

Key Performance Indicators (KPIs)



For the financial years ended 31 March 2017 and 31 March 2018, and the quarters ending 30 June 2018, 30 September 2018 and 31 December 2018.

From Q3 2018/19, BT Group is reporting information in the format of this document as part of its quarterly financial disclosures. Results for the years ended 31 March 2017 and 31 March 2018, and the quarters ending 30 June 2018 and 30 September 2018 have therefore been prepared on a pro forma restated basis. **These financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and have not been audited or reviewed by the independent auditors.**

These pro forma KPIs have been prepared to reflect changes in the business organisational structure, namely the formation of “Enterprise” from the combination of “Business and Public Sector” (BPS) and “Wholesale and Ventures” (WAV), and the transfer of “Northern Ireland Networks” (NIN), previously hosted by BPS, into Openreach. In addition, the pro forma KPIs reflect that BT Group now accounts for internal revenue generated by its Ventures businesses within Enterprise as revenue rather than as an internal recovery of cost. For further information on changes please see the separate pro forma document published by BT Group on 17 January 2019.

All pro forma financial information in this document has been prepared under the IFRS 15 accounting standard. From 1 April 2018, BT adopted IFRS 15 on a modified retrospective basis. For further information about the impact of IFRS 15, including a comparison with information previously published under the IAS 18 accounting standard, please see pro forma document published on 22 June 2018.

Disclaimer

All pro forma financial information contained in this document is unaudited. The pro forma results are presented to investors and analysts as an indication of trend only. The financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and have not been audited by BT Group’s independent auditors. While BT Group believes the information contained in this document to be reliable, BT Group does not warrant the accuracy, completeness or validity of the information, figures or calculations in this document and shall not be liable in any way for any loss or damage arising out of the use of this information, or any errors or omissions in its content.

Notes

Revenue categories described as 'Of which' are intended to provide greater detail about the components of larger revenue categories, but are not intended to be the sum of that category. Please see the Glossary pages at the end of this document for details about the metrics included.

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About BT Group

BT Group’s purpose is to use the power of communications to make a better world. It is one of the world’s leading providers of communications services and solutions, serving customers in 180 countries. Its principal activities include the provision of networked IT services globally; local, national and international telecommunications services to its customers for use at home, at work and on the move; broadband, TV and internet products and services; and converged fixed-mobile products and services.

British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group plc and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on stock exchanges in London and New York.

BT Group plc

Registered Office: 81 Newgate Street, London, EC1A 7AJ, United Kingdom

Registered in England and Wales no. 4190816

www.btplc.com

Group: Income statement

| INCOME STATEMENT £m unless otherwise stated | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|--|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Revenue | | | | | | | | | | | | | |
| Consumer | 2,430 | 2,570 | 2,626 | 2,493 | 10,119 | 2,540 | 2,587 | 2,680 | 2,572 | 10,379 | 2,591 | 2,681 | 2,785 |
| Enterprise | 1,713 | 1,728 | 1,748 | 1,783 | 6,972 | 1,647 | 1,673 | 1,654 | 1,679 | 6,653 | 1,567 | 1,606 | 1,555 |
| Global Services | 1,250 | 1,409 | 1,399 | 1,422 | 5,480 | 1,246 | 1,265 | 1,265 | 1,243 | 5,019 | 1,147 | 1,185 | 1,202 |
| Openreach | 1,273 | 1,269 | 1,296 | 1,298 | 5,136 | 1,287 | 1,299 | 1,379 | 1,320 | 5,285 | 1,255 | 1,293 | 1,256 |
| Other | 3 | 1 | 4 | 2 | 10 | 2 | 4 | 2 | 2 | 10 | 1 | 1 | 2 |
| Eliminations | (891) | (903) | (907) | (909) | (3,610) | (887) | (893) | (915) | (890) | (3,585) | (845) | (858) | (818) |
| Total Group revenue¹ | 5,778 | 6,074 | 6,166 | 6,089 | 24,107 | 5,835 | 5,935 | 6,065 | 5,926 | 23,761 | 5,716 | 5,908 | 5,982 |
| Underlying revenue YoY ² | - | - | - | - | - | (0.6)% | (2.7)% | (1.4)% | (2.1)% | (1.7)% | (2.0)% | (0.2)% | (1.0)% |

| | | | | | | | | | | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| EBITDA | | | | | | | | | | | | | |
| Consumer | 548 | 589 | 603 | 557 | 2,297 | 556 | 575 | 558 | 680 | 2,369 | 610 | 611 | 643 |
| Enterprise | 535 | 574 | 582 | 587 | 2,278 | 493 | 520 | 512 | 535 | 2,060 | 480 | 505 | 501 |
| Global Services | 121 | 132 | 39 | 202 | 494 | 73 | 81 | 141 | 135 | 430 | 95 | 113 | 147 |
| Openreach | 657 | 648 | 703 | 712 | 2,720 | 644 | 653 | 747 | 675 | 2,719 | 591 | 634 | 603 |
| Other | (7) | 2 | 15 | (16) | (6) | 19 | (9) | (22) | 11 | (1) | 24 | 12 | (16) |
| Total Group EBITDA¹ | 1,854 | 1,945 | 1,942 | 2,042 | 7,783 | 1,785 | 1,820 | 1,936 | 2,036 | 7,577 | 1,800 | 1,875 | 1,878 |
| YoY | - | - | - | - | - | (3.7)% | (6.4)% | (0.3)% | (0.3)% | (2.6)% | 0.8% | 3.0% | (3.0)% |
| Margin | 32.1% | 32.0% | 31.5% | 33.5% | 32.3% | 30.6% | 30.7% | 31.9% | 34.4% | 31.9% | 31.5% | 31.7% | 31.4% |

| | | | | | | | | | | | | | |
|----------------------------|-----|-----|-----|-------|-------|-----|-----|-----|-----|-------|-----|-----|-----|
| Adjusted profit before tax | 838 | 930 | 898 | 1,004 | 3,670 | 791 | 798 | 928 | 999 | 3,516 | 816 | 841 | 830 |
| Profit after tax | 624 | 623 | 446 | 353 | 2,046 | 285 | 533 | 611 | 675 | 2,104 | 549 | 503 | 594 |

| INCOME STATEMENT £m unless otherwise stated | 2016/17 H1 | 2016/17 H2 | 2016/17 Full year | 2017/18 H1 | 2017/18 H2 | 2017/18 Full year | 2018/19 H1 |
|--|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
|--|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|

| | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Group revenue¹ | 11,852 | 12,255 | 24,107 | 11,770 | 11,991 | 23,761 | 11,624 |
| Operating costs before D&A and specific items | (8,053) | (8,271) | (16,324) | (8,165) | (8,019) | (16,184) | (7,949) |
| Total Group EBITDA¹ | 3,799 | 3,984 | 7,783 | 3,605 | 3,972 | 7,577 | 3,675 |
| Depreciation and amortisation ¹ | (1,724) | (1,786) | (3,510) | (1,757) | (1,757) | (3,514) | (1,736) |
| Adjusted operating profit | 2,075 | 2,198 | 4,273 | 1,848 | 2,215 | 4,063 | 1,939 |
| Net finance expense ¹ | (300) | (294) | (594) | (259) | (287) | (546) | (283) |
| Share of post tax profits/losses of assoc. & JVs ¹ | (7) | (2) | (9) | 0 | (1) | (1) | 1 |
| Adjusted profit before tax | 1,768 | 1,902 | 3,670 | 1,589 | 1,927 | 3,516 | 1,657 |
| Total specific items | (287) | (891) | (1,178) | (496) | (332) | (828) | (317) |
| Of which impact operating profit | (182) | (786) | (968) | (387) | (223) | (610) | (248) |
| Of which net interest on pensions | (105) | (104) | (209) | (109) | (109) | (218) | (69) |
| Reported profit before tax | 1,481 | 1,011 | 2,492 | 1,093 | 1,595 | 2,688 | 1,340 |
| Tax excluding tax on specific items | (300) | (363) | (663) | (321) | (350) | (671) | (340) |
| Tax rate before specific items | 17.0% | 19.1% | 18.1% | 20.2% | 18.2% | 19.1% | 20.5% |
| Tax on specific items | 66 | 151 | 217 | 46 | 41 | 87 | 52 |
| Profit after tax | 1,247 | 799 | 2,046 | 818 | 1,286 | 2,104 | 1,052 |

| | | | | | | | |
|---|------|------|------|------|------|------|------|
| Adjusted basic earnings per share (pence) | 14.8 | 15.5 | 30.3 | 12.8 | 15.9 | 28.6 | 13.3 |
| Reported basic earnings per share (pence) | 12.6 | 8.0 | 20.6 | 8.2 | 12.9 | 21.2 | 10.6 |

| | | | | | | | |
|----------------------------|------|-------|-------|------|-------|-------|------|
| Dividend per share (pence) | 4.85 | 10.55 | 15.40 | 4.85 | 10.55 | 15.40 | 4.62 |
|----------------------------|------|-------|-------|------|-------|-------|------|

| | | | | | | | |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Average number of shares in issue (m) | 9,933 | 9,944 | 9,938 | 9,915 | 9,906 | 9,911 | 9,910 |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|

