

Performance Indicators: Q4 2008/9

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Note: We intend to update KPIs at Q1 2009/10 to reflect certain changes in the group

Q4 2008/9

BT Group Results - Income Statement	2008/9 Q4 Actual BT Group	2007/8 Q4 Restated BT Group	% Change	2008/9 Q3 Actual BT Group	2007/8 Q3 Restated BT Group	% Change	2008/9 Q2 Actual BT Group	2007/8 Q2 Restated BT Group	% Change	2008/9 Q1 Actual BT Group	2007/8 Q1 Restated BT Group	% Change	2008/9 FY Actual BT Group	2007/8 FY Actual BT Group	% Change
Revenue															
BT Global Services	2,366	2,226	6.3	2,253	1,965	14.7	2,157	1,883	14.6	2,052	1,815	13.1	8,828	7,889	11.9
BT Retail	2,101	2,158	(2.6)	2,134	2,146	(0.6)	2,127	2,126	0.0	2,109	2,047	3.0	8,471	8,477	(0.1)
BT Wholesale	1,151	1,180	(2.5)	1,183	1,205	(1.8)	1,168	1,256	(7.0)	1,156	1,318	(12.3)	4,658	4,959	(6.1)
Openreach	1,293	1,320	(2.0)	1,329	1,318	0.8	1,303	1,307	(0.3)	1,306	1,321	(1.1)	5,231	5,266	(0.7)
Other	13	9	44.4	11	7	57.1	11	5	120.0	7	7	0.0	42	28	50.0
Eliminations	(1,451)	(1,471)	1.4	(1,473)	(1,487)	0.9	(1,463)	(1,482)	1.3	(1,453)	(1,475)	1.5	(5,840)	(5,915)	1.3
Group Revenue	5,473	5,422	0.9	5,437	5,154	5.5	5,303	5,095	4.1	5,177	5,033	2.9	21,390	20,704	3.3
Leaver costs	62	56	-	33	20	-	36	43	-	73	8	-	204	127	-
EBITDA before leavers															
BT Global Services	(1,260)	304	(514.5)	(319)	215	(248.4)	119	186	(36.0)	195	178	9.6	(1,265)	883	(243.3)
BT Retail	435	391	11.3	428	402	6.5	421	387	8.8	368	331	11.2	1,652	1,511	9.3
BT Wholesale	311	320	(2.8)	319	344	(7.3)	320	362	(11.6)	322	375	(14.1)	1,272	1,401	(9.2)
Openreach	512	496	3.2	533	489	9.0	489	471	3.8	491	482	1.9	2,025	1,938	4.5
Other	53	58	(8.6)	39	19	105.3	80	42	90.5	57	59	(3.4)	229	178	28.7
Group EBITDA before leavers	51	1,569	(96.7)	1,000	1,469	(31.9)	1,429	1,448	(1.3)	1,433	1,425	0.6	3,913	5,911	(33.8)
Group EBITDA post leavers	(11)	1,513	(100.7)	967	1,449	(33.3)	1,393	1,405	(0.9)	1,360	1,417	(4.0)	3,709	5,784	(35.9)
Depreciation & amortisation of intangibles															
BT Global Services	241	201	19.9	182	193	(5.7)	172	179	(3.9)	181	171	5.8	776	744	4.3
BT Retail	111	119	(6.7)	112	111	0.9	103	106	(2.8)	99	109	(9.2)	425	445	(4.5)
BT Wholesale	166	250	(33.6)	178	224	(20.5)	172	210	(18.1)	170	209	(18.7)	686	893	(23.2)
Openreach	216	172	25.6	189	166	13.9	189	170	11.2	184	181	1.7	778	689	12.9
Other	57	13	338.5	62	38	63.2	49	28	75.0	57	39	46.2	225	118	90.7
Group Depreciation	791	755	4.8	723	732	(1.2)	685	693	(1.2)	691	709	(2.5)	2,890	2,889	0.0
Operating Profit before leavers															
BT Global Services	(1,501)	103	(1,557.3)	(501)	22	(2,377.3)	(53)	7	(857.1)	14	7	100.0	(2,041)	139	(1,568.3)
BT Retail	324	272	19.1	316	291	8.6	318	281	13.2	269	222	21.2	1,227	1,066	15.1
BT Wholesale	145	70	107.1	141	120	17.5	148	152	(2.6)	152	166	(8.4)	586	508	15.4
Openreach	296	324	(8.6)	344	323	6.5	300	301	(0.3)	307	301	2.0	1,247	1,249	(0.2)
Other	(4)	45	(108.9)	(23)	(19)	21.1	31	14	121.4	0	20	(100.0)	4	60	(93.3)
Group Operating Profit before leavers	(740)	814	(190.9)	277	737	(62.4)	744	755	(1.5)	742	716	3.6	1,023	3,022	(66.1)
Group Operating Profit post leavers	(802)	758	(205.8)	244	717	(66.0)	708	712	(0.6)	669	708	(5.5)	819	2,895	(71.7)
Net Finance Costs	(151)	(97)	(55.7)	(180)	(134)	(34.3)	(159)	(92)	(72.8)	(130)	(55)	(136.4)	(620)	(378)	(64.0)
Share of post tax profits/losses of associates and joint ventures	17	(3)		16	(2)		5	(3)		1	(3)		39	(11)	
Underlying PBT	(936)	658	(242.2)	80	581	(86.2)	554	617	(10.2)	540	650	(16.9)	238	2,506	(90.5)
Specific Items : Net gains (losses)	(343)	(164)	-	36	(134)	-	(38)	(182)	-	(27)	(50)	-	(372)	(530)	-
Reported PBT	(1,279)	494	(358.9)	116	447	(74.0)	516	435	18.6	513	600	(14.5)	(134)	1,976	(106.8)
Tax - Underlying	278	(147)	289.1	(19)	(120)	84.2	(126)	(153)	17.6	(123)	(161)	23.6	10	(581)	101.7
Tax on specific items	25	79		0	38		10	57		8	169		43	343	
Tax rate	29.7%	22.3%		23.8%	20.7%		22.7%	24.8%		22.8%	24.8%		-4.2%	23.2%	
Net Income	(976)	426	(329.1)	97	365	(73.4)	400	339	18.0	398	608	(34.5)	(81)	1,738	(104.7)
<i>Memo: Minority Interest</i>	1									1	1		2	1	
EPS before specific items and leavers costs (p)	(7.9)	7.0	(213.3)	1.1	5.9	(81.5)	5.9	6.1	(3.2)	6.1	6.0	1.7	5.1	25.0	(79.6)
EPS before specific items (p)	(8.5)	6.5	(231.6)	0.8	5.7	(86.2)	5.6	5.7	(2.8)	5.4	5.9	(8.6)	3.2	23.9	(86.6)
EPS after specific items (p)	(12.6)	5.4	(334.4)	1.3	4.5	(72.4)	5.2	4.2	24.3	5.1	7.4	(30.6)	(1.1)	21.5	(105.0)
Proposed Dividend (p)	1.1	10.4					5.4	5.4					6.5	15.8	
Average Number of Shares in Issue	7,734	7,904		7,733	8,037		7,697	8,108		7,731	8,216		7,724	8,066	
Capital Expenditure	758	774	(2.1)	762	863	(11.7)	766	799	(4.1)	802	903	(11.2)	3,088	3,339	(7.5)
Free Cash Flow	1,134	1,705		(32)	(221)		369	171		(734)	(152)		737	1,503	
Net Debt	10,361	9,460	9.5	11,060	10,175	8.7	11,028	9,618	14.7	10,581	8,631	22.6	10,361	9,460	9.5

