A better business
A better future

BT Group plc

Q4/full year 2012/13 results
and business update – Part 2
10 May 2013
A better business
A better future

BT Group plc

Cost Transformation
Tony Chanmugam, Group Finance Director
4 Year cost base reduction

- £1,451m reduction
- £1,030m reduction
- £929m reduction
- £1,322m reduction

Further cost saving opportunities
- Further cost base reductions being targeted for 2013/14

C.£4.7bn reduction in costs over four years

Quick wins
- Fast wins
- Forensic
- Pan – BT

Other cost savings include
- Capex
- Labour costs incl. contractors
- Consultancy
- Supplier renegotiation

Overhead Value Analysis
- Process re-engineering
- Right First Time

BT-centric
- Insourcing
- Output-based pricing

1 Opex is before specific items, depreciation & amortisation and net of other operating income. Capex is before purchases of telecommunications licences.
2012/13 cost base

- Around a third of the cost base\(^1\) is labour cost, both direct and indirect
- Cost savings have been made across all main categories

\(^1\) Opex before specific items, depreciation & amortisation and other operating income, and capex before purchases of telecommunications licences
Benchmarking

- Benchmarking versus European Telcos identifies further cost reduction opportunities
- At a total level BT is now likely to be top quartile
- But there is still more to do
  - c.£1bn gap to move every category into the top quartile
  - sector not a good benchmark

Benchmarking quartile

<table>
<thead>
<tr>
<th>Year</th>
<th>Marketing</th>
<th>Sales</th>
<th>Customer care</th>
<th>Technical services (connectivity)</th>
<th>Network operations</th>
<th>IT services</th>
<th>Facilities</th>
<th>General &amp; admin</th>
<th>Total BT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12¹</td>
<td>1st quartile</td>
<td>1st quartile</td>
<td>2nd quartile</td>
<td>3rd quartile</td>
<td>4th quartile</td>
<td>4th quartile</td>
<td>4th quartile</td>
<td>4th quartile</td>
<td>4th quartile</td>
</tr>
</tbody>
</table>

¹(2012/13 will show further improvement)
Process re-engineering programmes

- Reduce cost of failure and increase quality of service

<table>
<thead>
<tr>
<th>Cost Base</th>
<th>Savings</th>
<th>Year</th>
<th>Cumulative savings by year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer and Business Broadband T2R</td>
<td>£70m</td>
<td>12/13</td>
<td>H</td>
</tr>
<tr>
<td>Global Services products T2R</td>
<td>£60m</td>
<td>13/14</td>
<td>H</td>
</tr>
<tr>
<td>Global Services products L2C</td>
<td>£40m</td>
<td>14/15</td>
<td>H</td>
</tr>
<tr>
<td>Network Investment</td>
<td>£45m</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>£0.2bn</strong></td>
<td><strong>£0.4bn</strong></td>
<td><strong>£0.1bn</strong></td>
<td><strong>£0.3bn</strong></td>
</tr>
<tr>
<td><strong>• 60% reduction in propensity to appoint broadband engineers</strong></td>
<td><strong>• 25% fault reduction</strong></td>
<td><strong>• Reduced internal handoffs saving 24% and improving customer experience</strong></td>
<td><strong>• 25% increase in productive time by moving 35% of the workforce to a 3 day, 12 hour shift</strong></td>
</tr>
<tr>
<td><strong>• Radically simplified end to end process</strong></td>
<td><strong>• Improved utilisation and productivity</strong></td>
<td><strong>£60m</strong></td>
<td><strong>£0.2bn</strong></td>
</tr>
</tbody>
</table>
Organisational structure

- Removing organisational overlaps and inefficiencies

<table>
<thead>
<tr>
<th>Cost Base</th>
<th>Savings</th>
<th>Cumulative savings by year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operate/Design</strong></td>
<td><strong>£100m</strong></td>
<td>12/13 L M H</td>
</tr>
<tr>
<td>£2.0bn</td>
<td><strong>£100m</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>£16m</strong></td>
<td>13/14 L H H</td>
</tr>
<tr>
<td></td>
<td><strong>£50m</strong></td>
<td>14/15 L L H</td>
</tr>
<tr>
<td><strong>Operate with Openreach &amp; Wholesale</strong></td>
<td><strong>£16m</strong></td>
<td></td>
</tr>
<tr>
<td>£0.1bn</td>
<td><strong>£50m</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Management Layers</strong></td>
<td><strong>£1.3bn</strong></td>
<td></td>
</tr>
<tr>
<td>£1.3bn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Creation of TSO
- Reduced handovers in design, build and run for Networks, Infrastructure and IT
- Integration on field engineering
- Reducing handoffs in both delivering services and resolving faults
- Increasing span of control of managers and reducing layers up
- Ensuring managers have appropriate decision making authority

Savings

- 12/13: L
- 13/14: M H
- 14/15: L L H

Cumulative savings by year
H – High, M – Medium, L - Low
Group initiatives

Reducing cost through focus on a common approach

- **Travel**: £0.1bn
  - Pan-BT awareness programme
  - Increased usage of preferred suppliers with improved rates
  - Savings: £25m
  - Cumulative savings by year: H

- **Supply chain**: £0.1bn + all stock
  - Organisation restructure
  - Supplier savings
  - Systems infrastructure investment
  - Stock optimisation
  - Savings: £20m
  - Cumulative savings by year: M

- **HR**: £0.1bn
  - HR Shared service capability
  - Process Improvement
  - Improved System Capability
  - Savings: £24m
  - Cumulative savings by year: L
Line of business – Openreach

Detailed forensic approach

- Fault reduction
  - £0.3bn
  - 800k fewer repair visits by focusing on repeats, improved working practices, new installs and resolving in one visit
  - £65m
  - Savings:
    - 12/13: M
    - 13/14: H
    - 14/15: H

- Fleet
  - £0.04bn
  - 10% reduction in fuel usage through retuning engines for environmental and fuel efficiency
  - £4m
  - Savings:
    - 12/13: L
    - 13/14: H
    - 14/15: H

- Network Planning
  - £0.1bn
  - Improved processes and BT designed automation means we spend less time planning
  - £39m
  - Savings:
    - 12/13: M
    - 13/14: M
    - 14/15: H

