



Performance Indicators Q4 2011

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Group income statement £m unless otherwise stated	2010	Year on year	2011	2010	Year on year	2011	2010	Year on year	2011	2010	Year on year	2011	2010	Year on year	2011	
	Q1 Restated ⁴	Change %	Q1 Actual	Q2 Restated ⁴	Change %	Q2 Actual	Q3 Restated ⁴	Change %	Q3 Actual	Q4 Restated ⁴	Change %	Q4 Actual	Full Year Restated ⁴	Change %	Full Year Actual	
Adjusted revenue¹																
BT Global Services	2,079	(3.5)	2,007	2,024	(1.6)	1,991	2,118	(6.8)	1,974	2,292	(9.5)	2,075	8,513	(5.5)	8,047	
BT Retail	2,068	(6.9)	1,925	2,019	(4.5)	1,929	2,020	(2.6)	1,967	2,017	(4.5)	1,927	8,124	(4.6)	7,748	
BT Wholesale	1,126	(6.0)	1,059	1,109	(5.0)	1,054	1,075	(0.5)	1,070	1,078	(4.7)	1,027	4,388	(4.1)	4,210	
Openreach	1,255	(4.4)	1,200	1,234	0.1	1,235	1,241	(0.1)	1,240	1,230	2.0	1,255	4,960	(0.6)	4,930	
Other	12	(8.3)	11	10	(40.0)	6	7	57.1	11	11	(9.1)	10	40	(5.0)	38	
Eliminations	(1,305)	(8.4)	(1,196)	(1,274)	(2.8)	(1,238)	(1,263)	(3.1)	(1,224)	(1,272)	(2.6)	(1,239)	(5,114)	(4.2)	(4,897)	
Total	5,235	(4.4)	5,006	5,122	(2.8)	4,977	5,198	(3.1)	5,038	5,356	(5.6)	5,055	20,911	(4.0)	20,076	
Adjusted EBITDA²																
BT Global Services	62	109.7	130	95	45.3	138	123	14.6	141	177	4.0	184	457	29.8	593	
BT Retail	452	(2.2)	442	451	(8.2)	414	436	3.7	452	438	8.7	476	1,777	0.4	1,784	
BT Wholesale	338	0.3	339	344	(5.2)	326	337	(2.1)	330	334	(3.9)	321	1,353	(2.7)	1,316	
Openreach	475	7.6	511	507	4.9	532	488	12.7	550	490	10.0	539	1,960	8.8	2,132	
Other	(1)	n/m	(23)	18	133.3	42	2	450.0	11	73	(57.5)	31	92	(33.7)	61	
Total	1,326	5.5	1,399	1,415	2.6	1,452	1,386	7.1	1,484	1,512	2.6	1,551	5,639	4.4	5,886	
Depreciation and amortisation	(738)	(1.2)	(729)	(759)	(2.9)	(737)	(754)	(0.4)	(751)	(788)	(3.3)	(762)	(3,039)	(2.0)	(2,979)	
Operating profit pre specific items	588	13.9	670	656	9.0	715	632	16.0	733	724	9.0	789	2,600	11.8	2,907	
Net finance expense	(214)	6.5	(228)	(225)	(0.4)	(224)	(223)	(7.2)	(207)	(228)	(18.4)	(186)	(890)	(5.1)	(845)	
Share of post tax profits/losses of associates & joint ventures	8		4	9		5	(1)		5	9		7	25		21	
PBT pre specific items	382	16.8	446	440	12.7	496	408	30.1	531	505	20.8	610	1,735	20.1	2,083	
Specific items	(41)		(51)	(95)		(71)	(130)		(70)	(183)		(95)	(449)		(287)	
Net interest on pensions	(69)		(20)	(70)		(19)	(69)		(20)	(71)		(20)	(279)		(79)	
Total specific items	(110)		(71)	(165)		(90)	(199)		(90)	(254)		(115)	(728)		(366)	
Reported PBT	272	37.9	375	275	47.6	406	209	111.0	441	251	97.2	495	1,007	70.5	1,717	
Tax - excluding tax on specific items	(88)		(109)	(103)		(98)	(94)		(113)	(113)		(132)	(398)		(452)	
Tax on specific items	30		18	256		92	63		19	71		110	420		239	
Tax rate	23.0%		24.5%	23.4%		19.7%	23.0%		21.3%	22.4%		21.6%	22.9%		21.7%	
Memo: Minorities	0		0	0		(1)	0		0	(1)		(1)	(1)		(2)	
Net income	214	32.7	284	428	(6.5)	400	178	94.9	347	209	126.3	473	1,029	46.2	1,504	
Adjusted EPS²	3.8	15.8	4.4	4.4	15.9	5.1	4.1	31.7	5.4	5.1	21.6	6.2	17.3	21.4	21.0	
Reported EPS	2.8	32.1	3.7	5.5	(7.3)	5.1	2.3	95.7	4.5	2.7	125.9	6.1	13.3	45.9	19.4	
Dividend per share	-		-	2.3		2.4	-		0.0	4.6		5.0	6.9		7.4	
Average number of shares in issue	7,735		7,745	7,739		7,750	7,743		7,751	7,743		7,754	7,740		7,750	
Group free cash flow																
Adjusted EBITDA ²	1,326		1,399	1,415		1,452	1,386		1,484	1,512		1,551	5,639		5,886	
Capital expenditure	(678)	(10.0)	(610)	(555)	8.5	(602)	(548)	22.3	(670)	(699)	7.0	(748)	(2,480)	6.0	(2,630)	
Interest	(284)	3.9	(295)	(163) ⁶	0.0	(163)	(314)	(15.0)	(267)	(190)	15.3	(219)	(951)	(0.7)	(944)	
Tax	210 ⁵		(5)	(14) ⁶		(10)	(44)		(94)	(18)		(100)	134		(209)	
Change in working capital	(599)		(140)	(86)		(133)	44		58	478		204	(163)		(11)	
Other	(28)		110	(53)		32	2		58	6		(69)	(73)		131	
Free cash flow (pre gross pension deficit payment and specific items)	(53)	966.0	459	544	5.9	576	526	8.2	569	1,089	(43.2)	619	2,106	5.6	2,223	
Specific items	(69)		(44)	161 ⁶		(41)	(221)		(54)	(44)		(73)	(173)		(212)	
Free cash flow (pre gross pension deficit payment)	(122)	440.2	415	705	(24.1)	535	305	68.9	515	1,045	(47.8)	546	1,933	4.0	2,011	
Gross pension deficit payment	0		0	0		0	(525)		(525)	0		(505)	(525)		(1,030)	
Free cash flow (post gross pension deficit payment)	(122)	440.2	415	705	(24.1)	535	(220)	(95.5)	(10)	1,045	(96.1)	41	1,408	(30.3)	981	
Net debt	10,517	(15.6)	8,879	9,878	(11.9)	8,704	10,112	(14.2)	8,674	9,283	(5.0)	8,816	9,283	(5.0)	8,816	
Operating cash flow by line of business³		£m			£m			£m			£m			£m		
BT Global Services	(465)	427	(38)	(103)	75	(28)	(27)	142	115	113	(43)	70	(482)	601	119	
BT Retail	328	(35)	293	430	(97)	333	371	(47)	324	437	(5)	432	1,566	(184)	1,382	
BT Wholesale	121	96	217	212	10	222	224	(83)	141	360	(29)	331	917	(6)	911	
Openreach	229	(4)	225	280	(25)	255	321	(5)	316	337	(55)	282	1,167	(89)	1,078	

