

## **Telecom *plus* PLC (the “Company”)**

### **Interim Management Statement**

In accordance with the UK Listing Authority's Disclosure and Transparency rules, Telecom *plus* PLC issues its first interim management statement from 1 April 2007 to the date of this announcement, incorporating financial data for the quarter to 30 June 2007.

Telecom *plus* PLC (trading as the Utility Warehouse) supplies a wide range of essential utility services (gas, electricity, fixed line telephony, mobile telephony and internet) to both residential and business customers.

Trading during the year to date shows a continuation of the largely positive trends we described in our Report & Accounts for the year ended 31 March 2007.

While the size of our residential customer base has remained broadly stable during the quarter, we have seen solid growth in the number of Business Club customers, which has increased to 6,834 (March: 6,388). We remain encouraged by the significant potential the Business Club offers the Company.

Importantly, the rate at which new Distributors are joining our business continues to increase, and we have a number of new initiatives planned for later this year which will enhance their ability to gather new customers.

The number of services we provide continues to grow, particularly in the supply of electricity, gas, internet and fixed line rental. The total number of services supplied by the Company now stands at 545,831 (March: 542,039) with the average number of services taken by each member of our residential club having risen to 2.99 (March: 2.95). These figures demonstrate the continuing effectiveness of our club concept in encouraging customers to subscribe for multiple services.

At our AGM held on 11 July 2007 we received approval from Shareholders to seek permission from the Courts to reduce our Share Premium account and to use surplus cash to repurchase our shares in the market. We anticipate Court approval will be received next month, pending which (as previously reported) we have purchased 1,450,000 shares during July at an average cost of 180.7p. Cash flow during the quarter remained strong with our cash balance increasing by £8.0m over the period to £33.8m.

We reduced our energy prices on 1 May 2007 and again on 1 July 2007, making us the only major provider of domestic energy (with the exception of British Gas who have traditionally been the most expensive supplier) to have reduced standard direct debit tariffs twice this year, reflecting our commitment to providing our customers with consistently good value. We anticipate the enhanced competitive position in which this places us, combined with the other initiatives referred to above, will result in a resumption of customer growth during the remainder of the current year, and we remain confident of reporting satisfactory results for the full year in due course.

For further information, please contact:

Telecom *plus* PLC

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