

9 March 2006

Telecom plus plc

Grant of options over Directors' and Senior Employees' Existing Shares

In accordance with the announcements made on 16 February 2006 and 7 March 2006, Telecom plus plc (the "Company") has been notified today that certain Directors, senior employees and connected persons, as detailed below, have on 8 March 2006 granted Npower Limited (npower) an option to acquire part or all of the shareholdings in the Company in which they are interested amounting in aggregate to 3,919,170 ordinary shares, representing approximately 5.8 per cent. of the existing issued share capital of the Company. As a result, npower now has an option over 16,875,211 existing ordinary shares representing 24.7 per cent. of the issued share capital. The completion of the transaction is conditional on further options being granted such that npower has options to acquire an aggregate of 19,817,711 ordinary shares, representing approximately 29 per cent of the existing issued share capital.

Name of Director or senior employee	Number of Existing Shares	Number of Existing Shares over which Options have been granted granted to npower	Percentage of Existing Issued Share Capital under option (%)
Peter Nutting	746,750	500,000	0.7
John Levin	2,254,028	2,254,028	3.3
Stephen Davis	54,730	54,730	0.1
Richard Michell	382,686	360,412	0.5
Wayne Coupland	250,000	250,000	0.4
Clifford Wetherall	250,000	250,000	0.4
Malcolm Wolpert	250,000	250,000	0.4
Total	4,188,194	3,919,170	5.8

This option is exercisable in the six months following publication of the Company's results for the year ending 31 March 2009. The price per ordinary share payable by npower on exercise of the option is equal to four times EBITDA for the year ending 31 March 2008 plus eight times the EBITDA for the year ending 31 March 2009 (net of cash and debt) divided by the number of ordinary shares in issue at the time of exercise of the call option, or market value if higher (based on the average closing price for the preceding 20 dealing days).