

Press release

5 June 2007

TalkTalk beats BT - again

- **Lower line rental**
- **Free international calls for all voice customers**
- **No BT-style paper billing penalty for people without internet access**

TalkTalk has reinforced its position as the best value phone company in Britain by announcing lower line rental and even better value call packages, including the opportunity for all of its telephone customers to receive free international calls to 30 countries.

From the customer's next bill, TalkTalk is reducing line rental to £10.50 (with no extra charges for telephone customers who choose to receive a paper bill, unlike BT). Also introduced is an international call plan featuring free calls to 30 countries - including the USA, Australia, New Zealand and the whole of the EU – which will be available free to all new and existing customers on all its call plans (Talk1, Talk2 and Talk3)**. In addition, Talk2 is reduced to just £3.39 and Talk3 to £7.49, both cheaper than the equivalent BT package.

“With today's announcement we're demonstrating yet again that our intention is always to offer better value than BT*," says Charles Dunstone, CEO, The Carphone Warehouse. “It seems odd that BT has deserted its heartland in this way. With nearly a third of homes in the UK not connected to the internet we think it's unfair to levy a charge for a paper bill on customers who may not have any way of avoiding it.”

Summary of revised Prices

TalkTalk service	New BT equivalent pricing	New TalkTalk pricing	How much you save with TalkTalk
Line rental	10.50	10.50	
Paper bill	0.50	Free	0.50
Talk1			
International calls	5.00^	Free	5.00
Calls to TalkTalk customers	Charged per call	Free	
Talk2			
International calls	5.00^	Free	5.00
Calls to TalkTalk customers	Charged per call	Free	
Talk3 with mobile call plan			
International Calls	7.95	7.94	0.01
	5.00^	Free	5.00
Talk3i			
Broadband***	12.95^^	9.99	2.96
	From 17.99	Free	17.99

Landline-to-mobile callers also receive good news with TalkTalk Mobile Extra, offering 25% off UK mobile calls, now less than half price for all customers at just 45p.

“We changed the broadband market for ever in 2006 but we always said we wouldn’t stop there,” continues Charles Dunstone. “Now we are giving all our home phone customers more - they can still talk to each other in the UK for free and now they can call abroad at no cost too; and, if they want broadband, we won’t charge them twice -

once for the broadband and once for the phone calls - instead we'll offer them a great value call plan and provide the broadband at no charge.”

Notes to editors

The new pricing is available to new customers from Wednesday 6 June. All tariff changes will automatically take effect from the customer's next bill. TalkTalk intends to make further changes on August 1st to align with BT's scheduled changes on the same day, with call connection fees and rates for 0870 and 0845 calls matching BT and mobile and landline calls continuing to be cheaper than BT's standard rates.

* TalkTalk will give £1,000 to any customer who proves that they were paying less with BT than they are with TalkTalk. Full terms and conditions for the £1,000 challenge can be found at www.talktalk.co.uk

** TalkTalk is launching an International Call Plan for just £2.50 a month (half BT's charge). All new and existing telephone only customers are eligible for this package free for life if they re-contract their voice service for 12 months. This offer is available for a promotional period.

*** TalkTalk broadband customers are expected to take e-billing

^ Includes calls to 33 comparable countries

^^ Talk 3i is equivalent to BT Option 3 plus International Freedom call plan