

17 July 2013

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 2013 to 16 July 2013. This incorporates information relating to the performance of the business for its first quarter ended 30 June 2013, to coincide with its Annual General Meeting (“AGM”) being held later today.

Highlights

- Continuing strong organic growth
- Customer numbers up by 13,372 during the quarter to 474,404 (30 June 2012: 426,406)
- Number of services up by 64,267 during the quarter to 1,666,327 (30 June 2012: 1,434,339)

Operating Review

The momentum which was building in the business during the previous quarter has continued over the past three months, with an encouraging increase in numbers across all our core services. Within this, our mobile business is growing particularly strongly, with annualised growth running at more than 34%.

The strong distributor recruitment levels we saw in Q4 2013 contributed to an acceleration in our growth during the first quarter, with overall customer numbers increasing by 13,372; this is an increase of over 20% on the same period last year (Q1 2013: 10,917). The number of services provided rose by 64,267 (Q1 2013: 53,316), which represents a significant improvement on the strong quarterly growth numbers reported over our last two financial years.

Since the year end, the quality of customers joining our Discount Club has remained consistently high, 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 3.80 to 3.85 during the period.

Cash Flow

Underlying cash flow remains in line with management expectations, with positive cash generation of almost £3m during the period, resulting in a net cash balance of £3.6m as at 30 June 2013 (31 March 2013: £0.8m).

Distributor, Customer and Service Numbers

Telecom Plus Group	FY2014	FY2013			
	Q1	Q4	Q3	Q2	Q1
Distributors	39,848	38,902	37,508	37,709	37,777
Customers					
Residential Club	383,231	373,056	363,287	352,733	343,346
Business Club	28,764	28,313	27,957	27,717	27,141
Total Club	411,995	401,369	391,244	380,450	370,487
Non Club	55,123	52,062	49,922	48,379	46,091
Total Telecom Plus	467,118	453,431	441,166	428,829	416,578
TML	7,286	7,601	8,336	9,317	9,828
Total Group	474,404	461,032	449,502	438,146	426,406
Services					
Electricity	417,047	403,922	389,637	375,262	361,202
Gas	345,311	334,565	322,964	311,780	300,420
Fixed Telephony	258,746	250,643	245,251	240,963	236,517
Fixed Line Rental	231,136	221,692	213,782	206,316	199,669
Broadband	185,204	175,337	166,208	157,355	149,608
Mobile	96,691	89,017	83,060	77,344	69,225
CashBack card	122,558	117,025	113,040	108,806	106,235
Non Geographic numbers	9,634	9,859	10,291	10,919	11,463
Total Group	1,666,327	1,602,060	1,544,233	1,488,745	1,434,339
Residential Club	1,474,487	1,418,078	1,364,746	1,311,540	1,262,437
Business Club	75,022	72,676	71,155	69,773	67,284
Total Club	1,549,509	1,490,754	1,435,901	1,381,313	1,329,721
Non Club	92,505	86,724	82,587	79,723	75,838
Total Telecom Plus	1,642,014	1,577,478	1,518,488	1,461,036	1,405,559
TML	24,313	24,582	25,745	27,709	28,780
Total Group	1,666,327	1,602,060	1,544,233	1,488,745	1,434,339

Outlook

The macro-economic climate continues to provide a favourable environment for our business model, with many consumers receptive to the idea of saving money (by switching to a new utility supplier), and/or being interested in building a secure and reliable part-time income by promoting our services as a distributor.

We are on track to launch a new online application process this autumn, designed to make it significantly easier for our distributors to sign up new customers, as well as enabling existing members to refer their friends to us effectively. We believe this initiative has the potential to generate significant incremental growth.

Ofgem has recently circulated revised draft licence conditions as part of the statutory consultation process for its Retail Market Review ('RMR'). We welcome its principal stated objectives of simplifying existing complex tariff structures and encouraging competition, and we are currently evaluating how we can harness these changes to position our unique multi-utility proposition even more competitively in future. In the meantime, we are continuing to engage with Ofgem in relation to some of the detailed

provisions, where the impact on market participants who fall outside the traditional 'energy only' business model does not appear to have been fully considered.

It seems likely that retail energy prices will see a modest increase this winter, principally reflecting higher wholesale prices and the costs associated with greener generation initiatives, upgrading the distribution infrastructure, and the installation of smart metering. We anticipate that these increases will take place at the same time as the implementation of the RMR, currently scheduled for the end of this calendar year.

We have seen a strong start to the current quarter, supported by a short-term promotion launched at the start of July offering free membership to new customers joining during the month.

Profits for the first half are expected to be modestly ahead of the corresponding figures for last year, and we look forward to reporting record figures for turnover, profits, earnings and dividends for the full year in line with market expectations, in due course.

Notice of results

We anticipate issuing our half yearly results for the six months ended 30 September 2013 on 19 November 2013.

Andrew Lindsay, Chief Executive said:

"The momentum that is building within the business continued into the first quarter of the new financial year, with organic growth comfortably ahead of the levels achieved last year."

"Confidence within our distribution channel remains high, and we anticipate further strong organic growth over the coming months."

"Profits for the first half are expected to be modestly ahead of the corresponding figures for last year, and we look forward to reporting record figures for turnover, profits, earnings and dividends for the full year, in line with market expectations."

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About Telecom Plus PLC ('Telecom Plus')

www.utilitywarehouse.co.uk

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 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 also has a 20% shareholding in Opus Energy Group Ltd a successful, profitable and fast growing independent supplier of Gas and Electricity to small, medium and large business customers.

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