

Company Announcement

For immediate release

Phones4U Finance plc (in administration) (“**Phones 4U**” or the “**Company**”)
Lymedale Business Park
Ore Close
Newcastle-under-Lyme
Staffordshire
ST5 9QD

ISIN: XS0609574016

19 September 2014

UPDATE

£430,000,000 9.5% Senior Secured Notes due 2018 (the “**Notes**”)

Pursuant to an order of the High Court of Justice of England & Wales on 15 September 2014, Robert Jonathan Hunt, Ian David Green and Robert John Moran (the “**Administrators**”) each licensed insolvency practitioners of PricewaterhouseCoopers LLP were appointed as administrators of Phones 4U.

Further to the recent announcement to transfer more than 800 staff to Dixons Carphone, the Phones 4U administrators can confirm that a deal has been agreed with Vodafone UK (the terms of which are confidential) which will see the mobile network firm take on 140 of the Phones 4u stores together with preservation of 887 jobs for store employees across the UK.

The stores will be re-branded to Vodafone stores over the coming weeks following a period of transition.

The deal has been agreed between the parties but remains subject to Court approving the release of the fixed charge security held on behalf of the secured creditors. The administrators will be making an application to the Court on Monday morning for the release of the fixed charge security that will enable the sale to be completed. Any senior secured noteholder who wishes to make representations at that hearing should in the first instance contact Citibank N.A., London Branch in its capacity as the Senior Note Trustee and provide proof of their holding of the notes. (Telephone 020 7508 0038; email: restructuringgroup@citi.com marked for the attention of Laura Hughes & Jillian Hamblin).

Rob Hunt, joint administrator and PwC partner said:

"We have worked rapidly over the course of the week following our appointment to explore interest in the Phones 4u business and we are very pleased to secure a future for a significant number of stores and continued employment for 887 of the Phones 4u people. We wish the transferring employees all the best with their new employer and would like to thank all the Phones 4u staff for their support since our appointment as Administrators.

Whilst this deal remains subject to the approval of the UK courts, we are confident that this represents the best available transaction for the Company’s creditors”

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