

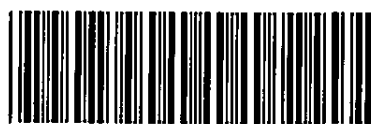
Registered number 3836708

T-Mobile Holdings Limited

Directors' report and financial statements

For the year ended 31 December 2009

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T-Mobile Holdings Limited

Company information

Directors	U Kuehbachner F Stoffer N Mclean J Blendis
Company secretary	J Blendis
Company number	3836708
Registered office	Hatfield Business Park Hatfield Hertfordshire AL10 9BW
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors 1 Embankment Place London WC2N 6RH

T-Mobile Holdings Limited

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T-Mobile Holdings Limited

Directors' report For the year ended 31 December 2009

The directors present their report and the audited financial statements of the company for the year ended 31 December 2009

Principal activities

The company's principal activity was that of a holding company. This is not expected to change in the coming year.

Business review & Future developments

The company has made investments in the mobile telecommunications market through the acquisition of its principal investment in T-Mobile (UK) Limited ("TMUK") and by funding the acquisition of the third generation mobile service licence ('the 3G Licence') by TMUK.

On 8 September 2009, an announcement was made and an Exclusivity Agreement was signed between the company's ultimate parent company, Deutsche Telekom AG ('DT') and France Telecom SA ('FT') to enter into a Joint Venture Agreement ('JVA'). The JVA was signed on 5 November 2009 and was given regulatory approval on the 1 March 2010.

The decision made by the European Commission is conditional upon

- the amendment of the existing network sharing agreement with Hutchison 3G UK ('3UK'), to ensure that there are sufficient competitors in the market, and
- the surrender of a quarter of the combined spectrum of the merging parties in the 1800 MHz band, which is one of the three frequency bands currently used for mobile communications in the UK.

TMUK will continue to support its network share arrangement with H3G to build the country's largest 3G network. The carrying value of the company's investment is not deemed impaired as a result of any amendment to the H3G agreement.

TMUK uses the 1800 MHz frequency band exclusively for the operation of the 2G GSM network and pays for the right to use the 1800 MHz frequency on an annual basis recorded as an expense during the year. As no intangible asset has been recorded in TMUK there will be no impact on the investment of the company as a result of TMUK surrendering 1800 MHz spectrum.

Under the JVA, DT will contribute its TMUK mobile telephony business and FT will contribute its Orange UK telephony and broadband businesses ('OUK') to a UK joint venture ('JV Group' or 'JV') to be 50% owned by each of DT and FT. TMUK will be the UK joint venture vehicle, prior to completion TMUK will also undertake a pre-sale re-organisation where it will

- transfer shares in wholly-owned subsidiary undertakings to T-Mobile Holdings Limited ('TMH'),
- re-structure its share capital so it has only ordinary shares,
- increase its capitalisation, and
- re-structure indebtedness.

To create the JV Group, DT will contribute TMUK on a cash free, debt free basis, including TMUK's 50% holding in its 3G network venture with 3 and gross unrecognised tax losses carried forward. FT will contribute the whole of OUK including £1.25 billion of intra-group net debt in order to equalise the value of the contributions to the JV Group. Immediately after closing DT will grant a £625 million shareholder loan to the JV Group, which will be used to simultaneously reimburse £625 million to FT. As a result, the JV Group will have indebtedness of £1.25 billion, represented by two shareholder loans of £625 million held by each of DT and FT.

On completion of the transaction it is the intention of TMUK and OUK to

- continue to trade using existing brands for a minimum period of 18 months,
- deliver significant reductions in operating expenses and capital expenditure through integrating the activities of TMUK and OUK and rationalising the enlarged network to deliver synergy benefits, and
- finance the JV independently of and without further support from or resource to, the parent companies.

On completion of the transaction TMH's interest in the enlarged TMUK JV will be diluted from 100% to 50%.

T-Mobile Holdings Limited

Directors' report For the year ended 31 December 2009

Business review & Future developments (continued)

As part of the transaction with TMUK and OUK, management updated its cash flow forecasts from those used in the impairment booked in fiscal year 2008. Based on this exercise and on the expected cash flows of the combined business, the directors remain confident that the recoverable amount of the company's total interest in this business exceeds the carrying value as at 31 December 2009.

In accordance with FRS 11, the company will continue to perform impairment reviews in future periods, as appropriate.

In the current year there was no reduction in the carrying value of the company's investments in the T-Mobile (UK) Group (2008: £1,598 million). The company did not trade during the year.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance or position of the business.