¹ Adjusted, i.e. before specific items

² Excluding specific items, foreign exchange movements and the effect of acquisitions and disposals

Please see the Glossary pages for relevant definitions

Group: Cash flow & net debt

| CASH FLOW & NET DEBT £m unless otherwise stated | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|--|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Cash capital expenditure | (711) | (751) | (751) | (906) | (3,119) | (784) | (870) | (843) | (844) | (3,341) | (874) | (862) | (912) |
| Normalised free cash flow | 448 | 894 | 606 | 834 | 2,782 | 556 | 689 | 702 | 1,026 | 2,973 | 507 | 467 | 763 |
| Net (debt)/cash | (9,572) | (9,567) | (8,981) | (8,932) | (8,932) | (8,810) | (9,520) | (8,923) | (9,627) | (9,627) | (11,227) | (11,895) | (11,114) |

| CASH FLOW & NET DEBT £m unless otherwise stated | 2016/17 H1 | 2016/17 H2 | 2016/17 Full year | 2017/18 H1 | 2017/18 H2 | 2017/18 Full year | 2018/19 H1 |
|--|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
|--|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|

| | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Total Group EBITDA¹ | 3,799 | 3,984 | 7,783 | 3,605 | 3,972 | 7,577 | 3,675 |
| Interest | (282) | (340) | (622) | (257) | (291) | (548) | (228) |
| Tax (ex cash tax benefit of pension deficit payments) | (306) | (355) | (661) | (209) | (373) | (582) | (294) |
| Change in working capital | (412) | (89) | (501) | (365) | 127 | (238) | (497) |
| Change in other | 5 | (103) | (98) | 125 | (20) | 105 | 54 |
| Cash available for investment and distribution | 2,804 | 3,097 | 5,901 | 2,899 | 3,415 | 6,314 | 2,710 |
| Cash capital expenditure | (1,462) | (1,657) | (3,119) | (1,654) | (1,687) | (3,341) | (1,736) |
| Normalised free cash flow | 1,342 | 1,440 | 2,782 | 1,245 | 1,728 | 2,973 | 974 |
| Payments/refund for the acquisition of spectrum | 0 | 0 | 0 | 0 | (325) | (325) | 21 |
| Net cash flow from specific items | (114) | (91) | (205) | (589) | (239) | (828) | (277) |
| Reported free cash flow | 1,228 | 1,349 | 2,577 | 656 | 1,164 | 1,820 | 718 |
| Equity dividends paid | (951) | (484) | (1,435) | (1,038) | (485) | (1,523) | (1,040) |
| Repurchase of ordinary share capital | (206) | 0 | (206) | (221) | 0 | (221) | (9) |
| Residual free cash flow | 71 | 865 | 936 | (603) | 679 | 76 | (331) |
| Cash tax benefit of pension deficit payments | 88 | 22 | 110 | 28 | 81 | 109 | 84 |
| Gross pension deficit payment | (13) | (261) | (274) | (10) | (862) | (872) | (2,012) |
| Free cash flow post pension deficit payments | 146 | 626 | 772 | (585) | (102) | (687) | (2,259) |
| Other | 125 | 9 | 134 | (3) | (5) | (8) | (9) |
| Change in net (debt)/cash | 271 | 635 | 906 | (588) | (107) | (695) | (2,268) |

| | | | | | | | |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Net (debt)/cash | (9,567) | (8,932) | (8,932) | (9,520) | (9,627) | (9,627) | (11,895) |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|

¹ Adjusted, i.e. before specific items

Please see the Glossary pages for relevant definitions

Group: Costs

| OPERATING COSTS £m unless otherwise stated | 2016/17 H1 | 2016/17 H2 | 2016/17 Full year | 2017/18 H1 | 2017/18 H2 | 2017/18 Full year | 2018/19 H1 |
|--|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
| Direct labour costs before leaver costs | 2,581 | 2,522 | 5,103 | 2,690 | 2,658 | 5,348 | 2,664 |
| Indirect labour costs | 402 | 460 | 862 | 451 | 476 | 927 | 472 |
| Leaver costs | 54 | 32 | 86 | 30 | 20 | 50 | 8 |
| Gross labour costs | 3,037 | 3,014 | 6,051 | 3,171 | 3,154 | 6,325 | 3,144 |
| Capitalised labour | (588) | (688) | (1,276) | (668) | (742) | (1,410) | (729) |
| Net labour costs | 2,449 | 2,326 | 4,775 | 2,503 | 2,412 | 4,915 | 2,415 |
| Payments to telecommunications operators | 1,327 | 1,326 | 2,653 | 1,207 | 1,099 | 2,306 | 1,073 |
| Property and energy costs | 600 | 602 | 1,202 | 649 | 636 | 1,285 | 661 |
| Network operating and IT costs | 455 | 528 | 983 | 476 | 487 | 963 | 508 |
| Programme rights charges | 340 | 374 | 714 | 377 | 386 | 763 | 403 |
| Other costs | 2,882 | 3,115 | 5,997 | 2,953 | 2,999 | 5,952 | 2,889 |
| Operating costs before D&A and specific items | 8,053 | 8,271 | 16,324 | 8,165 | 8,019 | 16,184 | 7,949 |
| Depreciation and amortisation (D&A) | 1,724 | 1,786 | 3,510 | 1,757 | 1,757 | 3,514 | 1,736 |
| Total operating costs before specific items | 9,777 | 10,057 | 19,834 | 9,922 | 9,776 | 19,698 | 9,685 |
| Specific items | 136 | 782 | 918 | 373 | 214 | 587 | 212 |
| Total operating costs | 9,913 | 10,839 | 20,752 | 10,295 | 9,990 | 20,285 | 9,897 |

| REPORTED CAPITAL EXPENDITURE £m unless otherwise stated | 2016/17 H1 | 2016/17 H2 | 2016/17 Full year | 2017/18 H1 | 2017/18 H2 | 2017/18 Full year | 2018/19 H1 |
|--|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
| Consumer | 410 | 443 | 853 | 461 | 458 | 919 | 401 |
| Enterprise | 194 | 260 | 454 | 237 | 255 | 492 | 218 |
| Global Services | 191 | 170 | 361 | 128 | 150 | 278 | 99 |
| Openreach | 713 | 907 | 1,620 | 808 | 891 | 1,699 | 1,055 |
| Other | 72 | 94 | 166 | 59 | 75 | 134 | 60 |
| Total Group ¹ | 1,580 | 1,874 | 3,454 | 1,693 | 1,829 | 3,522 | 1,833 |
| Of which capacity/network | 742 | 908 | 1,650 | 856 | 872 | 1,728 | 988 |
| Of which customer driven | 538 | 532 | 1,070 | 493 | 487 | 980 | 443 |
| Of which systems/IT | 253 | 347 | 600 | 295 | 392 | 687 | 327 |
| Of which non-network Infrastructure | 47 | 87 | 134 | 49 | 78 | 127 | 75 |

| ROLES Full-time equivalent | 2016/17 H1 | 2016/17 Full year | 2017/18 H1 | 2017/18 Full year | 2018/19 H1 |
|-------------------------------|----------------|----------------------|----------------|----------------------|----------------|
| Consumer | 16,544 | 17,848 | 17,868 | 18,204 | 19,076 |
| Enterprise | 13,090 | 13,428 | 13,396 | 13,227 | 13,397 |
| Global Services | 17,543 | 17,538 | 17,399 | 16,945 | 16,274 |
| Openreach | 31,912 | 30,914 | 31,418 | 31,187 | 32,307 |
| Other | 25,926 | 26,688 | 26,230 | 26,224 | 25,405 |
| Total Group | 105,015 | 106,416 | 106,311 | 105,787 | 106,459 |

