Reconciliation of pro forma figures.

Consolidated income statement and effects of special factors.[a]

millions of €	2009	Special factors	2009 excluding special factors	2008	Special factors	2008 excluding special factors	2007	Special factors	2007 excluding special factors
Net revenue	64,602	(37)[b]	64,639	61,666		61,666	62,516		62,516
Cost of sales	(36,259)	(436)[c]	(35,823)	(34,592)	(937)[k]	(33,655)	(35,337)	(1,252)[s]	(34,085)
Gross profit (loss)	**28,343**	**(473)**	**28,816**	**27,074**	**(937)**	**28,011**	**27,179**	**(1,252)**	**28,431**
Selling expenses	(15,863)	(83)[d]	(15,780)	(15,952)	(485)[l]	(15,467)	(16,644)	(498)[t]	(16,146)
General and administrative expenses	(4,653)	(206)[e]	(4,447)	(4,821)	(224)[m]	(4,597)	(5,133)	(701)[u]	(4,432)
Other operating income	1,504	86[f]	1,418	1,971	510[n]	1,461	1,645	419[v]	1,226
Other operating expenses	(3,319)	(2,470)[g]	(849)	(1,232)	(644)[o]	(588)	(1,761)	(769)[w]	(992)
Profit (loss) from operations (EBIT)	**6,012**	**(3,146)**	**9,158**	**7,040**	**(1,780)**	**8,820**	**5,286**	**(2,801)**	**8,087**
Profit (loss) from financial activities	(3,357)	(232)[h]	(3,125)	(3,588)	(652)[p]	(2,936)	(2,833)	(9)[x]	(2,824)
Profit (loss) before income taxes	**2,655**	**(3,378)**	**6,033**	**3,452**	**(2,432)**	**5,884**	**2,453**	**(2,810)**	**5,263**
Income taxes	(1,782)	320[i]	(2,102)	(1,428)	461[q]	(1,889)	(1,373)	364[y]	(1,737)
Profit after income taxes	**873**	**(3,058)**	**3,931**	**2,024**	**(1,971)**	**3,995**	**1,080**	**(2,446)**	**3,526**
Profit (loss) attributable to non-controlling interests	520	(21)	541	541	(28)	569	509	(12)	521
Net profit (loss)	**353**	**(3,037)**	**3,390**	**1,483**	**(1,943)**	**3,426**	**571**	**(2,434)**	**3,005**
Profit (loss) from operations (EBIT)	6,012	(3,146)	9,158	7,040	(1,780)	8,820	5,286	(2,801)	8,087
Depreciation, amortization and impairment losses	(13,894)	(2,384)[j]	(11,510)	(10,975)	(336)[r]	(10,639)	(11,611)	(372)[z]	(11,239)
EBITDA	**19,906**	**(762)**	**20,668**	**18,015**	**(1,444)**	**19,459**	**16,897**	**(2,429)**	**19,326**
EBITDA margin (%)	**30.8**		**32.0**	**29.2**		**31.6**	**27.0**		**30.9**

[a] EBITDA for the operating segments and the Group as a whole is derived from profit/loss from operations (EBIT). This measure of earnings before profit/loss attributable to non-controlling interests, income taxes and profit/loss from financial activities is additionally 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 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 operating segments and the Group as a whole. In the reporting period as well as the comparable prior-year period, Deutsche Telekom's net profit/loss as well as the EBITDA of the Group and of the operating segments were affected by a number of special factors. 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. The underlying concept involves the elimination of special factors that affect operational business activities and thus impair the comparability of EBITDA and net profit/loss with the 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. 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. To compare the earnings performance of profit-oriented units of different sizes, EBITDA margin and the adjusted EBITDA margin 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 2009:

[b] Revenue credit in the fourth quarter of 2009 for fixed-network support services performed in previous years in the Germany operating segment.

[c] Mainly expenses for staff-related measures in the Germany operating segment (EUR -0.2 billion) and non-staff-related restructuring in the Systems Solutions operating segment (EUR -0.1 billion). The Southern and Eastern Europe operating segment includes expenses for staff-related measures at Hellenic Telecommunications Organization S.A. (OTE), which are offset by proceeds from the involvement of the Hellenic Republic in a staff-related program at OTE.

