

DC14-078

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## **BT PROVIDES FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS FOR NEW BUSINESSES REPLACING BT RETAIL**

BT Group has today published revised line of business financial information and key performance indicators (KPIs) to reflect the separation of BT Retail into two new lines of business – BT Business and BT Consumer.

In July 2013, we announced the new structure, which will allow the company to better serve its customers and focus even more on delivering its strategic priorities. These include 'Being the brand for business for UK SMEs' and 'Driving broadband-based consumer services'. As we have made good progress with the separation we are publishing this information earlier than we had originally expected. Comparative information has been presented on a consistent basis.

Previously, BT Retail comprised four customer facing units. These were Business, Consumer, BT Enterprises (comprising BT Conferencing, BT Payphones, BT Directories, BT Fleet, BT Wi-fi, BT Redcare, BT Expedite & Fresca, and BT Tikit) and BT Ireland.

BT Enterprises and the business and wholesale elements of BT Ireland have merged with Business to form the new BT Business line of business. BT Wi-fi and the consumer part of BT Ireland have transferred to BT Consumer.

The separation does not impact the results or KPIs for BT Global Services, BT Wholesale or Openreach, but some small shared operations have transferred into the central group functions resulting in some minor changes to the 'Other' segment. There is no impact on the total group results.

Financial information for the new lines of business for the three quarters ended 31 December 2013, the year ended 31 March 2013, and the year ended 31 March 2012 is outlined below. This information is also included in the updated KPI document which is available at [www.btplc.com/results](http://www.btplc.com/results).

Results for the fourth quarter and full year to 31 March 2014 (which are expected to be announced on Thursday 8 May 2014) will be presented on this revised basis.

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### **About BT**

BT is one of the world's leading providers of communications services and solutions, serving customers in more than 170 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. BT consists principally of five lines of business: BT Global Services, BT Business, BT Consumer, BT Wholesale and Openreach.

For the year ended 31 March 2013, BT Group's reported revenue was £18,103m with reported profit before taxation of £2,315m.

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.

For more information, visit [www.btplc.com](http://www.btplc.com).

## Appendix – revised line of business financial information<sup>1</sup>

£m	As previously reported	Revised		Change in Other segment
	BT Retail	BT Business	BT Consumer	
<b>Financial year to 31 March 2014</b>				
<b>First quarter</b>				
Revenue	1,797	863	950	(16)
EBITDA	496	262	231	3
Operating profit	385	207	176	2
Free cash flow	260	125	146	(11)
<b>Second quarter</b>				
Revenue	1,843	871	987	(15)
EBITDA	429	268	158	3
Operating profit	323	216	105	2
Free cash flow	254	240	11	3
<b>Third quarter</b>				
Revenue	1,875	880	1,014	(19)
EBITDA	460	281	175	4
Operating profit	350	228	120	2
Free cash flow	352	247	99	6
<b>Financial year to 31 March 2013</b>				
<b>First quarter</b>				
Revenue	1,794	849	959	(14)
EBITDA	493	244	246	3
Operating profit	370	183	184	3
Free cash flow	248	140	100	8
<b>Second quarter</b>				
Revenue	1,808	870	952	(14)
EBITDA	495	252	238	5
Operating profit	369	191	175	3
Free cash flow	334	183	147	4
<b>Third quarter</b>				
Revenue	1,810	875	953	(18)
EBITDA	500	267	228	5
Operating profit	372	203	166	3
Free cash flow	471	280	190	1
<b>Fourth quarter</b>				
Revenue	1,887	922	982	(17)
EBITDA	537	284	256	(3)
Operating profit	417	225	195	(3)
Free cash flow	523	304	218	1
<b>Full year</b>				
Revenue	7,299	3,516	3,846	(63)
EBITDA	2,025	1,047	968	10
Operating profit	1,528	802	720	6
Free cash flow	1,576	907	655	14

<sup>1</sup> All line of business financial information is before specific items. Free cash flow is before purchases of telecommunications licences, pension deficit payments and the cash tax benefit of pension deficit payments

## Appendix – revised line of business financial information<sup>1</sup>

£m	As previously reported	Revised		Change in Other segment
	BT Retail	BT Business	BT Consumer	
<b>Financial year to 31 March 2012</b>				
<b>First quarter</b>				
Revenue	1,852	884	979	(11)
EBITDA	471	250	216	5
Operating profit	347	186	157	4
Free cash flow	310	177	140	(7)
<b>Second quarter</b>				
Revenue	1,872	903	981	(12)
EBITDA	472	253	214	5
Operating profit	348	198	147	3
Free cash flow	370	218	140	12
<b>Third quarter</b>				
Revenue	1,868	895	985	(12)
EBITDA	483	264	214	5
Operating profit	359	203	152	4
Free cash flow	305	209	100	(4)
<b>Fourth quarter</b>				
Revenue	1,880	912	980	(12)
EBITDA	511	270	238	3
Operating profit	379	202	174	3
Free cash flow	468	252	212	4
<b>Full year</b>				
Revenue	7,472	3,594	3,925	(47)
EBITDA	1,937	1,037	882	18
Operating profit	1,433	789	630	14
Free cash flow	1,453	856	592	5

<sup>1</sup> All line of business financial information is before specific items. Free cash flow is before purchases of telecommunications licences, pension deficit payments and the cash tax benefit of pension deficit payments