



Pro forma restated historical financial information for BT Group

For the years ended 31 March 2017 and 31 March 2018 and the 6 months ended 30 September 2018.

- Sheet 1** Basis of preparation
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- Sheet 3** Pro forma results for Normalised Free Cash Flow and Capex

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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's independent auditors.

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1. Basis of preparation

Background

From 1 April 2018 we adopted IFRS 15 on a modified retrospective basis. This means that we recognised the cumulative impact of adopting IFRS 15 on 1 April 2018 without restating the comparative for periods ended 31 March 2018 and 31 March 2017.

On 25 June 2018 we published pro forma restated results for the years ended 31 March 2018 and 31 March 2017 to show what the impact of IFRS 15 would be on our results. This pro forma updates these results for the following changes to our business on 1 October 2018:

- Combining Business & Public Sector and Wholesale & Ventures to form the Enterprise segment;
- Changing the presentation of internal revenue in our Ventures business; and
- A change in reporting for 'Northern Ireland Networks' (now 'Openreach Northern Ireland') to include it within Openreach reporting instead of within Business & Public Sector.

We have published on our website (<https://btplc.com/Sharesandperformance/Financialreportingandnews/Quarterlyresults/index.htm>) restated historical financial information to reflect these changes.

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Unaudited

2016/17 Pro forma historical financial information

All numbers are in £m.
All numbers are stated before specific items.

	Previously reported pro forma					Combination of Enterprise units					Change in Ventures internal revenue reporting					Northern Ireland Networks segment presentation					Revised pro forma results				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue																									
Consumer	2,430	2,570	2,626	2,493	10,119																2,430	2,570	2,626	2,493	10,119
Business and Public Sector	1,165	1,178	1,195	1,220	4,758	(1,165)	(1,178)	(1,195)	(1,220)	(4,758)											0	0	0	0	0
Wholesale and Ventures	520	522	525	539	2,106	(520)	(522)	(525)	(539)	(2,106)											0	0	0	0	0
Enterprise	0	0	0	0	0	1,680	1,694	1,715	1,753	6,842	61	61	61	59	242	(28)	(27)	(28)	(29)	(112)	1,713	1,728	1,748	1,783	6,972
Global Services	1,250	1,409	1,399	1,422	5,480																1,250	1,409	1,399	1,422	5,480
Openreach	1,236	1,232	1,258	1,258	4,984											37	37	38	40	152	1,273	1,269	1,296	1,298	5,136
Other	3	1	4	2	10																3	1	4	2	10
Eliminations	(826)	(838)	(841)	(845)	(3,350)	5	6	5	6	22	(61)	(61)	(61)	(59)	(242)	(9)	(10)	(10)	(11)	(40)	(891)	(903)	(907)	(909)	(3,610)
Total	5,778	6,074	6,166	6,089	24,107	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,778	6,074	6,166	6,089	24,107
EBITDA																									
Consumer	548	589	603	557	2,297																548	589	603	557	2,297
Business and Public Sector	354	388	399	401	1,542	(354)	(388)	(399)	(401)	(1,542)											0	0	0	0	0
Wholesale and Ventures	204	210	209	214	837	(204)	(210)	(209)	(214)	(837)											0	0	0	0	0
Enterprise	0	0	0	0	0	558	598	608	615	2,379						(23)	(24)	(26)	(28)	(101)	535	574	582	587	2,278
Global Services	121	132	39	202	494																121	132	39	202	494
Openreach	634	624	677	684	2,619											23	24	26	28	101	657	648	703	712	2,720
Other	(7)	2	15	(16)	(6)																(7)	2	15	(16)	(6)
Total	1,854	1,945	1,942	2,042	7,783	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,854	1,945	1,942	2,042	7,783

Unaudited

2017/18 Pro forma historical financial information

All numbers are in £m.
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	Previously reported pro forma					Combination of Enterprise units					Change in Ventures internal revenue reporting					Northern Ireland Networks segment presentation					Revised pro forma results				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue																									
Consumer	2,540	2,587	2,680	2,572	10,379																2,540	2,587	2,680	2,572	10,379
Business and Public Sector	1,132	1,143	1,127	1,147	4,549	(1,132)	(1,143)	(1,127)	(1,147)	(4,549)											0	0	0	0	0
Wholesale and Ventures	497	510	509	513	2,029	(497)	(510)	(509)	(513)	(2,029)											0	0	0	0	0
Enterprise	0	0	0	0	0	1,621	1,645	1,628	1,652	6,546	55	55	58	56	224	(29)	(27)	(32)	(29)	(117)	1,647	1,673	1,654	1,679	6,653
Global Services	1,246	1,265	1,265	1,243	5,019																1,246	1,265	1,265	1,243	5,019
Openreach	1,248	1,261	1,339	1,282	5,130											39	38	40	38	155	1,287	1,299	1,379	1,320	5,285
Other	2	4	2	2	10																2	4	2	2	10
Eliminations	(830)	(835)	(857)	(833)	(3,355)	8	8	8	8	32	(55)	(55)	(58)	(56)	(224)	(10)	(11)	(8)	(9)	(38)	(887)	(893)	(915)	(890)	(3,585)
Total	5,835	5,935	6,065	5,926	23,761	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,835	5,935	6,065	5,926	23,761
EBITDA																									
Consumer	556	575	558	680	2,369																556	575	558	680	2,369
Business and Public Sector	342	354	355	349	1,400	(342)	(354)	(355)	(349)	(1,400)											0	0	0	0	0
Wholesale and Ventures	174	190	182	209	755	(174)	(190)	(182)	(209)	(755)											0	0	0	0	0
Enterprise	0	0	0	0	0	516	544	537	558	2,155						(23)	(24)	(25)	(23)	(95)	493	520	512	535	2,060
Global Services	73	81	141	135	430																73	81	141	135	430
Openreach	621	629	722	652	2,624											23	24	25	23	95	644	653	747	675	2,719
Other	19	(9)	(22)	11	(1)																19	(9)	(22)	11	(1)
Total	1,785	1,820	1,936	2,036	7,577	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,785	1,820	1,936	2,036	7,577