[d] Mainly expenses for staff-related measures in the Germany operating segment (EUR -0.1 billion). The Southern and Eastern Europe operating segment includes expenses for staff-related measures at OTE, which are offset by proceeds from the involvement of the Hellenic Republic in a staff-related program at OTE.

[e] Expenses for staff-related measures (EUR -0.1 billion) and non-staff-related restructuring (EUR -0.1 billion).

[f] Mainly gains on the disposal of Vivento Technical Services at Group Headquarters & Shared Services. Furthermore, income from the reversal of a provision resulting from the completion of the staff restructuring program and gain on the disposal of CAP Customer Advantage Program GmbH in the Germany operating segment.

[g] Mainly impairment losses recognized on the goodwill of the cash-generating unit T-Mobile UK in the Europe operating segment in the first quarter of 2009 (EUR -1.8 billion) and on the goodwill of cash-generating units in the Southern and Eastern Europe operating segment (EUR -0.5 billion).

[h] Mainly expenses for interest added back to provisions for staff-related measures (EUR -0.2 billion).

[i] Mainly tax benefits from expenses for staff-related measures (EUR 0.2 billion) and non-staff-related restructuring (EUR 0.1 billion).

[j] Mainly impairment losses recognized on the goodwill of the cash-generating unit T-Mobile UK in the first quarter of 2009 and on the goodwill of cash-generating units in the Southern and Eastern Europe operating segment.

Special factors 2008:

[k] Mainly expenses for staff-related measures in the Germany (EUR -0.5 billion) and Systems Solutions (EUR -0.2 billion) operating segments as well as non-staff-related restructuring in the Systems Solutions operating segment (EUR -0.2 billion).
[l] Mainly expenses for staff-related measures in the Germany (EUR -0.2 billion) and Systems Solutions (EUR -0.1 billion) operating segments.
[m] Mainly expenses for staff-related measures in the Germany (EUR -0.1 billion) and Systems Solutions (EUR -0.1 billion) operating segments as well as at Group Headquarters & Shared Services (EUR 0.1 billion).
[n] Income from the disposal of Media & Broadcast in the Systems Solutions operating segment (EUR 0.5 billion).
[o] Mainly expenses related to the disposal of DeTe Immobilien (EUR -0.3 billion) at Group Headquarters & Shared Services and impairment losses on goodwill in the Europe (EUR -0.1 billion) and Southern and Eastern Europe (EUR -0.2 billion) operating segments.
[p] Primarily impairment loss on the carrying amount of OTE under share of profit/loss of associates and joint ventures accounted for using the equity method (EUR -0.5 billion), and expenses for interest added back to provisions for staff-related measures (EUR -0.1 billion).
[q] Mainly tax benefits from expenses for staff-related measures (EUR 0.2 billion) and non-staff-related restructuring (EUR 0.2 billion).
[r] Mainly impairment losses on goodwill in the Southern and Eastern Europe (EUR -0.2 billion) and Europe (EUR -0.1 billion) operating segments.

Special factors 2007:

[s] Mainly expenses for staff-related measures and non-staff-related restructuring in the Germany (EUR -0.7 billion), Systems Solutions (EUR -0.3 billion), and Europe (EUR -0.1 billion) operating segments.
[t] Expenses for staff-related measures and non-staff-related restructuring in the Germany (EUR -0.4 billion) and Systems Solutions (EUR -0.1 billion) operating segments.
[u] Mainly expenses for staff-related measures and non-staff-related restructuring at Group Headquarters & Shared Services (EUR -0.5 billion) and in the Germany (EUR -0.1 billion) and Systems Solutions (EUR -0.1 billion) operating segments.
[v] Mainly gain on the disposal of T-Online France and T-Online Spain in the Germany operating segment (EUR 0.3 billion).
[w] Mainly expenses from the disposal of Vivento business units at Group Headquarters & Shared Services (EUR -0.4 billion) and impairment losses on goodwill at T-Mobile Netherlands in connection with the subsequent recognition of tax loss carryforwards in the Europe operating segment (EUR -0.3 billion).
[x] Mainly expenses for interest added back to provisions for staff-related measures. These were partially offset by income from the disposal of the remaining shares in Sireo at Group Headquarters & Shared Services as well as income attributable to other periods from associates and joint ventures accounted for using the equity method in the Southern and Eastern Europe operating segment.
[y] Mainly tax benefits from expenses for staff-related measures (EUR 0.7 billion). This also includes a tax benefit from the partial recognition of previously unrecognized taxes relating to loss carryforwards at T-Mobile Netherlands (EUR 0.3 billion) as well as an offsetting tax expense from the measurement of deferred tax items in response to the changes in the rates of taxation in connection with the 2008 corporate tax reform (EUR -0.7 billion).
[z] Mainly expenses from impairment of goodwill at T-Mobile Netherlands in connection with the subsequent recognition of tax loss carryforwards in the Europe operating segment (EUR -0.3 billion).

