

18 July 2012

Telecom Plus PLC (the “Company”)

Interim Management Statement

Telecom Plus PLC (trading as the Utility Warehouse), which supplies a wide range of utility services (gas, electricity, fixed line telephony, mobile telephony and broadband internet) to both residential and business customers, today issues its Interim Management Statement to cover the period from 1 April 2012 to 17 July 2012. This incorporates information relating to the performance of the business for its first quarter ended 30 June 2012, to coincide with its Annual General Meeting (“AGM”) being held later today.

Highlights

- Continuing strong organic growth
- Positive cash generation
- Further improvement in customer quality
- Launch of enhanced mobile tariffs
- Customer numbers up by 10,917 during the quarter to 426,406 (30 June 2011: 378,738)
- Number of services up by 53,316 during the quarter to 1,434,339 (30 June 2011: 1,209,276)

Operating Review

The encouraging momentum we saw developing during the previous quarter has continued, with organic growth significantly ahead of the level we achieved in the corresponding period last year.

Overall customer numbers increased during the first quarter by 10,917, representing an increase of almost 50% on the same period last year (2012: 7,388) and the number of services provided rose by 53,316 (2012: 38,140).

Since the year end, the quality of customers joining our Discount Club has continued to improve, with over 55% of new residential Club customers applying for at least four of our core services (gas, electricity, landline, broadband and mobile). As a result, the average number of services taken by residential Club customers grew from 3.63 to 3.68 during the period.

Within our residential Club, the annualised growth in the number of new services supplied during the quarter of 17% is particularly pleasing, as it was achieved notwithstanding a number of significant distractions. These included Easter, the Diamond Jubilee, Euro 2012, and a promotional incentive which saw almost 200 of our best performing distributors visiting the USA for a week’s holiday at the end of April.

In June, we launched a range of new mobile tariffs, primarily to make our offering more attractive to customers who want a data bundle with their Smart Phone. These changes have been well received by our distribution channel, and we have already seen an encouraging increase in the proportion of new customers taking our mobile service as part of their multi-utility bundle over the last few weeks. We regard mobile telephony as a core element of our business, and remain committed to building our share of this substantial market.

Customer, Distributor and Service Numbers

| Telecom Plus Group | FY2013 | FY2012 | | | |
|---------------------------|------------------|------------------|------------------|------------------|------------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Distributors | 37,777 | 37,263 | 35,536 | 34,496 | 32,922 |
| Customers | | | | | |
| Residential Club | 343,346 | 333,497 | 322,131 | 312,121 | 299,973 |
| Business Club | 27,141 | 26,649 | 26,222 | 25,968 | 25,240 |
| Total Club | 370,487 | 360,146 | 348,353 | 338,089 | 325,213 |
| Non Club | 46,091 | 45,005 | 43,813 | 44,192 | 43,153 |
| Total Telecom Plus | 416,578 | 405,151 | 392,166 | 382,281 | 368,366 |
| TML | 9,828 | 10,338 | 10,364 | 10,418 | 10,372 |
| Total Group | 426,406 | 415,489 | 402,530 | 392,699 | 378,738 |
| Services | | | | | |
| Electricity | 361,202 | 348,629 | 333,068 | 316,746 | 303,495 |
| Gas | 300,420 | 290,057 | 277,682 | 267,675 | 255,741 |
| Fixed Telephony | 236,517 | 232,890 | 226,330 | 222,925 | 217,308 |
| Fixed Line Rental | 199,669 | 191,667 | 183,847 | 178,179 | 170,556 |
| Broadband | 149,608 | 140,771 | 132,219 | 126,087 | 118,252 |
| Mobile | 69,225 | 63,724 | 60,028 | 55,727 | 48,891 |
| CashBack card | 106,235 | 101,351 | 96,203 | 89,976 | 80,851 |
| Non Geographic numbers | 11,463 | 11,934 | 12,791 | 13,324 | 14,182 |
| Total Group | 1,434,339 | 1,381,023 | 1,322,168 | 1,270,639 | 1,209,276 |
| Residential Club | 1,262,437 | 1,211,122 | 1,154,509 | 1,102,959 | 1,044,786 |
| Business Club | 67,284 | 65,683 | 64,440 | 63,390 | 61,534 |
| Total Club | 1,329,721 | 1,276,805 | 1,218,949 | 1,166,349 | 1,106,320 |
| Non Club | 75,838 | 73,638 | 71,675 | 72,285 | 70,311 |
| Total Telecom Plus | 1,405,559 | 1,350,443 | 1,290,624 | 1,238,634 | 1,176,631 |
| TML | 28,780 | 30,580 | 31,544 | 32,005 | 32,645 |
| Total Group | 1,434,339 | 1,381,023 | 1,322,168 | 1,270,639 | 1,209,276 |

Cash Flow

Underlying cash flow remains in line with management expectations, with positive cash generation of almost £4m during the period, resulting in a net cash balance of £4.7m as at 30 June 2012 (31 March 2012: £0.9m).

Outlook

Trading since the year end gives us confidence that our half yearly results will show earnings, pre-tax profits and organic growth firmly ahead of the corresponding figures for last year, and on target to meet market expectations for the full year.

The macro-economic climate remains highly favourable for our business model, with consumers receptive to learning both how they can reduce their outgoings by switching to a new utility supplier, and/or build a secure and reliable part-time income by promoting our services as a distributor.

Confidence within our distribution channel has never been higher, and we are encouraged by the improved productivity we are starting to see from new distributors following the introduction of a new

coaching programme in January this year. As a result, we anticipate further strong organic growth over the coming months.

A number of the 'Big 6' energy suppliers have drawn attention recently to the upward cost pressures they are facing due to higher forward wholesale prices for gas over the coming winter (compared with last year) and rising non-commodity costs associated with investing in greener generation initiatives and upgrading the distribution infrastructure. We therefore expect that retail energy prices will increase this autumn, albeit probably by less than they rose last year.

Notice of results

We anticipate issuing our half yearly results for the six months ended 30 September 2012 on 20 November 2012.

Andrew Lindsay, Chief Executive said:

"We have seen an extremely positive start to the year, with organic growth materially ahead of the levels we achieved in the corresponding period last year."

"Confidence within our distribution channel has never been higher, and we anticipate further strong organic growth over the coming months."

"Trading since the year end gives us confidence that our half yearly results will show earnings, pre-tax profits and organic growth firmly ahead of the corresponding figures for last year, and on target to meet market expectations for the full year."

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About Telecom Plus PLC:

Telecom Plus which owns and operates the Utility Warehouse brand, is the UK's only fully integrated provider of a wide range of competitively priced utility services spanning both the Communications and Energy markets.

Customers benefit from the convenience of a single monthly bill, consistently good value across all their utilities and exceptional levels of customer service. The Company does not advertise, relying instead on "word of mouth" recommendation by existing satisfied customers in order to grow its market share.

Telecom Plus also has a wholly owned subsidiary called TML purchased in 2002, which supplies predominantly fixed line telephony to small and medium sized business customers through a network of authorised resellers and dealers.

Telecom Plus is listed on the London Stock Exchange (Ticker: TEP LN). For further information please visit: www.telecomplus.co.uk.