EXTERNAL REVENUE BY SEGMENT	2006/7					2007/8					2008/9				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Major Corporate	1,659	1,665	1,796	1,969	7,089	1,747	1,793	1,882	2,151	7,573	1,961	2,055	2,166	2,281	8,463
Business	616	618	607	615	2,456	628	639	647	676	2,590	661	660	659	651	2,631
Consumer	1,252	1,257	1,310	1,305	5,124	1,231	1,289	1,292	1,259	5,071	1,228	1,236	1,218	1,168	4,850
Wholesale / Global Carrier	1,331	1,397	1,411	1,398	5,537	1,420	1,369	1,326	1,327	5,442	1,320	1,341	1,383	1,360	5,404
Other	6	4	2	5	17	7	5	7	9	28	7	11	11	13	42
Total External Revenue	4,864	4,941	5,126	5,292	20,223	5,033	5,095	5,154	5,422	20,704	5,177	5,303	5,437	5,473	21,390

EXTERNAL REVENUE BY SEGMENT YEAR-ON-YEAR GROWTH	2006/7					2007/8					2008/9				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Major Corporate	6.4%	4.5%	5.8%	4.5%	5.3%	5.3%	7.7%	4.8%	9.2%	6.8%	12.2%	14.6%	15.1%	6.0%	11.8%
Business	0.3%	1.7%	2.8%	0.2%	1.2%	1.9%	3.4%	6.6%	9.9%	5.5%	5.3%	3.3%	1.9%	(3.7%)	1.6%
Consumer	(5.4%)	(5.9%)	(1.1%)	(0.5%)	(3.2%)	(1.7%)	2.5%	(1.4%)	(3.5%)	(1.0%)	(0.2%)	(4.1%)	(5.7%)	(7.2%)	(4.4%)
Wholesale / Global Carrier	8.3%	13.9%	11.3%	5.9%	9.8%	6.7%	(2.0%)	(6.0%)	(5.1%)	(1.7%)	(7.0%)	(2.0%)	4.3%	2.5%	(0.7%)
Other	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Total Headline growth	2.8%	3.7%	5.0%	3.1%	3.6%	3.5%	3.1%	0.5%	2.5%	2.4%	2.9%	4.1%	5.5%	0.9%	3.3%
Total excluding the impact of mobile termination and revenues from Infonet and Albacom	2.8%	3.7%	5.0%	3.1%	3.6%	3.5%	3.1%	0.5%	2.5%	2.4%	2.9%	4.1%	5.5%	0.9%	3.3%

EXTERNAL REVENUE ANALYSIS - BT Group	2006/7					2007/8					2008/9				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Networked IT Services (a)	869	870	986	1,143	3,868	920	968	1,057	1,265	4,210	1,080	1,129	1,220	1,272	4,701
Managed Network Solutions (b)	73	76	70	87	306	64	72	76	83	295	81	108	166	163	518
MPLS (c)	139	162	164	186	651	181	199	213	222	815	247	286	276	337	1,146
Total Managed Solutions	1,081	1,108	1,220	1,416	4,825	1,165	1,239	1,346	1,570	5,320	1,408	1,523	1,662	1,772	6,365
Broadband & LLU	454	486	520	556	2,016	540	543	550	586	2,219	555	553	566	554	2,228
Mobility & Convergence	71	72	73	78	294	75	93	89	91	348	85	96	113	115	409
Total Broadband and Convergence	525	558	593	634	2,310	615	636	639	677	2,567	640	649	679	669	2,637
Exchange lines/ISDN - connection and rental	876	851	844	819	3,390	841	830	837	813	3,321	814	806	795	777	3,192
Calls	685	655	692	676	2,708	641	641	629	595	2,506	596	554	554	523	2,227
Private Circuits (d)	263	268	241	228	1,000	274	262	229	226	991	237	241	209	199	886
Total Calls and Lines	1,824	1,774	1,777	1,723	7,098	1,756	1,733	1,695	1,634	6,818	1,647	1,601	1,558	1,499	6,305
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO) (e)	843	873	879	857	3,452	893	859	835	811	3,398	827	822	840	812	3,301
Other (f)	591	628	657	662	2,538	604	628	639	730	2,601	655	708	698	721	2,782
Total Other	1,434	1,501	1,536	1,519	5,990	1,497	1,487	1,474	1,541	5,999	1,482	1,530	1,538	1,533	6,083
Total External Revenue	4,864	4,941	5,126	5,292	20,223	5,033	5,095	5,154	5,422	20,704	5,177	5,303	5,437	5,473	21,390

(a) GS MPLS revenue removed from Networked IT Services revenue.

(b) Managed Network Solutions is a new revenue line consisting of Wholesale revenue only resulting from their managed network access service arrangements. This is built up from revenue previously reported in Private Circuits, Transit/conveyance/Other Wholesale and the Other revenue line.

(c) New line consisting of MPLS revenue from Global Services. This revenue was reported in Networked IT services (£631m in 07/08 and £518m in 06/07) and traditional other non-UK revenue (£184m in 07/08 and £133m in 06/07).

(d) A proportion of Managed Network Solutions revenue was reported in Private Circuits (£171m in 07/08 and £192m in 06/07).

(e) A proportion of Managed Network Solutions revenue was reported in Transit, conveyance etc. (£40m in 07/08 and £24m in 06/07). Global Carrier revenue now reported in this line, with revenue from Global Services (£777m in 07/08 and £669m in 06/07) and Retail Ireland (£71m in 07/08 and £74m in 06/07) which was previously reported in 'Other' traditional revenue.