¹ 2010 revenue adjusted to reflect the impact of changes in the internal trading model. The effect of the changes is primarily to reduce internal revenue in both BT Wholesale and Openreach by around £51m per quarter in 2010 and by around £62m per quarter in 2011. There is no impact from these changes on total group revenue.

² before specific items

³ 2010 operating cashflow by line of business adjusted for changes in the internal trading model and is now shown after leavers, in line with adjusted EBITDA

⁴ revenue and EBITDA restated for customer account moves from BT Retail to BT Wholesale effective 1 April 2010

⁵ includes HMRC tax repayment of £210m

⁶ cash specific items include HMRC tax repayment of £215m and associated interest of £11m. This was previously shown in the KPI cashflow in the tax and interest lines, respectively.

Revenue analysis		2009 ^{1 2}					2010 ^{1 2}					2011				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
£m																
	BT Global Services	1,173	1,260	1,341	1,499	5,273	1,221	1,277	1,313	1,470	5,281	1,297	1,297 ³	1,299	1,417	5,310
	BT Retail	141	147	149	154	591	135	140	141	162	578	149	117 ³	141	144	551
	BT Wholesale	81	108	166	163	518	167	180	180	188	715	199	183	197	192	771
Total ICT & Managed Networks		1,395	1,515	1,656	1,816	6,382	1,523	1,597	1,634	1,820	6,574	1,645	1,597	1,637	1,753	6,632
	BT Global Services	67	73	89	92	321	82	83	84	85	334	76	83	81	78	318
	BT Retail	305	316	318	314	1,253	312	314	317	315	1,258	324	327	329	331	1,311
	BT Wholesale	143	135	134	131	543	131	125	117	115	488	93	82	80	80	335
	Openreach	120	120	134	127	501	131	143	162	161	597	180	210	210	203	803
Broadband (incl. LLU) and Convergence		635	644	675	664	2,618	656	665	680	676	2,677	673	702	700	692	2,767
Lines	BT Global Services	133	130	127	121	511	122	117	116	117	472	109	102	102	102	415
	BT Retail	772	767	751	724	3,014	762	707	685	676	2,830	663	645	651	640	2,599
		905	897	878	845	3,525	884	824	801	793	3,302	772	747	753	742	3,014
Calls	BT Global Services	51	50	51	48	200	48	46	43	47	184	39	40	35	34	148
	BT Retail	572	543	541	509	2,165	511	492	505	473	1,981	455	439	460	414	1,768
		623	593	592	557	2,365	559	538	548	520	2,165	494	479	495	448	1,916
Private Circuits	BT Global Services	94	88	83	79	344	78	78	75	69	300	68	67	63	61	259
	BT Retail	43	44	43	37	167	38	34	36	34	142	31	33	30	30	124
	BT Wholesale	107	116	87	88	398	90	74	80	72	316	59	84	70	69	282
		244	248	213	204	909	206	186	191	175	758	158	184	163	160	665
Total	BT Global Services	278	268	261	248	1,055	248	241	234	233	956	216	209	200	197	822
	BT Retail	1,387	1,354	1,335	1,270	5,346	1,311	1,233	1,226	1,183	4,953	1,149	1,117	1,141	1,084	4,491
	BT Wholesale	107	116	87	88	398	90	74	80	72	316	59	84	70	69	282
Total Calls and Lines		1,772	1,738	1,683	1,606	6,799	1,649	1,548	1,540	1,488	6,225	1,424	1,410	1,411	1,350	5,595
Transit	BT Global Services	216	207	226	220	869	188	184	206	204	782	179	165	158	121	623
	BT Wholesale	301	273	287	273	1,134	274	250	230	222	976	230	233	226	206	895
		517	480	513	493	2,003	462	434	436	426	1,758	409	398	384	327	1,518
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	49	66	54	68	237	58	60	55	56	229	52	47	49	58	206
	BT Wholesale	183	205	177	163	728	151	143	140	144	578	156	140	161	152	609
	Openreach	124	130	138	149	541	157	163	161	163	644	151	162	166	177	656
		356	401	369	380	1,506	366	366	356	363	1,451	359	349	376	387	1,471
Other	BT Global Services	211	221	223	218	873	282	179	226	244	931	187	190	187	204	768
	BT Retail	216	236	245	261	958	227	242	247	246	962	218	239	242	250	949
	BT Wholesale	68	57	62	64	251	58	81	72	82	293	80	86	90	82	338
		495	514	530	543	2,082	567	502	545	572	2,186	485	515	519	536	2,055
Total	BT Global Services	476	494	503	506	1,979	528	423	487	504	1,942	418	402	394	383	1,597
	BT Retail	216	236	245	261	958	227	242	247	246	962	218	239	242	250	949
	BT Wholesale	552	535	526	500	2,113	483	474	442	448	1,847	466	459	477	440	1,842
	Openreach	124	130	138	149	541	157	163	161	163	644	151	162	166	177	656
Total Other		1,368	1,395	1,412	1,416	5,591	1,395	1,302	1,337	1,361	5,395	1,253	1,262	1,279	1,250	5,044
Internal revenue	BT Retail	68	82	88	105	343	83	90	89	111	373	85	129 ³	114	118	446
	BT Wholesale	267	268	267	266	1,066	255	256	256	255	1,022	242	246	246	246	980
	Openreach	1,022	1,013	1,017	977	4,027	967	928	918	906	3,719	869	863	864	875	3,471
Total internal revenue		1,356	1,362	1,371	1,347	5,436	1,305	1,274	1,263	1,272	5,114	1,196	1,238	1,224	1,239	4,897
Total line of business revenue	BT Global Services	1,994	2,095	2,194	2,345	8,628	2,079	2,024	2,118	2,292	8,513	2,007	1,991	1,974	2,075	8,047
	BT Retail	2,117	2,135	2,135	2,104	8,491	2,068	2,019	2,020	2,017	8,124	1,925	1,929	1,967	1,927	7,748
	BT Wholesale	1,150	1,162	1,180	1,148	4,638	1,126	1,109	1,075	1,078	4,388	1,059	1,054	1,070	1,027	4,210
	Openreach	1,266	1,263	1,289	1,253	5,069	1,255	1,234	1,241	1,230	4,960	1,200	1,235	1,240	1,255	4,930
	Other	7	11	11	12	41	12	10	7	11	40	11	6	11	10	38
	Eliminations	(1,356)	(1,362)	(1,371)	(1,347)	(5,436)	(1,305)	(1,274)	(1,263)	(1,272)	(5,114)	(1,196)	(1,238)	(1,224)	(1,239)	(4,897)
Total group revenue		5,177	5,303	5,437	5,514	21,431	5,235	5,122	5,198	5,356	20,911	5,006	4,977	5,038	5,055	20,076

¹ adjusted for changes in the internal trading model.

² restated to reflect Q1 2011 customer account moves between BT Retail and BT Wholesale

³ Q2 2011 revenue reflects the transfer of certain external customer relationships in the business and corporate markets from BT Retail to BT Global Services