Cumulative savings by year:
- H – High
- M – Medium
- L – Low
Procurement

Business as usual plus strategic programmes

- **Strategic Category Sourcing**
  - Top 15 Strategic Categories (30% spend)
  - Transformational pan-LoB programme
  - Increase preferred suppliers usage
  - Savings: £90m

- **Tail**
  - Review of smaller supplier spend
  - Pan-LoB supply base consolidation
  - Tighter supplier creation/stop controls
  - Savings: £35m

- **Access overseas**
  - Benchmark and optimise pricing
  - Exploit new technologies
  - Insource to BT own infrastructure
  - Consolidate suppliers
  - Savings: £154m*

* Cumulative savings by year:
  - 12/13: L
  - 13/14: M
  - 14/15: H

* Gross savings
Insourcing

- Success from creating new jobs and opportunities for BT people through insourcing work from 3rd parties
- Will continue insourcing and further development of our flexible resourcing models

**Facilities Management**
- Insourced facilities services
- Supply chain management
- Invested in people, process & technology

**Contact Centre**
- 500 roles in Sandwell and Accrington
- 100 roles flexible sales/service in Belfast

**Software Design Development & Maintenance**
- Insourcing of roles from India and in the UK
- Displacement of UK subcontractors backfilled with retrained BT employees

**Savings**
- £16m
- £4m
- £17m

**Cumulative savings by year**
- H – High, M – Medium, L – Low
- 12/13: M
- 13/14: H
- 14/15: H

**Facilities Management**
- £16m
- M
- H
- H

**Contact Centre**
- £4m
- L
- M
- H

**Software Design Development & Maintenance**
- £17m
- M
- H
- H
Key points

- £4.7bn reduction over the last 4 years
- Key drivers are improving processes and reducing failures for customers
- There remain significant opportunities to deliver cost transformation over the next three years

More to do
A better business

A better future

BT Group plc

BT Technology, Service & Operations
Clive Selley, CEO
Agenda

- Who we are and what we do
- Progress over last 4 years
- Our focus areas looking forward …
  - Customer service delivery
  - Cost transformation
  - Investing for the future
## BT Technology, Service & Operations

<table>
<thead>
<tr>
<th>Key facts</th>
<th>17,000 technologists + 16,500 subcontractors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/13 costs £2.7bn</td>
</tr>
<tr>
<td></td>
<td>4,380 Patents</td>
</tr>
<tr>
<td></td>
<td>6 Global Development Centres - Adastral Park, Cardiff, Belfast, Glasgow, Bangalore, Kuala Lumpur</td>
</tr>
<tr>
<td></td>
<td>15 Global Operations Centres - UK, Europe, Latin America, US, Asia</td>
</tr>
<tr>
<td></td>
<td>Global network reach - IP Connect in &gt;170 countries, Ethernet Connect now in 43 countries</td>
</tr>
<tr>
<td></td>
<td>Collaborative research with universities and industry - MIT, EBTIC, Cambridge, Tsinghua, Ciena, Huawei, Intel</td>
</tr>
</tbody>
</table>

### Key Areas

- **IT & Systems**
- **Network**
- **Infrastructure**
- **End-to-end service**
- **Research and Innovation**

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Progress over last 4 years

- Enabling customer self service
- Raising broadband speeds for UK customers
- Enabling rapid deployment of UK LTE via mobile Ethernet product
- Driving down network fault rates
- £1 billion cash saving over four years
- Process re-engineering
- Large scale network rationalisation
- Energy reduction year on year
- Fibre broadband
- Ethernet
- SIP Trunking
- TV-ready network
- Cloud-based industry solutions
  - Pharma
  - Banking
  - Supply Chain

Customer service  Cost transformation  Investing for the future
Customer service delivery
– improving service for our customers

Network faults

Phone

![Graph showing service downtime for Phone from April 2011 to April 2013]

Broadband

![Graph showing service downtime for Broadband from September 2011 to March 2013]

Private Circuits

![Graph showing service downtime for Private Circuits from April 2011 to April 2013]

Systems reliability

![Graph showing systems reliability from April 2011 to April 2013]
Customer service delivery – Fibre broadband

- Our fibre journey continues to evolve, in both FTTC and FTTP
- We continue to deliver speed increases across the network
- We continue to find ways of deploying fibre faster and cheaper

**FTTC**
- “Original” FTTC – Up to 40Mbps
- Bandplan change – Up to 80Mbps
- Vectoring – Up to 120Mbps
- G.Fast – up to 1Gbps

**FTTP**
- FTTP – Up to 100Mbps
- New product – 330Mbps
- FTTP on Demand
- 10Gbps PON
Cost transformation – UK broadband network

- Five year predicted growth in core traffic 5.1Tb
- Architecture refresh to meet broadband traffic growth
- Delivering core unit cost reduction whilst growing capacity

Capex unit cost reduction is required

Strategic network Initiatives

- Lower cost technology programmes already underway

Lower Cost Technology
- Multi Service Edge
- NG-DWDM
- MPLS Core
- Content caching
Cost transformation – Network rationalisation

- Global networks
  - reduced from 3 to 1
- Continue to shrink legacy networks
  - PDH transmission
  - PSTN
- Close legacy networks
  - close UK ATM network
  - IPstream
  - Datastream
- Optimising core global network assets: TPEN, NG DWDM, IRU’s
- Lower cost Ethernet solutions
- New internet backbone halving unit cost
Investing for the future – evolving fibre broadband

G.fast / Fibre to the distribution point is the deployment of new active electronics at the distribution point to deliver up to 1Gbps over the final copper drop

Augmenting fibre broadband
- LTE rural in-fill solution
- Suffolk trial live March 2013
Investing for the future – TV

A TV-ready network
- 150Mbps to each fibre cabinet
- Upgrade to 500Mbps to each fibre cabinet
- ‘Quality of Service’ engineering

Delivery to multiple platforms
- Vision 2.0
- YouView
- Sky
- Digital Platforms
Investing for the future – IP Exchange