(f) Combination of new wave and traditional Other revenue. Partly Retail revenue (£1.3bn in 06/07 and 07/08) from directories, dabs, payphones, internet access products, sale and rental of telephones, and Featurenet sales. Additionally Global Services revenue (£1bn in 06/07 and 07/08) from global products overseas. Remainder from Wholesale less some Managed Network Solutions revenue (£84m 07/08 and £90m in 06/07)

EXTERNAL REVENUE ANALYSIS - BT Group	YoY Movement 2007/8					YoY Movement 2008/9				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Networked IT Services (a)	5.9%	11.3%	7.2%	10.7%	8.8%	17.4%	16.6%	15.4%	0.6%	11.7%
Managed Network Solutions(c)	(12.3%)	(5.3%)	8.6%	(4.6%)	(3.6%)	26.6%	50.0%	118.4%	96.4%	75.6%
MPLS (b)	30.2%	22.8%	29.9%	19.4%	25.2%	36.5%	43.7%	29.6%	51.8%	40.6%
Total Managed Solutions	7.8%	11.8%	10.3%	10.9%	10.3%	20.9%	22.9%	23.5%	12.9%	19.6%
Broadband & LLU	18.9%	11.7%	5.8%	5.4%	10.1%	2.8%	1.8%	2.9%	(5.5%)	0.4%
Mobility & Convergence	5.6%	29.2%	21.9%	16.7%	18.4%	13.3%	3.2%	27.0%	26.4%	17.5%
Total Broadband and Convergence	17.1%	14.0%	7.8%	6.8%	11.1%	4.1%	2.0%	6.3%	(1.2%)	2.7%
Exchange lines/ISDN - connection and rental	(4.0%)	(2.5%)	(0.8%)	(0.7%)	(2.0%)	(3.2%)	(2.9%)	(5.0%)	(4.4%)	(3.9%)
Calls	(6.4%)	(2.1%)	(9.1%)	(12.0%)	(7.5%)	(7.0%)	(13.6%)	(11.9%)	(12.1%)	(11.1%)
Private Circuits (d)	4.2%	(2.2%)	(5.0%)	(0.9%)	(0.9%)	(13.5%)	(8.0%)	(8.7%)	(11.9%)	(10.6%)
Total Calls and Lines	(3.7%)	(2.3%)	(4.6%)	(5.2%)	(3.9%)	(6.2%)	(7.6%)	(8.1%)	(8.3%)	(7.5%)
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO) (e)	5.9%	(1.6%)	(5.0%)	(5.4%)	(1.6%)	(7.4%)	(4.3%)	0.6%	0.1%	(2.9%)
Other (f)	2.2%	0.0%	(2.7%)	10.3%	2.5%	8.4%	12.7%	9.2%	(1.2%)	7.0%
Total Other	4.4%	(0.9%)	(4.0%)	1.4%	0.2%	(1.0%)	2.9%	4.3%	(0.5%)	1.4%
Total Revenue	3.5%	3.1%	0.5%	2.5%	2.4%	2.9%	4.1%	5.5%	0.9%	3.3%

EXTERNAL REVENUE ANALYSIS - Global Services	2006/7					2007/8					2008/9				
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m
Networked IT Services	780	786	889	1,052	3,507	827	866	936	1,125	3,754	952	1,002	1,089	1,139	4,182
Managed Network Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MPLS	139	162	164	186	651	181	199	213	222	815	247	286	276	337	1,146
Total Managed Solutions	919	948	1,053	1,238	4,158	1,008	1,065	1,149	1,347	4,569	1,199	1,288	1,365	1,476	5,328
Broadband	12	13	15	18	58	15	16	15	17	63	16	16	16	17	65
Mobility & Convergence	44	45	48	50	187	46	64	64	68	242	59	66	82	84	291
Total Broadband and Convergence	56	58	63	68	245	61	80	79	85	305	75	82	98	101	356
Exchange lines/ISDN - connection and rental	144	140	140	132	556	141	134	138	139	552	126	125	127	134	512
Calls	75	68	66	58	267	63	59	58	57	237	56	52	48	48	204
Private Circuits	114	111	105	108	438	118	105	94	83	400	101	98	93	87	379
Total Calls and Lines	333	319	311	298	1,261	322	298	290	279	1,189	283	275	268	269	1,095
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO) (a)	171	173	164	161	669	182	196	201	198	777	215	220	227	242	904
Other (b)	235	227	257	260	979	242	244	246	317	1,049	280	292	295	278	1,145
Total Other	406	400	421	421	1,648	424	440	447	515	1,826	495	512	522	520	2,049
Total External Revenue	1,714	1,725	1,848	2,025	7,312	1,815	1,883	1,965	2,226	7,889	2,052	2,157	2,253	2,366	8,828
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Global Services Revenue	1,714	1,725	1,848	2,025	7,312	1,815	1,883	1,965	2,226	7,889	2,052	2,157	2,253	2,366	8,828

(a) Global Carrier revenue only
(b) Mainly non-UK revenue

EXTERNAL REVENUE ANALYSIS - Global Services	YoY Movement 07/08					YoY Movement 08/09				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Networked IT Services	6.0%	10.2%	5.3%	6.9%	7.0%	15.1%	15.7%	16.3%	1.2%	11.4%
Managed Network Solutions	-	-	-	-	-	-	-	-	-	-
MPLS	30.2%	22.8%	29.9%	19.4%	25.2%	36.5%	43.7%	29.6%	51.8%	40.6%
Total Managed Solutions	9.7%	12.3%	9.1%	8.8%	9.9%	18.9%	20.9%	18.8%	9.6%	16.6%
Broadband	25.0%	23.1%	0.0%	(5.6%)	8.6%	6.7%	0.0%	6.7%	0.0%	3.2%
Mobility & Convergence	4.5%	42.2%	33.3%	36.0%	29.4%	28.3%	3.1%	28.1%	23.5%	20.2%
Total Broadband and Convergence	8.9%	37.9%	25.4%	25.0%	24.5%	23.0%	2.5%	24.1%	18.8%	16.7%
Exchange lines/ISDN - connection and rental	(2.1%)	(4.3%)	(1.4%)	5.3%	(0.7%)	(10.6%)	(6.7%)	(8.0%)	(3.6%)	(7.2%)
Calls	(16.0%)	(13.2%)	(12.1%)	(1.7%)	(11.2%)	(11.1%)	(11.9%)	(17.2%)	(15.8%)	(13.9%)
Private Circuits	3.5%	(5.4%)	(10.5%)	(23.1%)	(8.7%)	(14.4%)	(6.7%)	(1.1%)	4.8%	(5.3%)
Total Calls and Lines	(3.3%)	(6.6%)	(6.8%)	(6.4%)	(5.7%)	(12.1%)	(7.7%)	(7.6%)	(3.6%)	(7.9%)
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO) (a)	6.4%	13.3%	22.6%	23.0%	16.1%	18.1%	12.2%	12.9%	22.2%	16.3%
Other (b)	3.0%	7.5%	(4.3%)	21.9%	7.2%	15.7%	19.7%	19.9%	(12.3%)	9.2%
Total Other	4.4%	10.0%	6.2%	22.3%	10.8%	16.7%	16.4%	16.8%	1.0%	12.2%
Total External Revenue	5.9%	9.2%	6.3%	9.9%	7.9%	13.1%	14.6%	14.7%	6.3%	11.9%