Results and dividends

The loss for the financial year, after taxation, amounted to £nil (2008: £1,598 million).

The directors do not propose payment of a dividend (2008: £nil).

Directors

The directors who served during the year and up to the date of signing of the financial statements were:

U Kuehbachner
F Stoffer
N Mclean
J Blendis

There were no contracts in which the directors have an interest at the end of the year.

T-Mobile Holdings Limited

Directors' report For the year ended 31 December 2009

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken in their duty as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Independent auditors

The ultimate parent company has changed the roles of its group auditors. In accordance with these changes, the directors propose Ernst & Young be appointed auditors in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on the ~~30 March 2010~~ and signed on its behalf



N. Mclean
Director

T-Mobile Holdings Limited

Independent Auditors' Report to the members of T-Mobile Holdings Limited

We have audited the financial statements of T-Mobile Holdings Limited for the year ended 31 December 2009 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its results for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

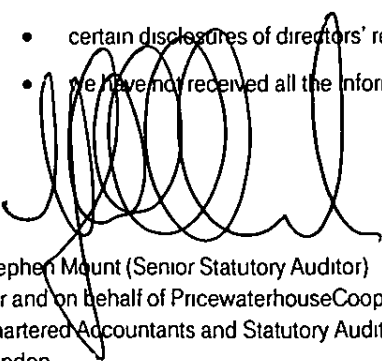
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Stephen Mount (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

30 March 2010

T-Mobile Holdings Limited

Profit and loss account For the year ended 31 December 2009

	Note	2009 £000	2008 £000
Administrative expenses	2	-	(1,598,400)
Operating loss	3	-	(1,598,400)
Loss on ordinary activities before taxation		-	(1,598,400)
Taxation on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation		-	(1,598,400)

All amounts relate to continuing operations

There are no recognised gains and losses other than those included in the profit and loss account for the years stated above

There are no differences between the loss on ordinary activities before and after taxation and their historical cost equivalents for the years stated above

The notes on pages 7 to 14 form part of these financial statements

T-Mobile Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

	Note	2009 £000	2008 £000
Fixed assets			
Investments	7	3,265,542	3,265,542
Creditors falling due within one year	8	(674)	(674)
Net current liabilities		(674)	(674)
Total assets less current liabilities		3,264,868	3,264,868
Called up share capital	9	706,540	706,540
Share premium account	10	10,141,115	10,141,115
Profit and loss account	10	(7,582,787)	(7,582,787)
Total shareholders' funds	11	3,264,868	3,264,868

The notes on pages 7 to 14 form part of these financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf on the 30 March 2010



N Mclean
Director

T-Mobile Holdings Limited
Registered Number 3836708

T-Mobile Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

In preparing these financial statements the directors have taken into consideration the Joint Venture Agreement ('the Agreement') dated 5 November 2009 between Deutsche Telecom AG ('DT') and France Télécom SA ('FT'). Under the agreement DT will contribute its TMUK mobile telephony business and FT will contribute its Orange UK telephony and broadband businesses ('OUK') to a UK joint venture ('JV Group') to be 50% owned by each of DT and FT. TMUK itself will be the UK joint venture vehicle, prior to completion TMUK will also undertake a pre-sale re-organisation which will, in summary

- transfer shares in wholly-owned subsidiary undertakings to T-Mobile Holdings Limited,
- re-structure its share capital so it has only ordinary shares,
- increase its capitalisation, and
- re-structure indebtedness

To create the JV Group, DT will contribute TMUK on a cash free, debt free basis, including TMUK's 50% holding in its 3G network venture with 3 and gross unrecognised tax losses carried forward. FT will contribute the whole of OUK including £1.25 billion of intra-group net debt in order to equalise the value of the contributions to the JV Group. Immediately after closing DT will grant a £625 million shareholder loan to the JV Group, which will be used to simultaneously reimburse £625 million to FT. As a result, the JV Group will have indebtedness of £1.25 billion, represented by two shareholder loans of £625 million held by each of DT and FT.

On 1 March 2010, the agreement was given regulatory approval by the European Commission. The decision made is conditional upon

- the amendment of the existing network sharing agreement with Hutchison 3G UK ('3UK'), to ensure that there are sufficient competitors in the market, and
- the surrender of a quarter of the combined spectrum of the merging parties in the 1800 MHz band, which is one of the three frequency bands currently used for mobile communications in the UK.

TMUK will continue to support its network share arrangement with H3G to build the country's largest 3G network. The carrying value of the company's investment is not deemed impaired as a result of any amendment to the H3G agreement.

