redesign will be approved at the Forum's meeting in Vancouver, March 2001. We anticipate the work to be completed 2002. In addition to redesigning the look and feel, we have contracted a technical writer to review and create new content for the web sites. We are very excited about this redesign work, and we think you will be very pleased as well.

2000 improvements:

www.DSLForum.org

- New Working Group Chart online
- New storefront
- Continuously updated Virtual Press Room
- New Conference Call Calendar

www.DSLLife.com

In 1999 we established a new users' web site called DSLLife.com (<http://www.dsllife.com>). In 2000, the content was under continuous development. It provided information about many important services to potential DSL users including;

- Basic education on DSL and its benefits, including tutorials and FAQs.

- Point-n-Click map which provides referrals to services available in the user's area, and provides a free portal to Service Providers to promote their deployment areas and to provide their urls for us to direct users to their doorsteps.
- Multimedia content such as Webcasts of DSL Forum's press conferences and online viewing of the two television shows developed by DSL Forum, DSL Delivers and Destination DSL.

Summit and Best Practices Committee

Early in 2000, we decided to hold the summits at every quarterly meeting. Summits have proven to be very valuable to our members and non-members alike. We are averaging more than 400 people at each Summit. The Topics this year included Security, VoDSL, Autoconfiguration, a Road to Retail update, Deployment successes, Market forecasts for Europe, North America and Asia, and Regulatory updates. With such success, we plan to continue these Summits at full speed.

Deployment Council

At our strategy session in Orlando, we identified the need for a committee that can be "the Voice of the Market to the Forum...the Voice of the Forum to the Market." As such, the Deployment Council committee was created, and has been very active since then. The Deployment Council has taken on two major initiatives; creation of an industry wide Service Provider and end-user Master Service Requirements document, and a two fold Frequently Asked Questions listing, which targets end-users and the press with accurate and positive progress statements regarding key issues surrounding DSL. These two initiatives should be finalized in the first half 2001.

E-Commerce

Recognizing the need to standardize in the industry, we created the e-commerce committee, which focuses on bringing consistency in reporting, defining, and categorizing areas, products, and participants in the DSL arena.

Key initiatives for 2000:

- DSL Forum Glossary of terms, presented as a contribution, and awaiting edit and approval by both technical and marketing committees.
- DSL Categorization of market players, presented as a contribution.
- Marketing Liaison process, which is being further defined, with consideration of any technical liaison impacts.

MARKETING (continued)

Public Relations

Americas Overview

Public Relations activities were especially active in 2000 as the demand and interest for DSL worldwide heightened. Press articles in the first half of 2000 focused on the excitement around DSL's benefits and potential for mass-market penetration. Press interest in DSL Forum was also high, with numerous articles and more than 40 media attending a Forum press conference at the SUPERCOMM 2000 trade show. More than 60 media also were enrolled in DSL Forum's "Hook-up America" free DSL program, a proactive effort to put DSL service in the hands of key media to encourage more frequent and positive coverage of the benefits of DSL.

PR activities were generally administered through:

- Proactive and reactive outreach to press regarding Forum news and activities
- News releases
- Pursuit of editorial opportunities in print and broadcast outlets
- Coordination of media interviews with Forum board members at trade shows and summits

A high press interest for DSL continued into the second half of 2000, however, the focus changed radically from discussing DSL's expansion into the mass market to stories of disgruntled DSL users experiencing long waits and faulty service. Regardless of demand for DSL service in 2000 far exceeding capacity (and far outpacing the growth of Cable modem technology in its first three years combined), the media clearly seemed to want to capture the flashiest story angle possible. DSL Forum PR representatives took aggressive measures to respond to and rebut – as appropriate – a number of negative press articles.

Initiatives

DSL Forum set forth a number of key initiatives to increase awareness among the media and industry analyst community, including the kick-off of the "DSL Mindshare" campaign. Part of this campaign included the "Hook-up America" free DSL program that put DSL service in the hands of key media to encourage more frequent and positive coverage of DSL and its benefits to the consumer and small/medium business markets. More than 60 media were enrolled in this program, with several service provider Forum members who generously provided free DSL service to the press.