Revenue trends YoY change		Q1	Q2	2010 Q3	Q4	FY	Q1	Q2	2011 Q3	Q4	FY
Total ICT & Managed Networks	BT Global Services	4.1%	1.3%	(2.1)%	(1.9)%	0.2%	6.2%	1.6%	(1.1)%	(3.6)%	0.5%
	BT Retail	(4.3)%	(4.8)%	(5.4)%	5.2%	(2.2)%	10.4%	(16.4)%	0.0%	(11.1)%	(4.7)%
	BT Wholesale	106.2%	66.7%	8.4%	15.3%	38.0%	19.2%	1.7%	9.4%	2.1%	7.8%
Total ICT & Managed Networks		9.2%	5.4%	(1.3)%	0.2%	3.0%	8.0%	0.0%	0.2%	(3.7)%	0.9%
Broadband (incl. LLU) and Convergence	BT Global Services	22.4%	13.7%	(5.6)%	(7.6)%	4.0%	(7.3)%	0.0%	(3.6)%	(8.2)%	(4.8)%
	BT Retail	2.3%	(0.6)%	(0.3)%	0.3%	0.4%	3.8%	4.1%	3.8%	5.1%	4.2%
	BT Wholesale	(8.4)%	(7.4)%	(12.7)%	(12.2)%	(10.1)%	(29.0)%	(34.4)%	(31.6)%	(30.4)%	(31.4)%
	Openreach	9.2%	19.2%	20.9%	26.8%	19.2%	37.4%	46.9%	29.6%	26.1%	34.5%
Broadband (incl. LLU) and Convergence		3.3%	3.3%	0.7%	1.8%	2.3%	2.6%	5.6%	2.9%	2.4%	3.4%
Lines	BT Global Services	(8.3)%	(10.0)%	(8.7)%	(3.3)%	(7.6)%	(10.7)%	(12.8)%	(12.1)%	(12.8)%	(12.1)%
	BT Retail	(1.3)%	(7.8)%	(8.8)%	(6.6)%	(6.1)%	(13.0)%	(8.8)%	(5.0)%	(5.3)%	(8.2)%
Calls	BT Global Services	(2.3)%	(8.1)%	(8.8)%	(6.2)%	(6.3)%	(12.7)%	(9.3)%	(6.0)%	(6.4)%	(8.7)%
	BT Retail	(5.9)%	(8.0)%	(15.7)%	(2.1)%	(8.0)%	(18.8)%	(13.0)%	(18.6)%	(27.7)%	(19.6)%
Private Circuits	BT Global Services	(10.7)%	(9.4)%	(6.7)%	(7.1)%	(8.5)%	(11.0)%	(10.8)%	(8.9)%	(12.5)%	(10.8)%
	BT Retail	(10.3)%	(9.3)%	(7.4)%	(6.6)%	(8.5)%	(11.6)%	(11.0)%	(9.7)%	(13.8)%	(11.5)%
Total	BT Global Services	(17.0)%	(11.4)%	(9.6)%	(12.7)%	(12.8)%	(12.8)%	(14.1)%	(16.0)%	(11.6)%	(13.7)%
	BT Retail	(11.6)%	(22.7)%	(16.3)%	(8.1)%	(15.0)%	(18.4)%	(2.9)%	(16.7)%	(11.8)%	(12.7)%
	BT Wholesale	(15.9)%	(36.2)%	(8.0)%	(18.2)%	(20.6)%	(34.4)%	13.5%	(12.5)%	(4.2)%	(10.8)%
Total Calls and Lines	BT Global Services	(15.6)%	(25.0)%	(10.3)%	(14.2)%	(16.6)%	(23.3)%	(1.1)%	(14.7)%	(8.6)%	(12.3)%
	BT Retail	(10.8)%	(10.1)%	(10.3)%	(6.0)%	(9.4)%	(12.9)%	(13.3)%	(14.5)%	(15.5)%	(14.0)%
	BT Wholesale	(5.5)%	(8.9)%	(8.2)%	(6.9)%	(7.4)%	(12.4)%	(9.4)%	(6.9)%	(8.4)%	(9.3)%