¹ Gross BDUK grant funding deferral (claw-back) included in capacity/network: 2014/15: £29m; 2015/16: £229m; 2016/17: £188m; 2017/18: £122m; 2018/19 H1: £170m (n.b. 2018/19 H1 claw-back excludes £29m of build costs, whereas prior years include build costs)

Please see the Glossary pages for relevant definitions

Consumer

| FINANCIAL £m unless otherwise stated | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|---|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Revenue | | | | | | | | | | | | | |
| Fixed | 1,094 | 1,164 | 1,161 | 1,142 | 4,561 | 1,158 | 1,159 | 1,154 | 1,187 | 4,658 | 1,149 | 1,151 | 1,178 |
| YoY | - | - | - | - | - | 5.9% | (0.4)% | (0.6)% | 3.9% | 2.1% | (0.8)% | (0.7)% | 2.1% |
| Mobile | 942 | 963 | 967 | 943 | 3,815 | 978 | 1,007 | 1,016 | 994 | 3,995 | 1,010 | 1,045 | 1,023 |
| YoY | - | - | - | - | - | 3.8% | 4.6% | 5.1% | 5.4% | 4.7% | 3.3% | 3.8% | 0.7% |
| Of which postpaid mobile | 825 | 838 | 840 | 836 | 3,339 | 865 | 882 | 876 | 864 | 3,487 | 890 | 908 | 894 |
| YoY | - | - | - | - | - | 4.8% | 5.3% | 4.3% | 3.3% | 4.4% | 2.9% | 2.9% | 2.1% |
| Equipment | 310 | 355 | 403 | 309 | 1,377 | 315 | 331 | 416 | 296 | 1,358 | 346 | 393 | 476 |
| YoY | - | - | - | - | - | 1.6% | (6.8)% | 3.2% | (4.2)% | (1.4)% | 9.8% | 18.7% | 14.4% |
| Other | 84 | 88 | 95 | 99 | 366 | 89 | 90 | 94 | 95 | 368 | 86 | 92 | 108 |
| Total | 2,430 | 2,570 | 2,626 | 2,493 | 10,119 | 2,540 | 2,587 | 2,680 | 2,572 | 10,379 | 2,591 | 2,681 | 2,785 |
| Underlying YoY | - | - | - | - | - | 4.5% | 0.7% | 2.1% | 3.2% | 2.6% | 2.0% | 3.6% | 3.9% |
| Of which Internal | 24 | 27 | 25 | 24 | 100 | 25 | 25 | 25 | 28 | 103 | 25 | 27 | 27 |
| EBITDA | 548 | 589 | 603 | 557 | 2,297 | 556 | 575 | 558 | 680 | 2,369 | 610 | 611 | 643 |
| Underlying YoY | - | - | - | - | - | 1.5% | (2.4)% | (7.5)% | 22.1% | 3.1% | 9.7% | 6.3% | 15.2% |
| Margin | 22.6% | 22.9% | 23.0% | 22.3% | 22.7% | 21.9% | 22.2% | 20.8% | 26.4% | 22.8% | 23.5% | 22.8% | 23.1% |

| OPERATIONAL | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|-------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
|-------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|

Average revenue per customer (£ per month)

| | | | | | | | | | | | | | |
|-----------------|------|------|------|------|------|--------|------|--------|--------|--------|--------|--------|--------|
| Fixed | 35.0 | 37.4 | 37.3 | 36.7 | 36.6 | 37.6 | 37.8 | 37.7 | 38.9 | 38.0 | 37.9 | 38.3 | 39.6 |
| YoY | - | - | - | - | - | 7.4% | 1.1% | 1.1% | 6.0% | 3.8% | 0.8% | 1.3% | 5.0% |
| Postpaid mobile | 22.1 | 22.1 | 21.8 | 21.4 | 21.8 | 22.0 | 22.1 | 21.6 | 21.1 | 21.7 | 21.7 | 22.0 | 21.4 |
| YoY | - | - | - | - | - | (0.5)% | 0.0% | (0.9)% | (1.4)% | (0.5)% | (1.4)% | (0.5)% | (0.9)% |
| Prepaid mobile | 7.5 | 8.0 | 8.3 | 7.7 | 7.8 | 8.0 | 8.2 | 8.3 | 8.2 | 8.1 | 8.1 | 8.3 | 8.4 |
| YoY | - | - | - | - | - | 6.7% | 2.5% | 0.0% | 6.5% | 3.8% | 1.3% | 1.2% | 1.2% |

Monthly churn

| | | | | | | | | | | | | | |
|-----------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Fixed | 1.2% | 1.5% | 1.5% | 1.5% | 1.4% | 1.3% | 1.4% | 1.4% | 1.4% | 1.3% | 1.2% | 1.6% | 1.4% |
| Postpaid mobile | 1.1% | 1.1% | 1.2% | 1.2% | 1.1% | 1.2% | 1.1% | 1.2% | 1.2% | 1.2% | 1.2% | 1.2% | 1.3% |

Fibre share of broadband base

| | | | | | | | | | | | | | |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Superfast | 49.5% | 51.5% | 53.9% | 56.0% | 56.0% | 57.8% | 59.7% | 61.8% | 64.0% | 64.0% | 65.6% | 68.4% | 70.5% |
| Ultrafast | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.2% | 0.3% | 0.4% | 0.6% |

Revenue generating units per address

| | | | | | | | | | | | | | |
|--------------------------------------|---|---|---|---|---|---|---|------|------|------|------|------|------|
| Revenue generating units per address | - | - | - | - | - | - | - | 2.36 | 2.37 | 2.37 | 2.37 | 2.37 | 2.37 |
|--------------------------------------|---|---|---|---|---|---|---|------|------|------|------|------|------|

| FINANCIAL £m unless otherwise stated | 2016/17 H1 | 2016/17 H2 | 2016/17 Full year | 2017/18 H1 | 2017/18 H2 | 2017/18 Full year | 2018/19 H1 |
|---|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
| Revenue | 5,000 | 5,119 | 10,119 | 5,127 | 5,252 | 10,379 | 5,272 |
| YoY | - | - | - | 2.5% | 2.6% | 2.6% | 2.8% |
| EBITDA | 1,137 | 1,160 | 2,297 | 1,131 | 1,238 | 2,369 | 1,221 |
| YoY | - | - | - | (0.5)% | 6.7% | 3.1% | 8.0% |
| Margin | 22.7% | 22.7% | 22.7% | 22.1% | 23.6% | 22.8% | 23.2% |
| Operating profit | 637 | 671 | 1,308 | 646 | 731 | 1,377 | 713 |
| YoY | - | - | - | 1.4% | 8.9% | 5.3% | 10.4% |
| Reported capex | 410 | 443 | 853 | 461 | 458 | 919 | 401 |
| YoY | - | - | - | 12.4% | 3.4% | 7.7% | (13.0)% |
| Normalised free cash flow | 710 | 568 | 1,278 | 663 | 691 | 1,354 | 677 |
| YoY | - | - | - | (6.6)% | 21.7% | 5.9% | 2.1% |