Measurement

Although a formal press clipping and measurement system wasn't in place until 2000, the Forum's PR efforts in 2000 outperformed the goals for the year, which supported the

mission to create increased media and public awareness around DSL and DSL Forum. Because of these efforts in 2000, DSL Forum enjoys a high profile and well-respected reputation by dozens of key media outlets and influencers throughout the Americas. Our reputation grew as THE source of non-partisan DSL progress information, and the majority of our work was demand based. In 2001, the PR goal is to become more proactive in securing key opportunities for DSL promotion beyond the U.S. to address Canada and South America, which begins with the creation of a PR plan that incorporates our first global editorial calendar.

Europe/Asia Overview

From a public relations perspective, the market environment and general excitement around DSL in 2000 provided an enormous opportunity to educate media, their readers, viewers and listeners about DSL. But, as it turned out, it also created the need to manage end-user expectations downwards in terms of timetables for mass-market deployment in Europe in particular.

Outcomes

- On the education front, our feature article 'Wired for Speed' was published in five languages and eight end-user publications, explaining the essence of the technology and the benefits it can bring.
- Briefing journalists as well as would-be early adopters of DSL in Europe and Asia was a major part of our role with about 100 enquiries a month requiring an average of 20 minutes each – that was after they had visited DSL Forum web sites. At our Paris and Dublin Summit meetings, leading industry media attended and received briefings from Forum directors as well as other speakers, resulting in extensive and in-depth Forum branded coverage.
- Commissioned feature articles, ghost-written by the PIELLE team, were at an even higher rate than in earlier years with 24 written and placed covering the technology itself, deployment, VoDSL and more besides.
- In June 2000, a 16-page supplement to Communications Week International was published in association with DSL Forum – carrying our branding and a commissioned feature by Hans-Erhard Reiter – all negotiated and facilitated as part of our public relations program.

News stories from Forum meetings and media attendance at the Paris and Dublin Summits generated further high quality, targeted coverage in industry media, which was our priority for the year.

At CeBIT 2000, our one trade show outside the Americas, we generated the news that DSL was the 'hot topic' of the show. That even led the CNN news report from Hanover. Within the show itself, every visitor received a CD ROM including a DSL Forum multi-media presentation, which delivered audience impact even though our stand space was no more than an information booth.

With advice and inputs to the board and various working groups of the Forum throughout the year on communication issues and opportunities and strategies developed for 2001, the year was certainly the busiest we have had since DSL Forum appointed PIELLE in mid-1997 – both proactively and reactively.

Combined PR-Looking ahead

- Implement a comprehensive press measurement program, setting a benchmark of at least 10 DSL Forum sourced articles per quarter, which will include articles that result from interviews, and articles that we prepare and submit on behalf of DSL Forum.
- Leverage summits for increased press activity/education by providing a full year in advance summit session alert, telemarketing for attendance at each summit, and facilitating a "Meet the Press" luncheon at each Summit between the press attendees, the featured speakers and DSL Forum Board of Directors.
- Hone evolving DSL Forum and industry messages with Deployment Council; craft for various audiences and to effectively counteract negative press.
- Increase regular Forum news flow between summits.
- Aggressive placement of up to 12 carefully crafted perspective pieces and white papers on DSL authored by DSL Forum.
- Step up DSL Forum PR presence in Canada and Latin America for the Americas campaign.
- Step up DSL Forum PR presence in the Middle East and Asia.
- Strengthen relations with key industry analysts through a targeted outreach program to leverage analysts' collective knowledge, influence and information; seek increased analyst participation and attendance at Summits; forge agreements with key firms to post executive summaries of DSL analyst reports on DSL Forum Web site.

The momentum of public relations activity – protecting and promoting the interests of and reputation of DSL Forum and DSL technologies – has already been scaled up for 2001 with a major new initiative – Knowledge Share. Knowledge Share is designed to focus on the industry and its regulators, encouraging them to understand fully and address the underpinning issues and opportunities of unbundling local loops in Europe to facilitate the delivery of the mass market sooner rather than later – and getting everything right first time.

This program is continuing to evolve and develop in line with industry and market needs and opportunities to support the achievement of DSL Forum's mission – facilitating the global mass market for DSL technology.

TECHNOLOGY

The year 2000 saw the Technical Committee scale up work in a number of new and important areas. It initiated a white paper on DSL security, formed a specific group to address autoconfiguration, started new work on loop management (especially important in unbundled environments), VoDSL management and began to increase its focus on VDSL.