Global Services ORDER VALUE	2006/7			
	Q1	Q2	Q3	Q4
	£m	£m	£m	£m
Networked IT Services order intake	1,041	702	1,516	1,950
Other Order Intake	739	915	986	1,450
Total Global Services order intake	1,780	1,617	2,502	3,400

	2007/8			
	Q1	Q2	Q3	Q4
	£m	£m	£m	£m
Networked IT Services order intake	918	875	1,339	1,853
Other Order Intake	776	748	552	964
Total Global Services order intake	1,694	1,623	1,891	2,817

	2008/9			
	Q1	Q2	Q3	Q4
	£m	£m	£m	£m
Networked IT Services order intake	1,230	1,144	1,223	1,876
Other Order Intake	663	661	546	701
Total Global Services order intake	1,893	1,805	1,769	2,577

ROLLING 12 MONTHS Global Services ORDER VALUE	2006/7			
	Q1	Q2	Q3	Q4
	£m	£m	£m	£m
Networked IT Services order intake	4,073	4,023	4,345	5,209
Other Order Intake	3,880	4,089	3,872	4,090
Total Global Services Rolling 12 month order intake	7,953	8,112	8,217	9,299

	2007/8			
	Q1	Q2	Q3	Q4
	£m	£m	£m	£m
Networked IT Services order intake	5,086	5,259	5,082	4,985
Other Order Intake	4,127	3,960	3,526	3,040
Total Global Services Rolling 12 month order intake	9,213	9,219	8,608	8,025

	2008/9			
	Q1	Q2	Q3	Q4
	£m	£m	£m	£m
Networked IT Services order intake	5,297	5,566	5,450	5,473
Other Order Intake	2,927	2,840	2,834	2,571
Total Global Services Rolling 12 month order intake	8,224	8,406	8,284	8,044

EXTERNAL REVENUE ANALYSIS - Retail	2006/7					2007/8					2008/9				
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m
Networked IT Services	89	84	97	91	361	93	102	121	140	456	128	127	131	133	519
Managed Network Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MPLS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Managed Solutions	89	84	97	91	361	93	102	121	140	456	128	127	131	133	519
Broadband	207	213	219	239	878	247	265	273	298	1,083	290	298	298	294	1,180
Mobility & Convergence	27	27	25	28	107	29	29	25	23	106	26	30	31	31	118
Total Broadband and Convergence	234	240	244	267	985	276	294	298	321	1,189	316	328	329	325	1,298
Exchange lines/ISDN - connection and rental	732	711	704	687	2,834	700	696	699	674	2,769	688	681	668	643	2,680
Calls	610	587	626	618	2,441	578	582	571	538	2,269	540	502	506	475	2,023
Private Circuits	34	36	33	31	134	32	32	32	33	129	31	31	32	28	122
Total Calls and Lines	1,376	1,334	1,363	1,336	5,409	1,310	1,310	1,302	1,245	5,167	1,259	1,214	1,206	1,146	4,825
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO) (a)	21	19	17	17	74	17	18	18	18	71	22	24	23	23	92
Other (b)	285	330	325	331	1,271	294	328	335	354	1,311	310	345	351	372	1,378
Total Other	306	349	342	348	1,345	311	346	353	372	1,382	332	369	374	395	1,470
Total External Revenue	2,005	2,007	2,046	2,042	8,100	1,990	2,052	2,074	2,078	8,194	2,035	2,038	2,040	1,999	8,112
Internal Revenue	49	54	62	81	246	57	74	72	80	283	74	89	94	102	359
Total Retail Revenue	2,054	2,061	2,108	2,123	8,346	2,047	2,126	2,146	2,158	8,477	2,109	2,127	2,134	2,101	8,471

(a) Global Carrier revenue only

(b) Mainly UK revenue

EXTERNAL REVENUE ANALYSIS - Retail	YoY Movement 07/08					YoY Movement 08/09				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Networked IT Services	4.5%	21.4%	24.7%	53.8%	26.3%	37.6%	24.5%	8.3%	(5.0%)	13.8%
Managed Network Solutions	-	-	-	-	-	-	-	-	-	-
MPLS	-	-	-	-	-	-	-	-	-	-
Total Managed Solutions	4.5%	21.4%	24.7%	53.8%	26.3%	37.6%	24.5%	8.3%	(5.0%)	13.8%
Broadband	19.3%	24.4%	24.7%	24.7%	23.3%	17.4%	12.5%	9.2%	(1.3%)	9.0%
Mobility & Convergence	7.4%	7.4%	0.0%	(17.9%)	(0.9%)	(10.3%)	3.4%	24.0%	34.8%	11.3%
Total Broadband and Convergence	17.9%	22.5%	22.1%	20.2%	20.7%	14.5%	11.6%	10.4%	1.2%	9.2%
Exchange lines/ISDN - connection and rental	(4.4%)	(2.1%)	(0.7%)	(1.9%)	(2.3%)	(1.7%)	(2.2%)	(4.4%)	(4.6%)	(3.2%)
Calls	(5.2%)	(0.9%)	(8.8%)	(12.9%)	(7.0%)	(6.6%)	(13.7%)	(11.4%)	(11.7%)	(10.8%)
Private Circuits	(5.9%)	(11.1%)	(3.0%)	6.5%	(3.7%)	(3.1%)	(3.1%)	0.0%	(15.2%)	(5.4%)
Total Calls and Lines	(4.8%)	(1.8%)	(4.5%)	(6.8%)	(4.5%)	(3.9%)	(7.3%)	(7.4%)	(8.0%)	(6.6%)
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO) (a)	(19.0%)	(5.3%)	5.9%	5.9%	(4.1%)	29.4%	33.3%	27.8%	27.8%	29.6%
Other (b)	3.2%	(0.6%)	3.1%	6.9%	3.1%	5.4%	5.2%	4.8%	5.1%	5.1%
Total Other	1.6%	(0.9%)	3.2%	6.9%	2.8%	6.8%	6.6%	5.9%	6.2%	6.4%
Total External Revenue	(0.7%)	2.2%	1.4%	1.8%	1.2%	2.3%	(0.7%)	(1.6%)	(3.8%)	(1.0%)

