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.

		Q1 2010 millions of €	Special factors in Q1 2010 millions of €	Q1 2010 without special factors millions of €
Net revenue		15,812	-	15,812
Cost of sales		(9,025)	(166)[a]	(8,859)
Gross profit (loss)		**6,787**	**(166)**	**6,953**
Selling expenses		(3,655)	(15)[b]	(3,640)
General and administrative expenses		(1,222)	(18)[c]	(1,204)
Other operating income		307	11[d]	296
Other operating expenses		(188)	(13)[e]	(175)
Profit (loss) from operations (EBIT)		**2,029**	**(201)**	**2,230**
Profit (loss) from financial activities		(715)	(13)[f]	(702)
Profit (loss) before income taxes		**1,314**	**(214)**	**1,528**
Income taxes		(449)	65[g]	(514)
Profit (loss)		**865**	**(149)**	**1,014**
Profit (loss) attributable to				
Owners of the parent (net profit (loss))		767	(124)	891
Non-controlling interests		98	(25)	123
Profit (loss) from operations (EBIT)		2,029	(201)	2,230
Depreciation, amortization and impairment losses		(2,661)	(1)	(2,660)
EBITDA		**4,690**	**(200)**	**4,890**
EBITDA margin	**(%)**	**29.7**		**30.9**
Personnel costs		(3,706)	(77)[h]	(3,629)
Personnel cost ratio	(%)	23.4		23.0

[a] Expenses of EUR 0.1 billion for the write-off of receivables from the German Main Customs Office for the years 2005 to 2009 at PASM in the Germany operating segment as well as for staff-related measures and non-staff-related restructuring.
[b] Expenses for staff-related measures in the Germany, and Southern and Eastern Europe operating segments.
[c] Mainly expenses for staff-related measures in the Germany, and Southern and Eastern Europe operating segments.
[d] Mainly gains as a result of the recognition of a negative goodwill in connection with an acquisition in the Systems Solutions operating segment.
[e] Mainly expenses for staff-related measures, non-staff-related restructuring and other activities.
[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, Southern and Eastern Europe, and Systems Solutions operating segments.

		Q1 2009 millions of €	Special factors in Q1 2009 millions of €	Q1 2009 without special factors millions of €	FY 2009 without special factors millions of €
Net revenue		15,902	-	15,902	64,639
Cost of sales		(8,906)	92[a]	(8,998)	(35,823)
Gross profit (loss)		**6,996**	**92**	**6,904**	**28,816**
Selling expenses		(3,996)	28[b]	(4,024)	(15,780)
General and administrative expenses		(1,136)	(2)[c]	(1,134)	(4,447)
Other operating income		387	23[d]	364	1,418
Other operating expenses		(2,007)	(1,814)[e]	(193)	(849)
Profit (loss) from operations (EBIT)		**244**	**(1,673)**	**1,917**	**9,158**
Profit (loss) from financial activities		(742)	(25)[f]	(717)	(3,125)
Profit (loss) before income taxes		**(498)**	**(1,698)**	**1,200**	**6,033**
Income taxes		(426)	31[g]	(457)	(2,102)
Profit (loss)		**(924)**	**(1,667)**	**743**	**3,931**
Profit (loss) attributable to					
Owners of the parent (net profit (loss))		(1,124)	(1,779)	655	3,390
Non-controlling interests		200	112	88	541
Profit (loss) from operations (EBIT)		244	(1,673)	1,917	9,158
Depreciation, amortization and impairment losses		(4,698)	(1,803)	(2,895)	(11,510)
EBITDA		**4,942**	**130**	**4,812**	**20,668**
EBITDA margin	**(%)**	**31.1**		**30.3**	**32.0**
Personnel costs		(3,310)	149[h]	(3,459)	(13,804)
Personnel cost ratio	(%)	20.8		21.8	21.4

[a] Mainly proceeds from the involvement of the Hellenic Republic in a staff-related program at OTE in the Southern and Eastern Europe operating segment which were partially offset by expenses for staff-related measures.
[b] Mainly proceeds from the involvement of the Hellenic Republic in a staff-related program at OTE in the Southern and Eastern Europe operating segment.
[c] Expenses for staff-related measures and non staff-related restructuring. These are offset by proceeds from the involvement of the Hellenic Republic in a staff-related program at OTE in the Southern and Eastern 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 proceeds from the involvement of the Hellenic Republic in a staff-related program at OTE in the Southern and Eastern Europe operating segment, partially offset by expenses for staff-related measures in the Germany 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.