Please see the Glossary pages for relevant definitions

Enterprise

| FINANCIAL €m unless otherwise stated | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|---|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Revenue | | | | | | | | | | | | | |
| Fixed | 788 | 781 | 771 | 786 | 3,126 | 750 | 747 | 731 | 729 | 2,957 | 697 | 687 | 676 |
| YoY | - | - | - | - | - | (4.8)% | (4.4)% | (5.2)% | (7.3)% | (5.4)% | (7.1)% | (8.0)% | (7.5)% |
| Of which voice | 390 | 381 | 374 | 384 | 1,529 | 368 | 362 | 353 | 349 | 1,432 | 331 | 319 | 313 |
| YoY | - | - | - | - | - | (5.6)% | (5.0)% | (5.6)% | (9.1)% | (6.3)% | (10.1)% | (11.9)% | (11.3)% |
| Of which broadband | 124 | 124 | 127 | 128 | 503 | 126 | 125 | 124 | 124 | 499 | 121 | 115 | 123 |
| YoY | - | - | - | - | - | 1.6% | 0.8% | (2.4)% | (3.1)% | (0.8)% | (4.0)% | (8.0)% | (0.8)% |
| Of which WAN and Ethernet | 102 | 109 | 108 | 110 | 429 | 108 | 114 | 111 | 114 | 447 | 116 | 118 | 116 |
| YoY | - | - | - | - | - | 5.9% | 4.6% | 2.8% | 3.6% | 4.2% | 7.4% | 3.5% | 4.5% |
| Mobile | 297 | 298 | 320 | 314 | 1,229 | 312 | 315 | 318 | 304 | 1,249 | 303 | 321 | 323 |
| YoY | - | - | - | - | - | 5.1% | 5.7% | (0.6)% | (3.2)% | 1.6% | (2.9)% | 1.9% | 1.6% |
| Of which retail mobile | 242 | 244 | 262 | 257 | 1,005 | 255 | 255 | 263 | 248 | 1,021 | 252 | 267 | 267 |
| YoY | - | - | - | - | - | 5.4% | 4.5% | 0.4% | (3.5)% | 1.6% | (1.2)% | 4.7% | 1.5% |
| Of which wholesale mobile | 55 | 54 | 58 | 57 | 224 | 57 | 60 | 55 | 56 | 228 | 51 | 54 | 56 |
| YoY | - | - | - | - | - | 3.6% | 11.1% | (5.2)% | (1.8)% | 1.8% | (10.5)% | (10.0)% | 1.8% |
| Managed services | 294 | 270 | 283 | 311 | 1,158 | 278 | 287 | 285 | 292 | 1,142 | 264 | 269 | 260 |
| YoY | - | - | - | - | - | (5.4)% | 6.3% | 0.7% | (6.1)% | (1.4)% | (5.0)% | (6.3)% | (8.8)% |
| Republic of Ireland | 86 | 97 | 102 | 97 | 382 | 87 | 89 | 93 | 101 | 370 | 88 | 104 | 91 |
| YoY | - | - | - | - | - | 1.2% | (8.2)% | (8.8)% | 4.1% | (3.1)% | 1.1% | 16.9% | (2.2)% |
| Ventures | 128 | 143 | 138 | 145 | 553 | 123 | 136 | 141 | 145 | 545 | 136 | 145 | 141 |
| YoY | - | - | - | - | - | (3.9)% | (4.9)% | 2.2% | 0.0% | (1.4)% | 10.6% | 6.6% | 0.0% |
| Other | 121 | 139 | 134 | 131 | 524 | 97 | 99 | 86 | 108 | 390 | 79 | 80 | 64 |
| Total | 1,713 | 1,728 | 1,748 | 1,783 | 6,972 | 1,647 | 1,673 | 1,654 | 1,679 | 6,653 | 1,567 | 1,606 | 1,555 |
| Underlying YoY | - | - | - | - | - | (4.3)% | (3.5)% | (5.5)% | (6.0)% | (4.8)% | (4.9)% | (4.0)% | (5.2)% |
| Of which Internal | 106 | 105 | 105 | 107 | 424 | 94 | 99 | 91 | 96 | 380 | 94 | 94 | 85 |
| Revenue by channel | | | | | | | | | | | | | |
| Public Sector & Major Business (ex Rol) | 449 | 449 | 434 | 477 | 1,809 | 413 | 422 | 405 | 428 | 1,668 | 394 | 398 | 387 |
| YoY | - | - | - | - | - | (8.0)% | (6.0)% | (6.7)% | (10.3)% | (7.8)% | (4.6)% | (5.7)% | (4.4)% |
| Corporate | 191 | 186 | 192 | 186 | 755 | 179 | 181 | 174 | 175 | 709 | 158 | 156 | 154 |
| YoY | - | - | - | - | - | (6.3)% | (2.7)% | (9.4)% | (5.9)% | (6.1)% | (11.7)% | (13.8)% | (11.5)% |
| SME | 414 | 423 | 437 | 424 | 1,698 | 417 | 420 | 422 | 413 | 1,672 | 414 | 421 | 415 |
| YoY | - | - | - | - | - | 0.7% | (0.7)% | (3.4)% | (2.6)% | (1.5)% | (0.7)% | 0.2% | (1.7)% |
| Wholesale | 453 | 440 | 448 | 454 | 1,795 | 429 | 430 | 425 | 424 | 1,708 | 380 | 384 | 383 |
| YoY | - | - | - | - | - | (5.3)% | (2.3)% | (5.1)% | (6.6)% | (4.8)% | (11.4)% | (10.7)% | (9.9)% |
| EBITDA | | | | | | | | | | | | | |
| Underlying YoY | 535 | 574 | 582 | 587 | 2,278 | 493 | 520 | 512 | 535 | 2,060 | 480 | 505 | 501 |
| Margin | 31.2% | 33.2% | 33.3% | 32.9% | 32.7% | 29.9% | 31.1% | 30.9% | 31.8% | 30.9% | 30.6% | 31.4% | 32.2% |
| Of which Ventures | 47 | 60 | 57 | 64 | 228 | 43 | 52 | 54 | 69 | 218 | 45 | 55 | 54 |
| YoY | - | - | - | - | - | (8.5)% | (13.3)% | (5.3)% | 7.8% | (4.4)% | 4.7% | 5.8% | 0.0% |
| Margin | 36.7% | 42.0% | 41.3% | 44.1% | 41.2% | 35.0% | 38.2% | 38.3% | 47.6% | 40.0% | 33.1% | 37.9% | 38.3% |
| Orders | | | | | | | | | | | | | |
| Total retail orders | 652 | 847 | 856 | 1,014 | 3,369 | 1,180 | 732 | 665 | 814 | 3,391 | 657 | 650 | 777 |
| YoY | - | - | - | - | - | 81.0% | (13.6)% | (22.3)% | (19.7)% | 0.7% | (44.3)% | (11.2)% | 16.8% |
| Of which new business | 466 | 517 | 577 | 661 | 2,221 | 872 | 470 | 435 | 518 | 2,295 | 395 | 430 | 514 |
| YoY | - | - | - | - | - | 87.1% | (9.1)% | (24.6)% | (21.6)% | 3.3% | (54.7)% | (8.5)% | 18.2% |
| Of which renewals | 185 | 329 | 279 | 353 | 1,146 | 308 | 262 | 230 | 296 | 1,096 | 262 | 220 | 263 |
| YoY | - | - | - | - | - | 66.5% | (20.4)% | (17.6)% | (16.1)% | (4.4)% | (14.9)% | (16.0)% | 14.3% |
| Total wholesale orders (excluding IoT) | 317 | 296 | 705 | 318 | 1,636 | 167 | 348 | 322 | 475 | 1,312 | 139 | 197 | 240 |
| YoY | - | - | - | - | - | (47.3)% | 17.6% | (54.3)% | 49.4% | (19.8)% | (16.8)% | (43.4)% | (25.5)% |