EXTERNAL REVENUE - Business Units	2006/7					2007/8					2008/9				
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m
Retail Consumer	1,135	1,105	1,163	1,143	4,546	1,113	1,137	1,152	1,112	4,514	1,114	1,098	1,088	1,032	4,332
BT Business	569	569	553	573	2,264	568	591	593	612	2,365	609	603	596	590	2,398
Enterprises	114	155	144	159	572	118	147	136	156	557	122	151	160	186	620
Ireland	163	156	167	152	638	168	159	168	174	670	175	168	177	182	702
Other	23	23	19	15	80	23	17	24	23	88	15	18	19	9	61
Retail External Revenue	2,004	2,007	2,046	2,042	8,100	1,990	2,052	2,074	2,078	8,194	2,035	2,038	2,040	1,999	8,112

EXTERNAL REVENUE - Business Units	2006/7					YoY Movement 07/08					YoY Movement 08/09				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Retail Consumer						(2.0%)	3.0%	(1.0%)	(2.8%)	(0.7%)	0.1%	(3.5%)	(5.6%)	(7.2%)	(4.0%)
BT Business						(0.2%)	3.9%	7.4%	6.9%	4.5%	7.2%	2.1%	0.4%	(3.7%)	1.4%
Enterprises						2.9%	(5.2%)	(5.4%)	(1.6%)	(2.6%)	4.0%	2.7%	17.7%	19.0%	11.2%
Ireland						3.1%	2.0%	0.7%	14.9%	5.0%	3.9%	5.4%	5.3%	4.5%	4.7%
Other						na	na	na	na	na	na	na	na	na	na
Retail External Revenue						(0.7%)	2.2%	1.4%	1.8%	1.2%	2.3%	(0.7%)	(1.6%)	(3.8%)	(1.0%)

EXTERNAL REVENUE ANALYSIS - Wholesale	2006/7					2007/8					2008/9				
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m
Networked IT Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managed Network Solutions (a)	73	76	70	87	306	64	72	76	83	295	81	108	166	163	518
MPLS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Managed Solutions	73	76	70	87	306	64	72	76	83	295	81	108	166	163	518
Broadband	186	189	200	196	771	175	158	149	142	624	129	119	118	116	482
Mobility & Convergence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Broadband and Convergence	186	189	200	196	771	175	158	149	142	624	129	119	118	116	482
Exchange lines/ISDN - connection and rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Circuits	115	121	103	89	428	124	125	103	110	462	105	112	84	84	385
Total Calls and Lines	115	121	103	89	428	124	125	103	110	462	105	112	84	84	385
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO) (b)	570	590	595	578	2,333	586	541	511	475	2,113	476	461	467	424	1,828
Other	65	67	73	66	271	61	51	51	50	213	58	60	41	58	217
Total Other	635	657	668	644	2,604	647	592	562	525	2,326	534	521	508	482	2,045
Total External Revenue	1,009	1,043	1,041	1,016	4,109	1,010	947	890	860	3,707	849	860	876	845	3,430
Internal Revenue	319	319	320	319	1,277	308	309	315	320	1,252	307	308	307	306	1,228
Total Wholesale Revenue	1,328	1,362	1,361	1,335	5,386	1,318	1,256	1,205	1,180	4,959	1,156	1,168	1,183	1,151	4,658

(a) Managed Network Solutions is a new revenue line consisting of Wholesale revenue only resulting from their managed network access service arrangements.

(b) WLR revenues are reported in Openreach

EXTERNAL REVENUE ANALYSIS - Wholesale	YoY Movement 07/08					YoY Movement 08/09				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Networked IT Services	-	-	-	-	-	-	-	-	-	-
Managed Network Solutions (a)	(12.3%)	(5.3%)	8.6%	(4.6%)	(3.6%)	26.6%	50.0%	118.4%	96.4%	75.6%
MPLS	-	-	-	-	-	-	-	-	-	-
Total Managed Solutions	(12.3%)	(5.3%)	8.6%	(4.6%)	(3.6%)	26.6%	50.0%	118.4%	96.4%	75.6%
Broadband	(5.9%)	(16.4%)	(25.5%)	(27.6%)	(19.1%)	(26.3%)	(24.7%)	(20.8%)	(18.3%)	(22.8%)
Mobility & Convergence	-	-	-	-	-	-	-	-	-	-
Total Broadband and Convergence	(5.9%)	(16.4%)	(25.5%)	(27.6%)	(19.1%)	(26.3%)	(24.7%)	(20.8%)	(18.3%)	(22.8%)
Exchange lines/ISDN - connection and rental	-	-	-	-	-	-	-	-	-	-
Calls	-	-	-	-	-	-	-	-	-	-
Private Circuits	7.8%	3.3%	0.0%	23.6%	7.9%	(15.3%)	(10.4%)	(18.4%)	(23.6%)	(16.7%)
Total Calls and Lines	7.8%	3.3%	0.0%	23.6%	7.9%	(15.3%)	(10.4%)	(18.4%)	(23.6%)	(16.7%)
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO) (b)	2.8%	(8.3%)	(14.1%)	(17.8%)	(9.4%)	(18.8%)	(14.8%)	(8.6%)	(10.7%)	(13.5%)
Other	(6.2%)	(23.9%)	(30.1%)	(24.2%)	(21.4%)	(4.9%)	17.6%	(19.6%)	16.0%	1.9%
Total Other	1.9%	(9.9%)	(15.9%)	(18.5%)	(10.7%)	(17.5%)	(12.0%)	(9.6%)	(8.2%)	(12.1%)
Total External Revenue	0.1%	(9.2%)	(14.5%)	(15.4%)	(9.8%)	(15.9%)	(9.2%)	(1.6%)	(1.7%)	(7.5%)

EXTERNAL REVENUE ANALYSIS - Openreach	2006/7					2007/8					2008/9				
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m
Networked IT Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managed Network Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MPLS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Managed Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LLU	49	71	86	103	309	103	104	113	129	449	120	120	134	127	501
Mobility & convergence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Broadband and Convergence	49	71	86	103	309	103	104	113	129	449	120	120	134	127	501
Exchange lines/ISDN - connection and rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Circuits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Calls and Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO)	81	91	103	101	376	108	104	105	120	437	114	117	123	123	477
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other	81	91	103	101	376	108	104	105	120	437	114	117	123	123	477
Total External Revenue	130	162	189	204	685	211	208	218	249	886	234	237	257	250	978
Internal Revenue	1,141	1,128	1,137	1,132	4,538	1,110	1,099	1,100	1,071	4,380	1,072	1,066	1,072	1,043	4,253
Total Openreach Revenue	1,271	1,290	1,326	1,336	5,223	1,321	1,307	1,318	1,320	5,266	1,306	1,303	1,329	1,293	5,231