Reconciliation of the Group's free cash flow.

	Q1 2010 millions of €	Q1 2009 millions of €	FY 2009 millions of €
Cash generated from operations	**3,918**	**3,596**	**18,271**
Interest received (paid)	(647)	(630)	(2,476)
Net cash from operating activities	**3,271**	**2,966**	**15,795**
Cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment	(1,934)	(2,611)	(9,202)
Free cash flow before proceeds from disposal of intangible assets (excluding goodwill) and property, plant and equipment	**1,337**	**355**	**6,593**
Proceeds from disposal of intangible assets (excluding goodwill) and property, plant and equipment	102	61	376
Free cash flow before dividend payments	**1,439**	**416**	**6,969**

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.

Reconciliation of gross and net debt in the Group.

	Mar. 31, 2010 millions of €	Dec. 31, 2009 millions of €	Mar. 31, 2009 millions of €
Bonds	38,722	38,508	39,659
Liabilities to banks	4,559	4,718	4,670
Liabilities to non-banks from promissory notes	1,124	1,057	1,036
Derivative financial liabilities	731	924	755
Lease liabilities	1,899	1,909	1,987
Other financial liabilities	839	1,001	1,030
Gross debt	**47,874**	**48,117**	**49,137**
Cash and cash equivalents	5,553	5,022	4,113
Available-for-sale/held-for-trading financial assets	162	162	436
Derivative financial assets	901	1,048	1,211
Other financial assets	840	974	544
Net debt	**40,418**	**40,911**	**42,833**

Financial calendar.

Dates[a]	
August 5, 2010	Report on the first half of 2010, Deutsche Telekom
November 4, 2010	Report on the first three quarters of 2010, Deutsche Telekom

[a] Dates not yet finalized.

Further dates are published on the Internet at www.telekom.com.

Glossary.

3G. 3G is the third-generation mobile communications standard that supports higher transmission rates. In Germany, this is the Universal Mobile Telecommunications System (UMTS) standard.

All-IP. An all-IP network makes services such as VoIP, IPTV (Internet Protocol Television), data transfer, etc., available to all users anywhere at all times. The data is transmitted in switched packets using the Internet Protocol (IP).

ARPU – Average Revenue Per User. Indicator predominantly used in the mobile communications industry to describe the revenue generated per customer per month.

Call center. A company, or department of a company, that offers operator-supported voice services. A large number of operators handle inbound calls via a hotline and/or outbound calls as part of a direct marketing campaign.

Cash capex. Investments in property, plant and equipment, and intangible assets (excluding goodwill) as shown in the statement of cash flows.

Cloud services. Cloud computing is the dynamic provision of infrastructure, software or platform services online. Apart from a high level of automation and virtualization, the services provided have to be multi-client-capable and include standardized hardware and software. Customers source these services on demand and pay based on actual usage. The communication infrastructure may be the Internet (public cloud), a corporate network (private cloud) or a mix of the two (hybrid cloud). Dynamic Services is a T-Systems product for the flexible procurement of ICT resources and services based on the idea of dynamic net-centric sourcing.

Desktop services. Global desktop services involve a variety of support services, including the outsourcing of entire IT networks. In this context Deutsche Telekom offers a full portfolio of corporate IT services, from server infrastructure and PC workstations through to application management and call center services that provide user support.