Unaudited

2018/19 Pro forma historical financial information

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	Previously reported pro forma				Combination of Enterprise units				Change in Ventures internal revenue reporting				Northern Ireland Networks segment presentation				Revised pro forma results			
	Q1	Q2	Q3	HY	Q1	Q2	Q3	HY	Q1	Q2	Q3	HY	Q1	Q2	Q3	HY	Q1	Q2	Q3	HY
Revenue																				
Consumer	2,591	2,681		5,272													2,591	2,681		5,272
Business and Public Sector	1,085	1,110		2,195	(1,085)	(1,110)		(2,195)									0	0		0
Wholesale and Ventures	459	470		929	(459)	(470)		(929)									0	0		0
Enterprise	0	0		0	1,539	1,575		3,114	57	59		116	(29)	(28)		(57)	1,567	1,606		3,173
Global Services	1,147	1,185		2,332													1,147	1,185		2,332
Openreach	1,217	1,255		2,472									38	38		76	1,255	1,293		2,548
Other	1	1		2													1	1		2
Eliminations	(784)	(794)		(1,578)	5	5		10	(57)	(59)		(116)	(9)	(10)		(19)	(845)	(858)		(1,703)
Total	5,716	5,908		11,624	0	0		0	0	0		0	0	0		0	5,716	5,908		11,624
EBITDA																				
Consumer	610	611		1,221													610	611		1,221
Business and Public Sector	350	358		708	(350)	(358)		(708)									0	0		0
Wholesale and Ventures	154	171		325	(154)	(171)		(325)									0	0		0
Enterprise	0	0		0	504	529		1,033					(24)	(24)		(48)	480	505		985
Global Services	95	113		208													95	113		208
Openreach	567	610		1,177									24	24		48	591	634		1,225
Other	24	12		36													24	12		36
Total	1,800	1,875		3,675	0	0		0	0	0		0	0	0		0	1,800	1,875		3,675

Unaudited

Pro forma historic financial information

All numbers are in £m.
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	Previously reported pro forma					Combination of Enterprise units					Change in Ventures internal revenue reporting					Northern Ireland Networks segment presentation					Revised pro forma results									
	16/17 H1	16/17 H2	17/18 H1	17/18 H2	18/19 H1	16/17 H1	16/17 H2	17/18 H1	17/18 H2	18/19 H1	16/17 H1	16/17 H2	17/18 H1	17/18 H2	18/19 H1	16/17 H1	16/17 H2	17/18 H1	17/18 H2	18/19 H1	16/17 H1	16/17 H2	17/18 H1	17/18 H2	18/19 H1					
Normalised free cash flow																														
Consumer	710	568	663	691	677																					710	568	663	691	677
Business and Public Sector	559	735	479	654	514	(559)	(735)	(479)	(654)	(514)																0	0	0	0	0
Wholesale and Ventures	298	295	212	276	160	(298)	(295)	(212)	(276)	(160)																0	0	0	0	0
Enterprise	0	0	0	0	0	857	1,030	691	930	674																834	993	669	900	646
Global Services	(226)	(19)	(133)	248	(44)											(23)	(37)	(22)	(30)	(28)						(226)	(19)	(133)	248	(44)
Openreach	682	661	501	609	259											23	37	22	30	28						705	698	523	639	287
Other	(681)	(800)	(477)	(750)	(592)																					(681)	(800)	(477)	(750)	(592)
Total	1,342	1,440	1,245	1,728	974	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,342	1,440	1,245	1,728	974
Capex																														
Consumer	410	443	461	458	401																					410	443	461	458	401
Business and Public Sector	112	163	152	152	136	(112)	(163)	(152)	(152)	(136)																0	0	0	0	0
Wholesale and Ventures	101	125	106	123	106	(101)	(125)	(106)	(123)	(106)																0	0	0	0	0
Enterprise	0	0	0	0	0	213	288	258	275	242																194	260	237	255	218
Global Services	191	170	128	150	99											(19)	(28)	(21)	(20)	(24)						191	170	128	150	99
Openreach	694	879	787	871	1,031											19	28	21	20	24						713	907	808	891	1,055
Other	72	94	59	75	60																					72	94	59	75	60
Total	1,580	1,874	1,693	1,829	1,833	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,580	1,874	1,693	1,829	1,833