Distribution

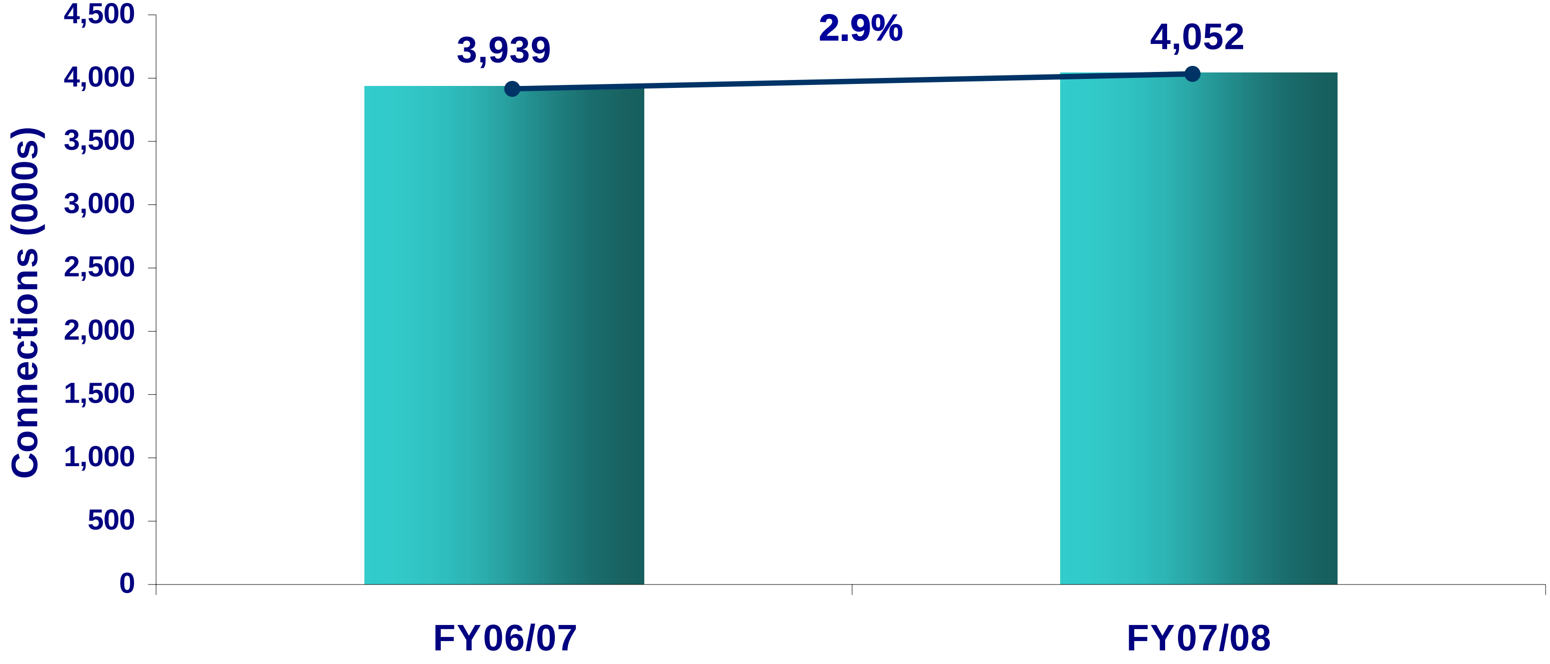
The Carphone Warehouse

Your phone, your way.

Q4 Distribution highlights

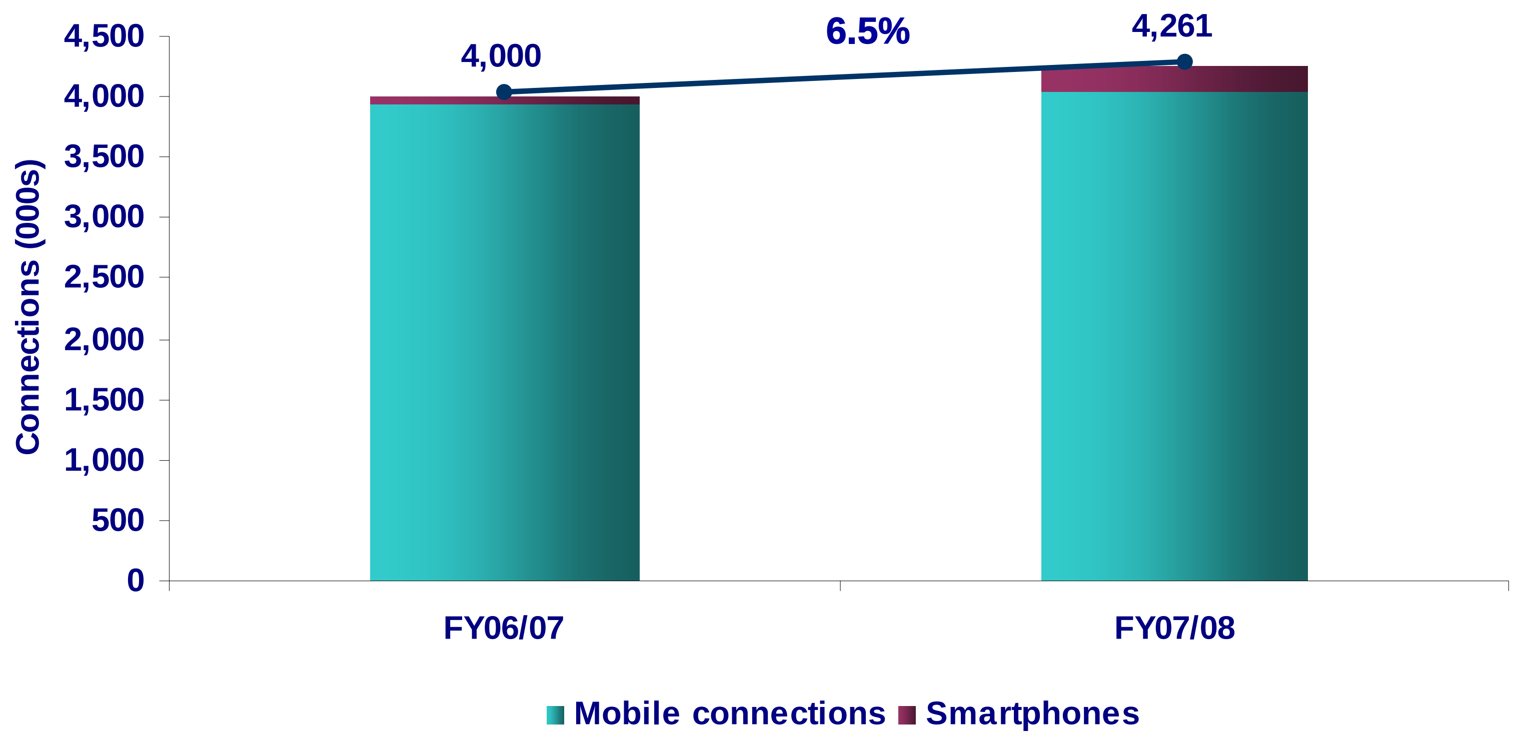
- **Total telecoms subscriptions up 16%**
- **Connections up 12% to 2.7m**
- **Subscription connections up 9% to 1.1m**
- **Continued strong progress in US**
- **PBT in £215-220m range**