DSL – Digital Subscriber Line. In Deutsche Telekom's service portfolio as:

- ADSL (Asymmetrical Digital Subscriber Line) for retail lines: Technology used to transmit data at fast rates (from 16 kbit/s to 640 kbit/s upstream, up to 8 Mbit/s downstream) via standard copper wire pairs in the local loop within a radius of approximately three kilometers.
- ADSL2+: Successor product to ADSL that increases the data rate to a maximum of 16 Mbit/s downstream and 1 Mbit/s upstream.
- VDSL (Very high bit rate Digital Subscriber Line): New technology used to transmit exceptionally high data rates (10 Mbit/s upstream, 50 Mbit/s downstream) via a fiber-optic network.

EBIT. EBIT is profit/loss from operations as shown in the consolidated income statement.

EBITDA. Profit/loss from operations before depreciation, amortization and impairment losses.

Equity ratio. Ratio of shareholders' equity to total assets.

Fixed network: Resale. Sale of broadband lines based on DSL technology to alternative providers outside Deutsche Telekom, including bundled IP-Bitstream Access (IP-BSA). In the case of IP-BSA, Deutsche Telekom leases DSL lines to the competitor and transports the datastream carried over these lines.

Free cash flow. Cash generated from operations less interest paid and net cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment.

Grid computing. Grid computing is a form of distributed computing whereby a supercomputer is created from a cluster of loosely coupled computers. The difference between grid computing and conventional computer clusters lies in the considerably looser coupling, the heterogeneity and the broad geographical distribution of the computers. In addition, a grid is usually established for a specific application and often uses standardized program libraries and middleware.

GSM – Global System for Mobile Communications. Global standard for digital mobile communications.

HDTV – High Definition Television. Generic term describing a range of television standards that differ from conventional television through increased vertical, horizontal and/or temporal resolution.

Hosting. Provision of storage capacity via the Internet. An Internet service provider's most important services in relation to hosting are registering and operating domains, leasing Web servers (in full or in part) and leasing space in a computer center – including Internet connections, regular and emergency power supply, etc.

HSDPA – High Speed Downlink Packet Access. Packet-based protocol that enhances data rates in UMTS networks and lifts transmission speeds into the megabit range.

High Speed Packet Access Plus (HSPA+). A higher-performance variant of HSDPA/HSUPA that further shortens ping times and is therefore ideal for data-intensive mobile applications.

HSUPA – High Speed Uplink Packet Access. Accelerates data upstreaming from mobile devices to the network and significantly reduces ping times.

Internet/intranet. The Internet is a worldwide Internet Protocol (IP)-based computer network that has no central network management. By contrast, intranets are managed IP networks that can be accessed only by specific user groups.

IP – Internet Protocol. Non-proprietary transport protocol in layer 3 of the OSI reference model for inter-network communications.

IP-BSA – IP-Bitstream Access. Wholesale product for which Deutsche Telekom leases DSL lines to the competitor and transports the datastream via its concentrator network to the associated broadband point of presence (PoP) where the datastream is handed over to the competitor. In contrast to voluntary DSL resale, IP-BSA is a wholesale service required by the regulatory authority. This product is available in conjunction with a Deutsche Telekom PSTN line or as a DSL stand-alone variant (please refer to IP-BSA SA).

IP-BSA SA – IP-BSA Stand Alone. Wholesale product not bundled with a Deutsche Telekom PSTN line, which allows competitors to offer an all-IP product range to end-customers.

IPTV – Internet Protocol Television. A system whereby a digital television service is delivered using the Internet Protocol.

LTE – Long Term Evolution. A technology that may be used for the next-generation mobile communications network. LTE supports speeds of over 100 Mbit/s downstream and 50 Mbit/s upstream.

M2M – Machine-to-machine communication. Automatic exchange of information between machines. For example, in an emergency, alarm systems automatically send a signal to security or the police.

Mbit/s – Megabits per second. Unit of data transmission speed.

Mobile customers. For the purposes of the Interim Group Report, one mobile communications card corresponds to one customer. The total was calculated on the basis of precise figures and rounded to millions. Percentages were calculated on the basis of the figures shown.

MVNO – Mobile Virtual Network Operator. Mobile virtual network operators market mobile communications products under their own brand name. They do not have a physical network infrastructure but instead use that of an established mobile network operator.

