

## BT Pre Q2 2014/15 Consensus

£m unless stated	2014/15 Q2 Consensus				2014/15 Full Year Consensus				2015/16 Full Year Consensus				2016/17 Full Year Consensus				2017/18 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	1,642	1,642			6,927	6,945			6,940	6,942			6,999	7,013			7,072	7,075		
BT Business	776	776			3,150	3,149			3,190	3,187			3,232	3,202			3,270	3,228		
BT Consumer	1,058	1,060			4,293	4,299			4,567	4,509			4,773	4,695			4,947	4,845		
BT Wholesale	525	527			2,124	2,127			2,041	2,041			1,999	1,999			1,974	1,983		
Openreach	1,246	1,242			5,008	5,000			5,056	5,064			5,123	5,123			5,168	5,141		
Other	16	18			74	80			76	80			69	80			69	80		
Eliminations	(897)	(900)			(3,587)	(3,600)			(3,618)	(3,620)			(3,632)	(3,626)			(3,639)	(3,635)		
<b>Total</b>	<b>4,366</b>	<b>4,370</b>	<b>4,394</b>	<b>4,336</b>	<b>17,989</b>	<b>17,989</b>	<b>18,095</b>	<b>17,896</b>	<b>18,252</b>	<b>18,164</b>	<b>18,668</b>	<b>18,034</b>	<b>18,563</b>	<b>18,409</b>	<b>19,304</b>	<b>18,190</b>	<b>18,861</b>	<b>18,710</b>	<b>19,928</b>	<b>18,259</b>
Change in U/L ex transit (%)					(0.6)				1.3				1.8				1.6			
<b>EBITDA<sup>1</sup></b>																				
BT Global Services	216	215			1,076	1,076			1,113	1,108			1,148	1,129			1,175	1,147		
BT Business	250	251			1,039	1,037			1,055	1,055			1,077	1,071			1,094	1,084		
BT Consumer	220	220			1,018	1,015			961	973			1,020	1,024			1,099	1,122		
BT Wholesale	128	129			525	522			521	522			513	511			510	506		
Openreach	631	631			2,602	2,594			2,636	2,633			2,681	2,690			2,697	2,716		
Other	(5)	(6)			(17)	(21)			(16)	(24)			(16)	(20)			(14)	(20)		
<b>Total</b>	<b>1,440</b>	<b>1,440</b>	<b>1,446</b>	<b>1,430</b>	<b>6,243</b>	<b>6,243</b>	<b>6,288</b>	<b>6,204</b>	<b>6,270</b>	<b>6,301</b>	<b>6,398</b>	<b>5,941</b>	<b>6,423</b>	<b>6,441</b>	<b>6,638</b>	<b>5,916</b>	<b>6,561</b>	<b>6,609</b>	<b>6,841</b>	<b>5,920</b>
Depreciation and amortisation	(653)	(653)			(2,600)	(2,599)			(2,562)	(2,565)			(2,525)	(2,531)			(2,501)	(2,500)		
<b>Operating profit<sup>1</sup></b>	<b>787</b>	<b>787</b>			<b>3,643</b>	<b>3,641</b>			<b>3,708</b>	<b>3,736</b>			<b>3,898</b>	<b>3,964</b>			<b>4,060</b>	<b>4,134</b>		
Net finance expense	(141)	(142)			(575)	(577)			(522)	(525)			(467)	(475)			(407)	(400)		
Share of post tax profits/losses of associates & joint ventures	0	0			0	0			0	0			0	0			0	0		
<b>Profit before tax<sup>1</sup></b>	<b>646</b>	<b>646</b>	<b>662</b>	<b>624</b>	<b>3,068</b>	<b>3,070</b>	<b>3,114</b>	<b>3,027</b>	<b>3,186</b>	<b>3,235</b>	<b>3,283</b>	<b>2,742</b>	<b>3,431</b>	<b>3,520</b>	<b>3,636</b>	<b>2,710</b>	<b>3,653</b>	<b>3,757</b>	<b>3,915</b>	<b>2,734</b>
Specific items	(48)	(50)			(194)	(200)			(24)	0			(25)	0			(25)	0		
Net interest on pensions	(71)	(72)			(289)	(290)			(252)	(289)			(247)	(289)			(241)	(289)		
Total specific items: net gains (losses)	(119)	(122)			(483)	(490)			(276)	(289)			(272)	(290)			(266)	(290)		
