

## BT Pre Q3 2013/14 Consensus

£m unless stated	2013/14 Q3 Consensus				2013/14 Full Year Consensus				2014/15 Full Year Consensus				2015/16 Full Year Consensus				2016/17 Full Year Consensus			
	Mean	Median	High	Low	Mean	Median	High	Low	Mean	Median	High	Low	Mean	Median	High	Low	Mean	Median	High	Low
<b>Revenue<sup>1</sup></b>																				
BT Global Services	1,725	1,727			6,986	6,985			6,876	6,878			6,865	6,872			6,880	6,941		
BT Retail	1,859	1,853			7,442	7,435			7,615	7,593			7,859	7,766			8,030	7,935		
BT Wholesale	616	616			2,489	2,490			2,390	2,394			2,363	2,351			2,338	2,322		
Openreach	1,263	1,262			5,038	5,034			5,076	5,084			5,148	5,149			5,232	5,262		
Other	17	19			75	91			75	90			83	90			83	97		
Eliminations	(961)	(962)			(3,839)	(3,845)			(3,825)	(3,840)			(3,837)	(3,850)			(3,848)	(3,881)		
<b>Total</b>	<b>4,519</b>	<b>4,523</b>	<b>4,548</b>	<b>4,468</b>	<b>18,191</b>	<b>18,188</b>	<b>18,264</b>	<b>18,118</b>	<b>18,207</b>	<b>18,149</b>	<b>18,806</b>	<b>17,930</b>	<b>18,473</b>	<b>18,342</b>	<b>19,585</b>	<b>18,057</b>	<b>18,715</b>	<b>18,549</b>	<b>20,055</b>	<b>18,076</b>
Change in U/L ex transit (%)	0.2				(0.2)				0.7				1.8				1.6			
<b>EBITDA<sup>1</sup></b>																				
BT Global Services	236	238			904	905			945	942			974	964			1,006	1,003		
BT Retail	466	464			1,938	1,940			2,073	2,084			2,095	2,068			2,172	2,128		
BT Wholesale	155	155			625	623			601	605			601	603			591	600		
Openreach	644	644			2,559	2,557			2,610	2,602			2,651	2,653			2,703	2,729		
Other	8	7			21	19			20	20			23	20			37	20		
<b>Total</b>	<b>1,509</b>	<b>1,508</b>	<b>1,533</b>	<b>1,486</b>	<b>6,047</b>	<b>6,045</b>	<b>6,103</b>	<b>5,983</b>	<b>6,249</b>	<b>6,266</b>	<b>6,322</b>	<b>6,120</b>	<b>6,344</b>	<b>6,372</b>	<b>6,568</b>	<b>6,040</b>	<b>6,509</b>	<b>6,561</b>	<b>6,862</b>	<b>6,130</b>
Depreciation and amortisation	(683)	(685)			(2,741)	(2,738)			(2,720)	(2,718)			(2,679)	(2,678)			(2,645)	(2,657)		
<b>Operating profit<sup>1</sup></b>	<b>825</b>	<b>823</b>			<b>3,306</b>	<b>3,307</b>			<b>3,529</b>	<b>3,559</b>			<b>3,665</b>	<b>3,692</b>			<b>3,864</b>	<b>3,883</b>		
Net finance expense	(153)	(151)			(603)	(607)			(533)	(539)			(470)	(471)			(398)	(395)		
Share of post tax profits/losses of associates & joint ventures	0	0			(2)	(2)			0	0			0	0			0	0		
<b>Profit before tax<sup>1</sup></b>	<b>672</b>	<b>671</b>	<b>703</b>	<b>646</b>	<b>2,701</b>	<b>2,681</b>	<b>2,779</b>	<b>2,653</b>	<b>2,996</b>	<b>3,037</b>	<b>3,105</b>	<b>2,739</b>	<b>3,195</b>	<b>3,256</b>	<b>3,448</b>	<b>2,616</b>	<b>3,466</b>	<b>3,440</b>	<b>3,913</b>	<b>2,740</b>
Specific items	(99)	(100)			(348)	(339)			(62)	(50)			(23)	(15)			(17)	0		
Net interest on pensions	(60)	(60)			(239)	(237)			(175)	(236)			(164)	(230)			(183)	(230)		
Total specific items: net gains (losses)	(159)	(160)			(587)	(576)			(237)	(260)			(187)	(238)			(200)	(240)		