Enterprise

| OPERATIONAL | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|---|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Number of products/customers ('000 except noted) | | | | | | | | | | | | | |
| Voice lines | 2,910 | 2,890 | 2,857 | 2,830 | 2,830 | 2,804 | 2,782 | 2,770 | 2,716 | 2,716 | 2,668 | 2,646 | 2,613 |
| Of which traditional voice lines | 2,710 | 2,645 | 2,586 | 2,529 | 2,529 | 2,473 | 2,416 | 2,352 | 2,282 | 2,282 | 2,213 | 2,152 | 2,082 |
| Of which VoIP seats | 200 | 245 | 271 | 301 | 301 | 331 | 366 | 418 | 434 | 434 | 455 | 494 | 531 |
| Call minutes (millions) | 2,565 | 2,612 | 2,416 | 2,444 | 10,037 | 2,274 | 2,208 | 2,112 | 2,081 | 8,676 | 1,926 | 1,817 | 1,726 |
| Of which retail call minutes (millions) | 1,281 | 1,380 | 1,220 | 1,241 | 5,122 | 1,143 | 1,103 | 1,020 | 1,016 | 4,283 | 953 | 889 | 817 |
| Of which wholesale call minutes (millions) | 1,284 | 1,232 | 1,196 | 1,203 | 4,915 | 1,131 | 1,105 | 1,092 | 1,065 | 4,393 | 973 | 928 | 909 |
| External broadband lines | 1,645 | 1,657 | 1,641 | 1,625 | 1,625 | 1,606 | 1,594 | 1,576 | 1,552 | 1,552 | 1,540 | 1,523 | 1,511 |
| Of which retail broadband lines | 820 | 824 | 828 | 830 | 830 | 817 | 814 | 810 | 805 | 805 | 796 | 782 | 770 |
| Of which wholesale broadband lines | 825 | 833 | 813 | 795 | 795 | 789 | 780 | 766 | 747 | 747 | 744 | 741 | 741 |
| WAN and Ethernet | 121.7 | 123.8 | 126.4 | 127.2 | 127.2 | 128.4 | 130.2 | 125.7 | 128.0 | 128.0 | 132.4 | 132.9 | 132.6 |
| Of which wholesale Ethernet circuits | 40.3 | 41.5 | 42.8 | 43.8 | 43.8 | 44.7 | 45.5 | 46.1 | 46.6 | 46.6 | 47.4 | 48.1 | 49.0 |
| Of which WAN circuits | 81.4 | 82.3 | 83.6 | 83.4 | 83.4 | 83.7 | 84.7 | 79.6 | 81.4 | 81.4 | 85.0 | 84.8 | 83.6 |
| Private Circuits | 56.8 | 54.4 | 51.6 | 49.6 | 49.6 | 48.0 | 45.4 | 46.0 | 43.5 | 43.5 | 41.4 | 39.9 | 38.4 |
| Mobile customers | 3,179 | 3,241 | 3,289 | 3,335 | 3,335 | 3,401 | 3,458 | 3,481 | 3,521 | 3,521 | 3,540 | 3,551 | 3,555 |
| MVNO customers | 4,462 | 3,779 | 3,810 | 3,764 | 3,764 | 3,737 | 3,684 | 3,668 | 3,731 | 3,731 | 3,716 | 3,728 | 3,728 |

Fibre share of broadband base

| | | | | | | | | | | | | | |
|-----------|-------|-------|-------|-------|--------------|-------|-------|-------|-------|--------------|-------|-------|-------|
| Superfast | 25.6% | 28.3% | 30.5% | 32.4% | 32.4% | 34.4% | 36.1% | 37.9% | 39.5% | 39.5% | 40.6% | 42.5% | 44.2% |
| Ultrafast | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% |

| FINANCIAL | 2016/17 H1 | 2016/17 H2 | 2016/17 Full year | 2017/18 H1 | 2017/18 H2 | 2017/18 Full year | 2018/19 H1 |
|-----------|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
|-----------|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|

| | | | | | | | |
|---------------------------|-------|-------|-------|---------|---------|---------|--------|
| Revenue | 3,441 | 3,531 | 6,972 | 3,320 | 3,333 | 6,653 | 3,173 |
| YoY | - | - | - | (3.5)% | (5.6)% | (4.6)% | (4.4)% |
| EBITDA | 1,109 | 1,169 | 2,278 | 1,013 | 1,047 | 2,060 | 985 |
| YoY | - | - | - | (8.7)% | (10.4)% | (9.6)% | (2.8)% |
| Margin | 32.2% | 33.1% | 32.7% | 30.5% | 31.4% | 31.0% | 31.0% |
| Operating profit | 803 | 861 | 1,664 | 697 | 727 | 1,424 | 676 |
| YoY | - | - | - | (13.2)% | (15.6)% | (14.4)% | (3.0)% |
| Reported capex | 194 | 260 | 454 | 237 | 255 | 492 | 218 |
| YoY | - | - | - | 22.2% | (1.9)% | 8.4% | (8.0)% |
| Normalised free cash flow | 834 | 993 | 1,827 | 669 | 900 | 1,569 | 646 |
| YoY | - | - | - | (19.8)% | (9.4)% | (14.1)% | (3.4)% |

N.B. All operational metrics refer to Enterprise and exclude UK customers served by Global Services
Please see the Glossary pages for relevant definitions

Global Services

| FINANCIAL £m unless otherwise stated | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|---|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Revenue | | | | | | | | | | | | | |
| UK | 363 | 419 | 419 | 416 | 1,617 | 368 | 382 | 380 | 381 | 1,511 | 369 | 373 | 360 |
| YoY | - | - | - | - | - | 1.4% | (8.8)% | (9.3)% | (8.4)% | (6.6)% | 0.3% | (2.4)% | (5.3)% |
| Continental Europe | 479 | 530 | 503 | 520 | 2,032 | 459 | 469 | 470 | 455 | 1,853 | 408 | 421 | 424 |
| YoY | - | - | - | - | - | (4.2)% | (11.5)% | (6.6)% | (12.5)% | (8.8)% | (11.1)% | (10.2)% | (9.8)% |
| United States, Canada, and Latin America | 263 | 294 | 298 | 302 | 1,157 | 263 | 255 | 255 | 243 | 1,016 | 228 | 237 | 246 |
| YoY | - | - | - | - | - | 0.0% | (13.3)% | (14.4)% | (19.5)% | (12.2)% | (13.3)% | (7.1)% | (3.5)% |
| Asia Pacific, the Middle East, and Africa | 145 | 166 | 179 | 184 | 674 | 156 | 159 | 160 | 164 | 639 | 142 | 154 | 172 |
| YoY | - | - | - | - | - | 7.6% | (4.2)% | (10.6)% | (10.9)% | (5.2)% | (9.0)% | (3.1)% | 7.5% |
| Total | 1,250 | 1,409 | 1,399 | 1,422 | 5,480 | 1,246 | 1,265 | 1,265 | 1,243 | 5,019 | 1,147 | 1,185 | 1,202 |
| Underlying YoY | - | - | - | - | - | (7.8)% | (12.6)% | (8.3)% | (10.1)% | (9.7)% | (6.1)% | (5.0)% | (4.4)% |
| EBITDA | 121 | 132 | 39 | 202 | 494 | 73 | 81 | 141 | 135 | 430 | 95 | 113 | 147 |
| Underlying YoY | - | - | - | - | - | (51.2)% | (39.4)% | 276.9% | (30.2)% | (13.4)% | 38.4% | 40.7% | 5.0% |
| Margin | 9.7% | 9.4% | 2.8% | 14.2% | 9.0% | 5.9% | 6.4% | 11.1% | 10.9% | 8.6% | 8.3% | 9.5% | 12.2% |
| Orders | 960 | 1,501 | 1,230 | 913 | 4,604 | 804 | 924 | 1,091 | 1,026 | 3,845 | 628 | 797 | 866 |
| YoY | - | - | - | - | - | (16.3)% | (38.4)% | (11.3)% | 12.4% | (16.5)% | (21.9)% | (13.7)% | (20.6)% |

| FINANCIAL £m unless otherwise stated | 2016/17 H1 | 2016/17 H2 | 2016/17 Full year | 2017/18 H1 | 2017/18 H2 | 2017/18 Full year | 2018/19 H1 |
|---|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
| Revenue | 2,659 | 2,821 | 5,480 | 2,511 | 2,508 | 5,019 | 2,332 |
| YoY | - | - | - | (5.6)% | (11.1)% | (8.4)% | (7.1)% |
| EBITDA | 253 | 241 | 494 | 154 | 276 | 430 | 208 |
| YoY | - | - | - | (39.1)% | 14.5% | (13.0)% | 35.1% |
| Margin | 9.5% | 8.5% | 9.0% | 6.1% | 11.0% | 8.6% | 8.9% |
| Operating profit | 39 | 16 | 55 | (67) | 73 | 6 | 22 |
| YoY | - | - | - | (271.8)% | 356.3% | (89.1)% | 132.8% |
| Reported capex | 191 | 170 | 361 | 128 | 150 | 278 | 99 |
| YoY | - | - | - | (33.0)% | (11.8)% | (23.0)% | (22.7)% |
| Normalised free cash flow | (226) | (19) | (245) | (133) | 248 | 115 | (44) |
| YoY | - | - | - | 41.2% | 1,405.3% | 146.9% | 66.9% |