TMUK uses the 1800 MHz frequency band exclusively for the operation of the 2G GSM network and pays for the right to use the 1800 MHz frequency on an annual basis recorded as an expense during the year. As no intangible asset has been recorded in TMUK there will be no impact on the investment of the company as a result of TMUK surrendering 1800 MHz spectrum.

On completion of the transition it is the intention of the Parties to

- continue to trade using existing brands for a minimum period of 18 months
- deliver significant reductions in operating expenses and capital expenditure through integrating the activities of TMUK and OUK and rationalising the enlarged network to deliver synergy benefits, and
- finance the JV independently of and without further support from or resource to, the parent companies

T-Mobile Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies (continued)

1.2 Going concern

At 31 December 2009 the company's ability to continue as a going concern remains dependent on the provision of loans by and continuing financial support from the company's parent company

However, the JVA anticipates that

- so far as practicable the activities of the JV Group are financed from its own resources with no recourse to the Parents or any of their associated companies,
- no Parent shall be obliged to provide any guarantee or security for any indebtedness of the JV Group or to provide any further capital to it,
- the JV Group may require further finance to fund its projected cash requirements,
- the JV Group may borrow additional sums from third parties on the most favourable terms compatible with its needs but without guarantee or recourse from the Parents,
- the JV Group will repay all loan amounts due to the Parents under the initial Rebalancing/Shareholder Loan Agreements in accordance with the agreed terms, and
- 90% of the JV Group's prospective annual free cash flow will be distributed to the Parents by way of dividend

Therefore, upon completion of the transaction described above, TMUK will commence operations as the JV Group with indebtedness of £1.25 billion but will cease to be able to rely on the further provision of loans by, and continuing financial support from, a related party and will need to finance itself through positive cash flow and/or securing sufficient and appropriate funding to meet the prospective needs of the combined businesses. Repayment of the JV's initial loans of £1.25 billion will begin in 2014.

Management has completed an exercise to forecast the cash flows of the Joint Venture from the expected date of completion for the next 18 months. With input from DTAG, FT and its advisors, the cash flows were prepared by combining the OUK and TMUK cash flow forecasts and then overlaying forecasted integration costs and synergies. In forecasting these cash flows, management has made a number of assumptions and judgements, including

- the JV Group will successfully roll out the network in accordance with the MBNL agreement,
- the JV Group will improve the mix of the customer base,
- the JV Group will achieve operating and capex synergies related to the combination of its operations with OUK, and
- generate income and cash flows necessary to realise the carrying value of its assets and fund the repayment of the interest on the JV Group's indebtedness

On that basis, and with the current benefit of continuing loans and financial support from the company's parent until completion, the board of directors consider that it remains appropriate for the company's financial statements to be prepared on a going concern basis.

At 31 December 2009 the company and its operating subsidiary had net current liabilities and both companies are financed by loans from Deutsche Telekom Group. In view of these factors the board of directors has received written confirmation from its intermediate parent company, T-Mobile Global Holding GmbH that it will continue to support the company and its operating subsidiary for the foreseeable future. Accordingly, the board of directors considers that it is appropriate that the company's financial statements are prepared on a going concern basis.

The accounting policies, which have been applied consistently throughout the year are set out below

T-Mobile Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies (continued)

1.3 Cash flow statement

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to prepare a cash flow statement in accordance with FRS 1 "Cash flow statements (revised 1996)"

1.4 Investments

Fixed asset investments are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

1.5 Impairment of fixed assets

In accordance with FRS 11 - 'Impairment of fixed assets and goodwill', the company's fixed assets investments are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of the future cash flows anticipated from the relevant group of assets, or their disposal value if higher. When it is determined that the carrying value exceeds the recoverable amount the excess is written off to the profit and loss account. Also in accordance with FRS 11, annual 'look back' tests are performed on each impairment review that has been conducted in the five years preceding the balance sheet date. Any impairment identified is recognised in the current period unless the impairment has reversed and the reversal of the loss is permitted in accordance with FRS11.

1.6 Consolidation

Under Section 400 of the Companies Act 2006, the company is exempt from preparing consolidated financial statements as the company is included in the consolidated financial statements of the ultimate parent company, Deutsche Telekom AG. Deutsche Telekom AG is incorporated in Germany, a member state of the European Union and its audited financial statements are drawn up to 31 December 2009, and which are publicly available.

