

**TalkTalk Telecom Group Plc Announces Proposed Sale Of
Direct B2B Business**

TalkTalk Telecom Group PLC (“TalkTalk”) has today announced plans to sell its direct B2B business to The Daisy Group (“Daisy”) for £175m.

TalkTalk and Daisy have signed Heads of Terms on a proposed deal which would transfer all existing TalkTalk direct B2B customers to Daisy. The deal includes around 80,000 SoHo, SME and large enterprise clients, and represents less than 20% of TalkTalk’s B2B revenues. The transaction is subject to contract with the intention to complete in late July 2018. Daisy has been granted a period of exclusivity to conclude the proposed transaction.

Daisy is an existing strategic partner of TalkTalk, meaning all customers would continue to be served by the TalkTalk network.

TalkTalk would retain and continue to grow its core strategic Partner and Wholesale business, offering services through over 800 channel relationships. TalkTalk now leads the market as the largest supplier of wholesale broadband and is the fastest growing national ethernet provider in the UK. These channels represent over 90% of TalkTalk B2B customers and over 80% its revenue, with a very strong two-year growth CAGR of 11%.

The proposed sale would negatively impact TalkTalk’s FY19 EBITDA by £15m. The sale would further strengthen TalkTalk’s balance sheet, which in turn allows for the continued investment in sustainable growth and plans to build a new full fibre network to three million homes and businesses, in partnership with Infracapital.

TalkTalk’s Chief Executive, Tristia Harrison, said:

“Last year we set out a strategy to radically simplify the business, focussing on fewer priorities that offer the best growth potential. TalkTalk has real strength in the Partner and Wholesale markets, where we have scale and a clear leadership position. It represents the vast majority of our revenue and profit and we see real opportunity to continue growing at pace. This proposed deal would allow us to focus on growth in those core B2B markets, whilst also removing significant complexity and cost from the business. As an existing strategic partner, Daisy is well placed to serve all direct customers, who would remain on our network and provide ongoing revenue.”

**Contact details:**

|  |  |  |
| --- | --- | --- |
| **Investor Relations:** | Tim Warrington | +44 (0) 20 3417 1821 |
|  |  |  |
| **Media:** | Iain Wood | +44 (0) 799 078 5019 |

**Notes**

The proposed transaction is subject to contract and if it completes in accordance with the proposed terms it is expected to be a Class 2 transaction under the Listing Rules and the appropriate information will be announced on completion.

**About Daisy**

The Daisy Group is the largest independent provider of end-to-end technology, communications and cloud solutions to UK business. The group has revenues of circa. £700m, 3700 employees in 30+ locations across the UK.

Established in 2001, Daisy has grown its capabilities in line with the converging business communications and IT services markets. Daisy has a comprehensive product and service portfolio which includes lines and calls, data connectivity, security, mobile, LAN and WiFi, hybrid cloud, IT managed services and business continuity.

Daisy serves small, mid-market and enterprise businesses both directly and indirectly and it does this through its specialist business units – Daisy Retail, Daisy Wholesale, Daisy Distribution, Daisy Corporate Services and Daisy Partner Services.