Please see the Glossary pages for relevant definitions

| FINANCIAL £m unless otherwise stated | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|---|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Revenue | | | | | | | | | | | | | |
| Wholesale Line Rental (WLR) | 472 | 477 | 476 | 469 | 1,894 | 469 | 462 | 456 | 452 | 1,839 | 445 | 455 | 449 |
| YoY | - | - | - | - | - | (0.6)% | (3.1)% | (4.2)% | (3.6)% | (2.9)% | (5.1)% | (1.5)% | (1.5)% |
| Local Loop Unbundling (LLU) | 292 | 286 | 291 | 285 | 1,154 | 281 | 284 | 283 | 279 | 1,127 | 276 | 287 | 290 |
| YoY | - | - | - | - | - | (3.8)% | (0.7)% | (2.7)% | (2.1)% | (2.3)% | (1.8)% | 1.1% | 2.5% |
| Fibre to the Cabinet (FTTC) | 182 | 194 | 205 | 218 | 799 | 227 | 237 | 337 | 270 | 1,071 | 251 | 271 | 237 |
| YoY | - | - | - | - | - | 24.7% | 22.2% | 64.4% | 23.9% | 34.0% | 10.6% | 14.3% | (29.7)% |
| Gfast | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| YoY | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fibre to the Premise (FTTP) | 3 | 4 | 3 | 5 | 15 | 5 | 6 | 7 | 9 | 27 | 9 | 12 | 16 |
| YoY | - | - | - | - | - | 66.7% | 50.0% | 133.3% | 80.0% | 80.0% | 80.0% | 100.0% | 128.6% |
| Ethernet | 196 | 179 | 188 | 192 | 755 | 188 | 194 | 187 | 200 | 769 | 179 | 183 | 184 |
| YoY | - | - | - | - | - | (4.1)% | 8.4% | (0.5)% | 4.2% | 1.9% | (4.8)% | (5.7)% | (1.6)% |
| Other | 128 | 129 | 133 | 129 | 519 | 117 | 116 | 109 | 110 | 452 | 94 | 84 | 79 |
| Total | 1,273 | 1,269 | 1,296 | 1,298 | 5,136 | 1,287 | 1,299 | 1,379 | 1,320 | 5,285 | 1,255 | 1,293 | 1,256 |
| Underlying YoY | - | - | - | - | - | 1.0% | 2.4% | 6.4% | 1.8% | 2.9% | (2.4)% | (0.5)% | (8.9)% |
| Of which Internal | 761 | 771 | 777 | 777 | 3,086 | 767 | 770 | 796 | 768 | 3,101 | 727 | 736 | 706 |
| YoY | - | - | - | - | - | 0.8% | (0.1)% | 2.4% | (1.2)% | 0.5% | (5.2)% | (4.4)% | (11.3)% |
| EBITDA | 657 | 648 | 703 | 712 | 2,720 | 644 | 653 | 747 | 675 | 2,719 | 591 | 634 | 603 |
| Underlying YoY | - | - | - | - | - | (2.2)% | 0.5% | 6.5% | (5.0)% | 0.0% | (8.2)% | (2.7)% | (19.3)% |
| Margin | 51.6% | 51.1% | 54.2% | 54.9% | 53.0% | 50.0% | 50.3% | 54.2% | 51.1% | 51.4% | 47.1% | 49.1% | 48.0% |

| OPERATIONAL | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|--|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Network deployment ('000 premises passed) | | | | | | | | | | | | | |
| Superfast | 25,095 | 25,381 | 25,629 | 25,852 | 25,852 | 26,114 | 26,382 | 26,749 | 26,944 | 26,944 | 27,087 | 27,220 | 27,341 |
| Of which Ultrafast Gfast | 0 | 0 | 0 | 44 | 44 | 84 | 214 | 393 | 1,015 | 1,015 | 1,117 | 1,290 | 1,708 |
| Of which Ultrafast FTTP | 314 | 328 | 345 | 369 | 369 | 398 | 431 | 493 | 567 | 567 | 631 | 682 | 893 |

| Network usage ('000 premises connected) | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2016/17 Full year | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 | 2017/18 Full year | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 |
|---|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| Total physical lines | 25,358 | 25,316 | 25,366 | 25,263 | 25,263 | 25,169 | 25,121 | 25,163 | 25,142 | 25,142 | 25,044 | 25,004 | 25,040 |
| Of which WLR | 16,359 | 16,290 | 16,255 | 16,118 | 16,118 | 16,009 | 15,931 | 15,863 | 15,781 | 15,781 | 15,508 | 15,358 | 15,276 |
| Of which LLU | 8,934 | 8,950 | 9,023 | 9,047 | 9,047 | 9,049 | 9,062 | 9,154 | 9,191 | 9,191 | 9,336 | 9,413 | 9,496 |
| Of which FTTP | 64 | 76 | 87 | 98 | 98 | 111 | 127 | 146 | 169 | 169 | 197 | 230 | 267 |
| Of which other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 3 | 1 |
| Total broadband connections | 20,027 | 20,149 | 20,336 | 20,417 | 20,417 | 20,451 | 20,516 | 20,668 | 20,766 | 20,766 | 20,906 | 20,948 | 21,043 |
| Of which non-fibre | 13,788 | 13,470 | 13,158 | 12,719 | 12,719 | 12,316 | 11,875 | 11,427 | 10,970 | 10,970 | 10,662 | 10,090 | 9,506 |
| Of which FTTC | 6,175 | 6,604 | 7,090 | 7,599 | 7,599 | 8,023 | 8,512 | 9,094 | 9,624 | 9,624 | 10,041 | 10,619 | 11,254 |
| Of which Gfast | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 2 | 3 | 3 | 4 | 7 | 15 |
| Of which FTTP | 64 | 76 | 87 | 98 | 98 | 111 | 127 | 146 | 169 | 169 | 197 | 230 | 267 |
| Of which other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 3 | 1 |
| Ethernet | 226 | 232 | 239 | 247 | 247 | 254 | 262 | 268 | 276 | 276 | 283 | 288 | 293 |

| FINANCIAL £m unless otherwise stated | 2016/17 H1 | 2016/17 H2 | 2016/17 Full year | 2017/18 H1 | 2017/18 H2 | 2017/18 Full year | 2018/19 H1 |
|---|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
| Revenue | 2,542 | 2,594 | 5,136 | 2,586 | 2,699 | 5,285 | 2,548 |
| YoY | - | - | - | 1.7% | 4.0% | 2.9% | (1.5)% |
| EBITDA | 1,305 | 1,415 | 2,720 | 1,297 | 1,422 | 2,719 | 1,225 |
| YoY | - | - | - | (0.6)% | 0.5% | (0.0)% | (5.6)% |
| Margin | 51.3% | 54.5% | 53.0% | 50.2% | 52.7% | 51.4% | 48.1% |
| Operating profit | 619 | 688 | 1,307 | 584 | 735 | 1,319 | 526 |
| YoY | - | - | - | (5.7)% | 6.8% | 0.9% | (9.9)% |
| Reported capex | 713 | 907 | 1,620 | 808 | 891 | 1,699 | 1,055 |
| YoY | - | - | - | 13.3% | (1.8)% | 4.9% | 30.6% |
| Normalised free cash flow | 705 | 698 | 1,403 | 523 | 639 | 1,162 | 287 |
| YoY | - | - | - | (25.8)% | (8.5)% | (17.2)% | (45.1)% |

Glossary

GROUP: COSTS

| Operating costs | |
|--|--|
| Direct labour costs | Total gross costs associated with wages and salaries, social security costs, pension costs, employee profit share and share based payments. |
| Indirect labour costs | Labour costs that relate to agency and subcontracted employees. |
| Leaver costs | Also called 'Termination benefits'. Costs payable when, in the normal course of business, employment is terminated before an employee's normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to the affected employees leaving the Group. Leavers costs related to a major restructuring programme are treated as a specific item (defined below). |
| Capitalised labour | Labour costs associated with the construction, modification, or installation of capital expenditure programmes (defined below). |
| Payments to telecommunications operators | Costs typically including payments to other communications providers (CPs) when terminating voice traffic on its network to carry a call to the customer receiving the call. Also called 'payments to other licensed operators' (POLOs). |
| Programme rights charges | The cost of TV programme rights, mainly relating to sport (particularly football) broadcast rights. |
| Other costs | Includes costs relating to products, provision and installation, and marketing & commissions. |
| Specific items | Costs separately disclosed to improve the relevance of other costs to understanding the Group's financial performance. Specific items are identified by virtue of their size, nature or incidence with management considering quantitative as well as qualitative factors such as the frequency or predictability of occurrence. Examples include acquisitions/disposals of businesses and investments, regulatory settlements, historical insurance or litigation claims, business restructuring programmes, asset impairment charges, property rationalisation programmes, net interest on pensions and the settlement of multiple tax years. |

| Reported capital expenditure | |
|-------------------------------------|--|
| Of which capacity/network | Investment in our integrated network to improve the coverage and reliability of our superfast broadband network, increase the deployment of ultrafast broadband, enhance and expand our mobile network, and deliver a truly integrated network that supports converged products/services. Includes Broadband Delivery UK (BDUK) grant funding deferrals. |
| Of which customer driven | Investment that directly generates revenue from continued development of customer contract-specific infrastructure for our UK and global clients, deployment of Ethernet and broadband connections for homes and businesses, including reduction of the existing workstacks. |
| Of which systems/IT | Investments in systems and information technology to develop differentiated customer experiences, new products and services, or transformation initiatives to drive cost savings. |
| Of which non-network Infrastructure | Investment that covers, for example, investment in our property estate, power and cooling investments to drive energy savings, specialist vehicle replacement. |

| Roles | |
|----------------------|--|
| Full-time equivalent | The number of full time equivalent (FTE) roles at the end of the period, directly employed by the company rather than by agencies or subcontractors. FTE counts all full and part-time employees expressed as if every role was full-time. |

