

Telecom Plus PLC (“the Company”)

Disposal of Investment in Opus Energy Group Limited

Telecom Plus PLC announces that Opus Energy Group Limited (“Opus”), in which the Company hold a 20% equity shareholding, is to be acquired by Drax Group PLC (“Drax”). Following completion, which is expected to take place in the first quarter of 2017, the Company will receive approximately £71 million in cash for its shareholding in Opus; at 30 September 2016 the book value of these shares in the Company’s group accounts was £7.4 million.

Completion of the acquisition is conditional on, amongst other things, the approval of Drax’s shareholders and the approval by the European Commission of the CfD Investment Contract awarded to Drax by the UK government; Drax has today confirmed that it remains confident of approval of the CfD Investment Contract.

The Company’s core business remains highly cash generative, and it retains access to significant unutilised banking facilities. The Board therefore intends to return the full net proceeds from this transaction to shareholders.

This is expected to take place through a tender offer shortly after the publication of the Company’s annual results for the year to 31 March 2017, which are due to be issued in June 2017. A circular will be sent to shareholders containing full details of how to participate in due course.

Impact of disposal

As a result of the transaction the Company will recognise an exceptional profit of approximately £60 million during the current financial year. In addition, the Company’s share of Opus profit in the current financial year up to the date of completion is expected to amount to approximately £5 million (2016: £5.6 million). In future financial periods the Company’s profit will be reduced by the absence of any contribution from Opus, although any adverse impact on earnings per share will be partially offset by the reduction in the number of shares in issue following the planned tender offer.

Notes:

This announcement contains inside information.

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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.

Members benefit from the convenience of a single monthly statement, consistently good value across all their utilities and exceptional levels of service. Telecom Plus does not advertise, relying instead on ‘word of mouth’ recommendation by existing satisfied Members and Partners in order to grow its market share.

Opus Energy Group Limited is 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.utilitywarehouse.co.uk