Voice subscriptions growth has been flat

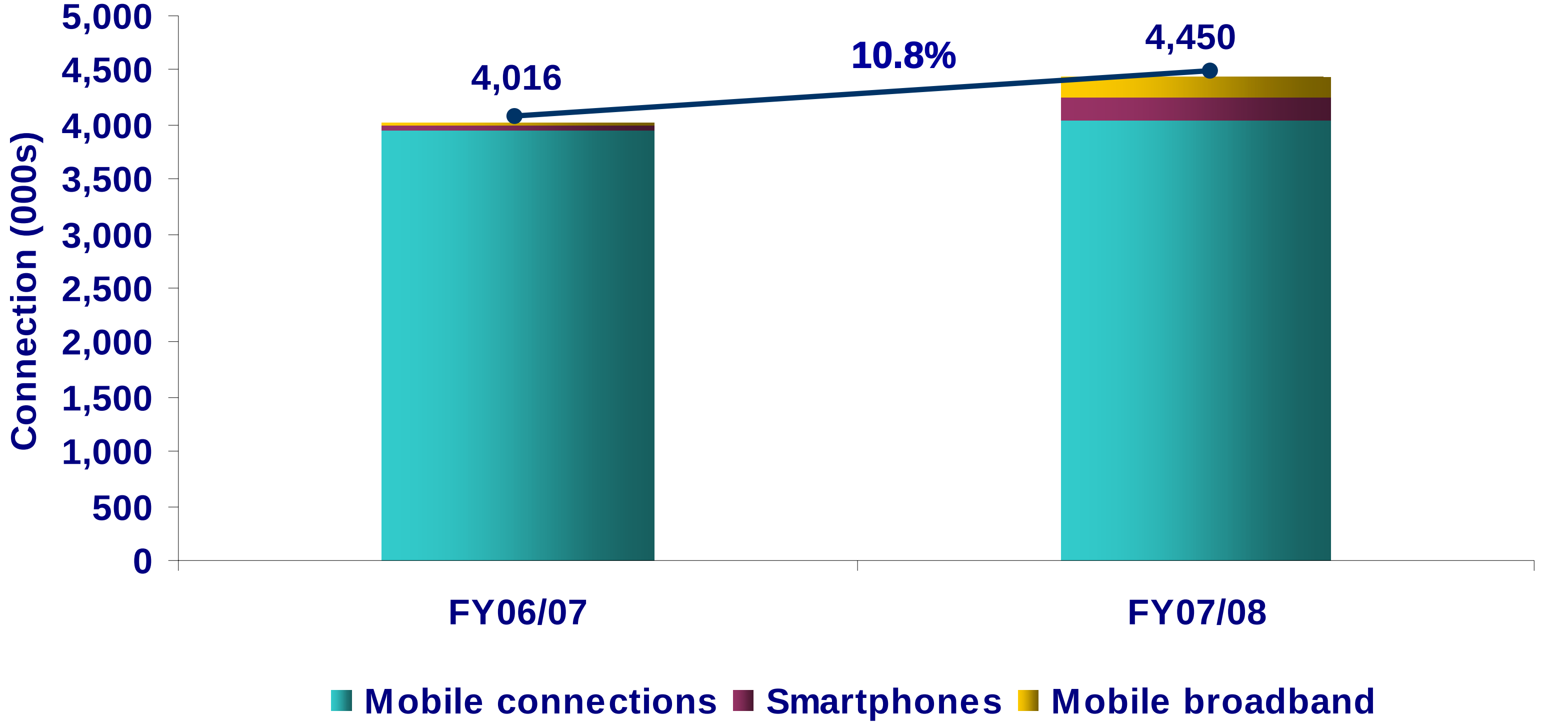


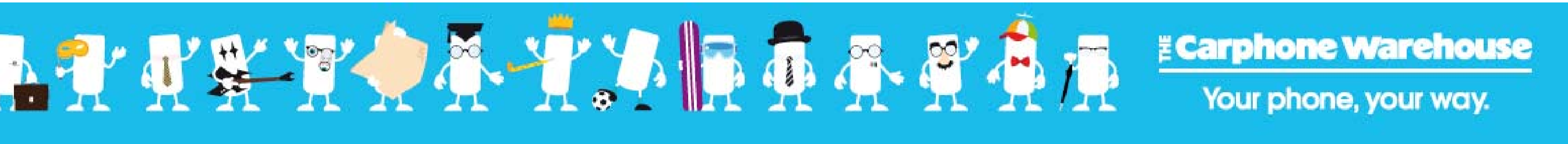
- **Connections excluding smartphones, broadband mobile and DSL**

But smartphones have taken off...

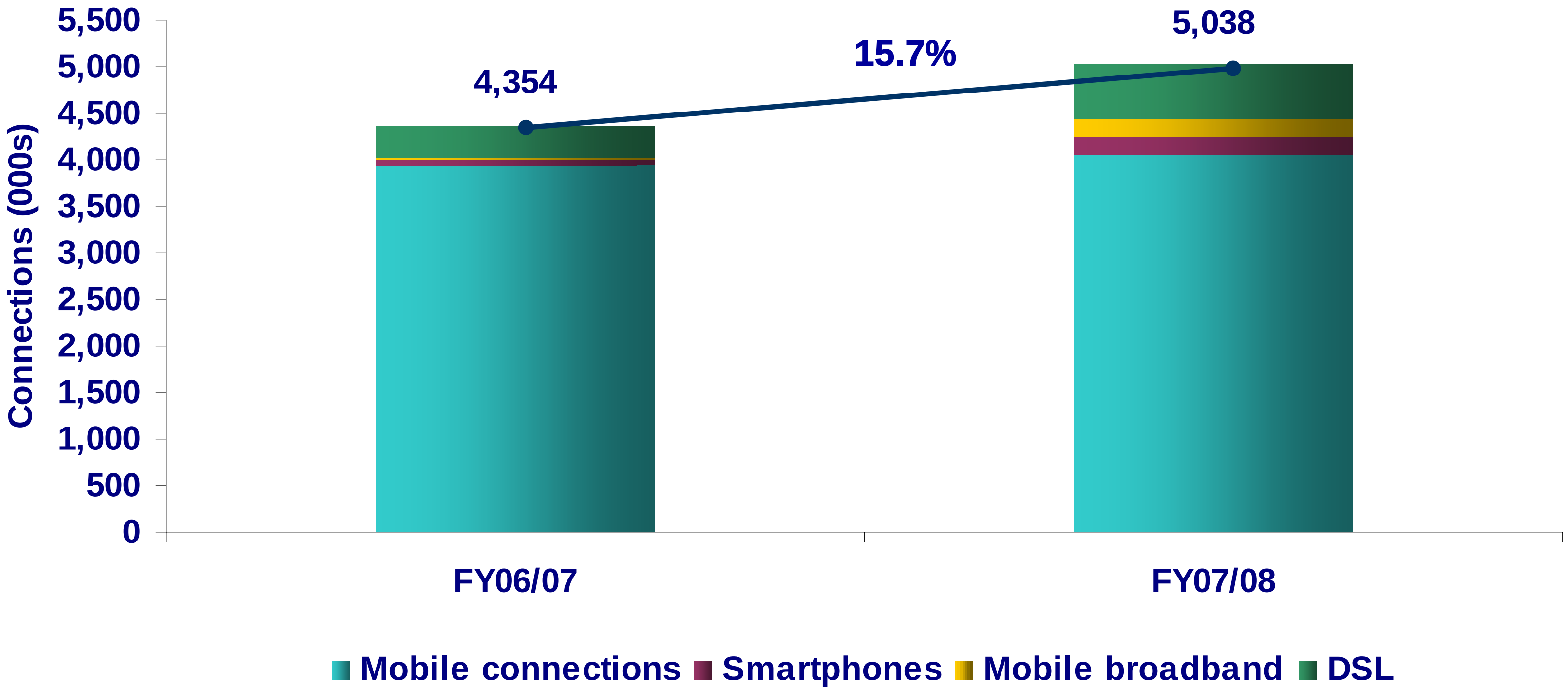


And so has mobile broadband...

