Additional information.
Reconciliation of pro forma figures.

Pro forma figures include EBITDA and EBITDA adjusted for special factors, EBITDA margin, EBITDA margin adjusted for special factors, as well as free cash flow, and gross and net debt.

Pro forma figures are not governed by International Financial Reporting Standards (IFRS). As other companies may not compute the pro forma figures presented by Deutsche Telekom by the same method, Deutsche Telekom's pro forma figures may or may not be comparable with disclosures by other companies using similar designations.

The pro forma figures in this Interim Report should not be viewed in isolation as an alternative to profit/loss from operations, net profit/loss, net cash from operating activities or the debt reported in the consolidated statement of financial position, or other Deutsche Telekom key performance indicators presented in accordance with IFRS.

EBITDA and EBITDA adjusted for special factors.

EBITDA.

EBITDA for the operating segments and for the Group as a whole is derived from profit/loss from operations (EBIT). This measure of earnings is adjusted for depreciation, amortization and impairment losses to calculate EBITDA. It should be noted that Deutsche Telekom's definition of EBITDA may differ from that used by other companies.

In this definition, profit/loss from financial activities includes finance costs, the share of the profit/loss of associates and joint ventures accounted for using the equity method, and other financial income/expense. As it is based on profit/loss from operations, this method of computation allows EBITDA to be derived in a uniform manner on the basis of a measure of earnings in accordance with IFRS published for the segments and the Group as a whole.

EBITDA is an important indicator used by Deutsche Telekom's senior operating decision-makers to manage Deutsche Telekom's operating activities and to measure the performance of the individual segments.

Adjusted EBITDA.

Deutsche Telekom defines EBITDA adjusted for special factors as profit/loss from operations (EBIT) before depreciation, amortization and impairment losses and before the effects of any special factors.

Deutsche Telekom uses EBITDA adjusted for special factors as an internal performance indicator for the management of its operational business activities, and to allow it to better evaluate and compare developments over several reporting periods. For further details concerning the effects of special factors on Group EBITDA and the EBITDA of the operating segments, please refer to the section on "Special factors."

EBITDA margin/adjusted EBITDA margin.

To compare the earnings performance of profit-oriented units of different sizes, the EBITDA margin and the adjusted EBITDA margin (EBITDA to revenue) are presented in addition to EBITDA and adjusted EBITDA. The EBITDA margin is calculated as the ratio of EBITDA to net revenue (EBITDA divided by net revenue).

Special factors.

Deutsche Telekom's net profit/loss and EBITDA of the Group and of the operating segments were affected by a range of special factors in both the reporting period and the prior-year periods.

The underlying aim is to eliminate special factors that affect operating activities and that make it more difficult to compare EBITDA, net profit/loss and other financial measures of the Group and the operating segments with corresponding figures for prior periods. In addition, statements about the future development of EBITDA and net profit are only possible to a limited extent due to such special factors. On the basis of the unadjusted financial measures, the adjusted values are calculated by adding (expenses) or deducting (income) the special factors.

Adjustments are made irrespective of whether the relevant income and expenses are reported in profit/loss from operations, profit/loss from financial activities, or in tax expense. Income and expenses directly relating to the adjusted items are adjusted.

The following table presents a reconciliation of individual items in the consolidated income statement to the corresponding amounts as adjusted for special factors. The table also shows the method used by Deutsche Telekom to derive EBITDA and EBITDA adjusted for special factors for the entire Group from profit/loss from operations (EBIT) in accordance with IFRS. Reconciliations are presented for both the reporting period and the prior-year period.

Reconciliation of the adjusted consolidated income statement.

		H1 2010 millions of €	Special factors in H1 2010 millions of €	H1 2010 without special factors millions of €
Net revenue		31,343	-	31,343
Cost of sales		(17,676)	(244)[a]	(17,432)
Gross profit (loss)		**13,667**	**(244)**	**13,911**
Selling expenses		(7,282)	(30)[b]	(7,252)
General and administrative expenses		(2,564)	(65)[c]	(2,499)
Other operating income		674	13[d]	661
Other operating expenses		(755)	(411)[e]	(344)
Profit (loss) from operations (EBIT)		**3,740**	**(737)**	**4,477**
Profit (loss) from financial activities		(1,423)	(54)[f]	(1,369)
Profit (loss) before income taxes		**2,317**	**(791)**	**3,108**
Income taxes		(988)	280[g]	(1,268)
Profit (loss)		**1,329**	**(511)**	**1,840**
Profit (loss) attributable to		**1,329**	**(511)**	**1,840**
Owners of the parent (net profit (loss))		1,242	(463)	1,705
Non-controlling interests		87	(48)	135
Profit (loss) from operations (EBIT)		3,740	(737)	4,477
Depreciation, amortization and impairment losses		(5,429)	(4)	(5,425)
EBITDA		**9,169**	**(733)**	**9,902**
EBITDA margin	**(%)**	**29.3**		**31.6**
Personnel costs		(7,334)	(170)[h]	(7,164)
Personnel cost ratio	(%)	23.4		22.9

[a] Expenses for staff-related measures and non-staff-related restructuring as well as EUR 0.1 billion for the write-off of receivables from the German Main Customs Office at PASM in the Germany operating segment.
[b] Mainly expenses in the Germany and Europe operating segments.
[c] Mainly expenses for staff-related measures in the Germany and Europe operating segments and for non-staff-related restructuring, and other expenses.
[d] Mainly reversal of provisions as part of the concluded sale of parts of companies and proceeds from the inclusion of negative goodwill in connection with an acquisition in the Systems Solutions operating segment.
[e] Mainly expenses of EUR 0.4 billion incurred as a result of the reclassification of T-Mobile UK in connection with the establishment of the joint venture with France Télécom S.A. under the name Everything Everywhere in the Europe operating segment, as well as non-staff-related restructuring.
[f] Mainly expenses for interest added back to provisions for staff-related measures.
[g] Tax effects from special factors on profit before income taxes.
[h] Mainly expenses for staff-related measures in the Germany and Europe operating segments and at Group Headquarters & Shared Services.