<b>Reported profit before tax<sup>1</sup></b>	<b>513</b>	<b>513</b>			<b>2,114</b>	<b>2,116</b>			<b>2,759</b>	<b>2,722</b>			<b>3,008</b>	<b>2,979</b>			<b>3,266</b>	<b>3,189</b>		
Tax - excluding specific items	(152)	(152)			(613)	(614)			(646)	(653)			(674)	(684)			(720)	(716)		
Tax on specific items	30	33			341	348			71	57			40	44			44	46		
Tax rate	22.6%	23.0%			22.7%	22.8%			21.6%	21.5%			21.1%	21.0%			20.8%	20.0%		
Memo: Minorities	0	0			0	0			0	0			0	0			0	0		
<b>Net income</b>	<b>391</b>	<b>391</b>			<b>1,842</b>	<b>1,854</b>			<b>2,184</b>	<b>2,160</b>			<b>2,374</b>	<b>2,337</b>			<b>2,590</b>	<b>2,551</b>		
<b>EPS<sup>1</sup> (p)</b>	<b>6.6</b>	<b>6.6</b>			<b>26.6</b>	<b>26.5</b>			<b>29.3</b>	<b>29.5</b>			<b>31.2</b>	<b>31.8</b>			<b>33.9</b>	<b>34.0</b>		
<b>Reported EPS (p)</b>	<b>5.0</b>	<b>5.0</b>			<b>23.4</b>	<b>23.5</b>			<b>27.2</b>	<b>27.0</b>			<b>29.3</b>	<b>28.9</b>			<b>31.9</b>	<b>31.6</b>		
<b>Dividend per share (p)</b>	<b>0.0</b>	<b>0.0</b>			<b>10.9</b>	<b>10.9</b>			<b>12.4</b>	<b>12.5</b>			<b>14.2</b>	<b>14.4</b>			<b>16.7</b>	<b>16.0</b>		
Average number of shares in issue (m)	7,864	7,864			7,857	7,850			8,028	8,043			8,092	8,119			8,110	8,148		
<b>Group free cash flow</b>																				
EBITDA <sup>1</sup>	1,509	1,508			6,047	6,045			6,249	6,266			6,344	6,372			6,509	6,561		
Capital expenditure	(600)	(595)			(2,446)	(2,450)			(2,439)	(2,440)			(2,440)	(2,412)			(2,414)	(2,395)		
Interest	(190)	(186)			(613)	(617)			(538)	(539)			(474)	(471)			(406)	(396)		
Tax (excluding cash tax benefit of pension deficit payment)	(166)	(163)			(473)	(461)			(622)	(602)			(674)	(681)			(717)	(723)		
Change in working capital	51	50			(273)	(270)			(75)	(80)			(67)	(90)			(24)	0		
Other	4	8			72	80			49	40			48	40			34	40		
<b>Normalised free cash flow<sup>2</sup></b>	<b>608</b>	<b>615</b>			<b>2,314</b>	<b>2,316</b>			<b>2,624</b>	<b>2,625</b>			<b>2,737</b>	<b>2,770</b>			<b>2,982</b>	<b>3,063</b>		
Cash tax benefit of pension deficit payments	19	19			76	76			101	70			95	90			106	120		
<b>Free cash flow<sup>1</sup></b>	<b>627</b>	<b>634</b>			<b>2,390</b>	<b>2,391</b>			<b>2,725</b>	<b>2,728</b>			<b>2,832</b>	<b>2,905</b>			<b>3,088</b>	<b>3,131</b>		
Specific items	(98)	(90)			(404)	(386)			(80)	(60)			(51)	(20)			(51)	(20)		
<b>Reported free cash flow</b>	<b>529</b>	<b>544</b>			<b>1,986</b>	<b>2,008</b>			<b>2,645</b>	<b>2,680</b>			<b>2,781</b>	<b>2,807</b>			<b>3,037</b>	<b>3,063</b>		
Gross pension deficit payment	0	0			(402)	(325)			(450)	(325)			(473)	(450)			(508)	(550)		
<b>Free cash flow (post pension deficit payments)</b>	<b>529</b>	<b>544</b>			<b>1,584</b>	<b>1,683</b>			<b>2,195</b>	<b>2,216</b>			<b>2,308</b>	<b>2,361</b>			<b>2,529</b>	<b>2,552</b>		
<b>Net debt</b>	<b>7,587</b>	<b>7,590</b>			<b>7,268</b>	<b>7,155</b>			<b>6,148</b>	<b>6,204</b>			<b>5,051</b>	<b>5,065</b>			<b>4,010</b>	<b>3,765</b>		

<sup>1</sup> before specific items<sup>2</sup> before specific items, pension deficit payments and the cash tax benefit of pension deficit payments