

Joint Administrators' Interim Announcement

The Joint Administrators' of Phones4U Limited wish to inform creditors that there has been a material development since they issued their last statutory progress report on 9 February 2018.

There are a small number of significant matters that have so far prevented the administration from being brought to an end. These are set out in our earlier progress reports which can be found on our website (www.pwc.co.uk/phones4u). We continue to focus on concluding all outstanding matters.

Since our last progress report, the Administrators of Phones 4U Limited have reached an agreement to settle the ongoing legal proceedings in relation to the mobile network operator against which litigation had been commenced and a settlement amount was received in May 2018.

This settlement substantially increased the amount available for distribution to the holders of the £430,000,000 9.500% senior secured notes due 2018 issued by Phones4U Finance plc (the "Bondholders") and, as a result, we have been able to make a further interim distribution of 20p/£ (£86 million) to the Bondholders on Friday 22 June.

Phones 4U Limited will purposefully retain significant cash reserves to fund potential claims against third parties as part of our duty to investigate the assets available to the Companies. Pre-action correspondence has been issued to potential defendants and we actively continue to progress these claims. The detailed nature of these third party claims is commercially sensitive and confidential.

We summarise below our receipts and payments since our latest report, from which you will see that we presently hold in excess of £125 million, much of which is held as a reserve to fund the claims referred to above.

Directors' statement of affairs £'000	15 September 2014 to 20 January 2018 £'000	21 January 2018 to 31 May 2018 £'000	Total to 31 May 2018 £'000
Floating charge			
Total receipts	260,860	137,403	398,263
Total payments	77,126	2,863	79,989
Net floating charge realisations	183,734	134,540	318,274
Total secured creditor entitlements	131,263	86,000	217,263
Total preferential creditor distribution	1,717	0	1,717
VAT control account	2,325	23,876	26,201
Balance held in interest bearing current accounts	53,079	72,416	125,495

Further details will be provided in our next statutory progress report, which we plan to issue in August 2018.