

Your Nomination Form...

Please complete, tear-off and return this section if you haven't already completed a Nomination form, or if you'd like to change your nominations. If you send us a new form, it will automatically replace any previous one we have on file.

What is the Nomination form?

The Nomination form is your chance to tell the Trustee who you would like to receive any benefits that become payable from the Scheme if you die while a member. You can nominate as many people as you like, or if you prefer you can nominate an organisation. The Trustee is not legally bound to follow your wishes, but it will take them into account. The information will be treated as confidential.

You may want to keep a copy of the form so that you can remember who you have nominated.

Please complete the form in BLOCK CAPITALS and return it to the T-Mobile Pensions Team at Capita Hartshead.

Personal details:	
Title:	Mr/Mrs/Miss/Ms/Other (specify):
Full Name:	
Home Address:	
Postcode:	
Date of birth:	
Marital Status:	Single/Married/Divorced/Separated/Widowed (delete as appropriate)
National Insurance Number:	

Presenting your Pension 2010

For members of the T-Mobile (UK) Pension Scheme

Highlights during 2009...

- Scheme funds decreased to £313m
- Scheme membership increased by 51 members to 9,454 members
- T-Mobile's annual employer contributions to the Scheme were £21m

Read on inside for more information...

Life's for Sharing



A recap of who the Trustee Directors are...

Your pension scheme is managed by a Trustee Company, T-Mobile (UK) Pension Trustee Limited, which is completely separate from Everything Everywhere. This legal separation is really important as it means Everything Everywhere's financial assets are independent from those of the Scheme, and ensures pension scheme assets are only used for the purposes of the Scheme, such as paying pensions and lump sums to you or your dependants.

The Trustee Company has seven Trustee Directors, who make decisions about the Scheme and are responsible for running it. As a member of the Scheme, you might not ever have direct contact with the Trustee Directors, but their role is to act in your best interests so it's worth knowing who they are and what they do.

Four of the Trustee Directors are chosen by Everything Everywhere, with the remaining three being nominated by the Scheme members. All of the Trustee Directors except Jonathan Clarke are employees of Everything Everywhere.

The following people are the current Trustee Directors:

Company-appointed Trustee Directors:

Jonathan Clarke (Chairman)
Robyn Durie
Ian Pitcher
Gavin Moore

Member-nominated Trustee Directors:

Tony Fleming
Jeremy Lane
Liz Barnes

There are three permanent Committees who deal with specific elements of the Scheme. The Trustee reviews the composition of, and the powers and duties of its permanent Committees every year. The work each Committee does is very important as it concerns the security of your benefits. You can see which Trustee Directors sit on each Committee below:

Funding and Investment Committee:

Jonathan Clarke (Interim Chair)
Tony Fleming
Jeremy Lane
Gavin Moore

Governance Committee:

Jeremy Lane (Chair)
Robyn Durie
Tony Fleming

Benefits Committee:

Robyn Durie (Chair)
Ian Pitcher
Liz Barnes

The Funding and Investment Committee meets at least monthly and the other 2 permanent Committees meet as required. Each Committee works to a very clear business plan and terms of reference with full reports being provided back to the Full Board of the Trustee. Similarly, the Full Trustee Board meets quarterly to check that the Scheme is being managed and governed to the highest standards possible, and to ensure that the Scheme can continue to be funded and its assets invested appropriately into the future.

Trustee Advisers

While the Trustee Directors take their responsibilities very seriously, and have completed relevant training for their role, they aren't expected to be experts in every aspect of pensions, so they appoint experienced professional advisers to assist with the running of the Scheme. These include the actuary, legal adviser, investment adviser and auditor.

The main advisers are currently:

Scheme Actuary	Keith Barton of Aon Hewitt
Investment Consultants	Aon Hewitt
Legal Adviser	Eversheds



Your Scheme's Funding...

The Scheme Actuary carries out a formal actuarial valuation of the Scheme at least once every three years. This is an in-depth look at the Scheme's finances. The Actuary uses the results to advise the Trustee about the level of contributions he thinks will be needed in the future in order to pay members' pensions when they are due. The level of contributions is then agreed with T-Mobile and recorded in a formal document, the "Schedule of Contributions".

