



Pro forma historical financial information for BT and EE group

For the years ended 31 March 2016 and 31 March 2015. Published 29 June 2016

Sheet 1 [Basis of preparation](#)

Sheet 2 [Revenue, EBITDA and capex](#)

From 1 April 2016, we reorganised our lines of business and made some changes to our internal trading model.

We've prepared pro forma historical financial information for the years ended 31 March 2016 and 31 March 2015 under this new organisational structure and as though EE had been part of the group from 1 April 2014.

For further information please contact:

BT Investor Relations

phone +44 (0)20 7356 4909

email ir@bt.com

web www.bt.com/ir

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1. Basis of preparation

Background

BT Group has published revised historical financial information to reflect organisational changes that came into effect on 1 April 2016.

Previously, our six customer-facing lines of business were BT Global Services, BT Business, BT Consumer, EE, BT Wholesale and Openreach (EE Limited having been acquired by the group on 29 January 2016). As announced on 1 February 2016, with effect from 1 April 2016, we've reorganised the group and our customer-facing lines of business are now: Global Services, Business and Public Sector, Consumer, EE, Wholesale and Ventures, and Openreach.

Alongside these changes, EE's MVNO operations and a number of specialist ventures within the group (including Fleet, Redcare, Directories, Payphones, Tikit and Cables) have moved into Wholesale and Ventures.

At the same time, we've taken steps to simplify our internal trading model, including moving to a cost-recovery model for certain intra-group revenues. Neither the organisational or internal trading changes have any impact on the total group results.

We have published on our website (www.btplc.com) restated historical financial information to reflect these changes, showing EE consolidated as part of the group since the date we acquired it on 29 January 2016.

The basis of preparation of this pro forma information

In addition to the above restatements, we've provided in this document pro forma historical financial information by line of business under the new organisational structure, and prepared as though EE had been part of the group from 1 April 2014. The pro forma historical financial information shows EE's historical results adjusted to reflect BT's accounting policies. In the consolidated group total, we've eliminated historical transactions between BT and EE as though they had been intercompany transactions. We have not made any adjustments to reflect the allocation of the purchase price for EE. All deal and acquisition-related costs have been treated as specific items and therefore don't impact the pro forma.

On the next page we've provided:

- (i) previously issued pro forma financial information (which we published in February 2016 and have updated to include Q4); and
- (ii) pro forma information as described above, i.e., reflecting the new organisational structure and internal trading model changes and illustrating the line of business results including EE as part of BT Group throughout the period.