EXTERNAL REVENUE ANALYSIS - Openreach	YoY Movement 07/08					YoY Movement 08/09				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Networked IT Services	-	-	-	-	-	-	-	-	-	-
Managed Network Solutions	-	-	-	-	-	-	-	-	-	-
MPLS	-	-	-	-	-	-	-	-	-	-
Total Managed Solutions	-	-	-	-	-	-	-	-	-	-
LLU	110.2%	46.5%	31.4%	25.2%	45.3%	16.5%	15.4%	18.6%	(1.6%)	11.6%
Mobility & Convergence	-	-	-	-	-	-	-	-	-	-
Total Broadband and Convergence	110.2%	46.5%	31.4%	25.2%	45.3%	16.5%	15.4%	18.6%	(1.6%)	11.6%
Exchange lines/ISDN - connection and rental	-	-	-	-	-	-	-	-	-	-
Calls	-	-	-	-	-	-	-	-	-	-
Private Circuits	-	-	-	-	-	-	-	-	-	-
Total Calls and Lines	-	-	-	-	-	-	-	-	-	-
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale (incl. FRIACO)	33.3%	14.3%	1.9%	18.8%	16.2%	5.6%	12.5%	17.1%	2.5%	9.2%
Other	-	-	-	-	-	-	-	-	-	-
Total Other	33.3%	14.3%	1.9%	18.8%	16.2%	5.6%	12.5%	17.1%	2.5%	9.2%
Total External Revenue	62.3%	28.4%	15.3%	22.1%	29.3%	10.9%	13.9%	17.9%	0.4%	10.4%

Summary Cost Analysis	2004/5					2005/6					2006/7					2007/8					2008/9				
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m
Staff costs before leaver costs	1,070	1,065	1,098	1,155	4,388	1,156	1,210	1,226	1,241	4,833	1,256	1,274	1,282	1,264	5,076	1,299	1,297	1,273	1,362	5,231	1,370	1,322	1,317	1,293	5,302
Own work capitalised ^a	(172)	(206)	(169)	(175)	(722)	(161)	(159)	(179)	(175)	(674)	(171)	(175)	(186)	(186)	(718)	(187)	(192)	(177)	(168)	(724)	(158)	(155)	(192)	(168)	(673)
Net Staff costs before leavers	898	859	929	980	3,666	995	1,051	1,047	1,066	4,159	1,085	1,099	1,096	1,078	4,358	1,112	1,105	1,096	1,194	4,507	1,212	1,167	1,125	1,125	4,629
Leaver costs	102	8	12	44	166	6	37	23	67	133	24	33	27	63	147	8	43	20	56	127	73	36	33	62	204
Total Staff costs incl. leaver costs	1,000	867	941	1,024	3,832	1,001	1,088	1,070	1,133	4,292	1,109	1,132	1,123	1,141	4,505	1,120	1,148	1,116	1,250	4,634	1,285	1,203	1,158	1,187	4,833
Other operating costs ^a	1,285	1,371	1,370	1,502	5,528	1,406	1,395	1,453	1,633	5,887	1,437	1,442	1,593	1,687	6,159	1,501	1,561	1,649	1,697	6,408	1,585	1,771	2,289	3,289	8,934
Sub total	2,285	2,238	2,311	2,526	9,360	2,407	2,483	2,523	2,766	10,179	2,546	2,574	2,716	2,828	10,664	2,621	2,709	2,765	2,947	11,042	2,870	2,974	3,447	4,476	13,767
POLO's	988	964	880	893	3,725	1,009	989	1,032	1,015	4,045	1,006	1,034	1,051	1,071	4,162	1,062	1,054	1,023	1,098	4,237	1,037	1,043	1,094	1,092	4,266
Depreciation and amortisation	700	704	695	745	2,844	706	690	707	770	2,873	700	700	737	770	2,907	706	681	727	732	2,846	680	672	702	774	2,828
Amortisation of acquired intangibles	-	-	-	-	-	3	2	3	3	11	3	3	4	3	13	3	12	5	23	43	11	13	21	17	62
Total costs*	3,973	3,906	3,886	4,164	15,929	4,125	4,164	4,265	4,554	17,108	4,255	4,311	4,508	4,672	17,746	4,392	4,456	4,520	4,800	18,168	4,598	4,702	5,264	6,359	20,923

^a 2005/6 restated to exclude external software development related activity from both Other Operating Costs and Own Work Capitalised

* Under IFRS basis and before specific items

FTE	2006/7				2007/8				2008/9			
	Q1 k	Q2 k	Q3 k	Q4 k	Q1 k	Q2 k	Q3 k	Q4 k	Q1 k	Q2 k	Q3 k	Q4 k
Headline FTE	103.1	103.0	103.4	104.4	106.4	105.6	107.4	110.6	110.1	110.0	108.3	105.2
FTE increase in the quarter due to acquisitions	0.2	-	0.1	1.1	0.9	0.2	1.7	3.8	0.4	0.5	-	0.1

Capital Expenditure	2004/5					2005/6					2006/7					2007/8					2008/9				
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m
By Category																									
Transmission Equipment	357	392	401	338	1,488	373	347	356	353	1,429	297	297	303	312	1,209	289	279	267	282	1,117	216	237	323	291	1,067
Exchange Equipment	41	36	40	26	143	18	18	21	23	80	14	39	24	41	118	31	24	13	15	83	9	10	16	9	44
Other Network Equipment	141	155	159	193	648	162	148	134	283	727	160	229	214	251	854	260	306	304	190	1,060	283	259	149	208	899
Computers and Office Equipment	27	28	25	13	93	22	18	26	72	138	28	22	30	69	149	34	21	71	55	181	26	36	46	32	140
Software	97	147	94	106	444	99	137	174	182	592	180	202	219	206	807	257	153	196	220	826	247	204	201	187	839
Motor Vehicles and Other	21	30	35	45	131	31	14	29	34	108	14	13	8	14	49	15	10	5	9	39	16	14	27	19	76
Land and Buildings	10	15	16	23	64	11	12	19	26	68	22	10	17	12	61	17	6	7	3	33	5	6	-	12	23
Total	694	803	770	744	3,011	716	694	759	973	3,142	715	812	815	905	3,247	903	799	863	774	3,339	802	766	762	758	3,088