In terms of improved processes the technical Committee has modified the liaison process to help expedite the closing plenary. Copies of closing plenary presentations now are distributed during the meeting to help members prepare their meeting reports in a timely manner. The Technical Committee also has introduced a new category of document called the Proposed Draft (PD) which is intended to capture ongoing work that is either not mature enough to constitute a Working Text (such as evolving test plans) or for which there is not consensus on initiating a Working Text.

The cooperation with other industry bodies increased. An MOU was signed with ETSI to facilitate exchange of work between the two bodies. There was extensive cooperation with the ATM Forum on various aspects of VoDSL and autoconfiguration. We have worked closely with the IETF on MIB issues and with the OBF and TMF on flow through provisioning. In addition we have kept up our regular dialogue with the ITU and ANSI T1E1.4 to ensure that our systems and testing work is commensurate with their physical layer standards. As we move into 2001, cross-industry co-operation looks set to continue and grow with increased dialogue with ANSI T1M1 and the FSAN VDSL group.

There have been numerous Birds of a Feather (BoF) sessions this year that have covered a number of topics including voice quality assessment, G.shdsl, security issues and the activities of other organizations such as ATIS and FSAN VDSL. These events have ranged from the purely educational through to sessions designed to seek the views of the membership on certain topics and to encourage debate (e.g. on options for "DSL everywhere").

Members of the Technical Committee also have played their part in the Forum summits and the Service Provider Council by giving presentations and helping to facilitate such events. In particular they have been active (in the Testing and Interoperability Working Group) in supporting external tradeshow demonstrations of interoperability (including CES, Supercomm, etc.).

There have been a number of work areas that have successfully resulted in publication of DSL Forum Technical Reports this past year. They are as follows:

By Paris, France meeting (Feb. 8-11, 2000)

- TR-029 ADSL Dynamic Interoperability Testing
- TR-030 ADSL EMS to NMS Functional Requirements

By Orlando, Florida (May 16-19, 2000)

- TR-031 ADSL ANSI T1.413 - 1998 Conformance Testing
- TR-032 CPE Architecture Recommendations for Access to Legacy Data Networks
- TR-033 ITU-T G.992.2 (G.lite) ICS
- TR-034 Proposal for an Alternative OAM Communications Channel Across the U Interface
- TR-035 Protocol Independent Object Model for ADSL EMS-NMS Interface

By Dublin, Ireland (Aug. 29 - Sept 1, 2000)

- TR-036 Requirements for Voice over DSL

In addition, the Technical Committee finished the year 2000 by placing the following documents out for ballot:

Straw

- WT-046 CORBA Specification for ADSL EMS-NMS Interface
- WT-047 Aspects of VDSL Evolution

Letter

- WT-048 DSL CPE Auto-Configuration
- WT-050 DSL Service Flow-Thru Management Overview
- WT-055 Addendum to TR-036 Annex A; Requirements for Voice over DSL

In the coming year, the Technical Committee will continue to address any residual barriers to mass market adoption of DSL by focusing on key issues such as interoperability, autoconfiguration, scaleable operational processes and management approaches. In addition it will actively support and encourage the emergence of VDSL, G.shdsl and VoDSL into the wider market. 2001 also looks to be a year in which there will be a focus on expanding the service set supported over DSL including VoDSL deployment, multimedia/multi-service and work on SVCs.

DSL FORUM POSITION & OUTLOOK

With the name change approved by DSL Forum members in 1999, we signaled that our scope of work would widen significantly during 2000. Our commitment to all xDSL options has widened our focus, and has incorporated a tremendous amount of new work, especially around G.shdsl and VDSL.

DSL Forum is recognized by an ever-increasing number of standardization bodies and industry organizations and maintains formal relationships with many of them to expedite progress across the industry. Media, largely as a result of the work of the Marketing Committee, now not only recognize DSL Forum as the authority on broadband access in general and of course on DSL in particular, but also on many other matters related to broadband communication business. Politicians and regulators on both sides of the Atlantic are interested in DSL Forum's views of the developing regulatory environment and have repeatedly communicated with us – as well as presenting to us at our summit meetings.

The important work on DSL interoperability, CPE autoconfiguration and service provider flow through provisioning will continue. In addition, application support is taking an increasingly important role. SymDSL and VDSL are also gaining in prominence. The delivery of multiple services simultaneously over DSL together with service provider selection issues also

will gain in significance. It is clear that there are numerous challenges ahead that provide opportunities for members to get involved.