2015/16 Pro forma historical financial information

| £m unless otherwise stated | Pro forma - previous organisational structure ¹ | | | | | Adjustments | | | | | £m unless otherwise stated | Pro forma - new organisational structure ² | | | | |
|------------------------------|--|--------------|--------------|--------------|---------------|-------------|----------|----------|----------|----------|------------------------------|---|--------------|--------------|--------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY | | Q1 | Q2 | Q3 | Q4 | FY |
| Revenue^{3,4} | | | | | | | | | | | Revenue^{3,4} | | | | | |
| BT Global Services | 1,543 | 1,559 | 1,675 | 1,753 | 6,530 | (332) | (333) | (352) | (359) | (1,376) | Global Services | 1,211 | 1,226 | 1,323 | 1,394 | 5,154 |
| BT Business | 749 | 781 | 779 | 821 | 3,130 | 457 | 464 | 482 | 489 | 1,892 | Business and Public Sector | 1,206 | 1,245 | 1,261 | 1,310 | 5,022 |
| BT Consumer | 1,074 | 1,127 | 1,205 | 1,192 | 4,598 | 2 | 2 | 3 | 3 | 10 | Consumer | 1,076 | 1,129 | 1,208 | 1,195 | 4,608 |
| EE | 1,575 | 1,584 | 1,605 | 1,543 | 6,307 | (304) | (307) | (319) | (315) | (1,245) | EE | 1,271 | 1,277 | 1,286 | 1,228 | 5,062 |
| BT Wholesale | 530 | 520 | 527 | 509 | 2,086 | 27 | 31 | 26 | 37 | 121 | Wholesale and Ventures | 557 | 551 | 553 | 546 | 2,207 |
| Openreach | 1,249 | 1,267 | 1,294 | 1,290 | 5,100 | 0 | 0 | 0 | 0 | 0 | Openreach | 1,249 | 1,267 | 1,294 | 1,290 | 5,100 |
| Other | 16 | 19 | 21 | 17 | 73 | (13) | (19) | (17) | (13) | (62) | Other | 3 | 0 | 4 | 4 | 11 |
| Eliminations | (1,020) | (1,022) | (1,044) | (1,016) | (4,102) | 163 | 162 | 177 | 158 | 660 | Eliminations | (857) | (860) | (867) | (858) | (3,442) |
| Total | 5,716 | 5,835 | 6,062 | 6,109 | 23,722 | 0 | 0 | 0 | 0 | 0 | Total | 5,716 | 5,835 | 6,062 | 6,109 | 23,722 |
| YoY % change | -1.6% | -0.5% | 1.4% | 1.2% | 0.1% | | | | | | | -1.6% | -0.5% | 1.4% | 1.2% | 0.1% |
| EBITDA^{3,4} | | | | | | | | | | | EBITDA^{3,4} | | | | | |
| BT Global Services | 190 | 216 | 276 | 366 | 1,048 | (90) | (96) | (108) | (130) | (424) | Global Services | 100 | 120 | 168 | 236 | 624 |
| BT Business | 240 | 261 | 268 | 307 | 1,076 | 135 | 145 | 161 | 176 | 617 | Business and Public Sector | 375 | 406 | 429 | 483 | 1,693 |
| BT Consumer | 254 | 202 | 270 | 311 | 1,037 | 4 | 6 | 7 | 9 | 26 | Consumer | 258 | 208 | 277 | 320 | 1,063 |
| EE | 389 | 416 | 441 | 383 | 1,629 | (135) | (132) | (142) | (134) | (543) | EE | 254 | 284 | 299 | 249 | 1,086 |
| BT Wholesale | 140 | 127 | 135 | 140 | 542 | 90 | 82 | 85 | 84 | 341 | Wholesale and Ventures | 230 | 209 | 220 | 224 | 883 |
| Openreach | 639 | 648 | 677 | 700 | 2,664 | 2 | 1 | 2 | 1 | 6 | Openreach | 641 | 649 | 679 | 701 | 2,670 |
| Other | (14) | (12) | (13) | (9) | (48) | (6) | (6) | (5) | (6) | (23) | Other | (20) | (18) | (18) | (15) | (71) |
| Total | 1,838 | 1,858 | 2,054 | 2,198 | 7,948 | 0 | 0 | 0 | 0 | 0 | Total | 1,838 | 1,858 | 2,054 | 2,198 | 7,948 |
| YoY % change | 3.9% | 3.8% | 1.9% | 1.4% | 2.7% | | | | | | | 3.8% | 3.9% | 1.9% | 1.4% | 2.7% |
| Capex^{4,5} | | | | | | | | | | | Capex^{4,5} | | | | | |
| BT Global Services | 86 | 107 | 103 | 119 | 415 | (5) | (10) | (7) | (10) | (32) | Global Services | 81 | 97 | 96 | 109 | 383 |
| BT Business | 35 | 37 | 35 | 31 | 138 | 5 | 14 | 17 | 20 | 56 | Business and Public Sector | 40 | 51 | 52 | 51 | 194 |
| BT Consumer | 52 | 56 | 46 | 52 | 206 | 2 | 2 | 2 | 2 | 8 | Consumer | 54 | 58 | 48 | 54 | 214 |
| EE | 119 | 151 | 176 | 156 | 602 | (20) | (24) | (28) | (24) | (96) | EE | 99 | 127 | 148 | 132 | 506 |
| BT Wholesale | 44 | 46 | 41 | 46 | 177 | 19 | 16 | 14 | 11 | 60 | Wholesale and Ventures | 63 | 62 | 55 | 57 | 237 |
| Openreach | 402 | 348 | 321 | 376 | 1,447 | 0 | 0 | 0 | 0 | 0 | Openreach | 402 | 348 | 321 | 376 | 1,447 |
| Other | 39 | 35 | 41 | 41 | 156 | (1) | 2 | 2 | 1 | 4 | Other | 38 | 37 | 43 | 42 | 160 |
| Total | 777 | 780 | 763 | 821 | 3,141 | 0 | 0 | 0 | 0 | 0 | Total | 777 | 780 | 763 | 821 | 3,141 |
| YoY % change | 21.2% | 17.6% | -2.5% | 4.5% | 9.3% | | | | | | | 21.2% | 17.6% | -2.6% | 4.5% | 9.3% |

¹ reflects an estimate of what BT results would have been, had EE always been a part of the group, but before the organisational and internal trading model changes which came into effect on 1 April 2016

² reflects an estimate of what BT results would have been, had EE always been a part of the group, and adjusts for the organisational and internal trading model changes which came into effect on 1 April 2016

³ before specific items

⁴ EE's results (as reported or as provided by management, where not previously published), adjusted for BT's accounting policies

