

Highlights

Revenue
£ million

£301.9m

-8.9%



EBITDA^{1,2}
£ million

£68.3m

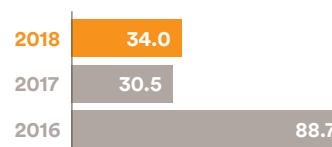
+1.0%



Profit before tax
£ million

£34.0m

+11.5%



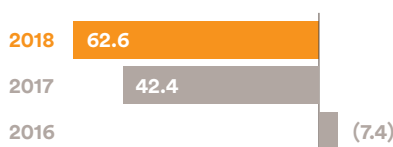
1. EBITDA is stated before exceptional items. All references to 'EBITDA' throughout the remainder of the report and accounts are before exceptional items, except where specifically highlighted in Note 4.

2. Refer to glossary on page 121 for Alternative Performance Measures (APMs).

Net debt/(funds)²
£ million

£62.6m

+47.6%



Proposed full year dividend
Pence per share

6.00p



Operational highlights

- > Profit ahead of expectations despite lower revenue
 - EBITDA up 1% year on year, driven by multi-year network rates rebate, higher margins and strong cost controls
 - Lower revenue reflects anticipated decline in National Network Services
- > Good progress in Hull & East Yorkshire
 - Revenue up 2% overall
 - Strong performance in Consumer channel, revenue up 4%
 - Full-fibre deployment on target to be available to 100% of addressable market by March 2019
 - More customers taking broadband over full-fibre now than over copper
- > Margin and profit improvement in Enterprise, despite 3% revenue decline
 - Revenue affected by lower government spend, and previously identified software contracts
 - Two software contracts now exited; customer relationship maintained with new business in place
 - Strengthened management team driving momentum from cloud-based wins and renewals
- > Statutory profit before tax increased by 11.5% reflecting lower level of exceptional costs partially offset by increased depreciation and amortisation
- > Net debt increase reflects our capital investment, including continued investment in fibre
- > Recommended final dividend of 4.00p, to deliver committed 6.00p per share dividend for the full year
- > Existing dividend commitment extended to 2018/19 financial year