Total Calls and Lines		(6.9)%	(10.9)%	(8.5)%	(7.3)%	(8.4)%	(13.6)%	(8.9)%	(8.4)%	(9.3)%	(10.1)%
Transit	BT Global Services	(13.0)%	(11.1)%	(8.8)%	(7.3)%	(10.0)%	(4.8)%	(10.3)%	(23.3)%	(40.7)%	(20.3)%
	BT Wholesale	(9.0)%	(8.4)%	(19.9)%	(18.7)%	(13.9)%	(16.1)%	(6.8)%	(1.7)%	(7.2)%	(8.3)%
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	(10.6)%	(9.6)%	(15.0)%	(13.6)%	(12.2)%	(11.5)%	(8.3)%	(11.9)%	(23.2)%	(13.7)%
	BT Wholesale	18.4%	(9.1)%	1.9%	(17.6)%	(3.4)%	(10.3)%	(21.7)%	(10.9)%	3.6%	(10.0)%
	Openreach	(17.5)%	(30.2)%	(20.9)%	(11.7)%	(20.6)%	3.3%	(2.1)%	15.0%	5.6%	5.4%
Other	BT Global Services	26.6%	25.4%	16.7%	9.4%	19.0%	(3.8)%	(0.6)%	3.1%	8.6%	1.9%
	BT Retail	2.8%	(8.7)%	(3.5)%	(4.5)%	(3.7)%	(1.9)%	(4.6)%	5.6%	6.6%	1.4%
	BT Wholesale	33.6%	(19.0)%	1.3%	11.9%	6.6%	(33.7)%	6.1%	(17.3)%	(16.4)%	(17.5)%
Total	BT Retail	5.1%	2.5%	0.8%	(5.7)%	0.4%	(4.0)%	(1.2)%	(2.0)%	1.6%	(1.4)%
	BT Wholesale	(14.7)%	42.1%	16.1%	28.1%	16.7%	37.9%	6.2%	25.0%	0.0%	15.4%
	Openreach	14.5%	(2.3)%	2.8%	5.3%	5.0%	(14.5)%	2.6%	(4.8)%	(6.3)%	(6.0)%
Total Other		2.0%	(6.7)%	(5.3)%	(3.9)%	(3.5)%	(10.2)%	(3.1)%	(4.3)%	(8.2)%	(6.5)%
Internal revenue	BT Retail	10.9%	(14.4)%	(3.2)%	(0.4)%	(1.9)%	(20.8)%	(5.0)%	(19.1)%	(24.0)%	(17.8)%
	BT Wholesale	5.1%	2.5%	0.8%	(5.7)%	0.4%	(4.0)%	(1.2)%	(2.0)%	1.6%	(1.4)%
	Openreach	(12.5)%	(11.4)%	(16.0)%	(10.4)%	(12.6)%	(3.5)%	(3.2)%	7.9%	(1.8)%	(0.3)%
Total internal revenue		(3.8)%	(6.5)%	(7.9)%	(5.6)%	(5.9)%	(8.4)%	(2.8)%	(3.1)%	(2.6)%	(4.2)%
Total line of business revenue	BT Global Services	4.3%	(3.4)%	(3.5)%	(2.3)%	(1.3)%	(3.5)%	(1.6)%	(6.8)%	(9.5)%	(5.5)%
	BT Retail	(2.3)%	(5.4)%	(5.4)%	(4.1)%	(4.3)%	(6.9)%	(4.5)%	(2.6)%	(4.5)%	(4.6)%
	BT Wholesale	(2.0)%	(4.5)%	(8.9)%	(6.1)%	(5.4)%	(6.0)%	(5.0)%	(0.5)%	(4.7)%	(4.1)%
	Openreach	(0.8)%	(2.3)%	(3.7)%	(1.8)%	(2.2)%	(4.4)%	0.1%	(0.1)%	2.0%	(0.6)%
Total group revenue		1.1%	(3.4)%	(4.4)%	(2.9)%	(2.4)%	(4.4)%	(2.8)%	(3.1)%	(5.6)%	(4.0)%