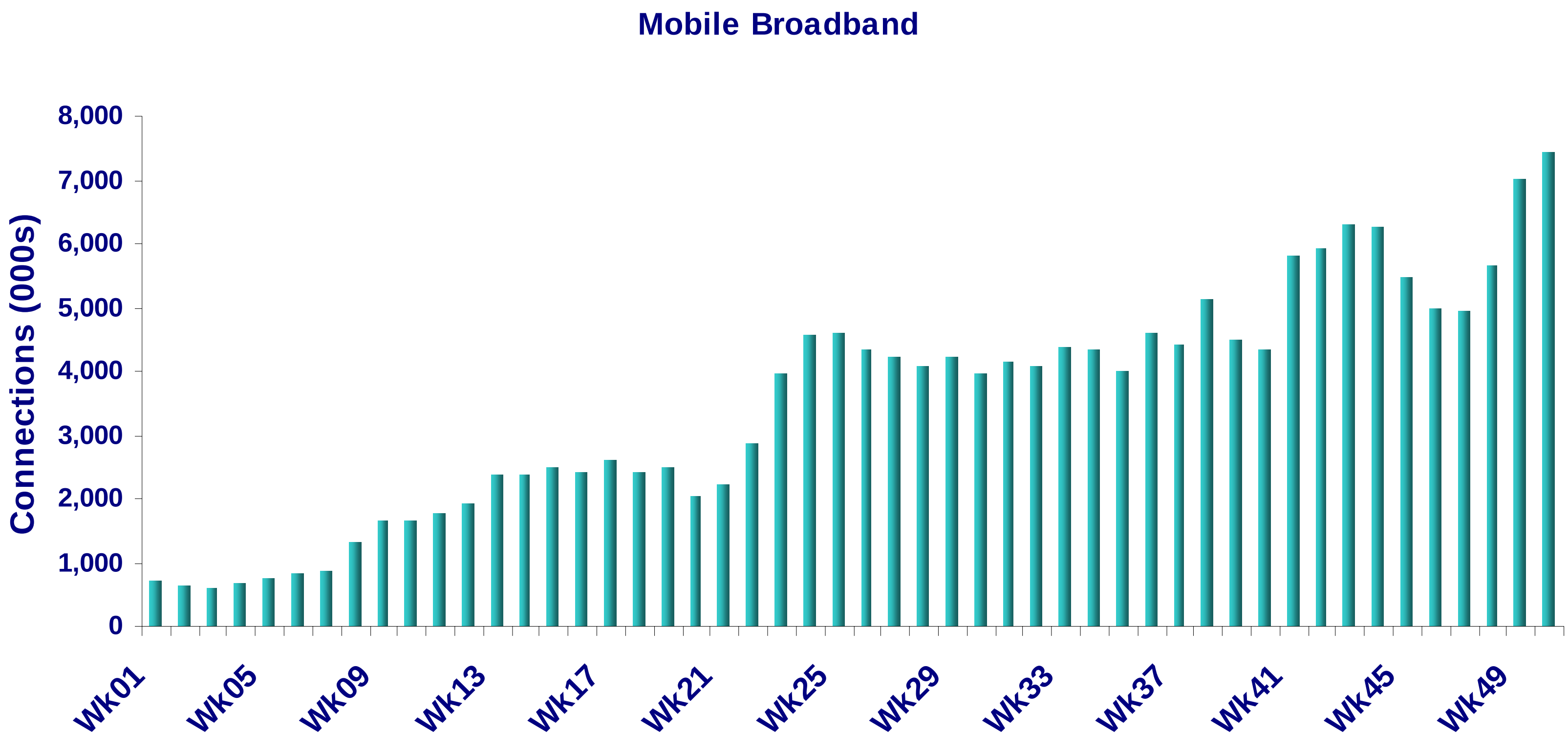


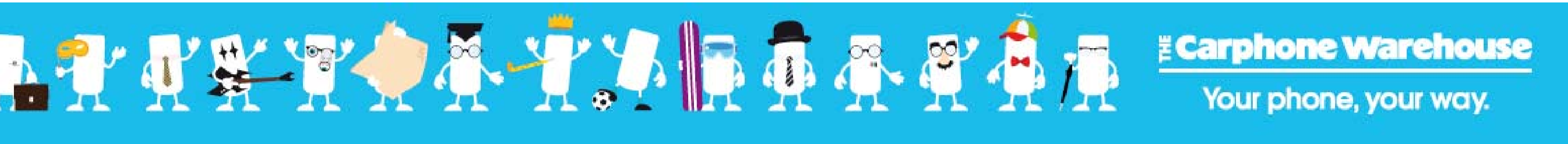


And DSL/cable sales have been strong

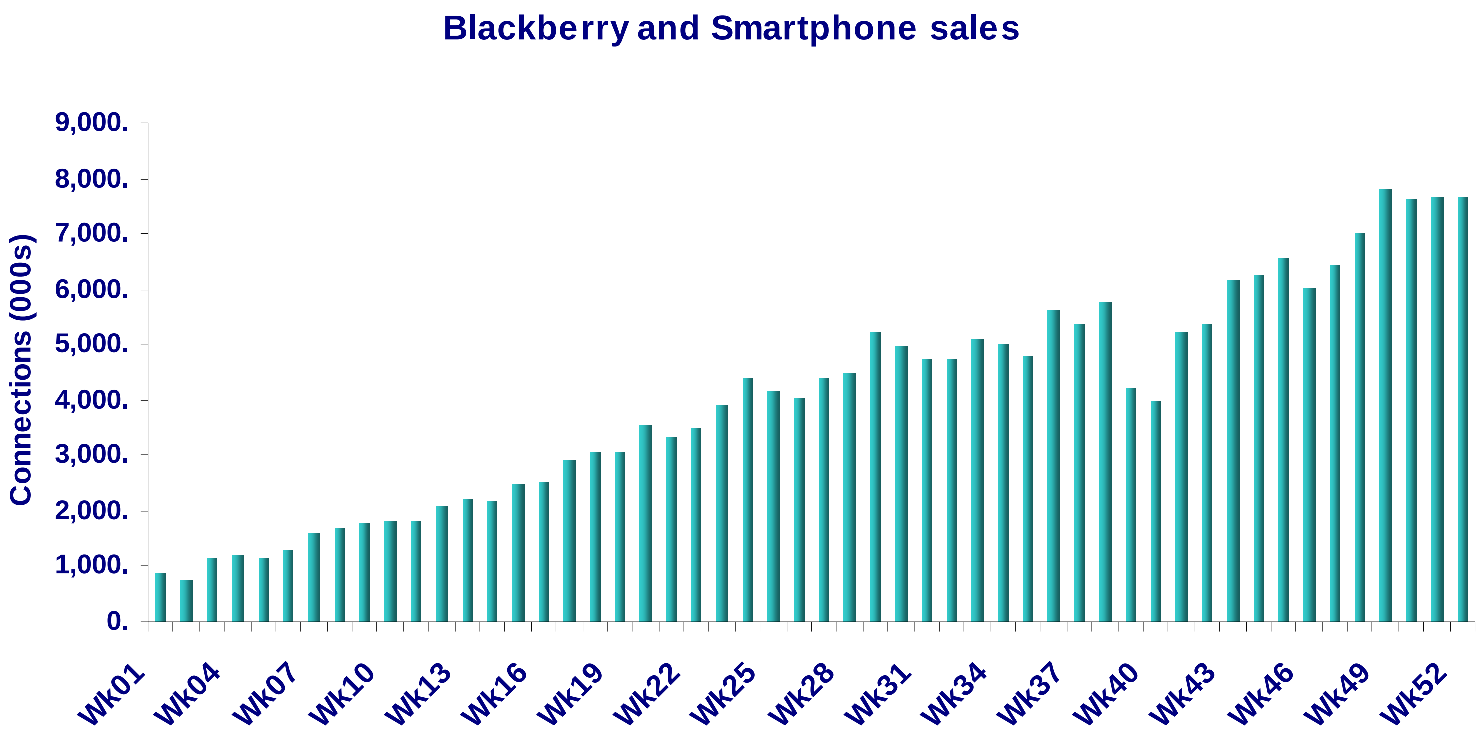


The connected world is here





Consumer email platforms have taken off



Going "wireless" in 2 stages

Evolution

New Products

Talk Anywhere

Transformation

New Proposition

Internet Anywhere

Email Anywhere

& INSURANCE

Stream 1:
Trade Wireless Now Focus for growth in 2008/09; becomes part of BAU

Revolution

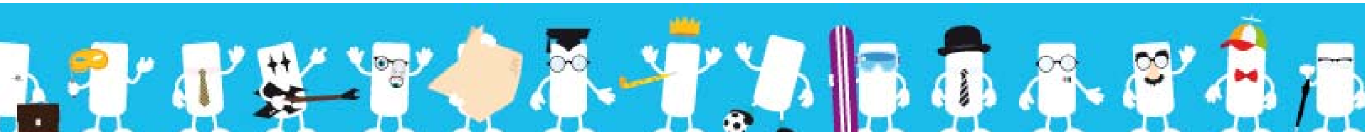
New Business

Music Anywhere

TV Anywhere

ADDITIONAL SERVICES AND BUNDLED SOLUTIONS

Stream 2:
The Wireless World Pilot in 2008/09 for roll out in 2009/10




"What if one day, everyone owned a laptop"

What if we could do the same to laptops, as we have to mobile phones?

THE Carphone Warehouse

Your phone, your way.

