

## Telecom *plus* PLC (the “Company”)

### Interim Management Statement

#### Quarter Ended 30 June 2008

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 for its first quarter to 30 June 2008 to coincide with its Annual General Meeting (“AGM”) being held later today.

#### Highlights

- Continuing strong organic growth
- Number of services up by over 26,000 to 618,320 (30 June 2007: 545,831)
- Cash balance at end of quarter £32.9m (31 March 2008: £30.3m)
- Extremely comfortable with market expectations for the current financial year
- Projected total dividend not less than 17.5p for the full year (2008: 14p)

#### Operating Review

Trading during the first quarter was exceptionally good reflecting a continuation of the positive trends which have developed since our sales conference in October 2007.

Turnover, profits, customer numbers, new services and new distributor recruitment have all been running substantially ahead of the comparable figures at this time last year.

Customer numbers increased by 7,160 to 225,017 during the quarter, and the number of services provided rose by over 26,000 to 618,320 (30 June 2007: 545,831). These figures clearly demonstrate the increasing rate of organic growth being achieved since the beginning of last year.

#### *Quarterly net growth in number of services provided*

Q1: 2008	3,792
Q2: 2008	6,658
Q3: 2008	16,253
Q4: 2008	23,239
Q1: 2009	26,339

We remain committed to providing our customers with excellent customer service and consistently good value on all the services we are supplying to them, and were delighted recently to be nominated by *Which?* magazine as “Best Broadband Supplier” at their 2008 Consumer Awards.

#### Cash Flow

Cash flow remains strong with our cash balance increasing to £32.9 million over the period (31 March 2008: £30.3m).

## **Outlook**

We anticipate further improvement in our growth rate during the coming months. This is expected to be driven by three principal factors:

- the record numbers of new distributors (who have been signing up recently in search of a reliable part-time income);
- greater activity by existing distributors (reflecting their increasing confidence in the value we provide and the quality of the customer service experience we deliver); and
- the tendency of consumers during more difficult economic conditions to be more receptive to a suggestion of switching to a better value supplier.

Our future results will reflect the increase in the number of services we are now supplying, our growing customer base, and higher retail energy prices which are anticipated later this year. We are extremely comfortable with market expectations for the out-turn of our financial performance in the current year to 31 March 2009, and with the dividend guidance we provided in our recently published annual report and accounts.

The final dividend of 10p per share in respect of last year (making a total dividend of 14p for the full year) will be paid to shareholders on 8 August 2008, subject to approval at the AGM being held later today.

## **Interim Results Date**

Interim results for the six months ending 30 September 2008 are expected to be announced on Wednesday 26 November 2008.

## **Charles Wigoder, Chief Executive said:**

“I am delighted to report an excellent trading performance during the first quarter, reflecting a continuation of the positive trends which have been developing since our sales conference in October 2007.

“We have seen turnover, profits, customer numbers, new services and new distributor recruitment all running substantially ahead of the comparable figures at this time last year, leaving us extremely comfortable with market expectations for the current financial year.”

## **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).