Line of business statistics	2009					2010					2011				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Group															
Lines sold through BT lines of business ('000)															
Consumer	15,527	15,289	14,954	14,514		14,104	13,696	13,330	13,051 ⁴		12,701	12,327	12,041	11,802	
Business/Corporate	6,547	6,362	6,167	5,992		5,835	5,679	5,513	5,367		5,225	5,122	4,979	4,860	
Total	22,074	21,651	21,121	20,506		19,939	19,375	18,843	18,418		17,926	17,449	17,020	16,662	
Global Services															
Order intake (£m)	1,868	1,772	1,745	2,532	7,917	1,411	1,436	1,550	2,234	6,631	1,552 ³	2,165	1,675	1,878	7,270
Retail															
Business unit revenue¹ (£m)															
Consumer	1,121	1,105	1,096	1,040	4,362	1,105	1,042	1,056	1,020	4,223	999	980	1,010	967	3,956
Business	664	662	652	658	2,636	607	601	602	611	2,421	584	599	605	610	2,398
Enterprises	135	174	184	209	702	164	182	176	193	715	163	181	176	179	699
Ireland	198	194	202	205	799	198	200	201	202	801	185	189	189	187	750
Other (incl. eliminations)	(1)	0	1	(8)	(8)	(6)	(6)	(15)	(9)	(36)	(6)	(20)	(13)	(16)	(55)
Total	2,117	2,135	2,135	2,104	8,491	2,068	2,019	2,020	2,017	8,124	1,925	1,929	1,967	1,927	7,748
Call minutes (bn)	14.81	14.28	13.95	13.75	56.79	12.45	12.20	12.27	12.25	49.17	10.95	10.77	11.16	10.60	43.48
Consumer ARPU ² (£)	278	283	285	287		290	296	301	309		314	317	322	326	
Active Consumer lines ('000)	12,416	12,229	12,043	11,789		11,583	11,388	11,251	11,113 ⁴		10,932	10,713	10,571	10,448	
BT Vision installed base ('000)	282	320	376	423		433 ⁵	436 ⁵	451	467		481	505	545	575	
Net adds in quarter	68	38	56	47		31	18	15	16		14	24	40	30	
Openreach															
Note new presentation of copper line base															
Internal copper lines ⁷ ('000)	20,014	19,642	19,120	18,626		18,119	17,663	17,220	16,795		16,352	15,922	15,560	15,320	
External copper lines ⁷ ('000)	4,094	4,252	4,461	4,751		5,048	5,179	5,054	5,005		4,985	5,057	5,177	5,189	
Fully unbundled copper lines (MPF) ('000)	1,345	1,448	1,595	1,714		1,808	2,064	2,567	2,966		3,387	3,728 ⁶	4,012	4,266	
Total copper lines ('000)	25,453	25,343	25,177	25,090		24,975	24,907	24,840	24,765		24,724	24,707	24,750	24,776	
Net adds in quarter		-110	-166	-86		-116	-68	-67	-75		-41	-17	43	26	

¹ restated to reflect Q1 2011 customer account moves between BT Retail and BT Wholesale

² Q1, Q2, Q3 & Q4 2010 figures show underlying ARPU, excluding £3 relating to Q1 2010 one-off benefit relating to prior periods.

³ this figure would be c.£120m lower adjusting for the regulated reductions in German MTRs from 1 Dec 2010.

⁴ includes a favourable adjustment of 72k to Active Consumer lines and 79k to Group Consumer lines to write back bad debtors previously written off in Q2 2010 and Q3 2010. There is no impact on the full year figure.

⁵ net adds in Q1 2010 and Q2 2010 are before the reported data cleanses of the BT Vision installed base. These reduced the customer base by c.22k in Q1 2010 and c.15k in Q2 2010. Q1 2010 net adds have been adjusted for customer churn of 7k.

⁶ MPF base reduced by c.9k in Q2 2011 to correct systems issue.

⁷ historic adjustment made to internal copper lines opening base (-44k) and external copper lines opening base (+16k). This adjustment relates to prior periods.