Internet and e-mail in 2008/09

The Broadband Shop

- **Unparalleled choice in Home and Mobile broadband**
- **Home solution fulfilled in 2 wks; Mobile in 24 hrs**

PCs

- **Providing customer s with a choice of 6 laptops. Costs varying on the network and plan of choice**
- **3 laptops displayed in all stores extended range on 6 in limited stores**

Internet & Email Anywhere

Accessories, software & devices

- **Anti-virus (x 2)**
- **MS Office**
- **Routers (1-3)**
- **Memory sticks**
- **Mice**
- **Bags**

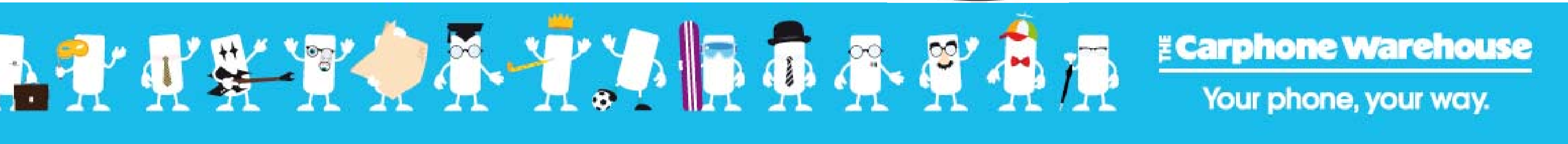
Services

- **Repair & Financing as well as insurance & Geek**
- **Superior customer service, impartial advice and a price promise**

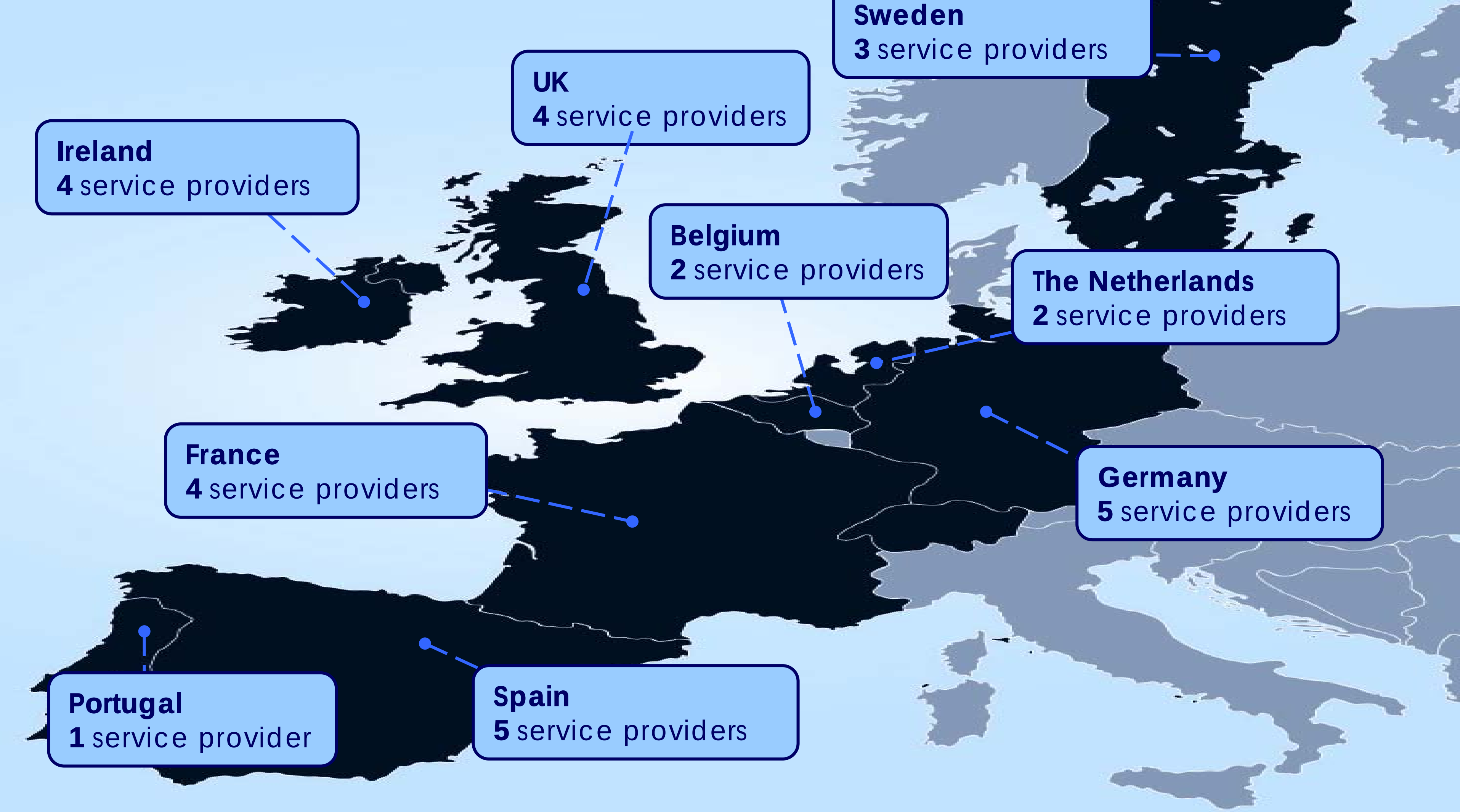
Lifeline™ insurance

Smart Phones

- **Continue to grow the consumer Blackberry and in turn Windows mobile market**



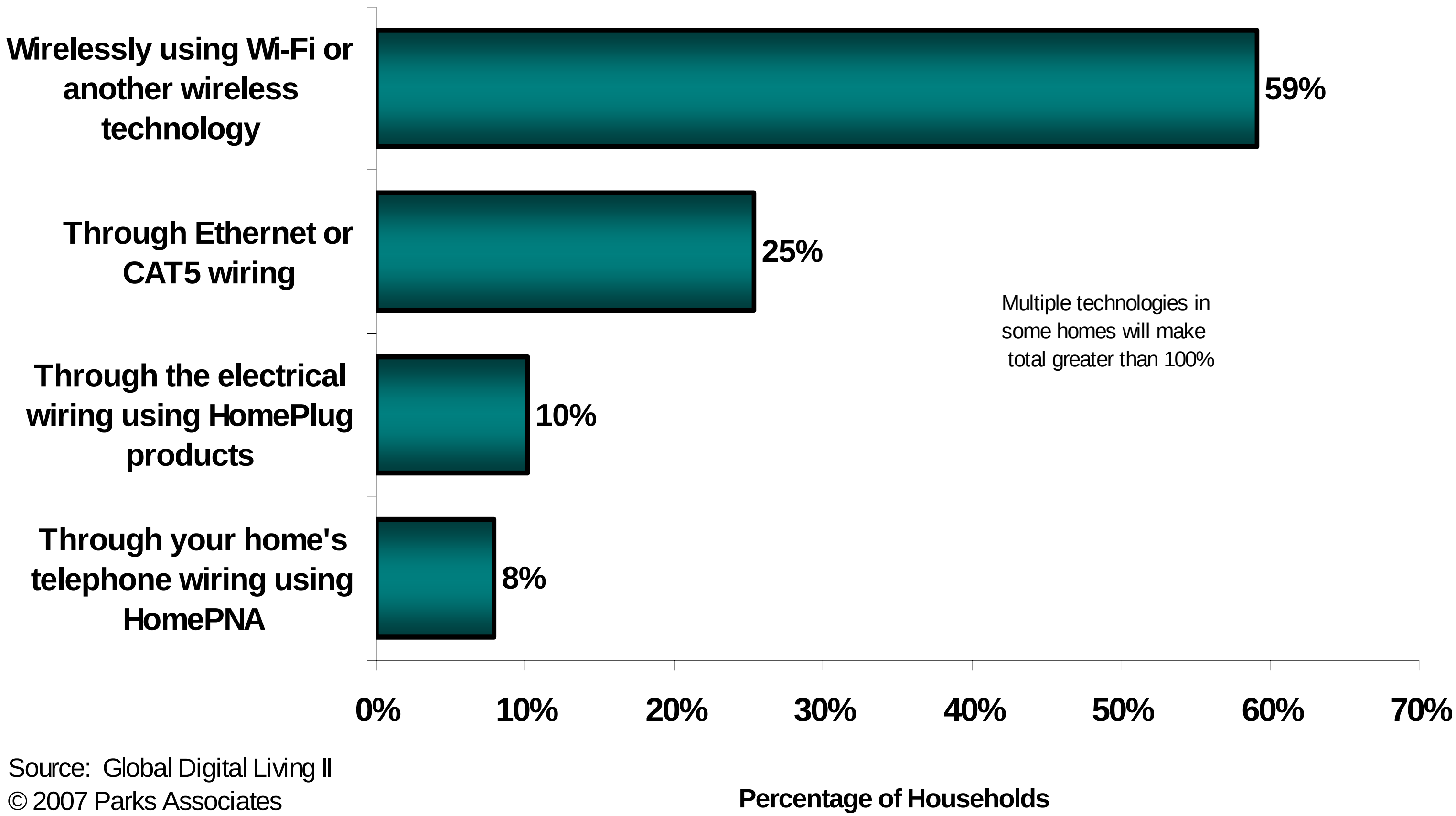
ADSL within stores



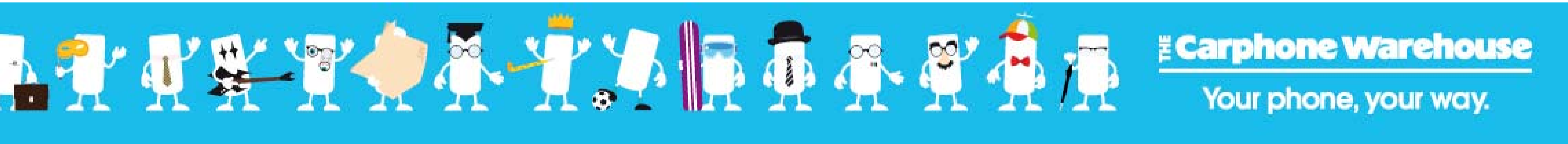
Homes becoming increasingly wireless

U.K. : Home Network Types (Q1/07)

