

Telecom *plus* Plc
Issue Date: 30 September 2009

TELECOM PLUS PLC

Pre-Close Trading Statement

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 today issuing a trading update in advance of its half year results for the period ending 30 September 2009.

The first half of the current financial year has seen a continuation of the strong organic growth we have been experiencing recently, with customer numbers increasing at an annualised rate of 25% during the period to around 316,000 (31 March 2009: 281,175) and service numbers increasing by around 110,000 to more than 904,000 (31 March 2009: 794,118).

Substantial numbers of new distributors continue to join the business each month in search of a secure and reliable part-time income; we saw a net increase in the number of distributors during the first half of almost 5,000 bringing the total to just under 32,000 at the end of September (31 March 2009: 27,051).

To optimise the quality of our customer base, we took steps at the end of July to focus the activity of our distributors on gathering new customers who owned their homes, as this type of household has a significantly more attractive profile on average (higher consumption, more services, longer lifetime and lower bad debts) than those who are living in tenanted properties. We also changed our training requirements, making it compulsory for all new distributors to attend our training courses, which give them the tools and skills they need to maximise their productivity and earnings. As a result, we saw a slowdown in the rate at which new distributors and customers were being recruited during the following 6 weeks, as our distribution channel adjusted to these changes.

On 13th and 14th September we held motivational sales conferences in Southport and Cheltenham, with a record attendance of almost 3,000 distributors; we took advantage of the high turnout at these events to launch a number of new incentives and promotions. Since then, we have seen encouraging signs that distributor activity has started to return towards the record levels we were experiencing earlier in the year.

The board remain comfortable with market expectations of both earnings and dividends for the full year.

Half Yearly Results Date

Half Yearly results for the six months ending 30 September 2009 will be announced on Wednesday 25 November 2009.

Commenting on current trading, Charles Wigoder, Chief Executive said:

“I am delighted to report a further period of strong organic growth in customer, distributor and service numbers during the first half of the current financial year. The steps we have taken to tighten our training requirements and improve the mix of new customers can be expected to improve the quality of our earnings going forward, and I look forward to announcing our half yearly results in November.”

For more information please contact:

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Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences and prospects are 'forward-looking statements' within the meaning of the United States federal securities laws. These forward-looking statements reflect Telecom plus's current expectations concerning future events and actual results may differ materially from current expectations or historical results. Any such forward-looking statements are subject to various risks and uncertainties, including those set out on pages 15 and 16 of the Report and Accounts for the year ended 31st March 2009. A copy of this is available on the Company's website at www.telecomplus.co.uk/annual-report.

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.