The current actuarial valuation as at 31 December 2009 is still being progressed and the results will be made known after finalisation next Spring.

Pension Protection Fund

The Government set up the Pension Protection Fund (PPF) to pay benefits to members of any scheme that is wound-up when the scheme and the company do not have enough money to cover the cost of buying all members' benefits with an insurer. If T-Mobile becomes insolvent and the Scheme has insufficient assets to buy all of the benefits promised with an insurer, the pension you would receive from the PPF is likely to be less than the full benefit you have earned in the Scheme, depending on your age and when your benefits were earned.

Further information and guidance is available on the PPF website at www.pensionprotectionfund.org.uk. Alternatively, you can write to the Pension Protection Fund at Knollys House, 17 Addiscombe Road, Croydon, Surrey, CR0 6SR.

Your Scheme's Investments...

The Trustee invests the Scheme's money with the aim of producing long-term returns that will enable the Scheme to pay the pensions and other benefits it owes in the future.

The Trustee continually monitors the funding position of the Scheme and is focussed on its long-term objective of ensuring that there is sufficient funding in the Scheme to provide benefits for all members. Factors that affect funding, such as investment performance, interest rates and long-term inflation are variable and can affect the funding of the Scheme in the short-term. However, the Trustee has an integrated approach to managing the funding and investments of the Scheme into the longer term and the new investment strategy is designed with this in mind.

It is the role of the Funding and Investment Committee to ensure that the investments are appropriate for the Scheme, noting the Scheme's funding position and the Trustee's views on the ability of the Company to pay contributions to the Scheme so that the promised benefits can be paid at a future date. The Funding and Investment Committee is also responsible for monitoring the investments and for making recommendations of change to the Full Board on the asset allocation of the Scheme and thereafter to select managers that the Scheme invests in.

How is the Scheme's money invested?

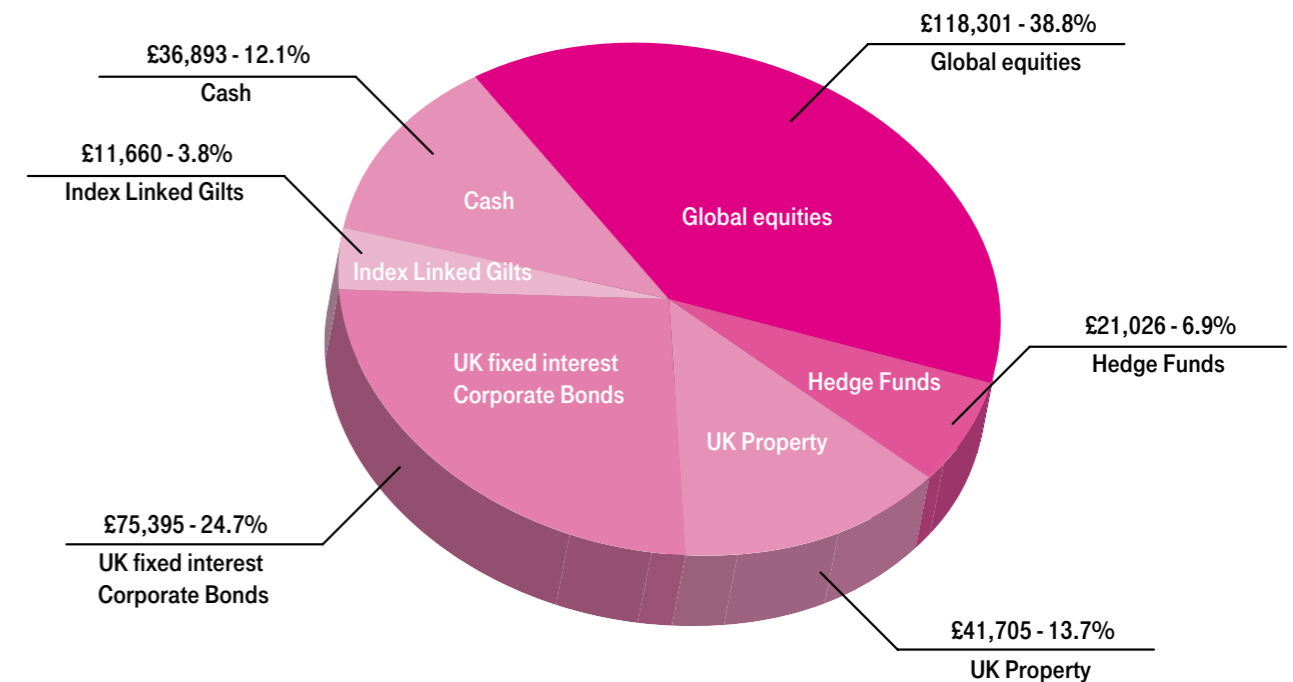
As at 31 December 2009, the Scheme's invested assets (excluding members' Additional Voluntary Contributions) amounted to £305m and were split as shown in the chart below.

