



Performance Indicators Q3 2010/11

Index

- Group income statement and free cash flow
- Revenue analysis
- Revenue trends
- Line of business statistics
- Line of business trends
- Broadband statistics
- Broadband trends
- Costs

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Group income statement £m unless otherwise stated	2009/10	Year on year	2010/11	2009/10	Year on year	2010/11	2009/10	Year on year	2010/11	2009/10	2008/9	Year on year	2009/10
	Q1 Restated ⁴	Change %	Q1 Actual	Q2 Restated ⁴	Change %	Q2 Actual	Q3 Restated ⁴	Change %	Q3 Actual	Q4 Restated ⁴	Full Year Restated ⁴	Change %	Full Year Restated ⁴
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	8,587	(0.9)	8,513
BT Retail	2,068	(6.9)	1,925	2,019	(4.5)	1,929	2,020	(2.6)	1,967	2,017	8,491	(4.3)	8,124
BT Wholesale	1,126	(6.0)	1,059	1,109	(5.0)	1,054	1,075	(0.5)	1,070	1,078	4,638	(5.4)	4,388
Openreach	1,255	(4.4)	1,200	1,234	0.1	1,235	1,241	(0.1)	1,240	1,230	5,069	(2.2)	4,960
Other	12	(8.3)	11	10	(40.0)	6	7	57.1	11	11	41	(2.4)	40
Eliminations	(1,305)	(8.4)	(1,196)	(1,274)	(2.8)	(1,238)	(1,263)	(3.1)	(1,224)	(1,272)	(5,436)	(5.9)	(5,114)
Total	5,235	(4.4)	5,006	5,122	(2.8)	4,977	5,198	(3.1)	5,038	5,356	21,390	(2.2)	20,911
Adjusted EBITDA²													
BT Global Services	62	109.7	130	95	45.3	138	123	14.6	141	177	261	75.1	457
BT Retail	452	(2.2)	442	451	(8.2)	414	436	3.7	452	438	1,585	12.1	1,777
BT Wholesale	338	0.3	339	344	(5.2)	326	337	(2.1)	330	334	1,356	(0.2)	1,353
Openreach	475	7.6	511	507	4.9	532	488	12.7	550	490	1,996	(1.8)	1,960
Other	(1)	n/m	(23)	18	133.3	42	2	450.0	11	73	40	130.0	92
Total	1,326	5.5	1,399	1,415	2.6	1,452	1,386	7.1	1,484	1,512	5,238	7.7	5,639
BT Global Services contract and financial review charges	0		0	0		0	0		0	0	(1,639)		0
EBITDA pre specific items	1,326	5.5	1,399	1,415	2.6	1,452	1,386	7.1	1,484	1,512	3,599	56.7	5,639
Depreciation and amortisation	(738)	(1.2)	(729)	(759)	(2.9)	(737)	(754)	(0.4)	(751)	(788)	(2,890)	5.2	(3,039)
Operating profit pre specific items	588	13.9	670	656	9.0	715	632	16.0	733	724	709	266.7	2,600
Net finance expense	(214)	6.5	(228)	(225)	(0.4)	(224)	(223)	(7.2)	(207)	(228)	(933)	(4.6)	(890)
Share of post tax profits/losses of associates & joint ventures	8		4	9		5	(1)		5	9	39		25
PBT pre specific items	382	16.8	446	440	12.7	496	408	30.1	531	505	(185)	(1,037.8)	1,735
Specific items	(41)		(51)	(95)		(71)	(130)		(70)	(183)	(372)		(449)
Net interest on pensions	(69)		(20)	(70)		(19)	(69)		(20)	(71)	313		(279)
Total specific items	(110)		(71)	(165)		(90)	(199)		(90)	(254)	(59)		(728)
Reported PBT	272	37.9	375	275	47.6	406	209	111.0	441	251	(244)	(512.7)	1,007
Tax - excluding tax on specific items	(88)		(109)	(103)		(98)	(94)		(113)	(113)	98		(398)
Tax on specific items	30		18	256		92	63		19	71	(45)		420
Tax rate	23.0%		24.5%	23.4%		19.7%	23.0%		21.3%	22.4%	53.0%		22.9%
Memo: Minorities	0		0	0		(1)	0		0	(1)	(2)		(1)
Net income	214	32.7	284	428	(6.5)	400	178	94.9	347	209	(191)	(638.7)	1,029
Adjusted EPS²	3.8	15.8	4.4	4.4	15.9	5.1	4.1	31.7	5.4	5.0	14.1	22.7	17.3
Reported EPS	2.8	32.1	3.7	5.5	(7.3)	5.1	2.3	95.7	4.5	2.7	(2.5)	(632.0)	13.3
Dividend per share	-		-	2.3		2.4	-		0.0	4.6	6.5		6.9
Average number of shares in issue	7,735		7,745	7,739		7,750	7,743		7,751	7,743	7,724		7,740
Group free cash flow													
Adjusted EBITDA ²	1,326		1,399	1,415		1,452	1,386		1,484	1,512	5,238		5,639
Capital expenditure	(678)	(10.0)	(610)	(555)	8.5	(602)	(548)	22.3	(670)	(699)	(3,038)	(18.4)	(2,480)
Interest	(284)	3.9	(295)	(163) ⁷	0.0	(163)	(314)	(15.0)	(267)	(190)	(937)	1.5	(951)
Tax	210 ⁵		(5)	(14) ⁷		(10)	(44)		(94)	(18)	(228)		134
Change in working capital	(599)		(140)	(86)		(133)	44		58	478	(462)		(163)
Other	(28)		110	(53)		32	2		58	6	199 ⁶		(73)
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	772	172.8	2,106
Specific items	(69)		(44)	161 ⁷		(41)	(221)		(54)	(44)	(35)		(173)
Free cash flow (pre gross pension deficit payment)	(122)	440.2	415	705	(24.1)	535	305	68.9	515	1,045	737	162.3	1,933
Gross pension deficit payment	0		0	0		0	(525)		(525)	0	0		(525)
Free cash flow (post gross pension deficit payment)	(122)	440.2	415	705	(24.1)	535	(220)	(95.5)	(10)	1,045	737	91.0	1,408
Net debt	10,517	(15.6)	8,879	9,878	(11.9)	8,704	10,112	(14.2)	8,674	9,283	10,361	(10.4)	9,283
Operating cash flow by line of business³		£m			£m			£m				£m	
BT Global Services	(465)	427	(38)	(103)	75	(28)	(27)	142	115	113	(912)	430	(482)
BT Retail	328	(35)	293	430	(97)	333	371	(47)	324	437	1,064	502	1,566
BT Wholesale	121	96	217	212	10	222	224	(83)	141	360	824	93	917
Openreach	229	(4)	225	280	(25)	255	321	(5)	316	337	1,079	88	1,167