Line of business trends YoY change	2010					2011				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Group										
Lines sold through BT lines of business										
Consumer	(9.2)%	(10.4)%	(10.9)%	(10.1)%		(9.9)%	(10.0)%	(9.7)%	(9.6)%	
<i>Consumer - quarter on quarter movement</i>	(2.8)%	(2.9)%	(2.7)%	(2.1)%		(2.7)%	(2.9)%	(2.3)%	(2.0)%	
Business/Corporate	(10.9)%	(10.7)%	(10.6)%	(10.4)%		(10.5)%	(9.8)%	(9.7)%	(9.4)%	
<i>Business/Corporate - quarter on quarter movement</i>	(2.6)%	(2.7)%	(2.9)%	(2.6)%		(2.6)%	(2.0)%	(2.8)%	(2.4)%	
Total	(9.7)%	(10.5)%	(10.8)%	(10.2)%		(10.1)%	(9.9)%	(9.7)%	(9.5)%	
Global Services										
Order intake	(24.5)%	(19.0)%	(11.2)%	(11.8)%	(16.2)%	10.0%	50.8%	8.1%	(15.9)%	9.6%
Retail										
Business unit revenue										
Consumer	(1.4)%	(5.7)%	(3.6)%	(1.9)%	(3.2)%	(9.6)%	(6.0)%	(4.4)%	(5.2)%	(6.3)%
Business	(8.6)%	(9.2)%	(7.7)%	(7.1)%	(8.2)%	(3.8)%	(0.3)%	0.5%	(0.2)%	(1.0)%
Enterprises	21.5%	4.6%	(4.3)%	(7.7)%	1.9%	(0.6)%	(0.5)%	0.0%	(7.3)%	(2.2)%
Ireland	0.0%	3.1%	(0.5)%	(1.5)%	0.3%	(6.6)%	(5.5)%	(6.0)%	(7.4)%	(6.4)%
Other (incl. eliminations)										
Total	(2.3)%	(5.4)%	(5.4)%	(4.1)%	(4.3)%	(6.9)%	(4.5)%	(2.6)%	(4.5)%	(4.6)%
Call minutes (bn)	(15.9)%	(14.6)%	(12.0)%	(10.9)%	(13.4)%	(12.0)%	(11.7)%	(9.0)%	(13.5)%	(11.6)%
Consumer ARPU	4.3%	4.6%	5.6%	7.7%		8.3%	7.1%	7.0%	5.5%	
Active BT Consumer lines	(6.7)%	(6.9)%	(6.6)%	(5.7)%		(5.6)%	(5.9)%	(6.0)%	(6.0)%	
<i>Quarter on quarter movement</i>	(1.7)%	(1.7)%	(1.2)%	(1.2)%		(1.6)%	(2.0)%	(1.3)%	(1.2)%	
BT Vision installed base	53.5%	36.3%	19.9%	10.4%		11.1%	15.8%	20.8%	23.1%	
Openreach										
Internal copper lines	(9.5)%	(10.1)%	(9.9)%	(9.8)%		(9.7)%	(9.9)%	(9.6)%	(8.8)%	
External copper lines	23.3%	21.8%	13.3%	5.3%		(1.2)%	(2.4)%	2.4%	3.7%	
Fully unbundled copper lines (MPF)	34.4%	42.5%	60.9%	73.0%		87.3%	80.6%	56.3%	43.9%	
Total copper lines	(1.9)%	(1.7)%	(1.3)%	(1.3)%		(1.0)%	(0.8)%	(0.4)%	0.0%	
<i>Quarter on quarter movement</i>	(0.5)%	(0.3)%	(0.3)%	(0.3)%		(0.2)%	(0.1)%	0.2%	0.1%	

Broadband statistics 000s	2009				2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Retail												
Total Broadband	4,505	4,574	4,658	4,757	4,835	4,906	5,008	5,132	5,227	5,342	5,529	5,691
Net adds in quarter	103	69	83	99	78	72	102	123	96	114	188	162
Retail share of DSL + LLU net adds	31%	26%	28%	42%	46%	43%	42%	44%	40%	45% ¹	53%	64%
Retail share of DSL + LLU installed base	35%	34%	34%	34%	35%	35%	35%	35%	35%	35%	36%	36%
Wholesale												
Total BT Wholesale Broadband	8,261	8,196	8,074	8,062	8,026	8,031	8,044	8,057	8,013	7,971	7,980	8,112
Net adds in quarter	(123)	(65)	(122)	(12)	(36)	5	14	13	(45)	(41)	9	132
External Wholesale	3,756	3,622	3,416	3,305	3,191	3,124	3,036	2,926	2,785	2,629	2,451	2,421
Net adds in quarter	(227)	(134)	(206)	(110)	(114)	(67)	(88)	(110)	(141)	(156)	(179)	(30)
Openreach												
External LLU Volumes ('000)												
Full loops (MPF)	1,345	1,448	1,595	1,714	1,808	2,064	2,567	2,966	3,387	3,728 ¹	4,012	4,268
Shared loops (SMPF)	3,411	3,635	3,906	4,036	4,150	4,057	3,786	3,654	3,519	3,414 ¹	3,477	3,342
Total	4,756	5,084	5,501	5,750	5,957	6,121	6,352	6,620	6,906	7,143	7,490	7,609
Net adds in quarter	456	328	417	249	208	164	231	268	286	294 ¹	347	120
Group												
Total DSL + LLU	13,017	13,280	13,575	13,812	13,983	14,152	14,397	14,677	14,918	15,114	15,469	15,721
Net adds in quarter	333	263	295	237	172	169	245	281	241	253 ¹	356	252

¹ As reported in Q2 2011, LLU base adjusted to correct a systems issue. Q2 2011 MPF base reduced by c.9k and SMPF base reduced by c.48k. Net adds in Q2 2011 shown before the adjustments to the base.