UNITS

| General terms | |
|----------------|--|
| YoY | An abbreviation of 'year on year' i.e. the change compared to the equivalent period in the previous year. |
| Underlying YoY | As above, excluding the impact of acquisitions or disposals, foreign exchange movements and specific items. This measure includes transit traffic which now has an immaterial impact. The underlying measure seeks to reflect performance that will contribute to long-term sustainable profitable growth. |

| Financial | |
|---------------------------|--|
| Internal revenue | Intra-group revenue generated from the sale of regulated products and services, based on market price. Intra-group revenue from the sale of other products and services is agreed between the relevant customer-facing units (CFUs) and therefore CFU profitability may be impacted by transfer pricing levels. |
| Reported capex | Capital expenditure recorded in accounts but for which cash has not necessarily yet been paid. |
| Normalised free cash flow | The net increase in cash and cash equivalents less cash flows from financing activities (except net interest paid), the acquisition/disposal of group undertakings and the net sale of short-term investments, and excluding the cash impact of specific items, purchases of telecommunications licences, and the cash tax benefit of pension deficit payments. Non-tax related adjustments are made on a pre-tax basis. |

Glossary

CONSUMER

| Revenue | |
|--------------------------|--|
| Fixed | Earned from products/services delivered using only fixed network connectivity, including broadband, calls, line rental, TV, and residential BT Sport subscriptions. |
| Mobile | Earned from products/services delivered using only mobile network connectivity, including data connectivity, incoming and outgoing calls, roaming by customers of overseas networks, and the Emergency Services Network (ESN). |
| Of which postpaid mobile | Earned from customers paying monthly subscriptions for mobile network connectivity. |
| Equipment | Earned from mobile and fixed equipment sales, such as mobile handsets or TV set top boxes. |
| Other | Earned from advertising, commercial and wholesale BT Sport customers, and Wi-fi services. |
| Of which internal | Mainly BT Wi-fi revenue from services sold by Global Services on certain contracts, and services and applications sold by Plusnet to Global Services. |

| Operational | |
|--|--|
| Fixed average revenue per customer | Fixed revenue (defined above) during the period divided by the average number of line rental customers during the period, and presented as a monthly amount. |
| Postpaid mobile average revenue per customer | Postpaid mobile revenue (defined above) during the period divided by the average number of postpaid mobile customers during the period, and presented as a monthly amount. |
| Prepaid mobile average revenue per customer | Prepaid mobile revenue (not disclosed but earned from customers pre-paying for mobile connectivity) during the period divided by the average number of prepaid mobile customers during the period, and presented as a monthly amount. Prepaid customers at any point in time are counted as those which have used their connection during the preceding 30 days. |
| Fixed monthly churn | Number of line rental customers who disconnect from the network, voluntarily or involuntarily, during the period, divided by the average number of line rental customers during the period, presented as a monthly figure. |
| Postpaid mobile monthly churn | Number of postpaid mobile customers who disconnect from the network, voluntarily or involuntarily (excluding money-back return, fraudulent connections and inter-brand migrations) during the period, divided by the average number of postpaid customers during the period, presented as a monthly figure. |
| Superfast fibre share of broadband base | The proportion of broadband lines purchasing a superfast connection i.e. with a maximum download speed of up to 76Mbps. These connections are supplied to customers by Consumer purchasing an FTTC/FTTP wholesale product from Openreach. |
| Ultrafast fibre share of broadband base | The proportion of broadband lines purchasing a ultrafast connection i.e. with a maximum download speed above 100Mbps. These connections are supplied to customers by Consumer purchasing a Gfast/FTTP wholesale product from Openreach. |
| Revenue Generating Units per address | Number of chargeable products per separate address measured across the BT, EE and Plusnet brands, aggregated to give a total for the Consumer CFU. |

Glossary

ENTERPRISE

| Revenue | |
|---------------------------|--|
| Fixed | Earned from products/services across our brands that use only fixed network connectivity. |
| Of which voice | Earned from products/services that provide our customers with voice connectivity. |
| Of which broadband | Earned from products/services that provide our customers with broadband internet connectivity. |
| Of which WAN and Ethernet | Earned from products/services that provide our customers Wide Area Network (WAN) connectivity i.e. network connections linking a number of sites, including BT Net sales, and Ethernet connectivity, i.e. a dedicated high bandwidth connection. |
| Mobile | Earned from products/services across our brands that use only our mobile network connectivity. |
| Of which retail mobile | Earned from products/services sold to retail customers for mobile network connectivity. |
| Of which wholesale mobile | Earned from products/services predominantly sold to Mobile Virtual Network Operators (MVNOs) for mobile network connectivity which they use to provide products/services to their end customers. Includes mobile data analytics, and M2M (i.e. IoT). |
| Managed services | Earned from bespoke contracts that is not directly apportioned to either fixed or mobile connectivity. |
| Republic of Ireland | All revenue of any type earned from customers in the Republic of Ireland, received in euros but reported in sterling. |
| Ventures | Earned from the Ventures portfolio of standalone businesses that include Tikkit, Redcare, Fleet Solutions, Pelipod, Phone Book, Payphones, and Supply Chain. |
| Other | Any revenue not included within any of the above categories, e.g. revenue from converged products/services such as BT One Phone. |
| Of which Internal | Contains internal charges to other parts of BT. Mainly revenue arising from Consumer for mobile Ethernet access and BT Technology unit for transmission planning services, but may include other internal revenue. |

| Revenue by channel | |
|---|---|
| Public Sector & Major Business (ex Rol) | Revenue from large corporations that are UK focused, including a significant proportion of Public sector, from products under the BT and EE brands, including, but not exclusively, calls, lines, broadband, mobile, ICT, and managed network services. |
| Corporate | Revenue from products sold to mid-tier corporations in Great Britain under the BT and EE brands, including, but not exclusively, calls, lines, broadband, mobile, ICT, and managed network services. Also includes revenue from BT Business Direct. |
| SME | Revenue from products sold to small/medium enterprises (SMEs) in the UK under the BT, Plusnet, and EE brands, including, but not exclusively, calls, lines, broadband, mobile, ICT, and managed network services. |
| Wholesale | Revenue from Wholesale products/services, sold to communications providers (CPs) which use them to provide products/services to their end customers. |

| Orders | |
|--|---|
| Total retail orders | Retail orders of products and services sold in the period to the unit's customers in Great Britain, Northern Ireland, and the Republic of Ireland, including all one-off charges and all recurring charges expected over the term of the contract. Orders are recorded on a sales order value (SOV) basis, i.e. the total amount of revenue expected from the contact over its life. |
| Of which new business | The amount of revenue expected to be earned over the life of a contract for new business contracts signed in the period e.g. a new 5-year contract worth £10m a year equates to a SOV order of £50m. |
| Of which renewals | The amount of revenue expected to be earned over the life of a contract recorded on the renewal or extension of an existing contract with a current customer in the period. |
| Total wholesale orders (excluding IoT) | Wholesale orders in the period, sold to communications providers (CPs), for all business types including new business, growth, renewals and extensions. Where a renewal or extension overlaps with a previous contract value reported as Order intake, only the incremental contract value (ICV) increase is included. This includes all one-off charges, plus all recurring charges for the term of the contract. Wholesale orders only relate to orders that have been contracted for future periods. |