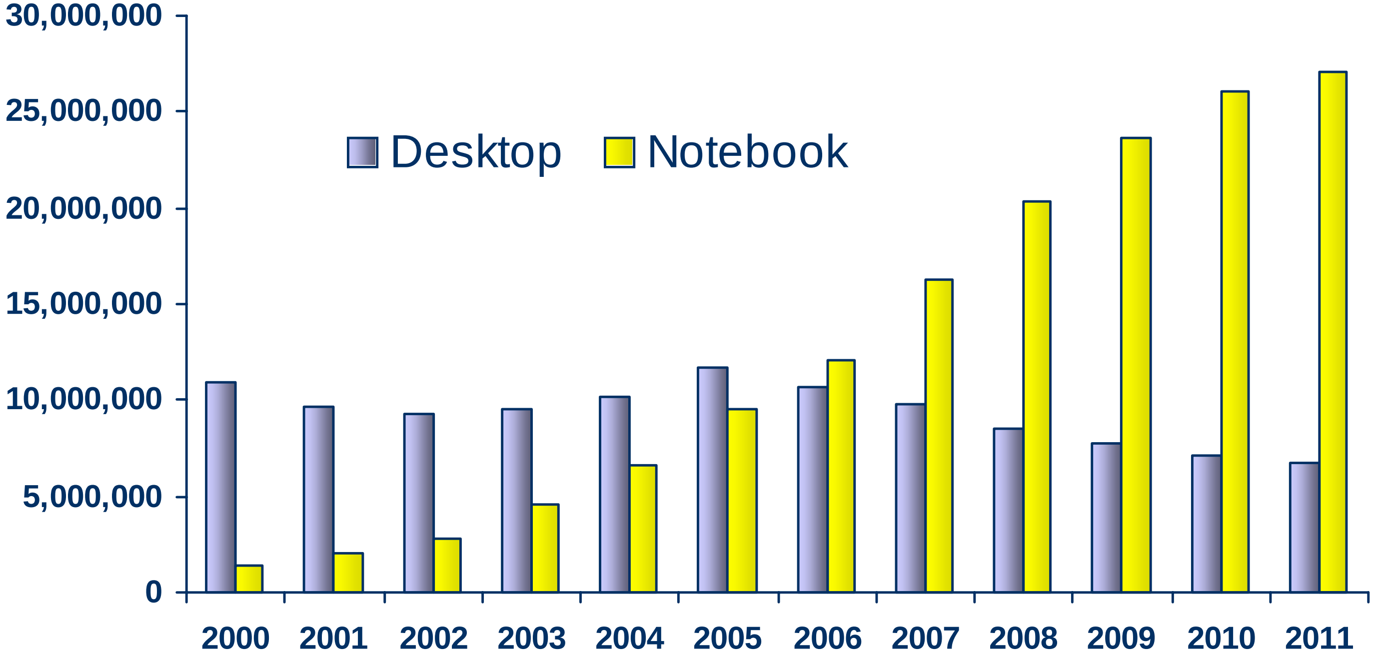
"How are your computers, printers or other devices connected to your home network?"
(Among Internet HHs with a home network, n=611, ±4.0%)