⁵ before purchases of telecommunications licences

2014/15 Pro forma historical financial information

| £m unless otherwise stated | Pro forma - previous organisational structure ¹ | | | | | Adjustments | | | | | £m unless otherwise stated | Pro forma - new organisational structure ² | | | | |
|------------------------------|--|--------------|--------------|--------------|---------------|-------------|----------|----------|----------|----------|------------------------------|---|--------------|--------------|--------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY | | Q1 | Q2 | Q3 | Q4 | FY |
| Revenue^{3,4} | | | | | | | | | | | Revenue^{3,4} | | | | | |
| BT Global Services | 1,647 | 1,649 | 1,694 | 1,789 | 6,779 | (380) | (363) | (354) | (398) | (1,495) | Global Services | 1,267 | 1,286 | 1,340 | 1,391 | 5,284 |
| BT Business | 762 | 789 | 789 | 805 | 3,145 | 496 | 467 | 474 | 506 | 1,943 | Business and Public Sector | 1,258 | 1,256 | 1,263 | 1,311 | 5,088 |
| BT Consumer | 1,046 | 1,056 | 1,083 | 1,100 | 4,285 | 2 | 1 | 3 | 2 | 8 | Consumer | 1,048 | 1,057 | 1,086 | 1,102 | 4,293 |
| EE | 1,562 | 1,588 | 1,621 | 1,541 | 6,312 | (274) | (281) | (294) | (287) | (1,136) | EE | 1,288 | 1,307 | 1,327 | 1,254 | 5,176 |
| BT Wholesale | 525 | 529 | 532 | 571 | 2,157 | 27 | 33 | 34 | 34 | 128 | Wholesale and Ventures | 552 | 562 | 566 | 605 | 2,285 |
| Openreach | 1,245 | 1,245 | 1,255 | 1,266 | 5,011 | 0 | 0 | 0 | 0 | 0 | Openreach | 1,245 | 1,245 | 1,255 | 1,266 | 5,011 |
| Other | 19 | 16 | 20 | 18 | 73 | (14) | (13) | (15) | (16) | (58) | Other | 5 | 3 | 5 | 2 | 15 |
| Eliminations | (995) | (1,010) | (1,017) | (1,052) | (4,074) | 143 | 156 | 152 | 159 | 610 | Eliminations | (852) | (854) | (865) | (893) | (3,464) |
| Total | 5,811 | 5,862 | 5,977 | 6,038 | 23,688 | 0 | 0 | 0 | 0 | 0 | Total | 5,811 | 5,862 | 5,977 | 6,038 | 23,688 |
| EBITDA^{3,4} | | | | | | | | | | | EBITDA^{3,4} | | | | | |
| BT Global Services | 213 | 226 | 261 | 347 | 1,047 | (131) | (111) | (111) | (129) | (482) | Global Services | 82 | 115 | 150 | 218 | 565 |
| BT Business | 240 | 258 | 266 | 277 | 1,041 | 165 | 138 | 142 | 160 | 605 | Business and Public Sector | 405 | 396 | 408 | 437 | 1,646 |
| BT Consumer | 238 | 225 | 251 | 317 | 1,031 | 4 | 3 | 4 | 4 | 15 | Consumer | 242 | 228 | 255 | 321 | 1,046 |
| EE | 335 | 339 | 449 | 348 | 1,471 | (102) | (110) | (117) | (117) | (446) | EE | 233 | 229 | 332 | 231 | 1,025 |
| BT Wholesale | 126 | 125 | 136 | 174 | 561 | 67 | 83 | 91 | 88 | 329 | Wholesale and Ventures | 193 | 208 | 227 | 262 | 890 |
| Openreach | 624 | 627 | 651 | 698 | 2,600 | 3 | 2 | 3 | 2 | 10 | Openreach | 627 | 629 | 654 | 700 | 2,610 |
| Other | (6) | (11) | 2 | 6 | (9) | (6) | (5) | (12) | (8) | (31) | Other | (12) | (16) | (10) | (2) | (40) |
| Total | 1,770 | 1,789 | 2,016 | 2,167 | 7,742 | 0 | 0 | 0 | 0 | 0 | Total | 1,770 | 1,789 | 2,016 | 2,167 | 7,742 |
| Capex^{4,5} | | | | | | | | | | | Capex^{4,5} | | | | | |
| BT Global Services | 106 | 116 | 121 | 125 | 468 | (9) | (18) | (15) | (12) | (54) | Global Services | 97 | 98 | 106 | 113 | 414 |
| BT Business | 24 | 32 | 42 | 89 | 187 | 17 | 23 | 13 | (36) | 17 | Business and Public Sector | 41 | 55 | 55 | 53 | 204 |
| BT Consumer | 39 | 52 | 47 | 69 | 207 | 1 | 2 | 1 | 1 | 5 | Consumer | 40 | 54 | 48 | 70 | 212 |
| EE | 125 | 130 | 184 | 108 | 547 | (19) | (19) | (27) | (17) | (82) | EE | 106 | 111 | 157 | 91 | 465 |
| BT Wholesale | 53 | 53 | 49 | 55 | 210 | 10 | 12 | 28 | 64 | 114 | Wholesale and Ventures | 63 | 65 | 77 | 119 | 324 |
| Openreach | 258 | 246 | 300 | 278 | 1,082 | 0 | 0 | 0 | 0 | 0 | Openreach | 258 | 246 | 300 | 278 | 1,082 |
| Other | 36 | 34 | 40 | 62 | 172 | 0 | 0 | 0 | 0 | 0 | Other | 36 | 34 | 40 | 62 | 172 |
| Total | 641 | 663 | 783 | 786 | 2,873 | 0 | 0 | 0 | 0 | 0 | Total | 641 | 663 | 783 | 786 | 2,873 |

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