Following the success of 2000 efforts, marketing and public relations work will continue to focus on DSL and DSL Forum positive positioning, and on providing awareness and prioritization of market requirements to facilitate efficient and meaningful work in our technical development. In parallel, the team will ensure that all stakeholders in this industry, as well as analysts and media, are kept well informed on what is going on in the DSL world in an unbiased and professional way.

Setting the bar high and exceeding expectations of DSL among stakeholders and end users around the world is the governing factor to everything we do. And with a combined technical and marketing effort at DSL Forum, we are making great strides towards creating a shared platform of excellence to support the goals of our industry.

As the preferred solution for secure, continuous high-speed remote access in the local loop, DSL technologies are well positioned to win new converts in the years ahead. We look forward to your continuing participation and support as we usher in an exciting future.

DSL FORUM FINANCIAL REPORT

Our auditors, Cote & Company, Certified Public Accountants have reviewed the financial management of the DSL Forum. The following gives an overview over the key financial figures and indicators of the DSL Forum.

Statement of Unrestricted Revenues, Expenses & Change in Membership Equity

| December 31 | 1999 | 2000 |
|---|--------------------|--------------------|
| Unrestricted Revenues: | | |
| Membership Fees | \$1,132,500 | \$1,557,000 |
| Meeting Observer Fees | \$205,100 | \$429,005 |
| Sponsorship Revenues | \$56,431 | \$1,813,322 |
| Mindshare | — | \$881,120 |
| Interest | \$16,655 | \$62,417 |
| CDA Donation | — | — |
| Dividend income | \$4,013 | \$20,633 |
| Realized gains on investment sales | \$23,294 | \$14,376 |
| Unrealized gains on investments | \$5,954 | \$8,928 |
| Other | \$10,881 | \$4,729 |
| | \$1,454,828 | \$4,791,530 |
| Unrestricted Expenses: | | |
| Management Fees | \$379,225 | \$392,810 |
| Sales & Marketing | \$337,413 | \$468,416 |
| Consulting & Professional Fees | \$115,305 | \$66,153 |
| Meetings & Trade Shows | \$405,370 | \$2,015,793 |
| General & Administrative | \$258,308 | \$1,121,311 |
| | \$1,495,621 | \$4,064,483 |
| Increase in Unrestricted Membership Equity | \$40,793 | \$727,047 |
| Unrestricted Membership Equity, January 1st | \$849,878 | \$747,618 |
| Unrestricted Membership Equity, December 31st | \$809,085 | \$1,474,665 |

Statement of Financial Position

| December 31 | 1999 | 2000 |
|--|--------------------|--------------------|
| Assets | | |
| Cash & Investment | \$ 1,085,010 | \$1,661,094 |
| Prepaid Expenses | \$550,429 | \$727,210 |
| Total Assets | \$1,635,439 | \$2,388,304 |
| Liabilities & Membership Equity | | |
| Liabilities: | | |
| Accounts Payable | \$143,821 | \$17,739 |
| Deferred Membership Fee Revenue | \$744,000 | \$895,900 |
| Total Liabilities | \$887,821 | \$913,639 |
| Membership Equity - Unrestricted | \$747,618 | \$1,474,665 |
| Total Liabilities & Membership Equity | \$1,635,439 | \$2,388,304 |



