

EE

Q3 2015 RESULTS



Strong commercial momentum; underlying revenue growth; 4G base doubles in 12 months

Network leadership continues to drive postpaid growth

- Strong postpaid net adds of 190k including M2M, 147k excluding M2M
- 4G base up 1.7m to reach 12.6m
- 4G rolled out to 93% of the population
- Network leadership extended against other operators across all key metrics according to Rootmetrics H1/15 report

Underlying operating revenue growth and low churn

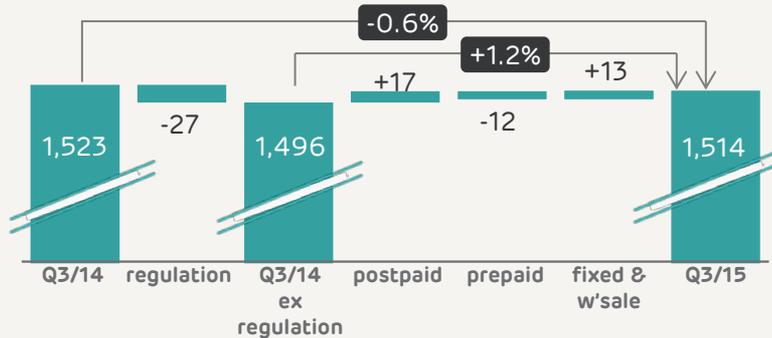
- Q3 operating revenue +1.2% yoy excluding regulatory impact; -0.6% including regulatory impact
- Service improvements continue to drive loyalty and support postpaid churn at 1.1%

Continued investment in growth drives momentum

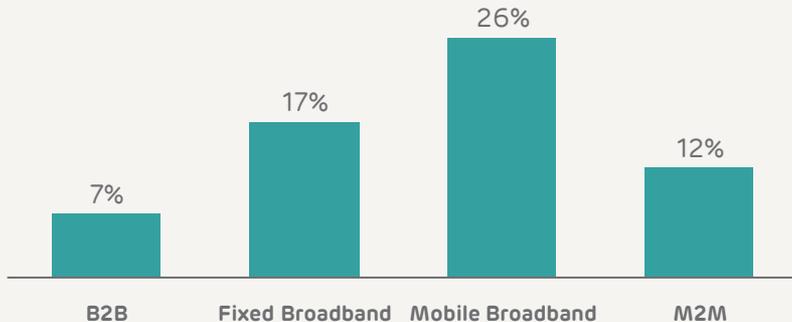
- B2B base up 7% as businesses increasingly value the benefits of 4G
- M2M base up 12% yoy; Royal Mail Group announced as first major customer on 4G M2M platform
- Fixed Broadband base up 17% yoy, helping to drive revenue growth of 12% yoy

Our customers: broad portfolio, more innovation

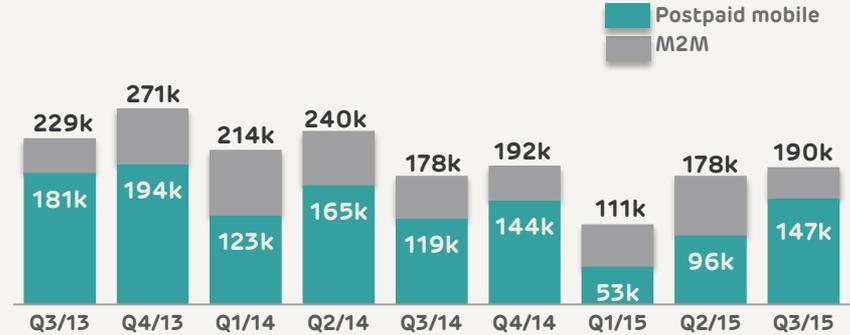
Q3 operating revenue +1.2% ex. regulation, £m



Strong Q3/15 yoy base growth across the wider portfolio



Continued postpaid growth



Insights

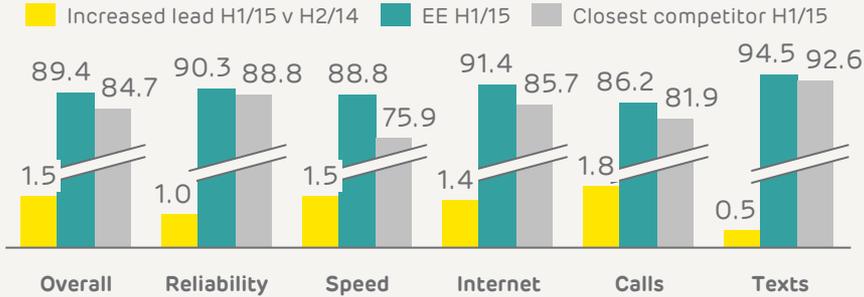
- Underlying revenue growth of 1.2% yoy excluding regulation, with postpaid and fixed & wholesale growth offsetting prepaid decline. Fixed revenues up 12% yoy
- High rates of base growth across broad portfolio of services
- Total postpaid net adds 190k (inc M2M), 147k (exc M2M)
- Resilient customer retention; churn 1.1%