- Originated in BT’s research labs at Adastral Park
- Now at over £100m revenue, growing at 30% p.a.
- Expanding from UK to Asia, US & Middle East
- Future developments to stay ahead of the market:
  - HD Voice transcoding
  - video inter-operability
  - routing by name
Investing for the future – Patents

Applications

TV and video
- Perceptual Quality of Service
- Equitable Quality Streaming
- Personalised Interactive Content
- Recommender Control
- Video ‘Highlights’ Provision

Security
- Malware detection
- Data tracking and policy enforcement
- Multistage attack detection and protection

Networks

- Optical transport
- Broadband and fibre access networks
- Data networks and traffic management
- Session control and management
- Wi-fi/cellular network selection and handover
- Efficient use of wi-fi spectrum
- BT’s wi-fi community
- Remote access to home and business
- Support for specific services such as voice and Location Based Services on wi-fi
Summary

- Improving customer service by looking end-to-end
- Continuing to target our cost base
  - process re-engineering end-to-end
  - reducing the cost of bandwidth
  - network rationalisation
- Innovating to support BT’s growth opportunities

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BT Group plc

Q&A
A better business

A better future

BT Group plc

BT Retail
Gavin Patterson, CEO
Agenda

- Who we are and what we do
- Progress over last 4 years
- Our strategy
- Customer service
- Cost transformation
- Investing for the future
  - Consumer
  - Business
  - Enterprises
  - Ireland
BT Retail overview

- Leader in fixed lines, voice and broadband markets
  - 42% share of consumer calls and lines
  - 37% share of SME fixed voice and data
  - 31% share of broadband market

- Large customer base
  - c.11m consumer and SME customers
  - 6.7m broadband customers
  - 0.8m TV customers

- A strong and trusted brand

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1 DSL, fibre and cable

2 EBITDA contribution, excluding costs held centrally
Progress over last 4 years

- Consumer lines
  - rate of loss
    44%
- Consumer ARPU
  27%
- Broadband base
  41%
- Fibre base
  1.3m¹
- TV base
  91%
- Business lines
  - rate of loss
    46%

¹ at May 2013
We have followed a consistent strategy

**Service and business transformation**
- Get things Right First Time to be number one for customer service
- Set high standards and help people achieve them
- Standardise, simplify and automate to cut costs

**Invest to grow**
- Reduce customer loss through bundling and product differentiation e.g. fibre, Plusnet, wi-fi
- Grow in new markets e.g. TV, Conferencing, IT services & Mobility
# Customer Service delivering improvements

## We have improved over last 4 years\(^1\)

<table>
<thead>
<tr>
<th>Consumer</th>
<th>We are investing to go further</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Promoter Score</td>
<td>27%</td>
</tr>
<tr>
<td>One Contact Resolution</td>
<td>25%</td>
</tr>
<tr>
<td>Complaints</td>
<td>39%</td>
</tr>
</tbody>
</table>

## Business

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Promoter Score</td>
<td>5%</td>
</tr>
<tr>
<td>One Contact Resolution</td>
<td>2%</td>
</tr>
<tr>
<td>Complaints</td>
<td>83%</td>
</tr>
</tbody>
</table>

Cost transformation

**In progress**
- Improved order entry in Consumer Sales
  - Agent.com
- Growing sales via service interactions to offset costs
- Reduced volume of engineering visits
- Performance-related pay introduced into new contact centres

**Short-term**
- More automation of customer journeys
  - currently c.30% of consumer sales online
  - increasing use of voice recognition
- More multi-skilled advisors
- Further procurement savings
- Continued improvement in aged debt and debt write-off

**Medium-term**
- Better systems in Business
  - cut costs of failure
  - support upsell to bundles
- Increasing use of ‘smart diagnostics’
  - more efficient fault handling
- Reducing international conferencing access costs
Consumer market

- Highly competitive market with several strong players
- Growing demand for higher broadband speeds
- Market is increasingly triple play
- Smartphone and tablet use driving wireless data growth

### Consumer market

<table>
<thead>
<tr>
<th>Market size</th>
<th>£5.8bn</th>
<th>£3.4bn¹</th>
<th>£5.2bn</th>
</tr>
</thead>
</table>

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Source: Ofcom

¹ Includes Business
BT Consumer overview

Investing for the future, with fibre at the heart

Maintain differentiation

Dual brand

Scale triple play

Exploit power of fibre

- Broadband is key
- Fibre and TV underpin future plans

Aim to grow top and bottom line

2012/13 BT Consumer revenue £3,679m

- 32%: Broadband & TV
- 41%: Calls
- 25%: Lines
- 2%: Other
BT Consumer maintaining core business

- Continuing to use targeted promotions and bundling effectively
  - 82% of broadband base has a bundle

- Generating more predictable revenue from voice
  - 39% of voice customer base on Unlimited Anytime Plans

- Building differentiation into voice products
  - BT SmartTalk

[Graphs showing slowed line losses and penetration of Unlimited Anytime Plans]
BT Consumer maintaining core business

- Investing to maintain broadband leadership
  - BT Totally Unlimited Broadband
  - BT Cloud, refreshed bt.com portal
  - BT Home Hub 4 launched

- Wireless is a major differentiator
  - >5m BT Wi-fi hotspots; Q4 wi-fi minutes trebled to 4.7bn
  - 4G will strengthen our mobile broadband services

- Plusnet is a thriving brand
  - competitive on price and service
  - uSwitch ‘Best Customer Rated Broadband’ award 2013
BT Consumer fibre

- BT Infinity is leading the UK’s move to superfast broadband
  - strongly advertised and branded
  - speeds up to 8x the UK average
  - more reliable at peak times than Virgin and faster uploads speeds
  - priced competitively to alternatives

- Our offer is compelling to customers
  - installed base is up 140% YoY

- Fibre is key to our future plans
  - churn is lower than copper
  - provides long term differentiation
  - underpins TV

Fibre offers customers major benefits

- Superfast speeds of up to 76Mbps
- Reliable connection and stable speeds
- Priced little more than copper broadband