¹ 2008/9 and 2009/10 revenue adjusted for changes in the internal trading model. The group's internal trading model has been simplified with effect from 1 April 2010. This adjustment has the impact of reducing internal revenue in both BT Wholesale and Openreach by about £51m per quarter in 2009/10 (£40m in 2008/9). There is no impact from these changes on total group revenue.

² before specific items and BT Global Services contract and financial review charges

³ 2008/9 and 2009/10 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 includes £110m non-cash share based payment adjustment

⁷ 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 £m		2008/9 ^{1 2}					2009/10 ^{1 2}					2010/11		
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Total ICT & Managed Networks	BT Global Services	1,173	1,260	1,341	1,458 ³	5,232	1,221	1,277	1,313	1,470	5,281	1,297	1,297 ⁴	1,299
	BT Retail	141	147	149	154	591	135	140	141	162	578	149	117 ⁴	141
	BT Wholesale	81	108	166	163	518	167	180	180	188	715	199	183	197
Total ICT & Managed Networks		1,395	1,515	1,656	1,775	6,341	1,523	1,597	1,634	1,820	6,574	1,645	1,597	1,637
Broadband (incl. LLU) and Convergence	BT Global Services	67	73	89	92	321	82	83	84	85	334	76	83	81
	BT Retail	305	316	318	314	1,253	312	314	317	315	1,258	324	327	329
	BT Wholesale	143	135	134	131	543	131	125	117	115	488	93	82	80
	Openreach	120	120	134	127	501	131	143	162	161	597	180	210	210
	Broadband (incl. LLU) and Convergence		635	644	675	664	2,618	656	665	680	676	2,677	673	702
Lines	BT Global Services	133	130	127	121	511	122	117	116	117	472	109	102	102
	BT Retail	772	767	751	724	3,014	762	707	685	676	2,830	663	645	651
Calls	BT Global Services	905	897	878	845	3,525	884	824	801	793	3,302	772	747	753
	BT Retail	51	50	51	48	200	48	46	43	47	184	39	40	35
Private Circuits	BT Global Services	572	543	541	509	2,165	511	492	505	473	1,981	455	439	460
	BT Retail	623	593	592	557	2,365	559	538	548	520	2,165	494	479	495
Total	BT Global Services	94	88	83	79	344	78	78	75	69	300	68	67	63
	BT Retail	43	44	43	37	167	38	34	36	34	142	31	33	30
	BT Wholesale	107	116	87	88	398	90	74	80	72	316	59	84	70
Total		244	248	213	204	909	206	186	191	175	758	158	184	163
Total Calls and Lines	BT Global Services	278	268	261	248	1,055	248	241	234	233	956	216	209	200
	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
	BT Wholesale	107	116	87	88	398	90	74	80	72	316	59	84	70
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
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	265	273	280	288	1,106	246	244	261	260	1,011	231	212	207
	BT Wholesale	484	478	464	436	1,862	425	393	370	366	1,554	386	373	387
	Openreach	124	130	138	149	541	157	163	161	163	644	151	162	166
	Other	873	881	882	873	3,509	828	800	792	789	3,209	768	747	760
	Total		1,746	1,762	1,764	1,746	7,018	1,656	1,637	1,684	1,678	6,418	1,536	1,534
Other	BT Global Services	211	221	223	218	873	282	179	226	244	931	187	190	187
	BT Retail	216	236	245	261	958	227	242	247	246	962	218	239	242
	BT Wholesale	68	57	62	64	251	58	81	72	82	293	80	86	90
	Other	495	514	530	543	2,082	567	502	545	572	2,186	485	515	519
	Total		990	1,028	1,062	1,086	4,164	927	804	890	942	3,532	910	920
Total Other	BT Global Services	476	494	503	506	1,979	528	423	487	504	1,942	418	402	394
	BT Retail	216	236	245	261	958	227	242	247	246	962	218	239	242
	BT Wholesale	552	535	526	500	2,113	483	474	442	448	1,847	466	459	477
	Openreach	124	130	138	149	541	157	163	161	163	644	151	162	166
	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
Internal revenue	BT Retail	68	82	88	105	343	83	90	89	111	373	85	129 ⁴	114
	BT Wholesale	267	268	267	266	1,066	255	256	256	255	1,022	242	246	246
	Openreach	1,022	1,013	1,017	977	4,027	967	928	918	906	3,719	869	863	864
Total internal revenue		1,357	1,363	1,372	1,348	5,436	1,305	1,274	1,263	1,272	5,114	1,196	1,238	1,224
Total line of business revenue	BT Global Services	1,994	2,095	2,194	2,304	8,587	2,079	2,024	2,118	2,292	8,513	2,007	1,991	1,974
	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
	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
	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
	Other	7	11	11	12	41	12	10	7	11	40	11	6	11
	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)
Total group revenue		5,177	5,303	5,437	5,473	21,390	5,235	5,122	5,198	5,356	20,911	5,006	4,977	5,038