The Trustee's investment strategy is set out in the Statement of Investment Principles and having been reviewed during 2009 was mainly implemented by the end of 2009. This new strategy is designed to achieve higher long-term growth for the Scheme at lower overall risk than the previous strategy. In order to meet the Scheme's investment objective the Trustee invests in a range of different asset classes, some predominantly return seeking assets such as equities and some predominantly risk reducing or diversifying asset classes such as index-linked gilts, corporate bonds and property.

As part of implementing this new strategy, in July 2009 the Trustee appointed an active corporate bond manager (PIMCO Europe Ltd) and in September 2009 it appointed Legal & General to manage its index-linked gilts. The Trustee removed its interest rate swaps with Insight Investment during the Summer of 2009 and has been transferring the proceeds of the

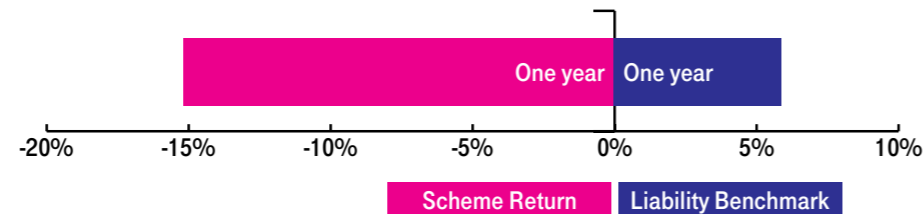
swaps and the other assets that were previously invested with Insight to either PIMCO or Legal & General. In December 2009 the Trustee appointed Skagen and Lazard to actively manage its equities on an unconstrained basis and it appointed Fauchier Partners as a fund of hedge funds manager to diversify its return seeking asset portfolio. During 2010 the Trustee has been purchasing further index-linked gilts as suitable opportunities have risen on the market.

The Funding and Investment Committee continually monitors the investment strategy and may re-purchase interest and inflation swaps or change its investment strategy in future within the bounds set down within the Scheme's Statement of Investment Principles.



How are the Scheme's investments performing

Even though the Scheme's main aim is to achieve a level of funding for the Scheme sufficient to provide for all members' receipt of their promised benefits, the Trustee also measures the performance of the Scheme's assets against a benchmark which is driven by the change in the liabilities of the Scheme. The actual investment performance and the liability driven benchmarks over the last year to end December 2009, shown here:



Your Scheme Accounts...

Between the start and the end of 2009, the total value of the Scheme's assets decreased from £354m to £313m. Here's how it happened, with the 2008 figures shown alongside for comparison...

	2009 £	2008 £
Income		
Employer contributions	21,261,259	22,946,807
Member contributions (including salary sacrifice payments and Additional Voluntary Contributions)	8,496,880	8,128,145
Investment income and returns on investments	(65,980,979)	64,215,261
Other income	130,690	440,729
Total income	(36,092,150)	95,730,942
Expenditure		
Payment of benefits	3,542,745	2,951,187
Payments to and on account of leavers	1,698,633	1,409,879
Other expenditure	389	1,349,342
Total expenditure	5,241,767	5,710,408
Income minus expenditure	(41,333,917)	90,020,534
Value of Scheme funds at 1 January 2009	354,279,297	264,258,763
Value of Scheme funds at 31 December 2009	312,945,380	354,279,297

The accounts have been audited and confirmed as accurate.

Your Scheme Membership...

