

Telecom *plus* PLC (the “Company”)

Class 2 Transaction – Agreement to purchase a freehold office building

Telecom *plus* PLC (trading as the Utility Warehouse), which supplies a wide range of utility services to both residential and business customers (gas, electricity, fixed line telephony, mobile telephony and broadband), is pleased to announce it has today exchanged and completed the purchase of the freehold of Southon House, 333 The Hyde, Edgware Road, London NW9 6TD and the adjoining multi-storey car park from Newplace (Colindale) LLP for a total cash consideration (including stamp duty and fees) of approximately £9.0 million.

This will provide the Company with the office space required to support the rapid organic growth in new customer and distributor numbers currently being experienced, as reported to Shareholders in the trading update we released on 5 September 2008.

The transaction has been funded entirely from our existing cash resources.

Southon House was constructed in the mid-1980s and totals 41,157 sq ft arranged over ground and five upper floors. The four upper floors are currently unoccupied and will require refurbishment prior to our taking occupation. It is intended this work will be carried out on a phased basis with a view to ensuring that the first vacant floor is available for occupation during Spring 2009.

The previous owner wishes to continue occupying the ground and first floors of Southon House totalling approximately 17,250 sq ft on a 2 year lease (outside the Landlord and Tenant Act), which is subject to a mutual break option at 18 months. The multi-storey car park provides a total of 431 parking spaces and also houses a Car Sales showroom of approximately 11,300 sq ft on the ground floor which is currently let on a short lease. The total annual rental income from existing tenants is approximately £0.2 million.

In the long term, this location offers the possibility of providing sufficient office accommodation to consolidate all of our head office, administration and call centre operations at a single cost-effective location, geographically located only a short distance from our current site.

Charles Wigoder, Chief Executive said:

“This acquisition provides the Company with enormous flexibility to continue our current rapid organic growth, whilst ensuring we have the infrastructure we will need to support a further significant increase in the number of customer facing staff we employ. Maintaining our current high standards of Customer Service will be a key factor in our continued successful growth.”

For more information please contact:

Telecom <i>plus</i> PLC	
Charles Wigoder, Chief Executive	020 8955 5000
Richard Hateley, Finance Director	
KBC Peel Hunt Ltd	
Richard Kauffer / Nicholas Marren	020 7418 8900
Smithfield	
Katie Hunt / Reg Hoare / Will Henderson	020 7360 4900

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 an exceptional standard of customer service. The Company does not advertise, relying instead on "word of mouth" recommendation by existing satisfied customers in order to grow their market share.

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