

Telecom plus plc

Investment in Oxford Power Holdings

International Power plc ("IPR") has today announced the purchase of a 30% stake in Oxford Power Holdings Ltd ("OPH") for £7.25m. The shares have been purchased from existing shareholders other than Telecom Plus. The price paid represents a current value for OPH of approximately £24 million.

Telecom Plus has today exercised its warrants and anti-dilution rights at a cost of £8,694 to increase its shareholding in OPH to 20%. The total cost of its investment in OPH now amounts to £1.05m, compared with the implicit value of £4.8m placed on it following the investment by IPR.

IPR also has a call option which gives them the right to acquire the remaining 70% in 2009. The price to be paid on such exercise will be calculated using an agreed formula.