T-Mobile Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

2 Diminution in the value of fixed assets investments

In prior years, the company has invested in the wireless market through the acquisition of its interests in TMUK and by funding the acquisition of a 3G licence held by TMUK. This market continues to evolve rapidly and there are a number of inherent features in this market which create a substantial level of uncertainty in relation to the recoverability of the amounts invested. These include

- the ultimate size of the market
- the nature and extent of competition and/or regulation of the market
- the availability of sites and network infrastructure
- the cost of rolling out the services that customers demand
- the nature of services and the amounts which customers are prepared to pay for such services
- the timing of availability of service
- the impact of new technologies
- the impact of perceived health risks

2009 Impairment review

As part of the transaction with TMUK and OUK, management updated its cash flow forecasts from those used in the impairment recorded in fiscal year 2008. Based on this exercise and on the expected cash flows of the combined business, the directors remain confident that the recoverable amount of the company's total interest in this business exceeds the carrying value as at 31 December 2009.

2008 Impairment review

The impairment reviews were performed in Quarter 3 2008 and again at the end of the year against the background of issues that emerged in Quarter 4 2008. Based on conventional discounted cash flow projections, prepared in conjunction with the company's annual impairment test required in support of the preparation of Deutsche Telekom AG's ("DTAG") consolidated financial statements, the reviews did not result in an impairment.

As a consequence of the significant economic slowdown in UK DTAG performed in Quarter 1 2009 an additional impairment test that resulted in an impairment loss in DTAG's consolidated financial statements on the goodwill of the cash generating unit TMUK. Due to the fact that at this point in time the statutory financial statements of the company had not been finalised, management considered the result of the impairment test performed in Quarter 1 as an adjusting event for 31 December 2008 and concluded that a write down of £1,598 million was required against the company's total interest in this business for the year.

In both years, the method used for establishing the recoverable amount was a value in use calculation derived from conventional discounted cash flow projections. The valuation comprised the discounted cash flows of the business for an initial 10-year period and a terminal value in perpetuity. An initial 10 year forecast period was used because management considered that there would be significant volatility in the business and that at the end of this period a reliable and sustainable cash flow would emerge on which to base the terminal value. The projections used a long term growth rate of 2% (2008 - 2%) and a discount rate of 6.91% (2008 - 6.99%) was used within a capital asset pricing model, using a risk free rate of 4.32% (2008 - 4.45%) calculated from long-dated government bonds and an equity risk premium taking into account long term trends of 4.20% (2008 - 5%) as an appropriate measure of risk. There were a number of key assumptions which affected the cash flows of the business. These included assumptions about the development of the UK market and the market size, TMUK's share of the market, customer revenues, operating margins and capital expenditure.

In accordance with FRS 11, the company will continue to perform impairment reviews in future periods, as appropriate.

T-Mobile Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

3 Operating activities

Auditors' remuneration for the year totalled £4,725 (2008 £4,725) for audit services, and £nil for non audit services (2008 £nil). The audit fee was borne by TMUK, a subsidiary, and no recharge was made.

4 Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2008 £nil).

5 Directors' emoluments

None of the directors received or waived any remuneration in respect of their services as directors of the company. There were no contracts of significance existing during, or at the end of, the year ended 31 December 2009 (2008 £nil) in which a director had a beneficial interest.

6 Taxation on loss on ordinary activities

There was no taxation charge for the year (2008 - £nil) as there was no taxation assessable income during the year (2008 - £nil). The taxation assessed for the year was the same (2008 - lower) than the standard rate of corporation taxation in the UK applicable to the company.

The standard rate of corporation taxation in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, for the last financial year the effective rate of tax was 28.5%. The effective rate for this financial year is 28%.

The differences are explained below:

	2009 £000	2008 £000
Loss on ordinary activities before taxation	-	(1,598,400)
Loss on ordinary activities multiplied by the standard rate of corporation taxation in the UK of 28% (2008 - 28.5%)	-	(455,544)
Effect of		
Expenses not deductible for taxation purposes	-	455,544
Current taxation charge for the year	-	-

Factors that may affect future tax charges

There are unrecognised taxation losses not yet agreed with the taxation authorities. These taxation losses relate, to capital losses arising on the group restructure that took place in 2006 to simplify the group structure. These losses may be utilised in the future to the extent that there are sufficient levels of capital gains.