The Scheme continues to grow: over the course of 2009, membership increased from 9,403 to 9,454. Here's a breakdown of the figures:

	At 1 January 2009	At 31 December 2009
Active members These are members who are current employees of Everything Everywhere and are paying contributions into the Scheme or sacrificing salary through mychoice: pension	4,859	4,042
Deferred members These are members who have left T-Mobile employment but are still entitled to benefits from the Scheme at age 65	4,249	5,019
Pensioner members These are members who are receiving a pension from the Scheme	295	393
TOTAL	9,403	9,454



Your Scheme News...

This section of the newsletter is dedicated to telling you what's going on in your Scheme now. It's the place to look if you want to find out about any upcoming events or changes to the Scheme.

Annual Benefit Statements

In December, all active members – those of you who are currently paying contributions or sacrificing salary to the Scheme – should have received a copy of your annual benefit statement, which gives you an update on the benefits you are personally entitled to as a Scheme member.

Don't worry if you didn't get a benefit statement. You can find all the information you need about the Scheme by logging onto the website, www.t-mobilepension.co.uk, where you will find a copy of the Scheme booklet, which explains in more detail how the Scheme works. The website also gives you access to an up-to-date version of the benefit statement, any time you like. When you go onto the website you'll need to sign up for the online service – click on "Register". You'll then be asked some security questions to verify who you are, and you'll also be asked to create a unique Username and Password. Once you've registered you'll get a PIN number, either by post, email or text message – you can choose which you would prefer. Once you get a PIN number you can access your T-Mobile pension details. Click the "login" button and follow the on screen instructions. If at any stage you have any problems accessing your information, contact the T-Mobile Pensions Team at Capita Hartshead on 0800 169 2085.

Money Purchase Investments

If you've paid any Additional Voluntary Contributions (AVCs) you'll also have some money purchase investments in the Scheme and you'll receive a money purchase benefit statement, which will contain a Statutory Money Purchase Illustration (SMPI). By law, the Scheme must provide you with a SMPI, which gives an illustration of what your benefits could be at retirement, with particular assumptions about the future rate of investment growth and your salary growth.

The current range of money purchase investment funds, provided through Fidelity and available to new money, is listed below, together with performance figures for these funds to 30 June 2010:

Fund	1-year return to 30/06/10 (%)	3-year annualised return to 30/06/10 (%)
Fidelity BlackRock UK Equity Index	21.0	3.4
Fidelity BlackRock European Equity Index	15.3	-5.8
Fidelity BlackRock US Equity Index	25.9	3.2
Fidelity BlackRock Global Equity (50:50) Index	20.9	-3.4
Fidelity BlackRock Over 15 Years UK Gilt Index	7.9	4.4
Fidelity BlackRock Over 5 Years UK Index Linked Gilt Index	8.3	5.7
Fidelity BlackRock Cash	0.4	3.7

Members who have invested in the with-profits fund at Equitable Life will have received a benefit statement recently showing the value of the funds in which they have invested, these have not been transferred to Fidelity.

If you are an active member and you'd like to make AVCs with Fidelity all the information you require can be found through the Scheme's internet site, www.t-mobilepension.co.uk.

During 2010, the 5 year terms of office for Jeremy Lane and Tony Fleming expired. However, the Trustee took advice and after due consideration agreed that it would not be appropriate for Tony and Jeremy to leave office at a time when the Trustee is managing various changes affecting the scheme, such as the transfer to the T-Mobile International UK Pension Scheme. Given these exceptional circumstances, the Trustee Directors agreed that Jeremy and Tony's terms of office would continue for one further year.

Member Nominated Trustee Directors

Important Notice Regarding Proposed Change to Rules

National Pensions Update

Taxation

The Government has announced its intention to alter the Labour Government's plans to tax higher earners on the increased value of their pension. The 2011 tax regime for pensions will be driven by a reduced Annual Allowance (AA). An AA of £50,000 has been confirmed in draft legislation, this is higher than expected but significantly below the current level of £255,000

This means that if the increase in defined benefit pension value and member AVCs exceeds £50,000 in any Pension Input Period, you may be liable to pay additional tax. The Scheme's Pension Input Period runs for 12 months from 6 April each year.

From 2011 we will provide details of the value of annual pension benefit as part of your benefit statement so that you are aware of this in relation to the AA. If any tax is due this is likely to be determined and collected through an individual tax return or possibly through a reduction in pension granted through the Scheme. Further details on this are expected before April 2011.