Source: Global Digital Living II

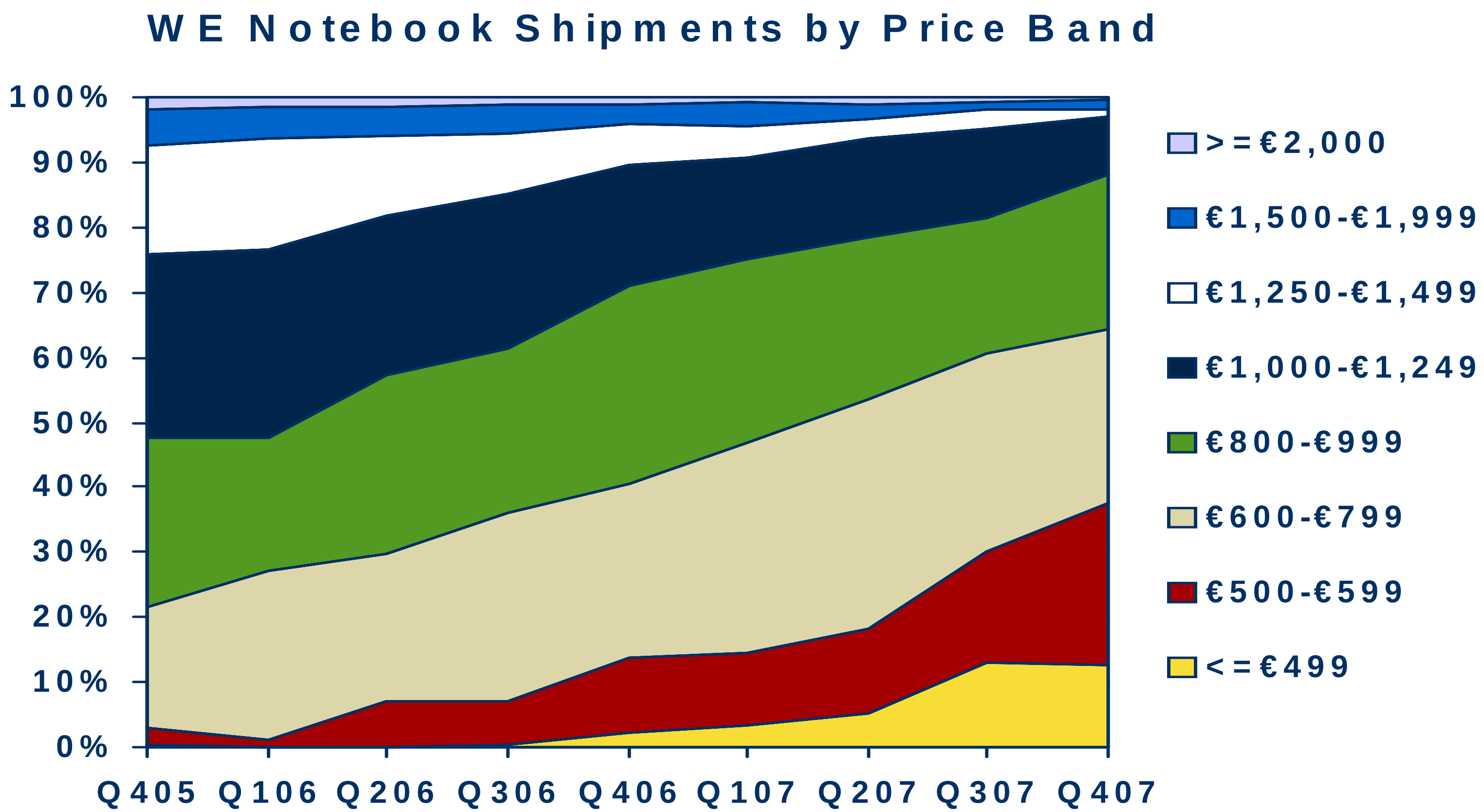


Laptop penetration is growing



Western Europe data : Outlook by Form Factor

Laptops are falling in price

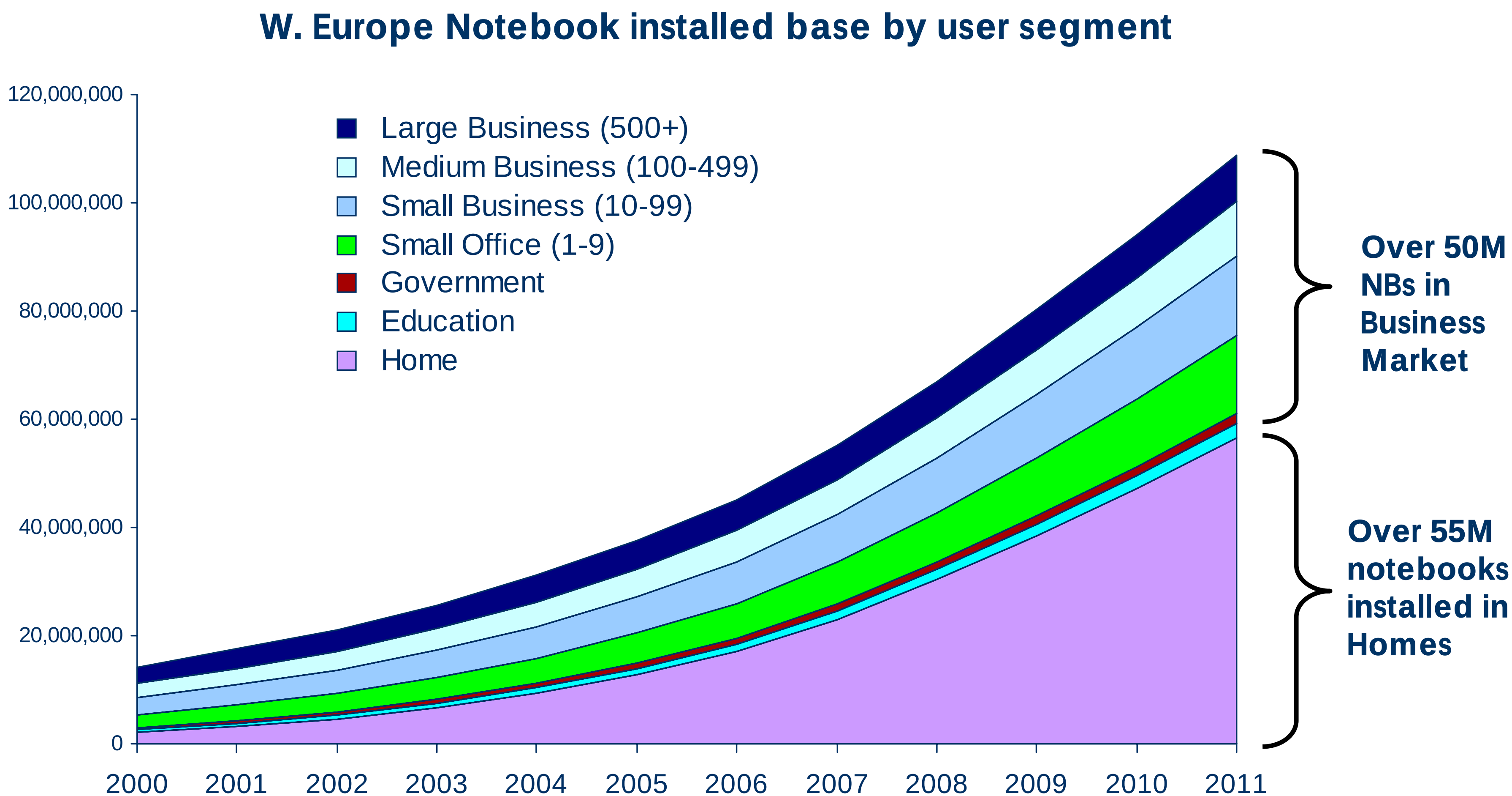


(*) Desktop prices include the price of a monitor.

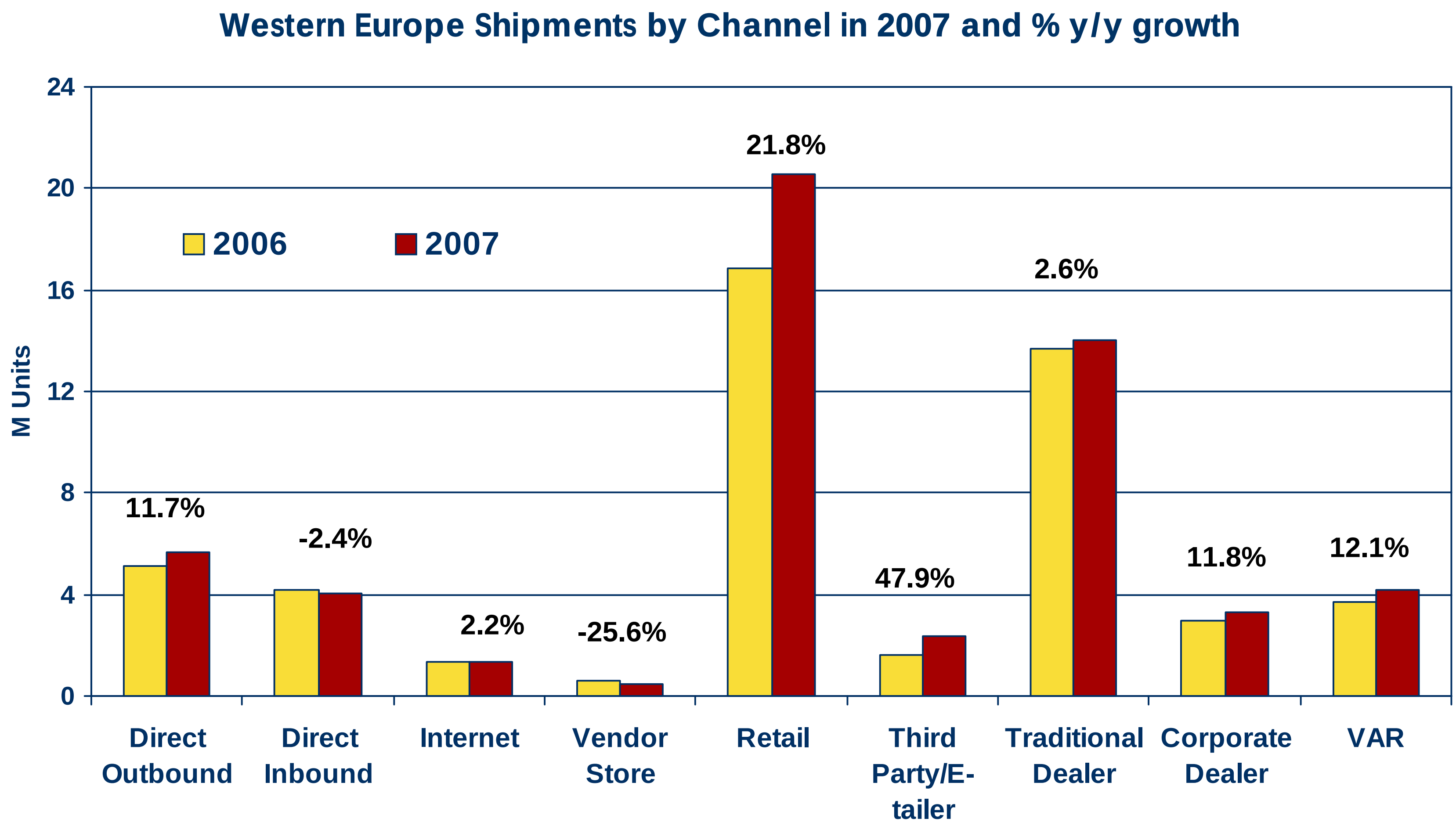
- **Sub €800 laptops represent over 60% of the Market vs. 32% 12 months ago**