PRINCIPAL MEMBERSHIP

| | | |
|-------------------------------|---------------------------------|--|
| 2Wire | Cetecom | Fluke Networks |
| 3Com | Chunghwa Telecom Labs | Formus Communications |
| Accelerated Networks | Cisco Systems | France Telecom |
| Actelis Networks | Coilcraft | Fujitsu |
| ADC Telecommunications | CommTech Corporation | Garnet Systems Co. |
| AdEvia Limited | Communications Standards Review | General Bandwidth |
| Admit Design Systems | Compaq Computer Corporation | General DataComm |
| ADTRAN | Conexant | GlobaLoop |
| Advanced Fibre Communications | Conklin Corporation | GlobeSpan |
| Advanced Micro Devices | Consultronics | Go Digital |
| Agilent Technologies | Convergent Networks | Gorham & Partners, Ltd. |
| Ahead Communications | Copper Development Assoc. | GTS Network Services |
| AI Metrix | Copper Mountain Networks | Harris Corporation |
| Alcatel | CopperCom | Hekimian |
| Ambit Microsystems | Coreon | Hellenic Telecommunications Organization |
| Amphenol Canada Corp. | Cornet Technologies | HyperEdge Corporation |
| Analog Devices | Corning Cable Systems | Hyundai Electronics |
| Anda Networks | Covad Communications | iBeam Broadcasting |
| Aplion Networks | CS Telecom | Ikanos Communications |
| Applied Innovation | CSI/Suttle Apparatus | iMagicTV |
| ARESCOM, INC. | Cygent | Infinilink Corporation |
| AT&T Laboratories | Data Connection | Infinitec Communications |
| Audiocodes | DataPath Systems | Integral Access |
| Avail Networks | Deutsche Telekom | Integrated Device Technology |
| Aware | Digi International | Integrated Telecom Express |
| Bandspeed | DiscoveryCom, Inc. | Intel |
| Basis Communications | DSET Corporation | Intera Systems |
| BayPackets | DSL.com, Inc. | Interactive Enterprise Ltd. |
| Bel Fuse | DSL.net | INTERSPEED |
| Belenos | DSL it Hantro Oy | Intertek Testing Services |
| Belgacom | DXO Telecom | Inverness Systems |
| Bell Atlantic | eAccess Ltd. | IP COMMUNICATIONS |
| Bell Canada | EarthLink, Inc. | IPM Datacom |
| BellSouth Telecommunications | East by North | Italtel |
| Birch Telecom | ECI Telecom | ITRI |
| Broadband Gateways | Efficient Networks | Jato Communications |
| Broadcom | Eicon Networks | Jetstream Communications |
| Broadframe Corporation | Elastic Networks | Kasenna |
| BroadJump | ELCON Systemtechnik | Kenetec |
| Broadxent | Element 14 | KPN Telecom |
| BT | Elisa Communications | KPNQwest |
| Cable & Wireless | EmpowerTel Networks | KTL |
| Cadence Design Systems | Ericsson | L.E.A. |
| Calix Networks | Excelsus Technologies | LASAT Networks |
| Carrier Access Corporation | Ezenia! | Legerity |
| Catena Networks | Fantastic Corporation | LSI Logic |
| Cayman Systems | Fastcomm Communications | Lucent Technologies |
| Celsian Technologies | Fidelity Investments | Marconi Communications |
| Centillum Communications | First Telecom | Mariposa Technology |
| CES Computer Solutions | Flashcom | Matsushita Electric |

PRINCIPAL MEMBERSHIP (continued)

| | | |
|--|-----------------------------------|-----------------------------|
| Maxcom Telecomunicaciones | QS Communications | TeleChoice |
| MEDIACENTERS.COM | Quante AG | Telecom Italia |
| Metalink | RAD Data Communications | TeleDream |
| Metrodata | Radio Shack | Telewest |
| Microsoft Corporation | Ramp Networks | Telia AB |
| Mitel Corporation | Raychem | Tellabs |
| Motorola | RC Networks | Telmax Communications |
| National Semiconductor | RealTech Systems Corporation | Telocity |
| Navini Networks | Recsol I&C | Telrad |
| NEC | Redback Networks | Telstra |
| Net to Net Technologies | RHK | Teradyne |
| Net.com | RIAS Corporation | TERAYON |
| Netcom Systems | RIT Technologies | Texas Instruments |
| Netility | Rosun Technologies | TollBridge Technologies |
| Netopia | Sagem Group | Tollgrade Communications |
| New Edge Networks | Samsung | Toshiba Corporation |
| Newbridge Networks | Santera Systems | Transwitch Corporation |
| Next Level Communications | Sapphire Communications | Tripath Technology |
| NHC Communications | Sasken Communication Technologies | TTC |
| NightFire Software | SBC | Turk Telekom |
| Nokia | Secre Composants S.A. | Turnstone Systems |
| Nortel Networks | Sedona Networks | Universal Microelectronics |
| Northcoit.com | Sharegate | University of New Hampshire |
| Northpoint Communications | Sheer Networks | Verizon |
| NTT Corporation | Siemens | ViaGate Technologies |
| Occam Networks | Sigma Tel | VideoTele.com |
| OKI Electric Industry | Silicon Labs | Virata Corporation |
| On2.com | Silicon Spice | Virtual Access |
| OpenCon Systems | Simpler Networks | Vitria Technology |
| Orckit Communications | Sonera Corporation | VoicePump |
| Pairgain Technologies | Sonoma Systems | Voyan Technology |
| Paradyne | Sonus Networks | WaiLAN Communications |
| PCTEL | Sphere Communications | webMethods |
| Peak XV Networks | Spirent Communications | Westell |
| Pliant Systems | Sprint | Westwave Communications |
| PMC Sierra | STMicroelectronics | Wilcom |
| Point Reyes Networks | Sumitomo Electric Industries | Wind River Systems |
| Polycom Inc. | Sun Microsystems | Winfire |
| Ponte Communications | Surf Communication Solutions | WorldCom |
| Praxon | Syndeo Corporation | XAVI Technologies |
| Prestolite Wire/Krone | Tachion Networks | XIRCOM |
| Profec Group | tdSoft Communications | XO Communications |
| Professional Multimedia Network Systems GmbH | Telamon Corporation | Xpeed Networks |
| Promatory Communications | Telcordia Technologies | Zhone Technologies |
| Proscend Communication | Tele Danmark | Zyxel Communications |
| Pulse | Telebyte | |