Total Fixed Network Calls	2004/5				2005/6				2006/7				2007/8				2008/9					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Quarterly Minutes (billions)																						
Internet Related and Other Non Geo	10.93	10.13	9.33	8.68	7.51	6.86	6.20	5.87	5.00	4.37	3.95	3.93	3.38	3.15	2.88	2.73	2.41	2.27	2.05	2.00		
Fixed to Mobile	2.21	2.20	2.13	2.08	2.13	2.08	2.02	1.99	1.99	1.98	1.92	1.89	1.84	1.80	1.72	1.66	1.62	1.54	1.45	1.40		
Total Non Geographic Calls	13.13	12.33	11.46	10.76	9.64	8.94	8.22	7.86	6.99	6.35	5.87	5.82	5.22	4.96	4.61	4.39	4.02	3.81	3.50	3.40		
Local	10.61	10.34	10.42	10.15	9.53	9.02	9.15	9.01	8.20	7.93	8.10	8.07	7.41	7.14	7.16	7.01	6.55	6.33	6.37	6.29		
National	5.53	5.51	5.46	5.33	5.09	4.90	4.87	4.87	4.47	4.42	4.45	4.45	4.15	4.10	4.02	4.00	3.78	3.68	3.63	3.61		
International	0.52	0.52	0.52	0.50	0.49	0.48	0.47	0.47	0.45	0.45	0.46	0.47	0.46	0.46	0.47	0.48	0.47	0.46	0.45	0.45		
Total Geographic	16.66	16.37	16.40	15.98	15.11	14.40	14.49	14.35	13.12	12.80	13.01	12.99	12.02	11.70	11.64	11.48	10.79	10.47	10.45	10.35		
Total Retail	29.79	28.70	27.86	26.74	24.75	23.34	22.71	22.21	20.11	19.15	18.88	18.81	17.24	16.65	16.25	15.87	14.81	14.28	13.95	13.75		
Freephone and FRIACO	20.88	18.55	16.71	15.84	12.83	9.90	8.38	7.16	5.96	4.75	5.22	4.03	3.42	3.20	2.75	2.44	1.97	1.83	1.66	1.58		
BT Group Originating Calls*	50.67	47.25	44.57	42.58	37.58	33.24	31.09	29.37	26.07	23.90	24.10	22.84	20.65	19.85	19.00	18.31	16.78	16.11	15.61	15.33		
* Excluding Payphones and Directories																						
Total Fixed Network Calls	2004/5				2005/6				2006/7				2007/8				2008/9					
Quarterly Year on Year Minutes Change	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Internet Related and Other Non Geo	(22)%	(22)%	(25)%	(30)%	(31)%	(32)%	(34)%	(32)%	(33)%	(36)%	(36)%	(33)%	(32)%	(28)%	(27)%	(30)%	(29)%	(28)%	(29)%	(27)%		
Fixed to Mobile	(7)%	(7)%	(7)%	(8)%	(4)%	(6)%	(5)%	(4)%	(7)%	(5)%	(5)%	(5)%	(8)%	(9)%	(10)%	(12)%	(12)%	(15)%	(16)%	(15)%		
Total Non Geographic Calls	(19)%	(20)%	(23)%	(27)%	(27)%	(27)%	(28)%	(27)%	(28)%	(29)%	(29)%	(26)%	(25)%	(22)%	(22)%	(25)%	(23)%	(23)%	(24)%	(23)%		
Local	(12)%	(11)%	(12)%	(14)%	(10)%	(13)%	(12)%	(11)%	(14)%	(12)%	(11)%	(10)%	(10)%	(10)%	(12)%	(13)%	(12)%	(11)%	(11)%	(10)%		
National	(10)%	(10)%	(10)%	(12)%	(8)%	(11)%	(11)%	(9)%	(12)%	(10)%	(9)%	(9)%	(7)%	(7)%	(10)%	(10)%	(9)%	(10)%	(10)%	(10)%		
International	(7)%	(6)%	(7)%	(9)%	(6)%	(7)%	(9)%	(8)%	(8)%	(6)%	(2)%	0%	3%	3%	2%	1%	1%	(1)%	(4)%	(5)%		
Total Geographic	(11)%	(11)%	(11)%	(13)%	(9)%	(12)%	(12)%	(10)%	(13)%	(11)%	(10)%	(9)%	(8)%	(9)%	(10)%	(12)%	(10)%	(11)%	(10)%	(10)%		
Total Retail	(15)%	(15)%	(16)%	(19)%	(17)%	(19)%	(18)%	(17)%	(19)%	(18)%	(17)%	(15)%	(14)%	(13)%	(14)%	(16)%	(14)%	(14)%	(14)%	(13)%		
Freephone and FRIACO	(10)%	(16)%	(25)%	(33)%	(39)%	(47)%	(50)%	(55)%	(54)%	(52)%	(38)%	(44)%	(43)%	(33)%	(47)%	(39)%	(42)%	(43)%	(40)%	(35)%		
BT Group Originating Calls*	(13)%	(15)%	(20)%	(25)%	(26)%	(30)%	(30)%	(31)%	(31)%	(28)%	(22)%	(22)%	(21)%	(17)%	(21)%	(20)%	(19)%	(19)%	(18)%	(16)%		
* CPS numbers include those customers who have migrated from Indirect Access																						
CPS Volumes ('000)	2004/5				2005/6				2006/7				2007/8				2008/9					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Number of users*	3,723	4,169	4,571	4,909	5,291	5,554	5,779	6,067	6,335	6,397	6,314	6,212	6,138	5,782	5,893	5,857	5,735	4,590	4,164	4,032		
Net adds in quarter	424	446	402	338	382	263	225	288	268	62	-	83	-	102	(74)	(356)	111	(36)	(122)	(1,145)	(426)	(132)
* CPS numbers include those customers who have migrated from Indirect Access																						

Broadband ('000)	2004/5				2005/6				2006/7				2007/8				2008/9			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Product Group Summary																				
Retail																				
Total Broadband	1,102	1,283	1,509	1,780	1,981	2,167	2,410	2,668	2,826	2,980	3,219	3,659	3,834	4,074	4,251	4,402	4,505	4,574	4,658	4,757
Broadband Net adds in quarter	135	181	226	271	201	186	243	258	158	154	239	245	175	178	177	150	103	69	83	99
Retail Share of DSL + LLU Net Adds	28%	30%	25%	32%	28%	27%	30%	30%	30%	25%	34%	32%	38%	37%	35%	30%	31%	27%	28%	42%
Retail Share of DSL + LLU Installed Base	41%	39%	36%	35%	34%	33%	33%	33%	33%	32%	32%	34%	34%	35%	35%	35%	35%	34%	34%	34%
Wholesale																				
Total Wholesale Broadband	2,687	3,294	4,182	5,023	5,713	6,348	7,078	7,760	8,071	8,439	8,679	8,827	8,772	8,480	8,457	8,385	8,261	8,196	8,074	8,062
Net adds in quarter	472	607	888	841	690	635	730	682	311	368	240	148	(55)	(292)	(23)	(72)	(123)	(65)	(122)	(12)
External Wholesale	1585	2,011	2,673	3,243	3732	4,181	4,668	5,092	5245	5,459	5,460	5,168	4,938	4,405	4,205	3,983	3,756	3,622	3,416	3,305
Net adds in quarter	337	426	662	570	489	449	487	424	153	214	1	(97)	(230)	(470)	(200)	(222)	(227)	(135)	(205)	(111)
Openreach																				
External LLU Volumes ('000)																				
Full and Shared loops	14	20	28	41	72	122	192	356	580	838	1,295	1,910	2,424	3,195	3,729	4,300	4,761	5,084	5,501	5,750
Net adds in quarter	3	6	8	13	31	50	70	164	224	258	457	615	514	771	534	571	461	323	417	249
Group																				
Total DSL + LLU	2,701	3,314	4,210	5,064	5,785	6,470	7,270	8,116	8,651	9,277	9,974	10,737	11,195	11,674	12,186	12,684	13,022	13,280	13,575	13,812
Net adds in quarter	475	613	896	854	721	685	800	846	535	626	697	763	459	479	511	499	338	258	295	237
BT Vision													2007/8				2008/9			
													Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Installed Base ('000)													15	46	120	214	282	320	376	423
<p>1 Net adds excludes the acquisition of Plusnet (195k customers)</p> <p>2 Net adds excludes the acquisition of Brightview (63k customers)</p> <p>3 Adjusted for the impact of Plusnet and Brightview acquisitions by Retail</p> <p>Broadband numbers adjusted from Dec-04. This is due to all data now being sourced from equivalent BT Wholesale/Openreach systems and also from the inclusion of BT own use and test lines</p>																				

