



BSAC INTERVIEW SERIES

GAVIN PATTERSON
CEO, BT Group

was interviewed by

ADAM SINGER
Chair, BSAC

on 29 September 2015

The BSAC Interview is a private, invitation only event,
held on a Chatham House basis

The event was sponsored by RBS

The following extract is taken from Adam Singer's opening remarks. The Interview itself is unminuted.

Speaker biographies can also be found below.

Good evening and welcome.

BT's network underpins the UK economy, it's that simple. Tonight I hope we will touch on the nature of the network, the threats of network break up, the nature of global competition and BT's dalliance with TV content – especially sports! And also ask, will they still love content in the morning, once enough of us are connected?

BT obscures just how important it is with all the creative language of a 'pocket protector' culture. Which includes phrases like "Investing for the Future", (it's hard to invest in the past) and "Building on a history of innovation".

Which are of course reminiscent of *Veep's* Selina Myer's Presidential campaign strap line, "Continuity with Change."

But enough teasing.

BT is one of the most important companies in the UK, with turnover of £17.8 billion; 7.5 million residential broadband customers; around 900,000 business customers in the UK and Ireland; and a global presence across more than 170 countries.

BT by market cap is the 15th largest company in the UK and, with its acquisition of EE, will soon be in the top 10.

It is currently worth roughly £35 billion pounds, which for the sake of perspective is roughly twice Sky's value, and 3.5 times bigger than ITV, but these are parochial comparators...

BT is a bit bigger than Liberty Global and only a bit smaller than a major competitor like Telefonica.

However, BT is 12 times smaller than Google, which ironically in the UK is mostly carried by BT.

If the No 1 FTSE company Shell vanished it wouldn't be much of a problem, and the UK would still have oil coming in. But if BT and its infrastructure vanished that would be a crisis.

BT in one form or another has been going since 1846, when it was the Electric Telegraph Company; in these days of retro branding that could be a more fashionable name.

BT's antecedents include Tommy Flowers, who invented Colossus, the world's first fully programmable electronic computer, and BT research has produced over 10,000 patents.

The one thing that Josiah Wedgwood proved, when he invested in the Bridgewater canal, is that if you say you want an industrial revolution you need transport, and in the 21st century that means bit carriers. And BT is a big bit carrier.

This is a great story, yet most of us don't see BT as sexy. Is this down to our cultural snobbery about plumbing and engineering? **Gavin what do you think...?**

Speaker Biographies

Gavin Patterson, 47, was appointed Chief Executive Officer, BT Group in September 2013. In this role, Gavin has led the continued rollout of superfast broadband – the fastest rollout in the world – which currently reaches over three-quarters of the UK and aims to reach 95% by the end of 2017. He has also led the proposed acquisition of EE which will create the UK's leading converged communications provider. This will allow BT to combine the best fixed network with the best mobile network and create products and services that run seamlessly across both.

Prior to this Gavin was Chief Executive, BT Retail, and joined the BT Group plc board in June 2008. Under his leadership, BT Retail cemented its market-leading position launching BT Infinity superfast fibre broadband, driving growth in IT services and building the largest wi-fi network in the UK and Ireland. He also led BT's involvement in the evolution of digital TV services. This includes being a founder partner in YouView and the creation of BT Sport, which launched in August 2013.

Gavin joined BT in January 2004 as Group Managing Director Consumer. He previously spent four years at Telewest (now Virgin Media) – latterly as Managing Director Consumer Division, where in March 2000 he launched broadband in the UK. Prior to this, he spent nine years at Procter and Gamble, rising to become European Marketing Director.

From 2010-2013 Gavin sat on the advisory board of the Cambridge Judge Business School and from 2011-2014 he was President of the Advertising Association. In addition, Gavin is a Non-Executive Director of British Airways and a Trustee of The British Museum. He graduated from Cambridge University with a degree in chemical engineering and is married with four children.

Adam Singer is Chair of the British Screen Advisory Council (BSAC). In addition, he Chairs the United Kingdom Hydrographic Office, an Executive Agency of the Ministry of Defence which provides navigational services for the Royal Navy; Digital Radio UK; the Authors' Licensing and Collecting Society; and The Copyright Licensing Agency. He also sits on the Board of Trustees for The Sixteen, one of the UK's leading choral groups.

Adam has worked in broadcasting and telecoms in the UK, US, France and Japan. He launched the Discovery Channel in Europe and was the former Chairman and Chief Executive of Flextech plc (a FTSE 250 company) that supplied TV channels to Sky and with the BBC was a founder investor in UKTV. He was also Group Chief Executive of Telewest plc and Chief Operating Officer of TCI International, a NASDAQ company with worldwide cable and programming investments. He was Group Chief Executive of the Mechanical Copyright Protection Society-Performing Rights Society, and Deputy Chair of the Ofcom Content Board. He Chaired Teachers' TV Board of Governors and was Visiting Professor in Creative Technologies at the University of Ulster.

For more information, see our website, at www.bsac.uk.com