With strong customer growth

Retail fibre customers (m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 2010</td>
<td></td>
</tr>
<tr>
<td>Mar 2011</td>
<td></td>
</tr>
<tr>
<td>Mar 2012</td>
<td></td>
</tr>
<tr>
<td>Mar 2013</td>
<td></td>
</tr>
</tbody>
</table>
## BT Consumer TV

### TV is important to our consumer proposition

- The market is increasingly triple play
- TV protects broadband and voice customers
- TV will showcase and drive fibre
- We have an opportunity to increase TV penetration
- We have compelling offers to two key segments

### Freeview Upgraders

- 12m Freeview-only households¹
- UK Pay TV penetration of 55% low internationally
- Easy upgrade into Pay TV via YouView

### Basic Pay TV

- 6m households with Sky and Virgin basic TV only¹
- ‘Extra TV’ for Pay TV switchers

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¹ BT estimate based on Ofcom data. Freeview-only households include free-to-view satellite

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BT Consumer BT Sport

- BT Sport allows us to establish direct billing relationships with more TV homes
- Creating ‘must have’ channels with wide appeal
- Interactivity at the heart of the proposition

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Sport is the number one ‘must have’ content¹

<table>
<thead>
<tr>
<th>Genre</th>
<th>Mentions of Must Have (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports</td>
<td>25</td>
</tr>
<tr>
<td>Films</td>
<td>12</td>
</tr>
<tr>
<td>Kids</td>
<td>11</td>
</tr>
<tr>
<td>Documentaries</td>
<td>9</td>
</tr>
</tbody>
</table>

¹ Source: Ofcom

Leading content – more football than Sky

Leading broadcasting talent
BT Consumer BT Sport

BT Sport is **FREE** to all BT broadband customers regardless of TV platform

<table>
<thead>
<tr>
<th>3 premium live sport channels</th>
<th>Platform availability</th>
<th>With BT Broadband</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="logo1" alt="BT Sport 1" /></td>
<td>✓ On BT TV¹</td>
<td>FREE</td>
</tr>
<tr>
<td><img src="logo2" alt="BT Sport 2" /></td>
<td>✓ On satellite platform</td>
<td></td>
</tr>
<tr>
<td><img src="logo3" alt="ESPN" /></td>
<td>✓ On BT Sport online/app²</td>
<td></td>
</tr>
</tbody>
</table>

- BT Sport only available by contacting BT
- Available in HD on BT TV¹ and satellite platform for an additional £3/month
- BT Infinity will enable BT Sport to be more interactive and engaging

¹ in standard definition outside of BT Infinity areas
² in standard definition
BT Consumer BT Sport

- Non-BT customers
  - New billing relationship
  - Win-back lines, calls & broadband
  - New revenue
- Existing BT customers (non-BT broadband)
  - Sell broadband & fibre
  - Grow ARPU + Lower churn
  - More revenue
- Existing BT broadband customers
  - Sell fibre
  - Grow ARPU + Lower churn
  - More revenue

Contribute to top and bottom line growth

- Pubs & clubs and other possible wholesale opportunities
BT Business the brand for business

<table>
<thead>
<tr>
<th>Market size</th>
<th>£4.7bn</th>
<th>£3.8bn</th>
<th>£21.0bn</th>
</tr>
</thead>
</table>

- Very fragmented but competitive market
- Cross-selling opportunity from our leading position in fixed

2012/13 BT Business revenue £2,197m

- Become market leader for service
- Defend customer base
- Grow IT services linked to network – sector-based IT services propositions
- Develop mobility and IP products

Source: IDC and BT data
Core business has done well in a challenging market
- strong marketing and retention activity has defended our base
- maintaining share of calls and access market
- call minutes per line held broadly flat

Offering attractive business bundles
- encourages customers to buy more

Increasingly benefitting from investment in fibre
We have an advantage as IT market moves to the Cloud
  – provide full range of advice, hosting, support and networking
  – stable, trusted brand

Making significant investments
  – Infrastructure-as-a-Service platform
  – converged infrastructure team
  – new supporting systems

Building expertise in key sectors
  – BT Tikit in legal and accountancy market
  – BT Expedite growing in retail sector

We operate separate specialist IT units

- **BT Engage IT**
  - Leading HP and Microsoft specialist

- **BT iNet**
  - Cisco specialist for network and hosting infrastructure

- **BT Business Direct**
  - Cost effective sales and distribution of IT equipment to volume segment

- **BT Expedite & Fresca***
  - Specialist services for the retail sector

- **BT Tikit***
  - Specialist IT solutions for legal & accountancy firms

* In BT Enterprises

IT services units now growing¹

<table>
<thead>
<tr>
<th>Year</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>0%</td>
</tr>
<tr>
<td>2012/13</td>
<td>10%</td>
</tr>
</tbody>
</table>

¹ excluding trade sales
BT Business mobility

- Well placed to grow mobile and exploit convergence
  - BT brand and channel-reach a source of advantage
  - 85% of BT Mobile customers buy other BT products and services

- Investing to drive further growth
  - converged fixed-mobile solution under development
  - enhanced voice and data services on premises and in business parks
  - 4G spectrum provides further differentiation

Wide range of fixed and mobile bundles

Mobile business is growing
## BT Enterprises

### A portfolio of specialist businesses

<table>
<thead>
<tr>
<th>Business</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BT Directories</td>
<td>Directory Enquiries and marketing solutions</td>
</tr>
<tr>
<td>BT Wi-fi</td>
<td>Wi-fi connectivity for retail and wholesale customers</td>
</tr>
<tr>
<td>BT Expedite &amp; Fresca</td>
<td>Specialist services for the retail sector</td>
</tr>
<tr>
<td>BT Tikit (acq’d Jan 13)</td>
<td>Specialist IT solutions for legal &amp; accountancy firms</td>
</tr>
<tr>
<td>BT Payphones</td>
<td>Public and private payphone services</td>
</tr>
<tr>
<td>BT Redcare</td>
<td>Alarm signalling, CCTV and surveillance services</td>
</tr>
<tr>
<td>BT Conferencing</td>
<td>Audio, video and web conferencing</td>
</tr>
<tr>
<td>BT Fleet (from 2013/14)</td>
<td>Fleet management and maintenance services</td>
</tr>
</tbody>
</table>