Exchange Lines ('000)	2004/5				2005/6				2006/7				2007/8				2008/9			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Product Group Summary																				
BT Retail																				
Business PSTN	5,260	5,148	5,043	4,976	4,895	4,789	4,735	4,645	4,558	4,473	4,390	4,330	4,271	4,190	4,136	4,065	3,992	3,945	3,886	3,823
Business ISDN	3,476	3,452	3,413	3,382	3,311	3,254	3,207	3,152	3,100	3,040	2,987	2,934	2,887	2,828	2,762	2,685	2,601	2,504	2,409	2,328
Total Business	8,736	8,600	8,456	8,358	8,206	8,043	7,942	7,797	7,658	7,513	7,377	7,264	7,158	7,018	6,898	6,750	6,592	6,449	6,295	6,151
Residential PSTN	19,554	19,497	19,467	19,405	19,086	18,701	18,360	17,863	17,219	16,836	16,729	16,634	16,485	16,247	16,049	15,792	15,526	15,288	14,953	14,513
Residential ISDN	198	170	140	115	93	74	61	49	41	35	24	2	1	1	1	1	1	1	1	1
Total Residential	19,752	19,667	19,607	19,520	19,179	18,775	18,421	17,912	17,260	16,871	16,753	16,636	16,486	16,248	16,050	15,793	15,527	15,289	14,954	14,514
Total PSTN	24,814	24,645	24,510	24,381	23,981	23,490	23,095	22,508	21,777	21,309	21,119	20,964	20,756	20,437	20,185	19,857	19,518	19,233	18,839	18,336
Total ISDN	3,674	3,622	3,553	3,497	3,404	3,328	3,268	3,201	3,141	3,075	3,011	2,936	2,888	2,829	2,763	2,686	2,602	2,505	2,410	2,329
Total Retail Lines	28,488	28,267	28,063	27,878	27,385	26,818	26,363	25,709	24,918	24,384	24,130	23,900	23,644	23,266	22,948	22,543	22,119	21,738	21,249	20,665
Openreach																				
External WLR ('000)																				
Analogue lines / ISDN Channels	491	630	825	1,026	1,450	1,882	2,333	2,874	3,557	4,003	4,193	4,227	4,285	4,366	4,528	4,666	4,853	5,077	5,323	5,647
Net adds in quarter	114	139	195	201	424	432	451	541	683	446	190	34	58	80	163	137	187	224	246	324
Total Exchange Lines	28,979	28,897	28,888	28,904	28,835	28,700	28,696	28,583	28,475	28,387	28,323	28,127	27,929	27,632	27,476	27,209	26,972	26,815	26,572	26,312

Average Revenue per Consumer Household *	2004/5				2005/6				2006/7				2007/8				2008/9			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Annual revenue	265	261	258	254	252	251	250	251	253	254	258	262	266	271	273	274	278	283	285	287
Contracted**	59%	60%	62%	64%	65%	66%	67%	67%	68%	69%	68%	68%	68%	68%	69%	70%	70%	70%	70%	71%
Non-contracted	41%	40%	38%	36%	35%	34%	33%	33%	32%	31%	32%	32%	32%	32%	31%	30%	30%	30%	30%	29%
* Rolling 12 month consumer revenue, less mobile polos, divided by average number of primary lines																				
** Includes line rental, broadband, select services and packages.																				

BT Calling Plans ('000)	2004/5				2005/6				2006/7				2007/8				2008/9			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	8,991	17,617	17,599	17,560	17,268	16,914	16,609	16,158	15,563	15,229	15,165	15,109	14,950	14,801	14,640	14,429	14,203	13,960	13,762	13,530
Unlimited Weekend Plan (1)	5,609	14,270	14,314	14,326	14,119	13,836	13,600	13,192	12,630	11,997	11,665	11,391	11,104	10,834	10,572	9,735	8,799	7,900	7,108	6,536
Unlimited Evening and Weekend Plan (2)	1,250	1,269	1,290	1,317	1,344	1,387	1,409	1,442	1,478	1,785	2,025	2,257	2,382	2,467	2,559	3,131	3,739	4,308	4,720	4,742
Unlimited Anytime Plan (3)	433	515	556	582	582	575	573	586	598	681	774	835	884	961	1,006	1,103	1,248	1,369	1,453	1,606
BT Basic																	1	2	136	333
BTT Local	1,699	1,563	1,439	1,335	1,223	1,116	1,027	938	857	766	701	626	580	539	503	460	416	381	345	313

Active Customers ('000)	2004/5				2005/6				2006/7				2007/8				2008/9			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	15,408	15,128	14,878	14,712	14,398	14,144	13,970	13,685	13,382	13,272	13,309	13,209	13,044	12,821	12,557	12,246	12,056	11,890	11,723	11,511
Movement	(331)	(280)	(250)	(166)	(314)	(254)	(174)	(285)	(303)	(110)	37	(100)	(165)	(223)	(264)	(311)	(190)	(166)	(167)	(212)

BT Mobility Connections ('000)	2004/5				2005/6				2006/7				2007/8				2008/9			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	215	305	341	372	370	350	334	341	337	329	313	314	314	326	332	360	382	401	412	416
Business + Corporate	127	144	162	185	196	204	209	214	219	223	215	227	228	235	246	274	275	288	297	307
Consumer	88	161	179	187	174	146	125	127	118	106	98	87	87	91	86	86	107	114	114	109

* Change of call package names on the 1st Feb 2008 from:

- (1) BTT Option 1
- (2) BTT Option 2
- (3) BTT Option 3