

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

### **Interim Management Statement**

#### **Quarter Ended 30 June 2009**

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, is issuing its Interim Management Statement to cover the period from 1 April 2009 to 8 July 2009, incorporating information relating to the performance of the business for its first quarter ended 30 June 2009, to coincide with its Annual General Meeting (“AGM”) being held later today.

#### **Highlights**

- Continuing strong organic growth
- Number of services up by 62,220 during the quarter to 856,338 (30 June 2008: 618,320)
- Customer numbers increase by 21,185 during the quarter to 302,360 (30 June 2008: 225,017)
- Distributor numbers increase to almost 30,000 (31 March 2009: 27,051)
- Dividend guidance for current year 22p (2009: 17.5p), an increase of 25%

#### **Operating Review**

During the first quarter, customer numbers increased by 21,185 to 302,360 (30 June 2008:225,017), representing an increase of more than 34% compared with our customer numbers at the same stage last year, and the number of services provided rose by over 62,000 to 856,338 (30 June 2008: 618,320). These figures clearly demonstrate the continuing strength of our business model and the resilience of our distribution channel in the current difficult economic climate, notwithstanding the impact of Easter and two May bank holiday weekends which are traditionally relatively quiet periods for gathering new customers.

Distributor recruitment has also remained strong and continues to run substantially ahead of the comparable figures at this time last year – this has historically been an extremely accurate lead indicator of future new customer numbers, and provides the directors with considerable confidence on the rate of growth we are likely to report as we move through the remainder of the current year. As at 30 June 2009 we had almost 30,000 distributors, a net increase of more than 10% during the quarter.

#### **New Headquarters Office Building**

We have completed the first phase of refurbishing the new headquarters office building which we purchased on 26 September 2008, on time and on budget. This provides us with substantial additional space to accommodate our growing workforce. There is however little sign of any rental demand at present for the three floors which are currently surplus to our requirements.

#### **Cash Flow**

Underlying cash flow remains in line with management expectations. As the net debtor balance relating to customers paying for their energy by budget plan starts to reverse over the next few months, we anticipate that our cash balance of £16.5m (31 March 2009: £25.4m) will improve significantly by 30 September 2009, notwithstanding the £8.5m cost of paying the proposed final dividend for last year which is expected to be made on the 7 August 2009.

## Outlook

We anticipate continuing strong organic growth over the coming months, driven by the large number of new distributors who have joined the business over the last 12 months.

Whilst energy prices have fallen slightly this year, the forward wholesale price curve suggests that future retail prices are likely to resume the upward trend we have seen over the last few years. In addition, the impact of these higher wholesale prices is likely to be exacerbated for most consumers by the costs associated with the steadily increasing social, regulatory and environmental burdens the industry is facing.

It remains our intention, in the absence of unforeseen circumstances, to recommend a total dividend of 22p for the current year, representing an increase of 25%.

## Half Yearly Report

Our half yearly report for the six months ending 30 September 2009 is expected to be announced on 25 November 2009.

### Charles Wigoder, Chief Executive said:

“I am delighted to report a further period of strong organic growth. We have seen customer numbers, new services and new distributor recruitment all running substantially ahead of the comparable figures at this time last year, the benefits of which will be reflected in our reported financial performance in due course.”

### For more information please contact:

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*Information in this announcement is based upon unaudited management accounts. This announcement includes certain forward looking statements which are based on current expectations and are subject to uncertainties and risks that could cause actual results to differ materially from any expected future events or results referred to in these forward looking statements. Unless otherwise required by applicable law, regulation or accounting standard, we do not undertake any obligation to update or revise any forward looking statements, whether as a result of new information, future developments or otherwise.*

**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 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 their market share.

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