### 2012/13 BT Enterprises revenue £696m

- **BT Conferencing**: 48%
- **BT Directories**: 4%
- **BT Redcare**: 11%
- **BT Expedite**: 9%
- **BT Payphones**: 19%
- **BT Tikit**: 9%

### Focussed businesses with entrepreneurial freedom
BT Enterprises Conferencing

- A leading global conferencing business
- Differentiated audio experience
  - High quality sound
  - Voice separation ‘as if in the meeting room’
- Ready for sale in summer 2013
  - Strong customer interest and several major deals in discussion

Exclusive Deal with Dolby Voice

2012/13 BT Conferencing revenue £332m

- Audio conferencing: 55%
- Video conferencing: 38%
- Web conferencing: 7%

Major global client base
NI setting the benchmark on fibre
- >90% of homes passed
- >50% of BT’s retail broadband base take fibre

Winning major networked IT services deals
- Strategic partner for NI Direct

Leveraging network in RoI
- Sky’s wholesale partner

Continuing to drive revenue and profit growth in a difficult market
Key messages

- Strategy is working and will continue
- Improving customer service but more to do to achieve leadership
- Delivered on costs but more is achievable
- Fibre and TV a platform for differentiation
- YouView and BT Sport provide a compelling TV offer
- Investments in IT, mobility and conferencing a sustainable advantage in business markets

Driving for profitable revenue growth
A better business

A better future

BT Group plc

Q&A
A better business
A better future

BT Group plc

BT Wholesale
Nigel Stagg, CEO
Agenda

- What we do – our role in wholesale markets
- Business transformed – how we’re winning
- Looking to the future – new challenges, new opportunities
- Key messages
Who we are

The wholesaler of choice

- £3.6bn revenue, £1.2bn EBITDA
- £112m SG&A
- 2,200 employees
- >1,400 Communication Provider customers
- Broadband, Ethernet and Mobile Ethernet Access network assets
- Managed services 32% of external revenue

Key facts

Other wholesale businesses

- Openreach (GB)
- BT Retail (Ireland)
- BT Global Services (RoW)
Our business model

Take regulated / platform inputs…

…and leverage our domain expertise…

…into competitive propositions…

…that create value for our customers

Openreach products

BT GS / Retail products

Third-party components

Platform assets
- Broadband and Ethernet networks
- IP voice platforms

People skills
- Solution design & build
- Complex programme delivery
- Customer insight

Managed Services
- Transmission & Aggregation
- Wireless & Field
- Outsourcing & Management
- White-label

Products
- Voice
- Broadband
- Data / Ethernet
- Media & Broadcast

Distribution

Managed Services

© British Telecommunications plc
Our customer segmentation

Mobile Network Operators
- EE
- O₂
- Vodafone
- 3

Fixed Providers
- Virgin Media
- TalkTalk Group
- Sky
- AT&T
- KCOM

Broadcasters & Content Owners
- NBC
- Disney
- BBC

Indirect Channel
- Daisy
- Claranet
- Entatech

Managed Services
- Improving network coverage and performance, and adding fixed telecoms

Providing off-net connectivity, through to full network outsourcing

Delivering content securely around the world

Providing ready-made, competitive and easy to sell products

Distribution
Our market environment

**Market compression**
- LLU rollout
- Market consolidation
- Network sharing

**Competition**
- Virgin Media with MNOs
- TalkTalk in indirect channel
- Vodafone / CWW

**Margin mix**
- TDM to IP voice
- Private circuits to Ethernet
- Contract re-signs

**Regulation**
- Ladder pricing
- Narrowband Market Review
- Wholesale Broadband Review

**IP Migration**
- Hosted communications
- IP Exchange
- IP transformation services

**4G / LTE**
- 4G-ready backhaul
- Small cells
- Sites & towers

**Bandwidth demand**
- Ethernet growth
- Fibre broadband
- Media & Broadcast

**Managed services**
- Mobile sector
- Smaller comms providers
- Extended proposition
Our strategy: targeted growth, supported by cost transformation and a great customer experience

The wholesaler of choice

- Reposition the portfolio for IP
- Increase ‘sell-through’ volumes via channels
- Drive managed contract growth

- Continued cost transformation
- Exceptional customer experience
- High-performing team
Performance over last 4 years

Business transformation in progress

- Mobile Ethernet Access Service (MEAS) extended from 20 to around 15,000 sites
- IP Exchange grown ten-fold to >1.9bn minutes a quarter
- Managed network services increased from 19% to 32% of external revenue
- Headcount reduced by >50%¹
- Regulatory pricing decisions cost c.£80m EBITDA since March 2011 (including ladder)
- 2012/13 cost transformation >£100m, offsetting cost increases from changes in product mix
- 2012/13 order intake >£2bn, up from c.£0.75bn in 2011/12

¹ Like for like. Excludes people moves from TSO in Q4 2012/13

Revenue & profit improved

Revenue²

EBITDA³

¹² Underlying revenue excluding transit and ladder
³ Excluding ladder
Rolling 12-month order intake

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2011/12</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Q2</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Q3</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Q4</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Q1</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Q2</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Q3</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Q4</td>
<td>£m</td>
<td>£m</td>
</tr>
</tbody>
</table>
Customer service delivery

**Past four years**

- **Broadband provision**
  Automation up from 12% to 95%

- **Broadband repair**
  Zero-touch diagnostics up from 52% to 79%

- **Ethernet provision**
  Doubled order handling efficiency

- **Ethernet repair**
  On-time repair up from 64% to 93%

- **MEAS performance**
  On-time repair up from 78% to 92%

**Next year**

- **People**
  - Move people closer to the customer
  - Upskill, e.g. in Business Improvement

- **Process**
  - Standardise workflow
  - Knowledge mgt. system
  - Direct systems access

- **Technology**
  - Roll out single IVR
  - Increase automation
  - Customer diagnostics

---

Service improvement
Cost reduction

Cost transformation

Net operating costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Product mix</th>
<th>Network</th>
<th>3rd party</th>
<th>SG&amp;A</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>£2,100</td>
<td>£2,150</td>
<td>£2,050</td>
<td></td>
<td>£2,050</td>
</tr>
</tbody>
</table>