¹ adjusted for changes in the internal trading model.

² restated to reflect Q1 2010/11 customer account moves between BT Retail and BT Wholesale

³ revenue as reported - shown after BT Global Services contract and financial review charges of £41m in Q4 2008/9

⁴ Q2 2010/11 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		2009/10					2010/11		
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
	BT Global Services	4.1%	1.3%	(2.1)%	0.8%	0.9%	6.2%	1.6%	(1.1)%
	BT Retail	(4.3)%	(4.8)%	(5.4)%	5.2%	(2.2)%	10.4%	(16.4)%	0.0%
	BT Wholesale	106.2%	66.7%	8.4%	15.3%	38.0%	19.2%	1.7%	9.4%
Total ICT & Managed Networks		9.2%	5.4%	(1.3)%	2.5%	3.7%	8.0%	0.0%	0.2%
	BT Global Services	22.4%	13.7%	(5.6)%	(7.6)%	4.0%	(7.3)%	0.0%	(3.6)%
	BT Retail	2.3%	(0.6)%	(0.3)%	0.3%	0.4%	3.8%	4.1%	3.8%
	BT Wholesale	(8.4)%	(7.4)%	(12.7)%	(12.2)%	(10.1)%	(29.0)%	(34.4)%	(31.6)%
	Openreach	9.2%	19.2%	20.9%	26.8%	19.2%	37.4%	46.9%	29.6%
Broadband (incl. LLU) and Convergence		3.3%	3.3%	0.7%	1.8%	2.3%	2.6%	5.6%	2.9%
Lines	BT Global Services	(8.3)%	(10.0)%	(8.7)%	(3.3)%	(7.6)%	(10.7)%	(12.8)%	(12.1)%
	BT Retail	(1.3)%	(7.8)%	(8.8)%	(6.6)%	(6.1)%	(13.0)%	(8.8)%	(5.0)%
Calls		(2.3)%	(8.1)%	(8.8)%	(6.2)%	(6.3)%	(12.7)%	(9.3)%	(6.0)%
	BT Global Services	(5.9)%	(8.0)%	(15.7)%	(2.1)%	(8.0)%	(18.8)%	(13.0)%	(18.6)%
	BT Retail	(10.7)%	(9.4)%	(6.7)%	(7.1)%	(8.5)%	(11.0)%	(10.8)%	(8.9)%
Private Circuits		(10.3)%	(9.3)%	(7.4)%	(6.6)%	(8.5)%	(11.6)%	(11.0)%	(9.7)%
	BT Global Services	(17.0)%	(11.4)%	(9.6)%	(12.7)%	(12.8)%	(12.8)%	(14.1)%	(16.0)%
	BT Retail	(11.6)%	(22.7)%	(16.3)%	(8.1)%	(15.0)%	(18.4)%	(2.9)%	(16.7)%
	BT Wholesale	(15.9)%	(36.2)%	(8.0)%	(18.2)%	(20.6)%	(34.4)%	13.5%	(12.5)%
Total		(15.6)%	(25.0)%	(10.3)%	(14.2)%	(16.6)%	(23.3)%	(1.1)%	(14.7)%
	BT Global Services	(10.8)%	(10.1)%	(10.3)%	(6.0)%	(9.4)%	(12.9)%	(13.3)%	(14.5)%
	BT Retail	(5.5)%	(8.9)%	(8.2)%	(6.9)%	(7.4)%	(12.4)%	(9.4)%	(6.9)%
	BT Wholesale	(15.9)%	(36.2)%	(8.0)%	(18.2)%	(20.6)%	(34.4)%	13.5%	(12.5)%
Total Calls and Lines		(6.9)%	(10.9)%	(8.5)%	(7.3)%	(8.4)%	(13.6)%	(8.9)%	(8.4)%