AUDITING MEMBERSHIP

| | | |
|------------------------------------|---------------------------------|-------------------------------|
| 4i2i | DTI | NeoWave |
| Abocom | E & E Magnetic Products | Netensity |
| Access Conferences International | E-Tech | Netergy Networks |
| AccFast Technology Corp. | Edgcumbe Instruments | NextGenTel |
| Accton Technology | ELSA | OSI |
| Advanced Power Components | Emperative | Pacific Century Cyberworks |
| Aeta.com | Epcos | Pivotech Systems |
| Aethra | ESI | QuesCom SA |
| Allied Data Technologies | ETRI | Quokka Sports |
| Angeles Design Systems, Inc. | Eurobell PLC | Schott Corporation |
| Askey Computer | Eurotel Telecom | Scientific Generics |
| ASUSTek Computer | FirstWorld Communications | Signal Processing Associates |
| Atech Technology Co. | furukawa | Silicon Integrated Systems |
| Aurora Technologies Group | Fuzion Wireless Communications | Sony Electronics, Inc. |
| AVM | GCi Technologies | Sony Semiconductor Europe |
| Aztech Systems | HarmonyCom | Superior Telecommunications |
| BI Technologies | Hewlett Packard | Swisscom Ltd |
| Bicotest | HUB Fabricating Company | Talema-Nuvotem |
| Bintec Corporation | Iceland Telecom | Tamura Corporation of America |
| Burr-Brown Corporation | imajet.com | Tecate Industries |
| C-Cube Microsystems | Intercai Nederland B.V. | Tecom Co., LTD. |
| C-DOT | Interlink | Teldat |
| Cap Gemini Ernst & Young | Ishoni Networks | Telefonica CTC Chile |
| Castlenet Technology | Iskratel | Telefonica de Argentina |
| Centre for Wireless Communications | Katron Technologies | Telefonica de Espana |
| cFos, Lueders/Winkler | Kinpo Electronics | Telenor |
| CHIPLOGIC | Korea Telecom | Telint Global |
| CIS Industries | KPMG | Temex Components |
| Clare REMtech | KYE Systems | Toko America |
| CoEv, Inc. | Lake Communications | Trident Microsystems |
| Commscraft Pty | Larscom | Tut Systems |
| Comtrend | @Link Networks | University of Pretoria |
| CoSine Communications | MCK Communications | US West |
| D-Link | MediaKube | UUNET Technologies |
| Dataflex Design Communications | Midcom | Valence Semiconductor |
| Delta Products Corporation | Millennia Systems | Vpacket Communications |
| DETECON | Mitsubishi Electric Corporation | Wong's Technology USA |
| Dorado Software | MMG - North America | Xecom |
| Dresdner Kleinwort Benson | mPhase Technologies | Xstreamis plc |
| DT Magnetics | NBase-Xyplex | Yokogawa Electric Corporation |



CONCLUSION

The Board of Directors would like to take this opportunity to thank the delegates of our member companies for their continued contributions to the successful work of the Forum and for their efforts in advancing DSL. We also thank them for their confidence in our officers and chairpersons. 2000 was a year of which the Forum and its members can take significant pride.

DSL Forum has performed its tasks and duties in a very professional and cooperative spirit during 2000. Its Officers have taken great care and made every effort to manage the Forum in the best interests of its members.

Therefore, the Board of Directors proposes to the members present at the Annual Meeting to accept this Annual Report and approve the financial report provided by the Treasurer.

Hans-Erhard Reiter
Chairman and President

William Rodey
Vice President and Treasurer



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