



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
- Sheet 2** Pro forma results for Revenue and EBITDA
- 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

Previously reported pro forma				
Q1	Q2	Q3	Q4	FY
2,430	2,570	2,626	2,493	10,119
1,165	1,178	1,195	1,220	4,758
520	522	525	539	2,106
0	0	0	0	0
1,250	1,409	1,399	1,422	5,480
1,236	1,232	1,258	1,258	4,984
3	1	4	2	10
(826)	(838)	(841)	(845)	(3,350)
5,778	6,074	6,166	6,089	24,107
548	589	603	557	2,297
354	388	399	401	1,542
204	210	209	214	837
0	0	0	0	0
121	132	39	202	494
634	624	677	684	2,619
(7)	2	15	(16)	(6)
1,854	1,945	1,942	2,042	7,783

Combination of Enterprise units

Q1	Q2	Q3	Q4	FY
(1,165)	(1,178)	(1,195)	(1,220)	(4,758)
(520)	(522)	(525)	(539)	(2,106)
1,680	1,694	1,715	1,753	6,842
5	6	5	6	22
0	0	0	0	0
(354)	(388)	(399)	(401)	(1,542)
(204)	(210)	(209)	(214)	(837)
558	598	608	615	2,379
0	0	0	0	0

Change in Ventures internal revenue reporting

Q1	Q2	Q3	Q4	FY
61	61	61	59	242
(61)	(61)	(61)	(59)	(242)
0	0	0	0	0
0	0	0	0	0

Northern Ireland Networks segment presentation

Q1	Q2	Q3	Q4	FY
(28)	(27)	(28)	(29)	(112)
37	37	38	40	152
(9)	(10)	(10)	(11)	(40)
0	0	0	0	0
(23)	(24)	(26)	(28)	(101)
23	24	26	28	101
0	0	0	0	0

Revised pro forma results

Q1	Q2	Q3	Q4	FY
2,430	2,570	2,626	2,493	10,119
0	0	0	0	0
0	0	0	0	0
1,713	1,728	1,748	1,783	6,972
1,250	1,409	1,399	1,422	5,480
1,273	1,269	1,296	1,298	5,136
3	1	4	2	10
(891)	(903)	(907)	(909)	(3,610)
5,778	6,074	6,166	6,089	24,107
548	589	603	557	2,297
0	0	0	0	0
0	0	0	0	0
535	574	582	587	2,278
121	132	39	202	494
657	648	703	712	2,720
(7)	2	15	(16)	(6)
1,854	1,945	1,942	2,042	7,783

Unaudited

2017/18 Pro forma historical financial information

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

Previously reported pro forma

Previously reported pro forma				
Q1	Q2	Q3	Q4	FY
2,540	2,587	2,680	2,572	10,379
1,132	1,143	1,127	1,147	4,549
497	510	509	513	2,029
0	0	0	0	0
1,246	1,265	1,265	1,243	5,019
1,248	1,261	1,339	1,282	5,130
2	4	2	2	10
(830)	(835)	(857)	(833)	(3,355)
5,835	5,935	6,065	5,926	23,761
556	575	558	680	2,369
342	354	355	349	1,400
174	190	182	209	755
0	0	0	0	0
73	81	141	135	430
621	629	722	652	2,624
19	(9)	(22)	11	(1)
1,785	1,820	1,936	2,036	7,577

Combination of Enterprise units

Q1	Q2	Q3	Q4	FY
(1,132)	(1,143)	(1,127)	(1,147)	(4,549)
(497)	(510)	(509)	(513)	(2,029)
1,621	1,645	1,628	1,652	6,546
8	8	8	8	32
0	0	0	0	0
(342)	(354)	(355)	(349)	(1,400)
(174)	(190)	(182)	(209)	(755)
516	544	537	558	2,155
0	0	0	0	0

Change in Ventures internal revenue reporting

Q1	Q2	Q3	Q4	FY
55	55	58	56	224
(55)	(55)	(58)	(56)	(224)
0	0	0	0	0
0	0	0	0	0

Northern Ireland Networks segment presentation

Q1	Q2	Q3	Q4	FY
(29)	(27)	(32)	(29)	(117)
39	38	40	38	155
(10)	(11)	(8)	(9)	(38)
0	0	0	0	0
(23)	(24)	(25)	(23)	(95)
23	24	25	23	95
0	0	0	0	0

Revised pro forma results

Q1	Q2	Q3	Q4	FY
2,540	2,587	2,680	2,572	10,379
0	0	0	0	0
0	0	0	0	0
1,647	1,673	1,654	1,679	6,653
1,246	1,265	1,265	1,243	5,019
1,287	1,299	1,379	1,320	5,285
2	4	2	2	10
(887)	(893)	(915)	(890)	(3,585)
5,835	5,935	6,065	5,926	23,761
556	575	558	680	2,369
0	0	0	0	0
0	0	0	0	0
493	520	512	535	2,060
73	81	141	135	430
644	653	747	675	2,719
19	(9)	(22)	11	(1)
1,785	1,820	1,936	2,036	7,577

Unaudited

2018/19 Pro forma historical financial information

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

Previously reported pro forma

Q1	Q2			HY
2,591	2,681			5,272
1,085	1,110			2,195
459	470			929
0	0			0
1,147	1,185			2,332
1,217	1,255			2,472
1	1			2
(784)	(794)			(1,578)
5,716	5,908			11,624
EBITDA				
Consumer	610	611		1,221
Business and Public Sector	350	358		708
Wholesale and Ventures	154	171		325
Enterprise	0	0		0
Global Services	95	113		208
Openreach	567	610		1,177
Other	24	12		36
Total	1,800	1,875		3,675

Combination of Enterprise units

Q1	Q2			HY
(1,085)	(1,110)			(2,195)
(459)	(470)			(929)
1,539	1,575			3,114
5	5			10
0	0			0
(350)	(358)			(708)
(154)	(171)			(325)
504	529			1,033
0	0			0

Change in Ventures internal revenue reporting

Q1	Q2			HY
57	59			116
(57)	(59)			(116)
0	0			0
0	0			0

Northern Ireland Networks segment presentation

Q1	Q2			HY
(29)	(28)			(57)
38	38			76
(9)	(10)			(19)
0	0			0
(24)	(24)			(48)
24	24			48
0	0			0

Revised pro forma results

Q1	Q2			HY
2,591	2,681			5,272
0	0			0
0	0			0
1,567	1,606			3,173
1,147	1,185			2,332
1,255	1,293			2,548
1	1			2
(845)	(858)			(1,703)
5,716	5,908			11,624
610	611			1,221
0	0			0
0	0			0
480	505			985
95	113			208
591	634			1,225
24	12			36
1,800	1,875			3,675