Broadband trends
YoY change

2010			
Q1	Q2	Q3	Q4

2011			
Q1	Q2	Q3	Q4

Retail

Total Broadband
Net adds in quarter

7.3%	7.3%	7.5%	7.9%
(24.5)%	3.8%	22.3%	24.5%

8.1%	8.9%	10.4%	10.9%
22.7%	59.5%	83.8%	31.6%

Wholesale

Total Wholesale Broadband
Net adds in quarter
External Wholesale
Net adds in quarter

(2.9)%	(2.0)%	(0.4)%	(0.1)%
70.7%	107.5%	111.2%	211.5%
(15.0)%	(13.7)%	(11.1)%	(11.5)%
49.6%	50.3%	57.1%	0.3%

(0.2)%	(0.7)%	(0.8)%	0.7%
(24.2)%	(946.6)%	(36.9)%	919.1%
(12.7)%	(15.8)%	(19.3)%	(17.3)%
(23.2)%	(133.3)%	(102.5)%	73.0%

Openreach

External LLU Volumes
Full loops (MPF)
Shared loops (SMPF)
Total
Net adds in quarter

34.4%	42.5%	60.9%	73.0%
21.7%	11.6%	(3.1)%	(9.5)%
25.3%	20.4%	15.5%	15.1%
(54.5)%	(50.1)%	(44.6)%	7.7%

87.3%	80.6%	56.3%	43.9%
(15.2)%	(15.8)%	(8.1)%	(8.6)%
15.9%	16.7%	17.9%	14.9%
37.5%	79.8%	50.1%	(55.2)%

Group

Total DSL + LLU
Net adds in quarter

7.4%	6.6%	6.1%	6.3%
(48.5)%	(35.8)%	(16.9)%	18.4%

6.7%	6.8%	7.5%	7.1%
40.4%	50.0%	45.2%	(10.2)%

Costs £m	2009					2010					2011				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Operating costs															
Direct labour costs before leaver costs	1,386	1,344	1,352	1,330	5,412	1,266	1,206	1,214	1,176	4,862	1,243	1,201	1,201	1,185	4,830
Indirect labour costs						325	315	259	263	1,162	229	253	235	241	958
Leaver costs	73	36	33	62	204	45	21	58	18	142	10	14	12	21	57
Gross labour costs						1,636	1,542	1,531	1,457	6,166	1,482	1,468	1,448	1,447	5,845
Direct labour capitalised	(158)	(155)	(192)	(168)	(673)	(144)	(133)	(143)	(155)	(575)	(152)	(189)	(190)	(187)	(718)
Indirect labour capitalised						(118)	(117)	(102)	(103)	(440)	(79)	(83)	(78)	(89)	(329)
Net labour costs						1,374	1,292	1,286	1,199	5,151	1,251	1,196	1,180	1,171	4,798
Payments to telecommunications operators	1,037	1,043	1,094	1,092	4,266	1,048	1,040	1,066	929	4,083	961	970	937	872	3,740
Property and energy costs						320	317	333	314	1,284	287	278	294	290	1,149
Network maintenance and IT costs						209	190	191	191	781	178	185	187	156	706
General and administrative costs						343	322	382	377	1,424	345	311	371	357	1,384
Other operating costs						694	639	634	960	2,927	673	666	688	759	2,786
Operating costs before depreciation and specific items	3,923	4,039	4,240	4,343	16,545	3,988	3,800	3,892	3,970	15,650	3,695	3,606	3,657	3,605	14,563
Depreciation and amortisation	680	672	702	774	2,828	722	747	742	774	2,985	716	726	739	751	2,932
Amortisation of acquired intangibles	11	13	21	17	62	16	12	12	14	54	13	11	12	11	47
Total operating costs before specific items	4,614	4,724	4,963	5,134	19,435	4,726	4,559	4,646	4,758	18,689	4,424	4,343	4,408	4,367	17,542
Specific items	27	38	336	1,592	1,993	41	54	159	173	427	51	71	105	102	329
Total operating costs	4,641	4,762	5,299	6,726	21,428	4,767	4,613	4,805	4,931	19,116	4,475	4,414	4,513	4,469	17,871
Capital expenditure															
Platform/Network	329	333	287	311	1,260	207	217	241	470	1,135	230	274	322	319	1,145
Line of Business	233	200	223	216	873	130	131	128	171	560	119	136	152	192	599
Access	171	167	166	159	663	143	130	138	155	566	136	151	159	145	591
Regulatory & compliance	53	50	59	65	227	59	56	40	51	206	36	39	32	59	166
Support functions	16	15	26	7	65	20	24	7	15	66	2	8	15	64	89
Total	802	766	762	758	3,088	559	558	554	862	2,533	523	608	680	779	2,590
Capital expenditure by line of business															
BT Global Services	245	213	208	220	886	131	131	120	217	599	103	124	128	143	498
BT Retail	127	117	110	117	471	81	82	90	164	417	85	99	115	135	434
BT Wholesale	120	119	99	97	435	71	69	71	114	325	67	79	91	92	329
Openreach	227	230	246	248	951	203	200	226	278	907	236	262	295	294	1,087
Other	83	87	99	76	345	73	76	47	89	285	32	44	51	115	242
Total	802	766	762	758	3,088	559	558	554	862	2,533	523	608	680	779	2,590