Reconciliation of gross and net debt.*

millions of €, as of Dec. 31 of each year	2009	2008	2007
Bonds	38,508	34,302	32,294
Liabilities to banks	4,718	4,222	4,260
Liabilities to non-banks from promissory notes	1,057	887	690
Derivative financial liabilities	924	1,053	977
Lease liabilities	1,909	2,009	2,139
Other financial liabilities	1,001	974	502
Gross debt	**48,117**	**43,447**	**40,862**
Cash and cash equivalents	5,022	3,026	2,200
Available-for-sale/held-for-trading financial assets	162	101	75
Derivative financial assets	1,048	1,598	433
Other financial assets	974	564	918
Net debt	**40,911**	**38,158**	**37,236**

* Deutsche Telekom considers “net debt” to be an important measure for investors, analysts, and rating agencies. Although many of Deutsche Telekom's competitors use this measure, its definition may vary from one company to another.

Financial flexibility.*

as of Dec. 31 of each year	2009	2008	2007
Relative debt			
Net debt / EBITDA (adjusted for special factors)	2.0	2.0	1.9
Equity Ratio	30.2	32.3	34.7
Gearing			
Net debt / Shareholders' equity	1.0	0.9	0.8

* Calculated and rounded on the basis of millions for greater precision. KPI definitions may differ from those used by third parties.

Reconciliation of free cash flow and condensed consolidated statement of cash flows.

millions of €	2009	2008	2007
Net cash from operating activities	**15,795**	**15,368**	**13,714**
Cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment	(9,202)	(8,707)	(8,015)
Free cash flow before proceeds from disposal of intangible assets (excluding goodwill) and property, plant and equipment	**6,593**	**6,661**	**5,699**
Proceeds from disposal of intangible assets (excluding goodwill) and property, plant and equipment	376	372	761
Adjustment[a]	-	-	121
Free cash flow (before dividend payments)[b]	**6,969**	**7,033**	**6,581**
Net cash used in investing activities	**(8,649)**	**(11,384)**	**(8,054)**
Net cash used in financing activities	**(5,123)**	**(3,097)**	**(6,125)**
Effect of exchange rate changes on cash and cash equivalents	58	(61)	(100)
Changes in cash and cash equivalents associated with non current assets and disposal groups held for sale	(85)	-	-
Net increase (decrease) in cash and cash equivalents	1,996	826	(565)
Cash and cash equivalents	5,022	3,026	2,200

[a] Cash outflows for parts of Centrica PLC taken over by T-Systems UK as part of an asset deal.
[b] Deutsche Telekom defines free cash flow as net cash from operating activities less net cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment. Deutsche Telekom is of the opinion that the “free cash flow (before dividend payments)” indicator is used by investors as a measure to assess the Group’s net cash from operating activities after deduction of cash outflows for intangible assets (excluding goodwill) and property, plant and equipment, in particular with regard to subsidiaries, associates and joint ventures, and the repayment of liabilities. Free cash flow (before dividend payments) should not be used to determine the financial position of the Group. There is only limited comparability between Deutsche Telekom’s definition of free cash flow and methods of calculating this measure and similarly designated measures and disclosures of other companies.