1 Excluding transit

In progress

- Improved 21CN infrastructure utilisation (70% reduction in bandwidth opex cost in past year)
- Restructuring of legacy broadband and mobile backhaul networks

Short-term

- Investment programme to improve access network costs, including additional PoP deployment
- Data and voice legacy network restructuring projects

Medium-term

- Deployment of more efficient multi-service network infrastructure
- Growth of virtualised network infrastructure

3rd party & SG&A

- Organisation downsizing
- 26% reduction in tail supplier spend and renegotiation of supplier contract terms

- Organisation restructuring and service efficiency improvement
- Continued supplier consolidation and selective insourcing

- ‘Cost to serve’ efficiencies through Target Operating Model delivery
- Expanded 3rd party contract and circuit inventory insourcing
Investing for the future

**IP Exchange**

Build scale and add layers of value
- >£100m revenue
- Roll out global PoPs
- Add new features

**Hosted Comms**

Launch comprehensive IP comms portfolio
- £3.5bn market
- New IP services
- New portal

**Ethernet**

Extend footprint and bandwidth options
- 63% more connections in 12/13
- Fibre Ethernet
- Managed install

**Mobile**

Support 4G networks and portfolio diversification
- c.15,000 sites connected
- Small cell technology
- Sell-through portfolio

**Managed Services**

Extend proposition and capability set
- 10-year contract win with O2
- Virtual data centre
- Shared networks

**Resell**

Boost resellers with targeted solutions
- 10% revenue growth in 12/13
- IP services
- Service differentiation
Key messages

- Challenging market
  - competitor action and customer self-build / consolidation
  - product margin compression

- Revenue and EBITDA trends improved
  - order intake up
  - costs down

- Customer service
  - self-service and automation benefits
  - more to do for service improvement and cost reduction

- Continuing cost transformation
  - input costs
  - own SG&A costs

- Growth opportunities
  - IP services
  - Mobile / managed services
A better business
A better future

BT Group plc

Openreach
Liv Garfield, CEO
Agenda

- Who we are
- Progress over last 4 years
- Market trends
- Regulatory backdrop
- Customer service delivery
- Cost transformation
- Investing for the future
- Key messages
Who we are

The best network provider

Key facts
- £5bn revenue
- >30,000 employees, including 22,000 field engineers
- >6m engineer visits p.a.
- c.25m end user connections

Assets
- £11bn regulated assets
- 4m poles
- 90,000 cabinets and connections to 5,500 exchanges
Progress over last 4 years financials

**Revenue**
- 2008/09: £5,231m
- 2012/13: £5,067m

**Key messages**
- Strong EBITDA track record despite regulatory price pressure
- Costs of rapid fibre rollout offset by savings elsewhere
## Progress over last 4 years fibre

### Roll-out
- Pace – >10m premises passed in last 2 years
- Priced to drive take up – >1.5m end-users
- GEA revenue per line additional to MPF/WLR

### Penetration
- Phases launched in last 2 years showing at least 1 ppt increase every 2 months
- Constant penetration growth rate for every rollout phase - no sign of saturation

### Fibre broadband rollout and take-up

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Premises Passed (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2009/10</td>
<td>0.5</td>
</tr>
<tr>
<td>Q2 2009/10</td>
<td>1.0</td>
</tr>
<tr>
<td>Q3 2009/10</td>
<td>1.5</td>
</tr>
<tr>
<td>Q4 2009/10</td>
<td>2.0</td>
</tr>
<tr>
<td>Q1 2010/11</td>
<td>2.5</td>
</tr>
<tr>
<td>Q2 2010/11</td>
<td>3.0</td>
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<tr>
<td>Q3 2010/11</td>
<td>3.5</td>
</tr>
<tr>
<td>Q4 2010/11</td>
<td>4.0</td>
</tr>
<tr>
<td>Q1 2011/12</td>
<td>4.5</td>
</tr>
<tr>
<td>Q2 2011/12</td>
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<tr>
<td>Q3 2011/12</td>
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<td>Q4 2011/12</td>
<td>6.0</td>
</tr>
<tr>
<td>Q1 2012/13</td>
<td>6.5</td>
</tr>
<tr>
<td>Q2 2012/13</td>
<td>7.0</td>
</tr>
<tr>
<td>Q3 2012/13</td>
<td>7.5</td>
</tr>
<tr>
<td>Q4 2012/13</td>
<td>8.0</td>
</tr>
</tbody>
</table>

- Coverage (LHS)
- Penetration (RHS)

>10m increase in 2 years
Market trends

- Users require fixed lines for reliability, affordability and speed
- TV and broadband converging
- Smartphones and tablets drive bandwidth needs
- Continued strong growth of business bandwidth consumption
- Complexity in home/office requires greater support

Source: IDC European Telecom Services Database 13 Q1, April 2013, adjusted to align with BT FY
Regulatory backdrop

- Copper price in line with that of peer group
- EC Draft Recommendation for LLU prices: €8–10 per month
- Fibre prices low versus peer group
- “Our announcement provides the certainty needed for long-term investment, with durable rules until at least 2020” – Neelie Kroes, Oct 2012

Source: Data from Analysys Mason Wholesale FTTx tariff tracker, December 2012. Prices shown are for Openreach’s 80/20 Mbps service and the closest comparable speed of other operators.
Customer service delivery

Weekly engineering completions

- 2009/10: 100,000 Jobs
- 2012/13: 150,000 Jobs

45% increase

Days until next available provision appointment

- 2011/12: 20 Days
- 2012/13: 15 Days
- 2013/14 to date: 10 Days

Faults cleared within SLA

- 2011/12: 80% cleared
- 2012/13: 70% cleared
- 2013/14 to date: 60% cleared
Customer service delivery

2012/13

- Strong performance in Q1
- Challenging year thereafter due to adverse weather conditions

Outlook

- Provide consistent delivery through
  - closer alignment with CP customers
  - multi-skilled workforce
  - flexible new employee T&Cs
  - next-generation tools and apps

- Monetise premium service
  - enhanced support in customer premises (business and residential)
  - narrow appointment windows
  - project management and consulting
Cost transformation