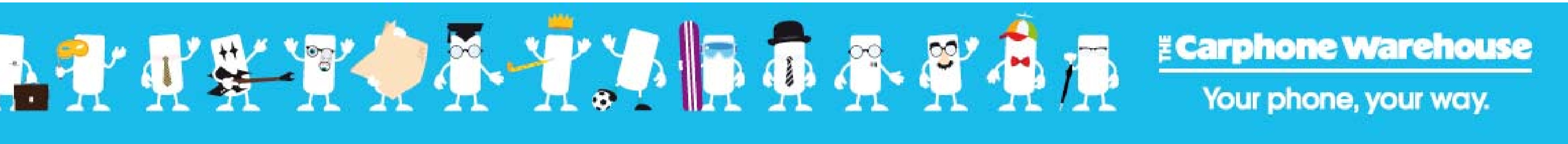
Laptops are falling in price

Increase laptop penetration in the home



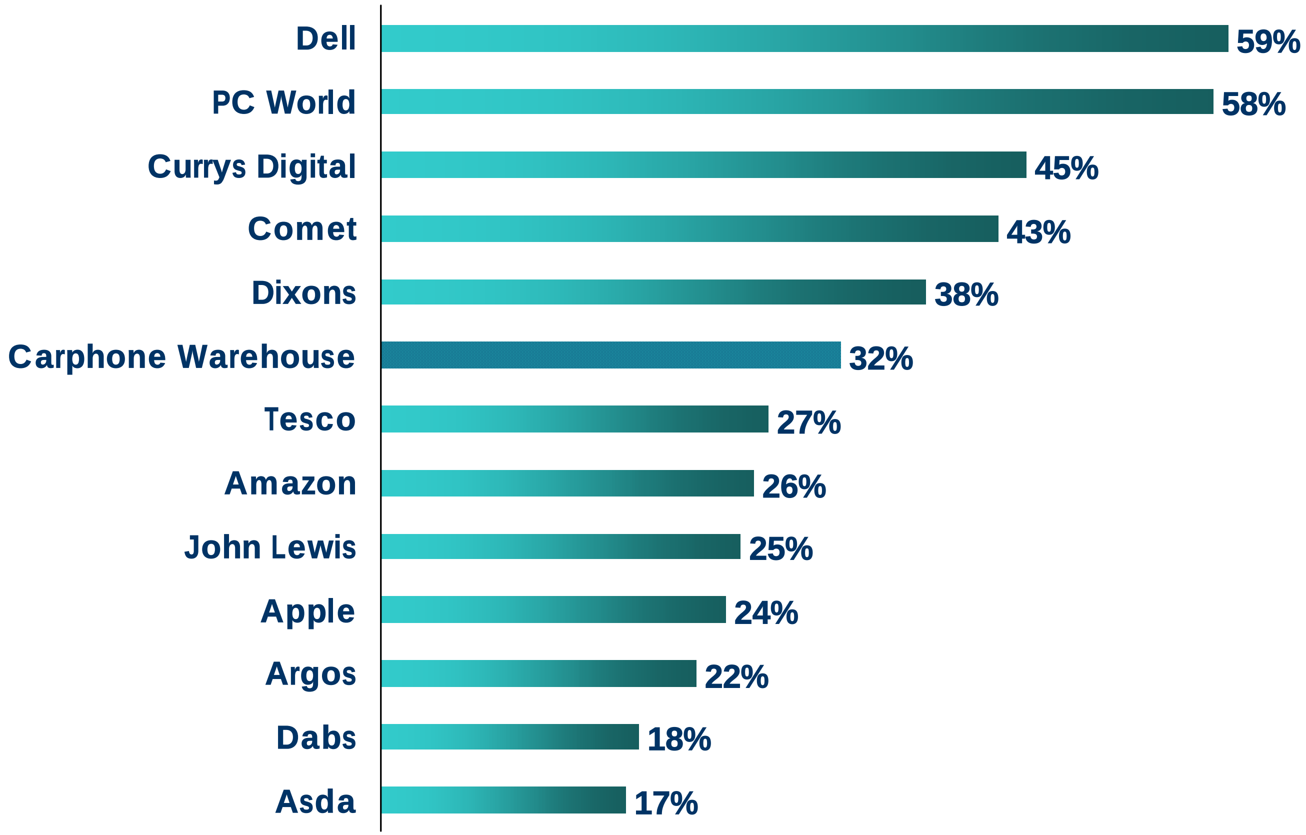
Retail is the largest route to Market





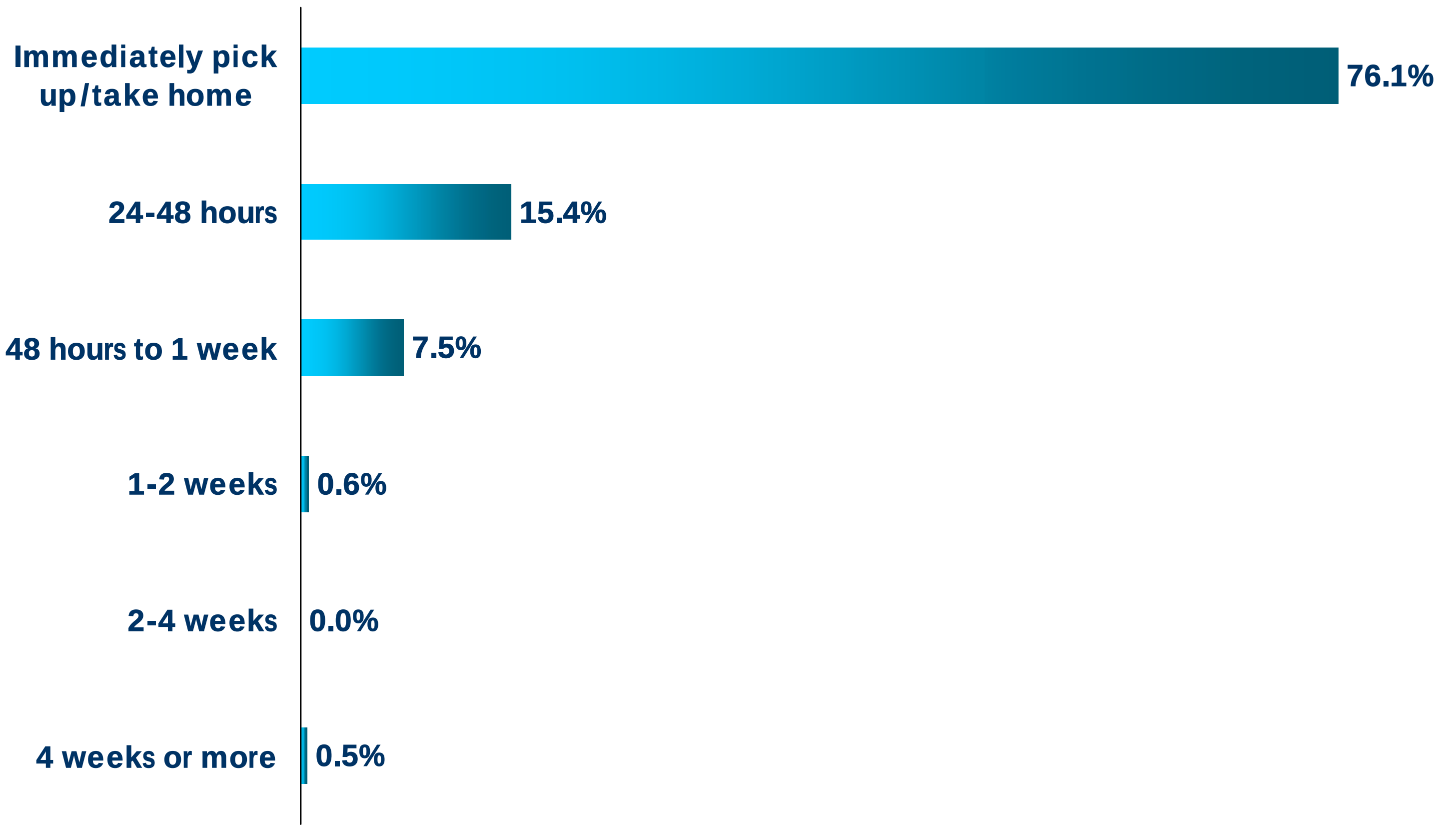
1/3rd of respondents would be likely to consider CPW for a laptop purchase

Percent likely or very likely to consider buying a laptop from named retailers



Customers expect instant fulfilment

"How soon would you expect to pick up/take home your laptop?"



Store evolution 08/09

- **Focus on refits in larger stores**
- **Increased range in all stores**

Store evolution 09/10

Store evolution 09/10

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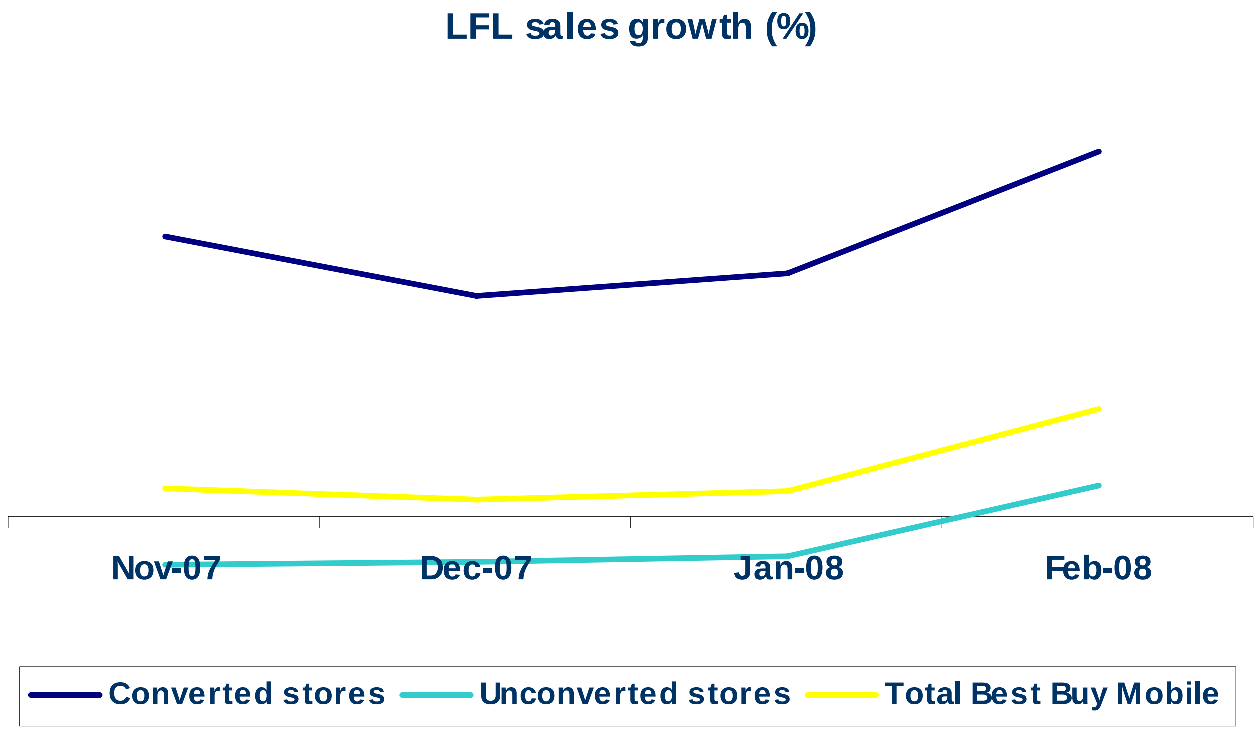
Your phone, your way.

