

## A message from our Chairman



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I am pleased to report that we have over the last year overcome numerous challenges to deliver a set of solid financial results. More importantly, we have made good progress on delivering our strategy, focused around differentiated customer experience, our best converged network, and creating a simple, lean and agile business. We have continued to deliver the vital connectivity and services that families and businesses in the UK and beyond need to flourish.

BT has a critical role at the heart of the UK's digital future, and our substantial investments in fixed and mobile networks make an essential contribution. The new converged propositions we launched this year are the start of the services of the future. Within BT we are strengthening our focus on enabling the digital skills of our people, customers and communities, thereby further contributing to the UK's digital economy.

We will be launching 5G in 16 cities this year. We will also increase our investment in fibre-to-the-premises (FTTP), while working with the Government and Ofcom to create the right conditions to go further and faster. We are pleased with our closer relationships with these key stakeholders as we unite around the common goal of building the UK's FTTP network.

In May 2018 we agreed the 2017 triennial funding valuation for the BT Pension Scheme. This allows us to move ahead with greater financial certainty.

Our solid profit and normalised free cash flow not only provide the foundation for investment in our strategic priorities but allow us to reward shareholders. We are paying the same dividend as last year at 15.4p per share. We also expect to hold the dividend unchanged in respect of the 2019/20 financial year given our outlook for earnings and cash flow. The Board remains committed to our dividend policy, which is to maintain or grow the dividend each year whilst taking into consideration a number of factors including underlying medium term earnings expectations and levels of business reinvestment (which would include the consideration of accelerated FTTP investment).

I am satisfied we are making progress at pace. The coming year will see BT continuing its transformation to become a simplified, lean and agile business. Across the business I see a commitment to streamlining processes, governance and organisational structures; simplifying lines of responsibility; and helping people make better decisions.

As a Board, we are leading by example. I recently carried out a review of the structure, composition and operation of our committees to speed up decision making and improve overall governance. As a result, we have reduced the number of board committees and clarified lines of responsibility. Further details are described in the Governance report on page 55.

I would like to welcome non-executive directors Matthew Key and Allison Kirkby to the Board. They both bring valuable experience of the communications and technology sectors.

Gavin Patterson stepped down as chief executive at the end of January and I would like to thank him for his contribution to the business over his 15 years with the company. He led BT with vision and dedication through a challenging time and started the necessary process of transforming our business for the demands of modern society. We wish him well for the future.

I would like to extend a warm welcome to our new chief executive Philip Jansen. Philip is a proven leader with outstanding experience in managing large, complex businesses and has the right combination of skills and experience to take BT into the future. Philip has made an excellent start as chief executive and I am confident that he will have the full support of all our people as we embark on the challenging but exciting next chapter of this great company.

This is a very important time for BT and the UK's digital economy. I look forward to working with Philip and his team as they develop our strategy and accelerate the reshaping of BT to deliver future success.

**Jan du Plessis**  
Chairman  
8 May 2019

**Full year dividend per share**

15.4p

**Revenue**

£23.4bn (1)%

**Profit after tax**

£2.2bn +6%