**In progress**
- More efficient planning organisation
- Fewer unnecessary jobs. 15,000 repair jobs a week removed in year
- Always-connected tools for engineers c.18,000 new devices in the field
- Reduced overheads
- New T & Cs for c.2,000 new FTE

**Short-term**
- Contact reduction with industry
- Enhanced workflow management
- Dynamic forecasting
- Fleet efficiency
- Systems optimisation
- Stock management

**Medium-term**
- Increased network reliability and resilience
- Continued focus on procurement and third party contracts
- 2-year programme on continuous improvement
- Review of exchange-based workers model
Fibre future

- Self-install fibre
- Increasing speeds in coming years
  - FTTP on Demand offers 330Mbps, to be available across FTTC footprint
  - Vectoring: >100Mbps over FTTC
  - G.fast: ~200-300Mbps, launch tbd
- Drive fibre rollout above 90% of premises in next 3-4 years\(^1\)
  - 19m premises during spring 2014
  - rollout underway in final third

\(^1\) Subject to an acceptable investment and regulatory environment
Fibre – an Openreach scenario

Run rate May 2013

- c.1.5m Openreach users
- 4 – 5m Openreach users\(^1\)
- 3 – 4 years

**Unit price p.a.**
- c.£85 – £90
- c.£85 – £90

**GEA Revenue\(^2\) p.a.**
- £100 – £150m
- £350 – £450m

**Capex p.a.**
- £300 – £400m
- tens £m

\(^1\) Assumes fibre passes >90% premises; an acceptable investment and regulatory environment

\(^2\) Openreach GEA rental revenue only, some of which will be internal to BT Group. Does not include copper rental or connection
Other opportunities

- Increased commercial freedom supporting growth agenda
- Provision of increasingly high speed Ethernet and optical services
- New propositions e.g.
  - TV-based propositions for triple-play CPs
  - small cells for mobile operators

UK market retail Ethernet forecast

Source: IDC European Telecom Services Database 13 Q1, April 2013, adjusted to align with BT FY
Key messages

- Track record of consistent EBITDA delivery
  - despite regulatory challenges
  - new products provide opportunities in future
  - continued efficiency drive

- Fixed line renaissance - driven by broadband

- Fibre
  - ahead of plan for commercial rollout
  - on track to deliver in final third

Further opportunities to target profitable revenue growth
A better business

A better future

BT Group plc

Q&A
A better business
A better future

BT Group plc

BT Global Services
Luis Alvarez, CEO
Agenda

- Progress over last 4 years
- Who we are and what we do
- Our strategy
- Customer service
- Cost transformation
- Investing for the future
BT Global Services – consolidated as global leader…

- A global leader
  - recognised by the industry
  - with the confidence of our customers

- Building on a strong customer base
  - 94% of the FTSE 100 companies
  - 74% of the Fortune 500 companies
  - 100% of Interbrand’s top 50 valuable brands
  - c.90% of revenue from 1,000 customers

- Making operational improvements
  - better contract management
  - stronger customer service
  - enhanced product portfolio

- Opening up opportunities
  - share of wallet in existing customers
  - market share in key products and services
  - high-growth regions

Gartner’s Global Network Service Provider Magic Quadrant*


This Magic Quadrant graphic was published by Gartner, Inc. as part of a larger research note and should be evaluated in the context of the entire report. The Gartner report is available upon request from BT. Gartner does not endorse any vendor, product or service depicted in our research publications, and does not advise technology users to select only those vendors with the highest ratings. Gartner research publications consist of the opinions of Gartner’s research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.
…recognised by the industry…

- Only ‘outstanding’ rating for product viability
- 5/5 on MPLS reflecting network optimisation
- 4.7/5 on customer use cases reflecting improvements in solution design

According to ISG Research, BT has the highest standalone managed network services (MNS) market share globally and is the only provider with double-digit share for standalone MNS services in each of the three regions (Americas, EMEA & Asia Pacific)

Source: ISG Research

… with more to do on financial performance

- £6.3bn order intake in 2012/13
- 2012/13 underlying revenue ex transit down 6%
  - tough economic conditions
  - pricing pressure
  - declining calls and lines
  - not yet offset by high-growth regions
- Accelerating cost transformation
- Improving cash flow
  - growth in EBITDA less capex
  - can be impacted by working capital phasing

<table>
<thead>
<tr>
<th>Year</th>
<th>Working capital (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>(222)</td>
</tr>
<tr>
<td>2009/10</td>
<td>(301)</td>
</tr>
<tr>
<td>2010/11</td>
<td>24</td>
</tr>
<tr>
<td>2011/12</td>
<td>116</td>
</tr>
<tr>
<td>2012/13</td>
<td>(96)</td>
</tr>
</tbody>
</table>

1 underlying net operating costs excluding transit
Addressing our customers’ needs…

The global business ICT market¹ - 3.1% market growth forecast¹ 2013-2016 CAGR

- Supporting the CEO/CIO agenda
  - dealing with economic uncertainty
  - adapting to changing customer needs
  - exploiting growth and globalisation

- Exploiting top technology trends
  - networking and collaboration
  - big data and cloud computing
  - security and risk management

¹ Gartner, Forecast: Enterprise IT spending by vertical industry market, Worldwide, 2010-2016, 4Q12 Update
(Global ICT market includes Fixed Network Services and IT Services, excluding BPO)
Our strategy is based on the industry model…

- Network based services
- Managed services
- Consulting
- Industry wrap

Our networked IT services strategy

What sets us apart …

- Global assets, people and technology
- Industry experience and solutions
- Professional Services people and capability
- Innovation… based on strength in the UK
… with capabilities around our network… BT Connect

Customers want to connect employees, operations, customers

- Global network strategy
  - IP Connect in >170 countries
  - Ethernet Connect in 43 countries
  - European fibre backbone in 56 cities
  - Internet platform availability in 38 countries
  - Satellite in 20 countries in LatAm
  - >200 local access suppliers
... translating into value-add services... BT One

Customers want to extend collaboration with employees, suppliers, customers

- >1 billion minutes over BT One Voice
- Launch of BT One Cloud for Microsoft Lync in October
… translating into value-add services… BT Compute