T-Mobile Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

7 Fixed asset investments

	Investments £000
Cost or valuation	
At 1 January 2009 and 31 December 2009	<u>11,797,942</u>
Impairment	
At 1 January 2009	8,532,400
Charge for the year	-
At 31 December 2009	<u>8,532,400</u>
Net book value	
At 31 December 2009	<u>3,265,542</u>
At 31 December 2008	<u>3,265,542</u>

The fixed asset investments represent the company's interests in various companies in the T-Mobile (UK) Group

Name	Principal activities	% shareholding	
		Direct	Indirect
T-Mobile No 1 Limited	In liquidation	100	
T-Mobile No 2 Limited	In liquidation	100	
T-Mobile No 4 Limited	In liquidation	100	
T-Mobile No 5 Limited	In liquidation	100	
T-Mobile Limited	Dormant	100	
T-Mobile United Kingdom Limited	Dormant	100	
T-Mobile (UK) Limited	Personal radio communications services	100	
One 2 One Limited	Dormant	100	
One 2 One Personal Communications Limited	Dormant		100
T-Mobile International Limited	Dormant		100
T-Mobile (UK) Retail Limited	Dormant		100
T-Mobile (UK) Pension Trustee Limited	Trustee Company		100

8 Creditors amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to group undertakings	<u>674</u>	<u>674</u>

The amounts owed to group undertakings are repayable on demand and are non-interest bearing

T-Mobile Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

9 Called up share capital

	2009 £000	2008 £000
Authorised		
9,991,000,000 ordinary shares of £1 each	9,991,000	9,991,000
9,000,000 redeemable ordinary shares of £1 each	9,000	9,000
	<u>10,000,000</u>	<u>10,000,000</u>
Allotted and fully paid		
697,540,268 ordinary shares of £1 each	697,540	697,540
9,000,000 redeemable ordinary shares of £1 each	9,000	9,000
	<u>706,540</u>	<u>706,540</u>

The ordinary shares and redeemable shares rank *pari passu* and equally in all respects save that the redeemable ordinary shares do not carry any rights to dividends in respect of any period prior to 17 June 2004 and they are redeemable on such dates as the directors of the company stipulate. They are redeemable at an amount equal to the issue proceeds, including any premium.

10 Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2009	10,141,115	(7,582,787)
Loss for the year	-	-
At 31 December 2009	<u>10,141,115</u>	<u>(7,582,787)</u>

11 Reconciliation of movement in total shareholders' funds

	2009 £000	2008 £000
Loss for the year	-	(1,598,400)
Opening total shareholders' funds	3,264,868	4,863,268
Closing total shareholders' funds	<u>3,264,868</u>	<u>3,264,868</u>
Analysis of total shareholders' funds		
Non-equity interests	9,000	9,000
Equity interests	3,255,868	3,255,868
Closing total shareholders' funds	<u>3,264,868</u>	<u>3,264,868</u>

T-Mobile Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

12 Related party transactions

Under FRS 8 'Related party disclosures', the company is exempt from the requirement to disclose transactions with entities that are part of the Deutsche Telekom AG group during the year ended 31 December 2009. Under the same standard, the company is also exempt from the requirement to disclose transactions with investees of the group qualifying as related parties, as all of the company's voting rights were controlled within the Deutsche Telekom AG group throughout the year. There were no material transactions with any other related parties.

13 Post balance sheet events

On 8 September 2009, an announcement was made and an Exclusivity Agreement was signed between TMH's ultimate parent company, Deutsche Telekom AG ('DT') and France Télécom SA ('FT') to enter into a Joint Venture Agreement ('JVA'). The JVA was signed on 5 November 2009 and was given regulatory approval by the European Commission on the 1st March 2010.

The decision made by the European Commission is conditional upon

- the amendment of the existing network sharing agreement with Hutchison 3G UK ('3UK'), to ensure that there are sufficient competitors in the market, and
- the surrender of a quarter of the combined spectrum of the merging parties in the 1800 MHz band, which is one of the three frequency bands currently used for mobile communications in the UK.

TMUK will continue to support its network share arrangement with H3G to build the country's largest 3G network. The carrying value of the company's investment is not deemed impaired as a result of any amendment to the H3G agreement.

TMUK uses the 1800 MHz frequency band exclusively for the operation of the 2G GSM network and pays for the right to use the 1800 MHz frequency on an annual basis recorded as an expense during the year. As no intangible asset has been recorded in TMUK there will be no impact on the investment of the company as a result of TMUK surrendering 1800 MHz spectrum.

14 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is T-Mobile Global Holdings GmbH which owns 100% of the company. T-Mobile Global Holdings GmbH's registered address is Landgrabenweg 151, 53227 Bonn. The company's ultimate parent company and controlling party is Deutsche Telekom AG, a company incorporated in Germany, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. A copy of Deutsche Telekom AG's published consolidated financial statements can be obtained from The Press and Corporate Communication Department, Postfach 20 00, D-53 105, Bonn, Germany.