Glossary

Revenue analysis

ICT & Managed Networks	
Global Services	Networked IT services and MPLS revenue from major UK, European and multinational corporations and the public sector
Retail	Networked IT services sold by BT Business and BT Ireland to SMEs and corporates
Wholesale	Managed network services, white label managed services and wholesale calls sold to external communications providers (CPs) in the UK
Broadband (incl. LLU) and Convergence	
Global Services	UK broadband and global mobility revenues - includes revenue from products and services such as Field Force Automation and Supply Chain Solutions, Mobile Xpress, and GSM and Managed Mobile
Retail	BT Consumer, BT Business and Plusnet broadband revenue, BT Infinity, BT Vision and mobility (including wi-fi) revenue
Wholesale	IPStream Connect and Wholesale Broadband Connect revenue from sales to external CP customers including that not deemed managed network solutions
Openreach	External SMPF and MPF connection and rental revenue, external Ethernet revenue and co-location connection and rental revenue
Lines	
Global Services	Rentals and connection revenue for both analogue and digital lines sold in the UK
Retail	Rentals, connection and calling features revenue for both analogue and digital lines sold by BT Consumer, BT Business and BT Ireland
Calls	
Global Services	Predominantly fixed to mobile, local and national geographic calls and international direct dial sold in the UK
Retail	Local and national geographic calls, international direct dial, fixed to mobile, other non-geographic calls and revenue from call packages, in BT Consumer, BT Business and BT Ireland
Private Circuits	
	Includes private circuits and partial private circuits revenue in BT Wholesale, and private circuits revenue in BT Retail (including Digital IPLC, Megastream & BT LAN/SAN extensions) and BT Global Services (including Megastream and Ethernet)
Transit	
Global Services	Non-UK revenues from the carriage of traditional and IP traffic across BT's network where neither the originating nor the terminating network is owned or controlled by BT (including the pass through of mobile terminating traffic)
Wholesale	UK revenues from the carriage of telecoms traffic across BT's network where neither the originating nor the terminating network is owned or controlled by BT (includes the pass through of mobile terminating traffic)
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	
Global Services	Includes non-UK direct and indirect conveyance revenue, from the carriage of traditional or IP services where either the originating or destination network is owned or controlled by BT
Wholesale	Direct and indirect conveyance, interconnect circuits, international direct dial and wholesale calls (not sold as part of a managed service)
Openreach	WLR rentals and connection revenue from external CPs in the UK
Other	
Global Services	Includes revenue from non-UK global products and other network related services
Retail	External revenue from BT Enterprises (BT Conferencing, BT Directories, BT Redcare and BT Payphones), other BT Business revenue (mainly dabs.com), BT Consumer revenue (telephone and equipment sales) and other revenue in BT Ireland
Wholesale	Other wholesale data revenue including MPLS products such as SHDS & IP Clear, Fixed Wholesale Ethernet, Media & Broadcast revenue and revenue from contracts not deemed managed network solutions
Internal	
Retail	BT Conferencing revenue from BT Global Services, BT Business ICT & managed networks revenue from BT Global Services and other internal revenue in BT Enterprises and BT Ireland
Wholesale	Relating primarily to the sale of line cards and access electronic services to Openreach
Openreach	Primarily rental, connection and migration revenue related to WLR, SMPF and Ethernet supplied to the customer-facing BT lines of business

Glossary

Line of business statistics

Consumer lines	Total lines (analogue lines and ISDN channels (WLR)) sold by BT Retail, including Northern Ireland and Plusnet
Business/Corporate lines	Total lines (analogue lines and ISDN channels (WLR)) sold by BT Business, BT Global Services and BT Wholesale
Call minutes	Includes BT Retail and BT Global Services non geographic and geographic call minutes - local, national and international call minutes, fixed to mobile, 0800, 0870 and 0845
Consumer ARPU	12 month rolling consumer revenue, less mobile POLOs, divided by the number of primary lines
Active BT Consumer lines	The number of lines over which BT Consumer is the call provider (including Plusnet from Q3 2010, excluding Northern Ireland)
BT Vision installed base	Total number of customers that are registered & enabled on the BT Vision platform to receive video on demand
Internal copper lines	Lines provided by Openreach to other BT lines of business - including Plusnet and copper lines operated by BT Retail in Northern Ireland (includes analogue lines and ISDN lines provided over copper (WLR), but excludes non-equivalent traded products and ISDN30)
External copper lines	Lines provided by Openreach to other CPs (includes analogue and ISDN lines provided over copper (WLR), but excludes full LLU and ISDN30)
Fully unbundled copper lines (MPF)	MPF lines provided by Openreach to other CPs

Broadband statistics

Total broadband base (BT Retail)	Total BT Retail broadband base - BT Consumer (including BT Infinity), BT Business, Plusnet and Northern Ireland
Total BT Wholesale Broadband	Total copper and fibre broadband lines sold by BT Wholesale both internally and externally to CP customers
External LLU volumes - full loops (MPF)	MPF lines provided by Openreach to other CPs
External LLU volumes - shared loops (SMPF)	SMPF lines provided by Openreach to other CPs - includes Generic Ethernet Access (fibre) provided by Openreach to other CPs.