Optical fiber. Channel for optical data transmission.

Prepay. In contrast to postpay contracts, prepay communication services are services for which credit has been purchased in advance with no fixed-term contractual obligations.

Resale. Resale of products to competitors (see also Wholesale).

Roaming. A feature of cellular mobile communications networks that ensures that activated mobile stations remain accessible, regardless of location, in all radio cells of the entire area served by the network. Roaming can also include similar networks run by different operators, as is the case with international roaming within the pan-European GSM system.

Smart metering. The service consists of the reading, processing, presentation, and billing of power and energy consumption, and other meters in industry and homes. In particular, it gives energy providers, meter operators and the housing sector the opportunity to offer their customers innovative products and services, as it delivers consumption information virtually in real time.

Smartphone. Mobile handsets that can perform the functionalities of a cell phone, a Web browser and an e-mail program simultaneously.

SIM card - Subscriber Identification Module card. Chip card that is inserted into a cell phone to identify it in the mobile network. Deutsche Telekom's mobile subsidiaries count their customers by the number of SIM cards activated and not terminated. T-Mobile includes in its customer totals the SIM cards with which machines can communicate automatically with one another (M2M cards). The mobile communications subsidiaries count contract customers as customers for the length of their contracts, and count prepay customers as customers as long as they continue to use Deutsche Telekom's services, and then for a prescribed period thereafter, which differs according to the particular market. Generally, at the end of this period, or in the case of payment default or voluntary disconnection, the customers are cancelled or churned. The churn rate for any given period represents the number of customers whose service was discontinued during that period, expressed as a percentage of the average number of customers during the period, based on beginning and period-end figures. Competitors may calculate their churn rates using different methods. In addition, the respective churn figures are not comparable across all national operations, because different general terms and conditions and thus different deactivation methodologies are used in different jurisdictions.

ULL – Unbundled local loop line. Deutsche Telekom wholesale service that can be leased by alternative telecommunications operators without upstream technical equipment in order to offer their own customers a telephone or DSL line.

UMTS – Universal Mobile Telecommunications System. Third-generation international mobile communications standard that unites mobile multimedia and telematics services in the 2 GHz frequency spectrum.

Utilization rate. Systems Integration: Ratio of average number of hours billed to maximum possible hours billed per period.

VDSL. See DSL.

Wholesale. The business of selling services to third parties who in turn sell them to their own end customers either directly or after further processing (see also Resale).

Disclaimer.

This Report (particularly the section titled “Development of revenue and profits”) contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. They are generally identified by the words “expect,” “anticipate,” “believe,” “intend,” “estimate,” “aim,” “goal,” “plan,” “will,” “seek,” “outlook” or similar expressions and include generally any information that relates to expectations or targets for revenue, adjusted EBITDA or other performance measures. Forward-looking statements are based on current plans, estimates and projections. You should consider them with caution.

Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom’s control, including those described in the sections “Forward-Looking Statements” and “Risk Factors” of the Company’s Form 20-F report filed with the U.S. Securities and Exchange Commission. Among the relevant factors are the progress of Deutsche Telekom’s workforce reduction initiative and the impact of other significant strategic or business initiatives, including acquisitions, dispositions and business combinations. In addition, movements in exchange rates and interest rates, regulatory rulings, stronger than expected competition, technological change, litigation and regulatory developments, among other factors, may have a material adverse effect on costs and revenue development. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, Deutsche Telekom’s actual results may be materially different from those expressed or implied by such statements. Deutsche Telekom can offer no assurance that its expectations or targets will be achieved. Without prejudice to existing obligations under capital market law, Deutsche Telekom does not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

In addition to figures prepared in accordance with IFRS, Deutsche Telekom presents non-GAAP financial performance measures, e.g., EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted net profit, free cash flow, gross debt and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. For further information relevant to the interpretation of these terms, please refer to the section “Reconciliation of pro forma figures” of this Report, which is also posted on Deutsche Telekom’s Investor Relations Web site at www.telekom.com.