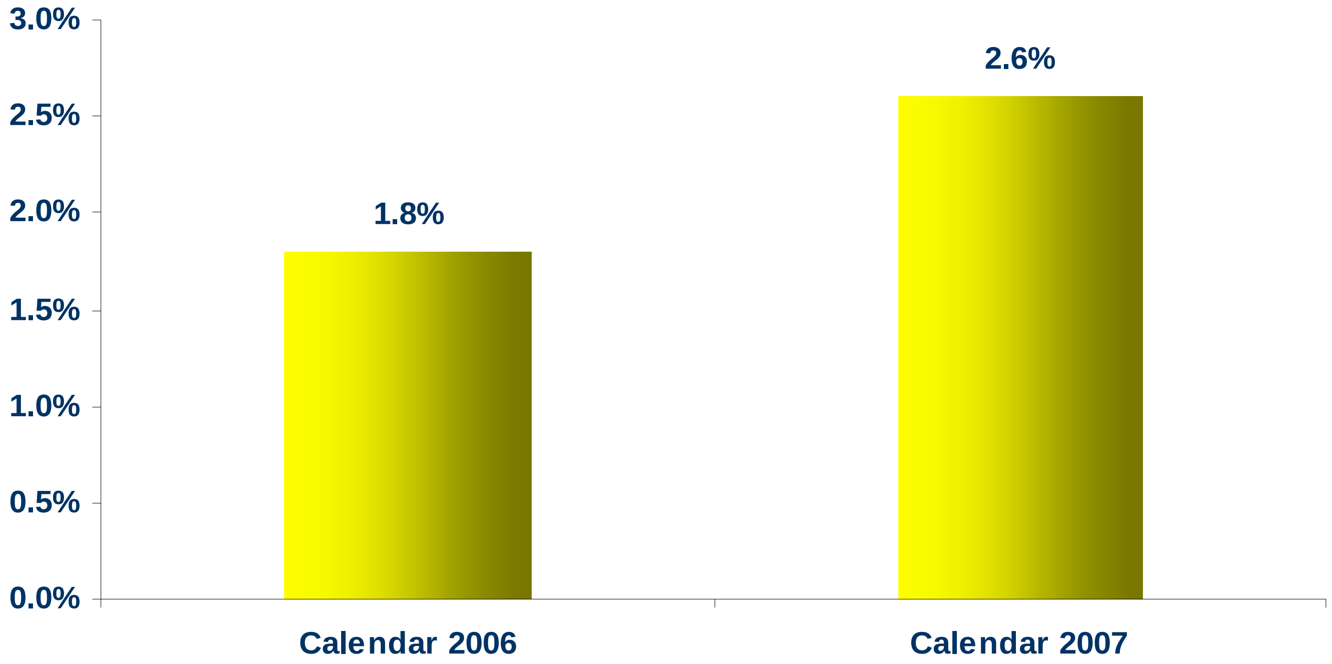
Best Buy Mobile

THE Carphone Warehouse
Your phone, your way.

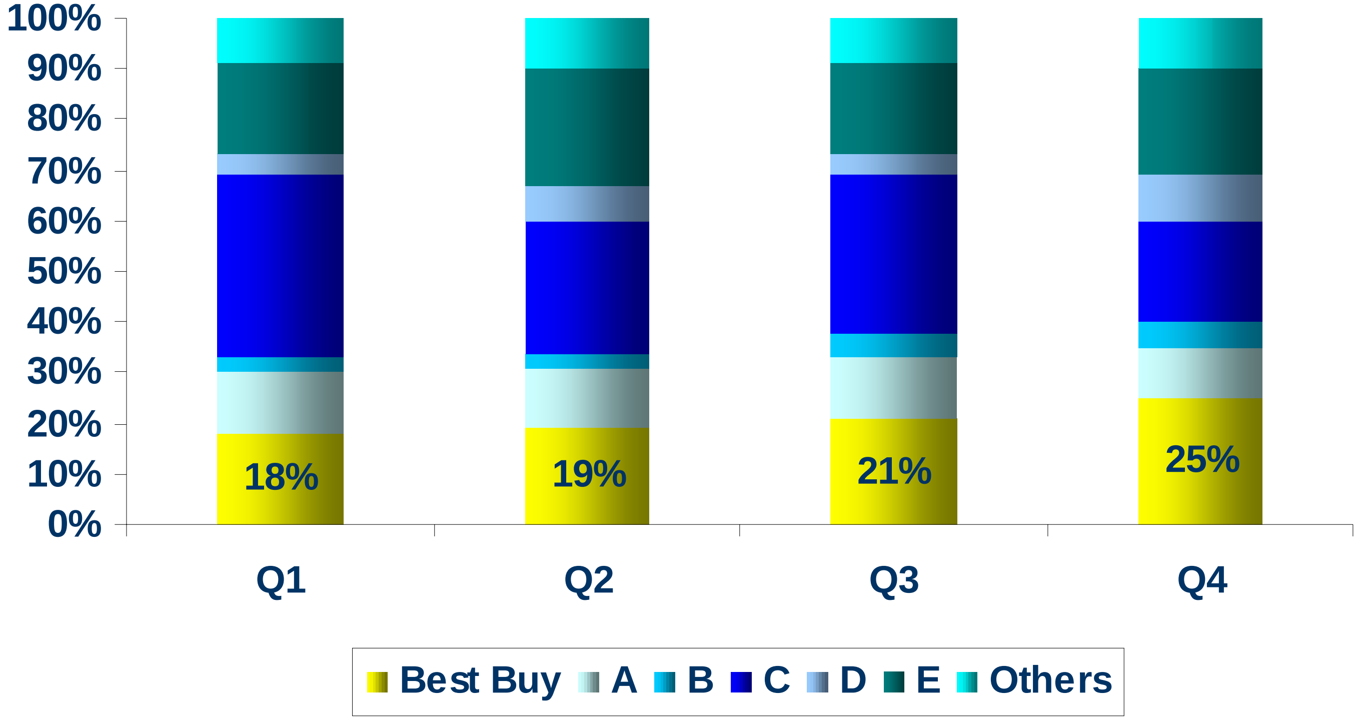
Converted stores continue to perform outstandingly well

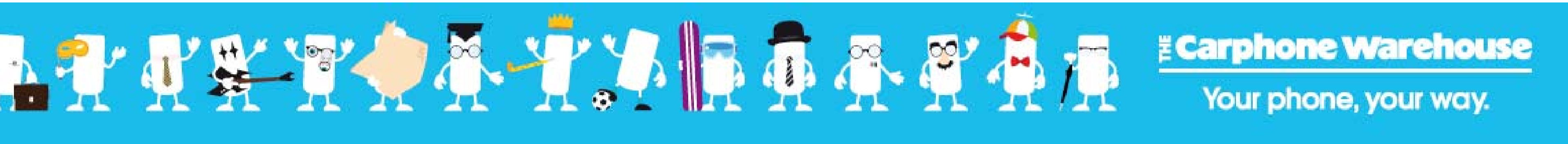


Market share: total US handset market



Market share: national retailers' postpay





Store conversions: before

Store conversions: after

What do conversions deliver?

- **Much higher connections per store**
- **Improved insurance penetration**
- **Higher accessory attach rates**
- **Significantly enhanced customer experience**

Roll-out and financial targets

- **Strong performance leading to accelerated roll-out**
- **All SwaS converted in calendar 2008**
  - **Currently converting 50 a week**
- **SaS formula working – additional roll-out potential**
- **CPW’s profit share set to be £25-35m in the year to March 2011**