<b>Reported profit before tax<sup>1</sup></b>	<b>527</b>	<b>524</b>			<b>2,585</b>	<b>2,595</b>			<b>2,910</b>	<b>2,927</b>			<b>3,159</b>	<b>3,230</b>			<b>3,387</b>	<b>3,492</b>		
Tax - excluding specific items	(132)	(132)			(627)	(625)			(642)	(648)			(696)	(704)			(741)	(750)		
Tax on specific items	33	22			98	99			56	50			56	43			55	37		
Tax rate	20.4%	20.5%			20.4%	20.5%			20.2%	20.5%			20.3%	20.0%			20.3%	20.0%		
Memo: Minorities	0	0			0	0			0	0			0	0			0	0		
<b>Net income</b>	<b>428</b>	<b>413</b>			<b>2,056</b>	<b>2,028</b>			<b>2,324</b>	<b>2,348</b>			<b>2,519</b>	<b>2,523</b>			<b>2,701</b>	<b>2,748</b>		
<b>EPS<sup>1</sup> (p)</b>	<b>6.4</b>	<b>6.4</b>			<b>30.4</b>	<b>30.3</b>			<b>31.5</b>	<b>31.8</b>			<b>33.9</b>	<b>34.7</b>			<b>36.2</b>	<b>37.0</b>		
<b>Reported EPS (p)</b>	<b>5.3</b>	<b>5.1</b>			<b>25.6</b>	<b>25.4</b>			<b>28.7</b>	<b>29.2</b>			<b>31.2</b>	<b>31.3</b>			<b>33.6</b>	<b>34.1</b>		
<b>Dividend per share (p)</b>	<b>3.9</b>	<b>3.9</b>			<b>12.5</b>	<b>12.5</b>			<b>14.4</b>	<b>14.4</b>			<b>15.9</b>	<b>15.9</b>			<b>17.6</b>	<b>17.7</b>		
Average number of shares in issue (m)	8,004	8,010			8,017	8,030			8,087	8,109			8,066	8,103			8,047	8,093		
<b>Group free cash flow</b>																				
EBITDA <sup>1</sup>	1,440	1,440			6,243	6,243			6,270	6,301			6,423	6,441			6,561	6,609		
Capital expenditure	(583)	(580)			(2,331)	(2,337)			(2,325)	(2,333)			(2,322)	(2,326)			(2,292)	(2,306)		
Interest	(86)	(80)			(584)	(582)			(519)	(525)			(463)	(479)			(403)	(409)		
Tax (excluding cash tax benefit of pension deficit payment)	(140)	(139)			(528)	(522)			(606)	(597)			(664)	(668)			(713)	(714)		
Change in working capital	(185)	(200)			(200)	(205)			(122)	(150)			(35)	(22)			(41)	(23)		
Other	9	5			54	60			24	20			19	16			20	16		
<b>Normalised free cash flow<sup>2</sup></b>	<b>455</b>	<b>451</b>			<b>2,654</b>	<b>2,651</b>			<b>2,722</b>	<b>2,729</b>			<b>2,958</b>	<b>3,009</b>			<b>3,132</b>	<b>3,173</b>		
Cash tax benefit of pension deficit payments	22	19			89	87			121	120			124	127			121	120		
<b>Free cash flow<sup>1</sup></b>	<b>477</b>	<b>470</b>			<b>2,743</b>	<b>2,733</b>			<b>2,843</b>	<b>2,833</b>			<b>3,082</b>	<b>3,132</b>			<b>3,253</b>	<b>3,286</b>		
Specific items	(59)	(50)			(223)	(200)			(71)	(50)			(63)	(50)			(49)	(20)		
<b>Reported free cash flow</b>	<b>418</b>	<b>419</b>			<b>2,520</b>	<b>2,523</b>			<b>2,772</b>	<b>2,791</b>			<b>3,019</b>	<b>2,982</b>			<b>3,204</b>	<b>3,243</b>		
Gross pension deficit payment	0	0			(558)	(550)			(589)	(561)			(592)	(578)			(552)	(550)		
<b>Free cash flow (post pension deficit payments)</b>	<b>418</b>	<b>419</b>			<b>1,962</b>	<b>1,967</b>			<b>2,183</b>	<b>2,172</b>			<b>2,427</b>	<b>2,403</b>			<b>2,652</b>	<b>2,596</b>		
<b>Net debt</b>	<b>7,219</b>	<b>7,162</b>			<b>6,089</b>	<b>6,093</b>			<b>5,227</b>	<b>5,360</b>			<b>4,194</b>	<b>4,357</b>			<b>3,078</b>	<b>3,359</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