		H1 2009 millions of €	Special factors in H1 2009 millions of €	H1 2009 without special factors millions of €	FY 2009 without special factors millions of €
Net revenue		32,140	-	32,140	64,639
Cost of sales		(17,652)	(61)[a]	(17,591)	(35,823)
Gross profit (loss)		**14,488**	**(61)**	**14,549**	**28,816**
Selling expenses		(8,055)	(3)[b]	(8,052)	(15,780)
General and administrative expenses		(2,605)	(46)[c]	(2,559)	(4,447)
Other operating income		640	29[d]	611	1,418
Other operating expenses		(2,212)	(1,838)[e]	(374)	(849)
Profit (loss) from operations (EBIT)		**2,256**	**(1,919)**	**4,175**	**9,158**
Profit (loss) from financial activities		(1,757)	(137)[f]	(1,620)	(3,125)
Profit (loss) before income taxes		**499**	**(2,056)**	**2,555**	**6,033**
Income taxes		(827)	80[g]	(907)	(2,102)
Profit (loss)		**(328)**	**(1,976)**	**1,648**	**3,931**
Profit (loss) attributable to		**(328)**	**(1,976)**	**1,648**	**3,931**
Owners of the parent (net profit (loss))		(603)	(2,014)	1,411	3,390
Non-controlling interests		275	38	237	541
Profit (loss) from operations (EBIT)		2,256	(1,919)	4,175	9,158
Depreciation, amortization and impairment losses		(7,713)	(1,818)	(5,895)	(11,510)
EBITDA		**9,969**	**(101)**	**10,070**	**20,668**
EBITDA margin	**(%)**	**31.0**		**31.3**	**32.0**
Personnel costs		(6,953)	(34)[h]	(6,919)	(13,804)
Personnel cost ratio	(%)	21.6		21.5	21.4

[a] Mainly staff-related measures at Hellenic Telecommunications Organization S.A. (OTE) in the Europe operating segment and for staff-related measures in the Germany and Systems Solutions operating segments and for non-staff-related restructuring in the Systems Solutions operating segment. This is offset by proceeds from the involvement of the Hellenic Republic in a voluntary early retirement program of OTE in the Europe operating segment.
[b] Mainly expenses for staff-related measures in the Europe operating segment and for non-staff-related restructuring. This is offset by proceeds from the involvement of the Hellenic Republic in a voluntary early retirement program of OTE in the Europe operating segment.
[c] Mainly expenses for staff-related measures and non-staff-related restructuring. This is offset by proceeds from the involvement of the Hellenic Republic in an early retirement program of OTE in the Europe operating segment.
[d] In particular gains on the disposal of CAP Customer Advantage Program GmbH in the Germany operating segment and T-Systems Traffic GmbH in the Systems Solutions operating segment.
[e] Mainly impairment loss recognized on the goodwill of the cash-generating unit T-Mobile UK in the Europe operating segment.
[f] Expenses for interest added back to provisions for staff-related measures.
[g] Tax effects from special factors on profit before income taxes.
[h] Mainly expenses for staff-related measures at OTE in the Europe operating segment and for staff-related measures in the Germany and Systems Solutions operating segments. This is offset by proceeds from the involvement of the Hellenic Republic in an early retirement program of OTE in the Europe operating segment.

Free cash flow in the Group.

Deutsche Telekom defines free cash flow as cash generated from operations less interest paid and net cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment.

Deutsche Telekom believes that free cash flow is used by investors as a measure to assess the Group's cash generated from operations (after deductions for interest paid and cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment), in particular with regard to subsidiaries, associates and joint ventures, and the repayment of debt. In adopting this definition, Deutsche Telekom reflects the fact that investments in new technologies and efficiency enhancements in operating activities enable tied-up capital to be released. These inflows should therefore be taken into account in assessing investment expenditure and included in free cash flow accordingly.

Free cash flow should not be used to determine the financial position of the Group. A further factor to be noted is that Deutsche Telekom's definition of free cash flow and its methods of computing this measure are comparable with similarly designated measures and disclosures by other companies only to a limited extent.

Gross and net debt in the Group.

Gross debt includes not only bonds and liabilities to banks, but also liabilities to non-banks from promissory notes, lease liabilities, derivative financial liabilities and cash collateral received for positive fair values of derivatives, as well as other interest-bearing financial liabilities.

Net debt is calculated by deducting cash and cash equivalents as well as financial assets classified as held for trading and available for sale (due ≤ 1 year). In addition, all derivative financial assets and other financial assets are deducted from gross debt. Other financial assets include all cash collateral paid for negative fair values of derivatives as well as other interest-bearing financial assets.

Deutsche Telekom considers net debt to be an important performance indicator for investors, analysts and rating agencies.