Pension Revaluation

The government has announced that it believes the Consumer Price Index ('CPI') to be a more appropriate measure of pensioner inflation experiences than the Retail Prices Index ('RPI'), which is in widespread use by pension schemes across the UK today.

Structural differences in the calculation of CPI and RPI leads to expected CPI being around 0.5% p.a. lower than expected RPI in the long term.

The Scheme Rules for deferred revaluations, i.e. where a member has left the Company before Normal Pension Date, refer directly to the underlying pensions legislation, and as such future increases in deferment may become linked to CPI.

The Scheme rules for pension increases, i.e. increases on pension already in payment refer to the RPI. As such the Trustee and Company are awaiting further clarification on the aspect.

National Pensions Update

Pensions continue to make headlines on the national stage, so here's a quick run-down of some of the main issues that have been in the press over the last year, and how they affect you.

Changes to the State Pension Government's announcement on changes to State Pension age

Currently, the State Pension age for men is 65.

On 6 April 2010, the State Pension age for women started to increase gradually from 60 to 65, to match men's.

The government has announced new proposals for increasing State Pension age which would affect you if you were born between 6 April 1953 and 5 April 1960.

The proposals would mean women's State Pension age would increase more quickly to 65 between April 2016 and November 2018.

From December 2018 the State Pension age for both men and women would start to increase to reach 66 by April 2020.

Any change to the timetable needs the approval of Parliament.

Your Scheme Contacts...

If you have any queries regarding your T-Mobile pension benefits, please contact the T-Mobile Pensions Team at Capita Hartshead:

T-Mobile Pensions Team
Capita Hartshead
Erskine House
68-73 Queen Street
Edinburgh
EH2 4NR

Tel: **0800 169 2085**

Email: **t-mobile.helpline@capita.co.uk**

Website: **www.t-mobilepension.co.uk**

The T-Mobile Pensions Team should be your main contact for day-to-day enquiries and questions about your personal benefits; however, you can also contact Colin Grindle, the T-Mobile Pensions Manager, if you have any concerns about the Scheme in general. His email is:

pensions@everythingeverywhere.com

As a Scheme member, you have a right to see the full Annual Report and Accounts produced by the Trustee. You also have a right to see the Statement of Investment Principles, which the Trustee uses to determine how the Scheme's money is invested, the actuarial valuation and annual Actuarial Report, described in the Your Scheme's Funding section of this newsletter, and other Scheme funding documents.

Glossary of Terms

We've tried to keep jargon to a minimum in this newsletter, but we have had to use some specialist terms in places. Here's a quick summary of what they mean.

Actuary

The Scheme Actuary is a professional adviser appointed by the Trustee. He is responsible for calculating what the Scheme's liabilities are expected to be in the future, and recommending a contribution rate so that we expect that there will be enough money going into the Scheme to be able to pay members' pensions and other benefits when they are due.

Asset classes

Asset classes are simply different types of investment. The Scheme invests in a number of different asset classes in order to prevent a major loss if any one asset class performs badly.

Equities

Equities are investments in company stocks and shares. They carry higher risk than most other forms of investment, but are expected to achieve higher returns in the long-term.

Hedge funds

Hedge funds are specialist investments that often contain several other asset classes. Hedge fund managers are normally very active in swapping investments around to react to market conditions and reduce overall risk.

Interest rate swaps

An interest rate swap is a type of investment in which one party normally agrees to pay another a fixed rate of interest in exchange for a variable rate of interest. This type of investment is often used to protect against sudden changes in interest rates by replacing a variable rate with a fixed one.

Liabilities

The Scheme's liabilities are the pensions and other benefits it has to pay now and into the future.

Pensionable salary

Pensionable salary for the purpose of calculating contributions and salary sacrifice payments is your basic salary less an amount determined by T-Mobile (currently £2,704). When calculating benefits, pensionable salary is your unreduced basic salary. Pensionable salary may be capped; you will be told if this applies to you.

The Trustee

The Scheme is managed by a Trustee Company, T-Mobile (UK) Pension Trustee Limited. This company is known as the Trustee, and it has seven Trustee Directors who are the individuals responsible for making decisions in running the Scheme.