

Telecom *plus* PLC (the "Company")

Trading Update and AGM Statement

At the AGM held today at 11.00am Telecom *plus* PLC (“the Company”), the UK’s leading integrated multi-utility provider (gas, electricity, telephony, internet), informed shareholders that so far this financial year the Company has traded satisfactorily and profits have exceeded budget.

Local Loop Unbundling (“LLU”), the process by which third parties install their own equipment in BT local exchanges, has continued to gather pace over recent months. The Company has now reached agreement for the purchase of LLU capacity on wholesale commercial terms, which the directors believe will enable it to achieve a satisfactory margin on its new range of broadband and telephony packages due to be introduced later this year.

For further information, please contact:

Telecom plus plc

Charles Wigoder
Stephen Davis
Tel: (020) 8955 5000

12 July 2006

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