| Operational | |
|--|--|
| Voice lines | The total number of revenue-generating voice connections on our fixed network, across all external customers, measured at the end of the period. The revenue generated by these connections is included within 'Fixed – Voice' revenue. |
| Of which traditional voice lines | The total number of revenue-generating voice connections on our fixed network that use legacy analogue technology, across all external customers, measured at the end of the period. The revenue generated by these connections is included within 'Fixed – Voice' revenue. |
| Of which VoIP seats | The total number of revenue-generating voice connections on our fixed network that use Voice over Internet Protocol (VoIP) technology, across all external customers, measured at the end of the period. The revenue generated by these connections is included within 'Fixed – Voice' revenue. |
| Call minutes (millions) | The number of calling minutes used during the period by all external customers. The revenue earned by these connections is included within 'Fixed – Voice' revenue. |
| Of which retail call minutes (millions) | The number of calling minutes used during the period by external retail customers. The revenue earned by these connections is included within 'Fixed – Voice' revenue. |
| Of which wholesale call minutes (millions) | The number of calling minutes used during the period by external wholesale customers (communications providers (CPs)) using the Wholesale Calls product. The revenue earned by these connections is included within 'Fixed – Voice' revenue. |
| External broadband lines | The closing base of broadband live circuits (including copper & fibre) sold to external customers on our fixed network. The revenue generated by these connections is included within 'Fixed – Broadband' revenue. |
| Of which retail broadband lines | The closing base of broadband live circuits (including copper & fibre) sold to external retail customers on our fixed network. The revenue generated by these connections is included within 'Fixed – Broadband' revenue. |
| Of which wholesale broadband lines | The closing base of broadband live circuits (including copper & fibre) sold to external wholesale customers (communications providers (CPs)) on our fixed networks. The revenue earned by these connections is included within 'Fixed – Broadband' revenue. |
| WAN and Ethernet | The closing base of data circuits excluding broadband lines sold to all external customers. The revenue generated by these networks is included within 'Fixed – Other data circuits' revenue. |
| Of which wholesale Ethernet circuits | The closing base of Ethernet circuits sold to external wholesale customers (communications providers (CPs)) that are not Mobile Network Operators (MNOs). The revenue earned by these connections is included within 'Fixed – Other data circuits' revenue. |
| Of which WAN circuits | The closing base of active circuit connections on Wide Area Networks (WAN), including BT Net products, across all external customers. The revenue generated by these networks is included within 'Fixed – Other data circuits' revenue. |
| Private Circuits | The closing base of Private Circuits, including Partial Private Circuits, sold to external retail customers. The revenue earned by these connections is included within Fixed revenue excluding voice, broadband, and Ethernet (i.e. it is not explicitly separately disclosed). |
| Mobile customers | The total number of revenue-generating connections on our mobile network, across external retail customers and all our brands, measured at the end of the period. The revenue generated by these connections is included within 'Mobile - Retail mobile' revenue. |
| MVNO customers | The closing base of billable subscribers (reported a quarter in arrears) on our mobile network through mobile virtual network operators (MVNO) purchasing access from Enterprise. The revenue generated by these connections is included within 'Mobile - Wholesale mobile' revenue. |
| Superfast fibre share of broadband base | The proportion of measurable broadband lines (>90% of the figure defined above) purchasing a superfast connection i.e. with a maximum download speed of up to 76Mbps. These connections are supplied to external customers by Enterprise purchasing an FTTC/FTTP wholesale product from Openreach. |
| Ultrafast fibre share of broadband base | The proportion of measurable broadband lines (>90% of the figure defined above) purchasing an ultrafast connection i.e. with a maximum download speed above 100Mbps. These connections are supplied to external customers by Enterprise purchasing a Gfast/FTTP wholesale product from Openreach. |

Glossary

GLOBAL SERVICES

| Financial | |
|-----------|---|
| Revenue | The geographic analysis of revenue is based on the country of origin in which the customer is invoiced. Reported growth rates are not adjusted for the effect of acquisitions, disposals or foreign exchange movements. |
| Orders | Orders for all business types including new business, growth, renewals and extensions. Measured on an incremental contract value (ICV) basis, such that if a contract renewal or extension overlaps with a previous contract value reported as Order intake, only the incremental increase is included. |

OPENREACH

| Fixed access network technologies | |
|-----------------------------------|--|
| Wholesale Line Rental (WLR) | Openreach's copper access product, predominantly used for delivering voice services. |
| Local Loop Unbundling (LLU) | Enables communications providers (CPs) to offer the full range of voice and broadband services. |
| Fibre to the Cabinet (FTTC) | The supply of data services over a fibre optic cable running between the local exchange and the local street cabinet, then using existing copper cable to deliver the data to the end customer's premises. In FTTC, the device which translates the data into a signal that can be carried over copper wire, the DSLAM, sits in a local street cabinet, rather than in the local exchange. |
| Gfast | The supply of data services by building on existing FTTC infrastructure to change the way broadband signals are transmitted to make achieve ultrafast bandwidths without the need to install fibre all the way to a property. |
| Fibre to the Premise (FTTP) | The supply of data services over a fibre optic cable running between the local exchange and the end customer's premises. This technology completely replaces the need for copper cabling within the Openreach network. |

| Revenue | |
|-----------------------------|--|
| Wholesale Line Rental (WLR) | Internal and external WLR connection and rental revenue. |
| Local Loop Unbundling (LLU) | Internal and external shared metallic path facility (SMPF) and metallic path facility (MPF) connection and rental revenue, co-location connection and rental revenue, copper port build, tie cables, and test access matrices (TAM). |
| Fibre to the Cabinet (FTTC) | Internal and external connection and rental revenue for FTTC products. |
| Gfast | Internal and external connection and rental revenue for Gfast products. |
| Fibre to the Premise (FTTP) | Internal and external connection and rental revenue for FTTP products. |
| Ethernet | Internal and external Ethernet connection and rental revenue. |
| Other | Primarily revenue from service-based activity and some legacy connectivity products, plus other fibre (e.g. Single Order GEA (SOGEA) and Single Order Gfast (SOGFast)). |
| Of which internal | Primarily rental and connection revenue related to WLR, SMPF, Ethernet and fibre supplied to BT's other customer-facing units. |

| Operational | |
|--|---|
| Network deployment: Superfast | All premises in the UK that are able to place an order to access superfast fibre broadband speeds of >30Mbps delivered using FTTC, Gfast, or FTTP technology (subject to CP readiness). |
| Network deployment: Of which Ultrafast Gfast | All premises in the UK that are able to place an order to access ultrafast fibre broadband speeds of >100Mbps delivered using Gfast technology (subject to CP readiness). |
| Network deployment: Of which Ultrafast FTTP | All premises in the UK that are able to place an order to access ultrafast fibre broadband speeds of >100Mbps delivered using FTTP technology (subject to CP readiness). |
| Physical lines | Internal and external bearers in the UK at the end of the reporting period for various products as defined above, with the following exceptions: 'Physical lines - Of which WLR' also includes WLR+SMPF lines, in addition to WLR-only lines 'Physical lines - Of which LLU' is MPF lines, does not include SMPF lines. |
| Of which other | Internal and external bearers in the UK for SOGEA and SOGFast products at the end of the reporting period. |
| Total broadband connections | Total internal and external broadband connections in the UK at the end of the reporting period. |
| Of which non-fibre | Internal and external broadband connections in the UK delivered using non-fibre products (i.e. SMPF or MPF) alone at the end of the reporting period. |
| Of which FTTC | Internal and external broadband connections in the UK delivered using FTTC products at the end of the reporting period. The connection is only counted once as the non-fibre component of the broadband connection is excluded from the 'Of which non-fibre' count. |
| Of which Gfast | Internal and external broadband connections in the UK delivered using Gfast products at the end of the reporting period. The connection is only counted once as the non-fibre component of the broadband connection is excluded from the 'Of which non-fibre' count. |
| Of which FTTP | Internal and external broadband connections in the UK delivered using FTTP products at the end of the reporting period. The connection is only counted once because if a non-fibre component is used, it is excluded from the 'Of which non-fibre' count. |
| Of which other | Internal and external broadband connections in the UK delivered using SOGEA and SOGFast products at the end of the reporting period. |
| Ethernet | Total internal and external connections in the UK for Ethernet products at the end of the reporting period. |