Initiatives

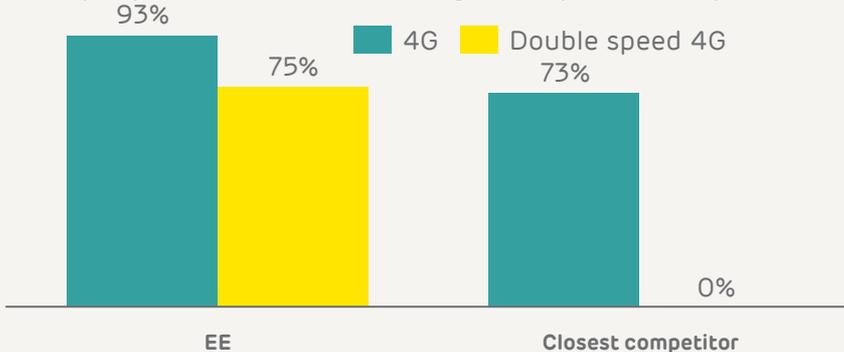
- Strong uptake of voice over WiFi, over 1.7m activated users
- Extensive, ongoing VoLTE trials to ensure high quality service at commercial launch

Our company: Network leadership and service focus

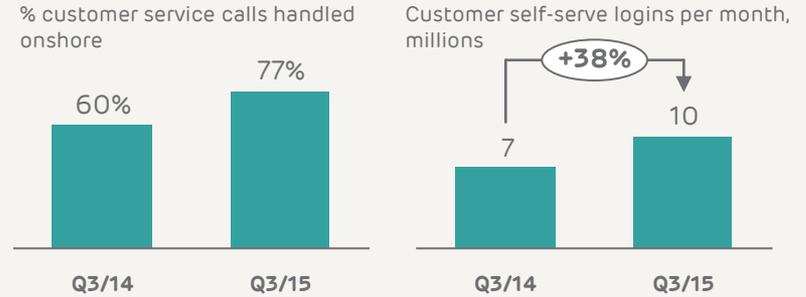
Extended Rootmetrics lead in all categories, H1/15 v H2/14



4G population coverage superiority



Customer service; increased calls handled onshore; greater self-service



Insights

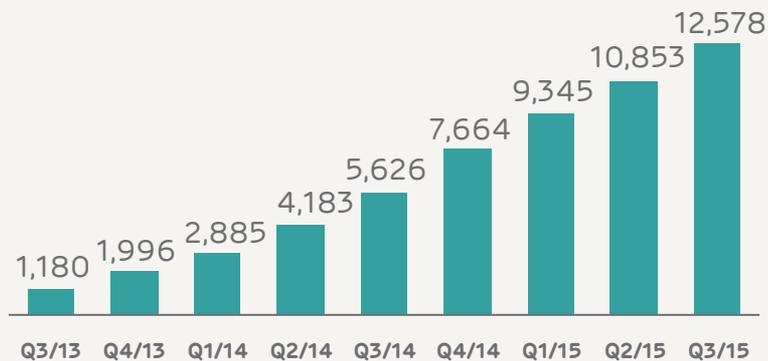
- Latest UK wide RootMetrics report shows EE extending its lead over competitors across all metrics
- Significant 4G coverage advantage; only operator to offer double speed 4G
- Major progress in customer service and issue resolution; eg more calls handled in the UK and increased self-service

Initiatives

- 500 new roles in Fixed Broadband customer service to be created to replicate Mobile service improvements
- Commenced Retail store upgrade to speed service and improve interaction

Our future: building value through network innovation and development of connected strategy

Strong 4G base growth, '000



Continued M2M base growth, '000



Mobile blended monthly ARPU growth



Insights

- 4G base growth drives non-voice revenues, with data/text revenues +4ppts yoy to 63% of ARPU
- Blended ARPU ex regulation +2.1% yoy, as postpaid base mix increases to 62.8% (Q3/14 60.3%), exc M2M/MVNO
- Strong base growth yoy in new categories including 12% M2M

Initiatives

- EETV platform further developed to include new content, personalisation and social sharing
- Launched 4G M2M Connect platform