RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the half-year consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bonn, August 09, 2018

Deutsche Telekom AG
Board of Management

Timotheus Höttges

Adel Al-Saleh

Thomas Dannenfeldt

Srini Gopalan

Dr. Christian P. Illek

Dr. Thomas Kremer

Claudia Nemat

Dr. Dirk Wössner

REVIEW REPORT

To Deutsche Telekom AG, Bonn

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and selected explanatory notes – and the interim Group management report of Deutsche Telekom AG, Bonn, for the period from January 1 to June 30, 2018, which are part of the half-year financial report pursuant to § 115 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to the interim financial reporting as adopted by the EU and to the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent company's board of management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standards on Review Engagements, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU nor that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt/Main, August 9, 2018

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Peter Bartels	Thomas Tandetzki
Wirtschaftsprüfer	Wirtschaftsprüfer

ADDITIONAL INFORMATION

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

SPECIAL FACTORS

The following table presents a reconciliation of EBITDA, EBIT, and net profit/loss to the respective figures adjusted for special factors. Reconciliations are presented for the reporting period, the prior-year period, and the full 2017 financial year:

millions of €

	EBITDA H1 2018	EBIT H1 2018	EBITDA H1 2017	EBIT H1 2017	EBITDA FY 2017	EBIT FY 2017
EBITDA/EBIT	**10,825**	**4,523**	**11,949**	**5,601**	**23,969**	**9,383**
GERMANY	**(352)**	**(352)**	**(154)**	**(154)**	**(308)**	**(308)**
Staff-related measures	(340)	(340)	(91)	(91)	(221)	(221)
Non-staff-related restructuring	(14)	(14)	(10)	(10)	(26)	(26)
Effects of deconsolidations, disposals and acquisitions	–	–	–	–	–	–
Impairment losses	–	–	–	–	–	–
Other	2	2	(53)	(53)	(61)	(61)
UNITED STATES	**(4)**	**(4)**	**–**	**–**	**1,633**	**1,633**
Staff-related measures	(4)	(4)	–	–	(7)	(7)
Non-staff-related restructuring	–	–	–	–	–	–
Effects of deconsolidations, disposals and acquisitions	1	1	–	–	(11)	(11)
Impairment losses	–	–	–	–	1,651	1,651
Other	–	–	–	–	–	–
EUROPE	**(52)**	**(52)**	**(45)**	**(45)**	**(130)**	**(995)**
Staff-related measures	(48)	(48)	(24)	(24)	(92)	(92)
Non-staff-related restructuring	–	–	–	–	(3)	(3)
Effects of deconsolidations, disposals and acquisitions	(1)	(1)	–	–	18	18
Impairment losses	–	–	–	–	–	(866)
Other	(3)	(3)	(21)	(21)	(53)	(52)
SYSTEMS SOLUTIONS	**(89)**	**(89)**	**(74)**	**(76)**	**(229)**	**(1,477)**
Staff-related measures	(52)	(52)	(32)	(32)	(132)	(132)
Non-staff-related restructuring	(1)	(1)	(1)	(1)	(2)	(2)
Effects of deconsolidations, disposals and acquisitions	–	–	–	–	–	–
Impairment losses	–	–	–	(2)	–	(1,242)
Other	(37)	(37)	(41)	(41)	(94)	(100)
GROUP DEVELOPMENT	**(9)**	**(9)**	**742**	**742**	**893**	**893**
Staff-related measures	(3)	(3)	5	5	1	1
Non-staff-related restructuring	–	–	(3)	(3)	(5)	(5)
Effects of deconsolidations, disposals and acquisitions	(5)	(5)	741	741	708	708
Impairment losses	–	–	–	–	–	–
Other	(1)	(1)	–	–	189	189
GROUP HEADQUARTERS & GROUP SERVICES	**(146)**	**(146)**	**(15)**	**(15)**	**(119)**	**(119)**
Staff-related measures	(182)	(182)	(44)	(44)	(107)	(107)
Non-staff-related restructuring	(40)	(40)	(8)	(8)	(49)	(49)
Effects of deconsolidations, disposals and acquisitions	(4)	(4)	44	44	63	63
Impairment losses	–	–	–	–	–	–
Other	80	80	(7)	(7)	(26)	(26)
GROUP	**(652)**	**(652)**	**454**	**452**	**1,740**	**(374)**
Staff-related measures	(630)	(630)	(187)	(187)	(559)	(559)
Non-staff-related restructuring	(55)	(55)	(22)	(22)	(85)	(85)
Effects of deconsolidations, disposals and acquisitions	(9)	(9)	785	785	778	778
Impairment losses	–	–	–	(2)	1,651	(463)
Other	42	42	(122)	(122)	(45)	(45)
EBITDA/EBIT (ADJUSTED FOR SPECIAL FACTORS)	**11,477**	**5,175**	**11,495**	**5,150**	**22,230**	**9,757**
Profit (loss) from financial activities (adjusted for special factors)		(893)		(1,870)		(2,895)
PROFIT (LOSS) BEFORE INCOME TAXES (ADJUSTED FOR SPECIAL FACTORS)		**4,282**		**3,279**		**6,863**
Income taxes (adjusted for special factors)		(1,230)		(753)		949
PROFIT (LOSS) (ADJUSTED FOR SPECIAL FACTORS)		**3,053**		**2,527**		**7,812**
PROFIT (LOSS) (ADJUSTED FOR SPECIAL FACTORS) ATTRIBUTABLE TO						
Owners of the parent (net profit (loss)) (adjusted for special factors)		2,428		2,138		6,039
Non-controlling interests (adjusted for special factors)		625		389		1,773