Customers want to have more flexible operations and a lower cost base

- Expanded into four new countries in 2012/13
- Launched BT For Life Sciences cloud proposition

BT Compute Services hosted in global data centres, delivered over the global network
... translating into value-add services... BT Contact

Customers want to serve their end-customers better

- >3 billion inbound minutes in BT Contact Global
- Inbound Contact Global nodes in 37 countries

BT Contact
Contact centre solutions including email, web chats, social media and voice calls
… translating into value-add services… BT Assure

BT Assure
Firewalls, web security, intrusion prevention and threat monitoring

- Around 1,800 consultants, architects, and designers globally
- Active alliances with leading security partners

Customers want to protect data and secure access
… translating into value-add services... BT Advise

Customers want to concentrate on their core business

- Around 4,000 professionals globally
- Increasing revenue per billable head by 10%

BT Advise
Consulting, integration and managed services
We are focused on key customer segments…

- Corporate customers
  - MNCs with global contracts
  - international companies
  - domestic and SME customers

- Public sector customers
  - UK and international government
  - UK local councils
  - health services providers

- Global telecoms sector
  - managed IP services, consulting and transit to other telecoms companies
… offering global industry solutions…

**Industry focus**
- managing our largest customers globally
- developing relationships with new customers
- incubating new solutions

**Solutions delivered**
- BT for Health
  - 90m patient records
  - 899,000 healthcare staff use our systems
  - 1.5m electronic prescriptions per day
  - 1.7 petabytes of data, 4,151 servers, 675 network switches and 242 firewalls
- BT for Banking & Financial Markets
  - 68,000+ trading turrets worldwide
  - 29m card payment authorisations daily
  - 60,000 contact-centre agents
… and delivering through regional operations

- **United Kingdom**
  - deep and broad service offering
  - managing migration from traditional calls and lines
  - strength in retail, banking, professional services
- **Continental Europe**
  - large businesses in Benelux, Germany, Italy & Iberia
  - developing businesses in CEE and Nordics
  - strength in manufacturing
- **United States & Canada**
  - challenging regulatory environment
  - professional services advantage through acquisitions
  - strength in consumer packaged goods, finance
- **High-growth regions**
  - investing in Asia Pac, LatAm, Turkey, Middle East & Africa
  - supporting emerging multinationals
  - strength in logistics and mining, oil & gas

![2012/13 revenue by region chart](chart)

![2012/13 revenue growth chart](chart)

1 Underlying revenue excluding transit

Accelerated milestones in 2011/12
Executing the strategy… looking forward

- We are building a better business
  - customer service delivery
  - cost transformation
  - investing for the future in the areas that set us apart:

- We are recognised as a global leader in managed networked IT services

Our aim is to have the financial performance to match
Customer service

Progress made in 2012/13
- on time delivery of major contract milestones 14%
- global delivery cycle time of IP Connect 12%
- RFT delivery of Ethernet in the UK 10%
- customer loyalty 6%
- customer reported incidents 13%

Future plans – service as a differentiator
- globalising our service strategy
- simplifying systems and rolling out industry standard processes to remove cost of failure
- regionalising service centres to better serve global customers
- launching customer portals to speed up and simplify online ordering
- extending customer experience dashboards to improve account management
- proactively diagnosing service to anticipate and prevent issues

“Current Analysis position BT Global Services as very strong in customer service and support due to their global service capability combined with support for local languages and regional requirements” (March 2013)
Cost transformation

In progress

Network
- Optimising networks
  - 8 new IP Connect PoPs in Asia, LatAm and Europe
  - 6 new Ethernet PoPs in LatAm, US and Europe

Procurement
- Improving access
  - c.£30m annualised savings
- Transforming CPE
  - c.£25m annualised savings
- Rationalising supplier tails
  - c.£9m annualised savings

Process
- Improving end-to-end 'lead to cash' process efficiency
  - c.£40m annualised savings
- Launching new contract management shared service locations
  - opened Kuala Lumpur

Short-term

Network
- Optimising networks
  - new IP Connect Ethernet access in Asia and LatAm
  - new Ethernet PoPs in LatAm

Procurement
- Field Services & 3rd party maintenance
  - 10 largest suppliers
  - top 50 contracts

Process
- Improving end-to-end 'trouble to resolve' process efficiency
- Launching new contract management shared service location in LatAm

Medium-term

Network
- Further legacy platform migrations
- Optimising use of owned network assets

Procurement
- Continuously improving access procurement and processes
- Insourcing

Process
- Improving end-to-end back office efficiency
- Optimising non-UK property

Investing for the future
Building on our strengths

Global assets, people and technology
- Exploiting our position in established markets
- Investing in high-growth regions
- Optimising our global network

Industry experience and solutions
- Building on unique assets: BT Health, BT for Financial Services, and extending industry focus to 3x more customers
- Launching new industry solutions: BT Trace, BT for Life Sciences
- Adding new industry sectors: BT for Mining, Oil & Gas, BT for Systems Integrators

Professional Services people and capability
- Doubling product penetration per major customer
- Growing value added services through BT Advise
- Transforming customer solutions to address CIO agenda

Innovation ... based on strength in the UK
- Leveraging investments in the UK with new propositions: Lighting up the High Street, PSN
- Globalising our portfolio of products and services; BT Cloud Compute

£500m from high-growth regions
New industry sectors and solutions
Grow share of wallet in existing customers
Grow market share in key products and services
Building a better business…

- Getting closer to our customers
  - leveraging market leadership
  - increasing share of wallet
  - developing in high-growth regions

- Focusing on gross margin
  - improving contract performance
  - optimising network and infrastructure
  - driving supplier management

- Speeding up cost transformation
  - simplifying the organisation
  - building more efficient processes
  - delivering better services

Recognised as a global leader

Aim to have the financial performance to match
A better business

A better future

BT Group plc

Q&A
A better business
A better future

BT Group plc

Closing remarks
Ian Livingston, Chief Executive
Key Messages

Investments provide basis for growth

Opportunities across our business

Our strategy is delivering, but more to be delivered
A better business

A better future

Progress made

A lot more to do