



Press Release

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PREPAID CONSUMERS DRIVE PHENOMENAL FIRST YEAR GROWTH FOR LYCAMOBILE

- Lycamobile hits target of 1.2 million UK customers within first year of operation as major mobile companies report declining subscriber numbers.

- Lycamobile's success affirms prepaid consumer trend as customers try to beat the recession with pre-pay deals in place of long-term contracts

Lycamobile, Europe's largest international mobile calls provider, is one of the winners in the economic downturn, after achieving its target of acquiring a phenomenal 1.2 million subscribers in the first year of operation. At the same time big-name players, such as Vodafone and T-Mobile, are grappling to retain customers in an increasingly aggressive and recession-hit marketplace.

On the back of major mobile providers announcing substantial subscriber losses, **Lycamobile** not only resists the current decline but also continues to expand around the world. Only last month Vodafone declared a loss of 159,000 UK customers* in Q2/2009 while **Lycamobile** celebrates its first birthday in September by reaching the 1.2 million subscriber mark. Similarly, both Orange and T-Mobile reported Q1/2009 customer losses of 145,000 and 100,000 customers, respectively. **

Lycamobile is benefiting from the current trend of consumers seeking a 'no commitment' form of mobile service and low cost international calls with no tie-ins to long-term contracts as UK consumers tighten their purse strings.

"In September 2008 we set out to achieve the target of activating over 1.2 million **Lycamobile** UK customers in the our first year. I am absolutely delighted to announce that we have achieved this milestone for the brand. This growth is testament to the brand promise we set of low rates with great quality. I would like to thank all of our customers and partners for making this happen," commented **Lycamobile** Chairman Subaskaran Allirajah.

“In these uncertain economic times consumers are increasingly looking for flexible products without long term financial commitments. **Lycamobile’s** ultra low price, high quality, service fits perfectly with the demands of our cash conscious consumers, a key reason for the momentum in our growth rate,” says **Lycamobile** CEO Milind Kangle.

Lycamobile has established a strong name within the important ethnic minority market, providing competitive rates and excellent call clarity for international calls. Over 80 per cent of calls using **Lycamobile’s** service are to international destinations, providing a service for those with the need to call family and friends around the world.

As Europe’s largest international prepaid mobile virtual network operator (MVNO), **Lycamobile** presently operates in the UK, Scandinavia, The Netherlands, Belgium, Switzerland and has recently launched in Italy. The company plans to expand its MVNO footprint across other markets further throughout 2009.

* Source: ZEDnet, 27th July 2009, URL Link: http://www.zdnetasia.com/news/communications/0_39044192_62056366_00.htm

** Source: The Guardian, 13th May 2009, URL link: <http://www.guardian.co.uk/technology/2009/may/13/o2-results-may-2009>

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Notes to Editors

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About Lycamobile

Lycamobile (www.lycamobile.co.uk) is a prepaid SIM card product that provides low-cost, high-quality international calls direct from mobile phones. Lycamobile is already distributed through a UK network of more than 115,000 retail outlets. The brand was initially introduced in The Netherlands in 2006 and is already Europe’s largest pre-pay MVNO with four million customers across Europe. Present in six markets, Lycamobile continues to grow rapidly with further market launches planned throughout the remainder of 2009.