GROSS AND NET DEBT

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

millions of €

	June 30, 2018	Dec. 31, 2017	Change	Change %	June 30, 2017
Financial liabilities (current)	6,708	8,358	(1,650)	(19.7)	10,351
Financial liabilities (non-current)	54,554	49,171	5,383	10.9	50,638
FINANCIAL LIABILITIES	**61,262**	**57,529**	**3,733**	**6.5**	**60,989**
Accrued interest	(678)	(692)	14	2.0	(655)
Other	(570)	(781)	211	27.0	(886)
GROSS DEBT	**60,014**	**56,056**	**3,958**	**7.1**	**59,448**
Cash and cash equivalents	2,943	3,312	(369)	(11.1)	2,441
Available-for-sale financial assets/ financial assets held for trading	–	7	(7)	n. a.	7
Derivative financial assets	1,172	1,317	(145)	(11.0)	1,515
Other financial assets	1,127	629	498	79.2	236
NET DEBT	**54,772**	**50,791**	**3,981**	**7.8**	**55,249**

RECONCILIATION FOR THE CHANGE IN DISCLOSURE OF KEY FIGURES FOR THE COMPARATIVE PERIOD IN THE FIRST HALF OF 2018

millions of €

	Comparative period						Dec. 31, 2017	
	Total revenue	Profit (loss) from operations (EBIT)	EBITDA	Adjusted EBITDA	Depreciation and amortization	Impairment losses	Segment assets	Segment liabilities
H1 2017/ JUNE 30, 2017 PRESENTATION AS OF JUNE 30, 2017 – AS REPORTED								
Germany	10,768	2,129	4,016	4,170	(1,882)	(6)	33,667	26,566
United States	18,218	2,331	5,025	5,025	(2,690)	(5)	64,931	42,003
Europe	5,641	681	1,791	1,836	(1,109)	(1)	25,746	10,206
Systems Solutions	3,392	(37)	158	232	(195)	0	6,408	5,061
Group Development	1,157	1,074	1,217	475	(143)	0	9,997	5,549
Group Headquarters & Group Services	1,525	(574)	(233)	(218)	(319)	(22)	46,956	55,867
TOTAL	**40,701**	**5,604**	**11,974**	**11,520**	**(6,338)**	**(34)**	**187,705**	**145,252**
Reconciliation	(3,164)	(3)	(25)	(25)	22	3	(46,371)	(46,388)
GROUP	**37,537**	**5,601**	**11,949**	**11,495**	**(6,316)**	**(31)**	**141,334**	**98,864**
H1 2017/ JUNE 30, 2017 +/– CHANGE IN DISCLOSURE: VIVENTO CUSTOMER SERVICES								
Germany	–	(30)	(29)	(29)	–	–	71	76
United States	–	–	–	–	–	–	–	–
Europe	–	–	–	–	–	–	–	–
Systems Solutions	–	–	–	–	–	–	–	–
Group Development	–	–	–	–	–	–	–	–
Group Headquarters & Group Services	(3)	30	29	29	–	–	–	(4)
TOTAL	**(3)**	**–**	**–**	**–**	**–**	**–**	**71**	**72**
Reconciliation	3	–	–	–	–	–	(71)	(72)
GROUP	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
H1 2017/ JUNE 30, 2017 = PRESENTATION AS OF JUNE 30, 2018								
Germany	10,768	2,099	3,987	4,141	(1,882)	(5)	33,739	26,641
United States	18,218	2,331	5,025	5,025	(2,691)	(4)	64,931	42,003
Europe	5,641	681	1,791	1,836	(1,108)	(1)	25,746	10,206
Systems Solutions	3,392	(37)	158	232	(195)	–	6,408	5,061
Group Development	1,157	1,074	1,217	475	(143)	–	9,997	5,549
Group Headquarters & Group Services	1,521	(544)	(204)	(189)	(320)	(21)	46,957	55,863
TOTAL	**40,697**	**5,603**	**11,974**	**11,520**	**(6,339)**	**(31)**	**187,778**	**145,323**
Reconciliation	(3,161)	(2)	(25)	(25)	23	(1)	(46,444)	(46,459)
GROUP	**37,537**	**5,601**	**11,949**	**11,495**	**(6,316)**	**(32)**	**141,334**	**98,864**

FINANCIAL CALENDAR

August 9, 2018	November 8, 2018	February 21, 2019
Publication of the Interim Group Report as of June 30, 2018	Publication of the Interim Group Report as of September 30, 2018	Press conference on the 2018 financial statements and publication of the 2018 Annual Report

March 28, 2019	May 9, 2019	August 8, 2019
2019 Shareholders' meeting	Publication of the Interim Group Report as of March 31, 2019	Publication of the Interim Group Report as of June 30, 2019

All dates are subject to change.

For more dates, an updated schedule, and information on webcasts, please go to www.telekom.com/financial-calendar.

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Further information on Deutsche Telekom is available at: www.telekom.com

This Interim Group Report can be downloaded from our Investor Relations website at: www.telekom.com/investor-relations

Our Annual Report is available online at:
www.telekom.com/geschaeftsbericht
www.telekom.com/annualreport

The English version of the Interim Group Report for January 1 to June 30, 2018 is a translation of the German version of the Interim Group Report. The German version is legally binding.

This Interim Group Report is a publication of Deutsche Telekom AG.

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