



London. 12 February 2016.
EE results for the year ended 31 December 2015:

EE hits 2015 targets; delivers 14m 4G customer base, 28.2%+ adj. EBITDA¹ margin; market leading revenue; remains Europe's largest 4G operator.

Full Year highlights:

- Total network connections grew 1.8% to 31.5m (Q4 2014: 30.9m), with Q4 postpaid customer net additions of 141k.
- Adj. EBITDA grows 12.1% year-on-year (yoy) to £1,781m, a margin of 28.2% (FY 2014: 25.1%), due to favourable trading mix.
- Retained mobile service revenue market leadership. Operating revenue steady at 1.1% yoy excluding regulation, while 0.6% down including the impact of regulation.
- Maintained network leadership through sustained investment and innovation.

Review of the year:

EE reached its 2015 targets with more than 14m 4G customers at the year's end, achieving strong postpaid net additions, with Q4 customer growth of over 140k. A robust Sim-only performance in the face of a subdued smartphone market contributed to reduced costs, driving improved margins.

Continued investment in network and 4G leadership extended 4G coverage² to 95%, supporting growth in the total number of 4G corporate accounts to over 9,100 (+30% yoy). The Government award of the Emergency Services Network (ESN) contract will see EE expand its network capability, and through 4G LTE provision, improve the communications capability of the UK's emergency services. The ESN will require new investment and increased operating costs from 2016, with revenues not anticipated to start until H2 2017.

2015 operating revenue remained steady at just over £6bn with underlying revenues up 1.1% yoy, but down 0.6% when including regulatory impact. Regulatory pressures are expected to increase through 2016, with higher spectrum licence fees as well as reduced roaming rates and mobile termination rates all expected to impact financials from 2016 and beyond.

4G subscribers almost doubled in 2015, with a strong uptake of mobile broadband. Postpay churn remained low at 1.1%, as customer satisfaction metrics continued to improve.

Marc Allera, CEO EE, commented, "2015 was an exceptional year for EE, as we met and exceeded 4G targets, won multiple awards for our network performance, and improved our customer satisfaction scores. As part of BT, we're entering the next chapter of EE's journey, and look forward to a phenomenal opportunity to innovate for the benefit of our customers, while continuing to build and enhance the UK's digital infrastructure."

Full year unless otherwise noted	Year ended 31 December 2015	Year-on-year change (%)	Q4 year-on-year change (%)
Turnover	£6,311m	(0.3%)	(0.9%)
Operating revenue	£6,002m	(0.6%)	(1.0%)
Operating rev change (excl. reg.)		1.1%	0.7%
Adj. EBITDA	£1,781m	12.1%	
Adj. EBITDA margin	28.2%	3.1ppts	
Q4 Postpaid Net Adds	141k		
Q4 Postpaid Churn	1.1%		(0.1)ppts

¹ Adjusted EBITDA is EBITDA before Management and Brand Fees and restructuring costs
² 4G population coverage at 95%

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EE Results for the year to 31 December 2015

		Q4/2014	Q4/2015	yoy change
Total network connections (end of period)	('000)	30,936	31,478	1.8%
Postpay mobile	('000)	14,901	15,338	2.9%
Postpay mobile base percentage (ex. M2M/MVNO)	(%)	60.9%	63.4%	2.5ppts
Prepay mobile	('000)	9,575	8,849	(7.6%)
Machine-to-Machine	('000)	1,917	2,173	13.4%
Fixed broadband	('000)	834	933	11.9%
MVNO ¹	('000)	3,709	4,185	12.8%
Net customer additions	('000)	(23)	202	
Postpay inc. M2M	('000)	192	214	
-Postpay mobile	('000)	144	141	
-Machine-to-Machine	('000)	48	73	
Prepay mobile	('000)	(157)	(152)	
Fixed broadband	('000)	41	6	
Fixed narrowband	('000)	(2)	-	
MVNO ¹	('000)	(97)	134	
Average monthly churn mobile	(%)	2.1%	2.0%	(0.1ppts)
Postpay mobile	(%)	1.2%	1.1%	(0.1ppts)
Average Revenue Per User (ARPU) mobile (monthly average)	(£)	19.2	19.0	(1.0%)
ARPU underlying growth yoy	(%)			0.5%
- Postpay mobile	(£)	28.7	27.5	(4.2%)
- Prepay mobile	(£)	4.5	4.3	(4.4%)

¹ MVNO base and net adds reported a quarter in arrears

		Q4/14	Q4/15	H2/14	H2/15	Q4 yoy	H2 yoy	FY/14	FY/15	yoy change
Turnover	(£'m)	1,622	1,608	3,213	3,195	(0.9%)	(0.6%)	6,327	6,311	(0.3%)
Turnover underlying growth yoy	(%)					0.8%	1.1%			1.4%
Operating revenue	(£'m)	1,527	1,512	3,050	3,027	(1.0%)	(0.8%)	6,041	6,002	(0.6%)
Operating revenue underlying growth yoy	(%)					0.7%	1.0%			1.1%
Mobile service revenue	(£'m)	1,415	1,380	2,826	2,771	(2.5%)	(1.9%)	5,619	5,514	(1.9%)
Mobile service revenue underlying growth yoy	(%)					(0.6%)	(0.1%)			0.0%
Adjusted EBITDA	(£'m)			829	951		14.7%	1,589	1,781	12.1%
Restructuring and one-off costs included in EBITDA	(£'m)			386	-		nr	413	4	nr
EBITDA	(£'m)			373	901		141.6%	1,030	1,672	62.3%
Adj EBITDA margin (turnover)	(%)			25.8%	29.8%			25.1%	28.2%	
EBITDA margin (turnover)	(%)			11.6%	28.2%			16.3%	26.5%	
Capital expenditure	(£'m)			328	345		5.2%	596	594	(0.3%)

About EE

EE, part of the BT Group, is the largest and most advanced mobile communications company in Britain, delivering mobile and fixed communications services to consumers and businesses. EE has approximately 14,000 employees and 550 retail stores, and serves more than 31 million connections across its mobile, fixed and wholesale networks.

EE runs the UK's biggest and fastest mobile network, it pioneered the UK's first superfast 4G mobile service in October 2012 and is the first European operator to surpass 14million 4G customers. EE's 4G coverage today reaches more than 95% of the UK population, with double speed 4G reaching 80%. EE's 2G coverage reaches 99% of the population while 3G reaches 98%.

In the last few years, EE has received extensive independent recognition, including being ranked the UK's best overall network by RootMetrics®; Best Network at the 2014 and 2015 Mobile News Awards; Best Network for Business and Best Consumer Network at the 2014 & 2015 Mobile Industry Awards; Best Network at the 2014 & 2015 Mobile Choice Consumer Awards, and Best Network at the What Mobile Awards 2014; Fastest Network at the 2014 and 2016 uSwitch Mobile Awards; Best Mobile Network at the 2014 Recombu Awards, and Winners of Best Connected Gadget at the Mobile Choice Consumer Awards 2015.