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	(7.2)%	(10.6)%	(6.8)%	(9.7)%	(8.6)%	(6.1)%	(13.1)%	(20.7)%
	BT Wholesale	(12.2)%	(17.8)%	(20.3)%	(16.1)%	(16.5)%	(9.2)%	(5.1)%	4.6%
	Openreach	26.6%	25.4%	16.7%	9.4%	19.0%	(3.8)%	(0.6)%	3.1%
Other		(5.2)%	(9.2)%	(10.2)%	(9.6)%	(8.5)%	(7.2)%	(6.6)%	(4.0)%
	BT Global Services	33.6%	(19.0)%	1.3%	11.9%	6.6%	(33.7)%	6.1%	(17.3)%
	BT Retail	5.1%	2.5%	0.8%	(5.7)%	0.4%	(4.0)%	(1.2)%	(2.0)%
	BT Wholesale	(14.7)%	42.1%	16.1%	28.1%	16.7%	37.9%	6.2%	25.0%
Total		14.5%	(2.3)%	2.8%	5.3%	5.0%	(14.5)%	2.6%	(4.8)%
	BT Global Services	10.9%	(14.4)%	(3.2)%	(0.4)%	(1.9)%	(20.8)%	(5.0)%	(19.1)%
	BT Retail	5.1%	2.5%	0.8%	(5.7)%	0.4%	(4.0)%	(1.2)%	(2.0)%
	BT Wholesale	(12.5)%	(11.4)%	(16.0)%	(10.4)%	(12.6)%	(3.5)%	(3.2)%	7.9%
	Openreach	26.6%	25.4%	16.7%	9.4%	19.0%	(3.8)%	(0.6)%	3.1%
Total Other		2.0%	(6.7)%	(5.3)%	(3.9)%	(3.5)%	(10.2)%	(3.1)%	(4.3)%
Internal revenue	BT Retail	22.1%	9.8%	1.1%	5.7%	8.7%	2.4%	43.3%	28.1%
	BT Wholesale	(4.3)%	(4.3)%	(3.9)%	(4.0)%	(4.1)%	(5.1)%	(3.9)%	(3.9)%
	Openreach	(5.3)%	(8.3)%	(9.7)%	(7.2)%	(7.6)%	(10.1)%	(7.0)%	(5.9)%
Total internal revenue		(3.8)%	(6.5)%	(7.9)%	(5.6)%	(5.9)%	(8.4)%	(2.8)%	(3.1)%
Total line of business revenue	BT Global Services	4.3%	(3.4)%	(3.5)%	(0.5)%	(0.9)%	(3.5)%	(1.6)%	(6.8)%
	BT Retail	(2.3)%	(5.4)%	(5.4)%	(4.1)%	(4.3)%	(6.9)%	(4.5)%	(2.6)%
	BT Wholesale	(2.0)%	(4.5)%	(8.9)%	(6.1)%	(5.4)%	(6.0)%	(5.0)%	(0.5)%
	Openreach	(0.8)%	(2.3)%	(3.7)%	(1.8)%	(2.2)%	(4.4)%	0.1%	(0.1)%
Total group revenue		1.1%	(3.4)%	(4.4)%	(2.1)%	(2.2)%	(4.4)%	(2.8)%	(3.1)%

Line of business statistics	2008/9					2009/10					2010/11		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
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
Business/Corporate	6,547	6,362	6,167	5,992		5,835	5,679	5,513	5,367		5,225	5,122	4,979
Total	22,074	21,651	21,121	20,506		19,939	19,375	18,843	18,418		17,926	17,449	17,020
Global Services													
Order intake (£m)	1,868	1,772	1,745	2,532		1,411	1,436	1,550	2,234		1,552 ³	2,165	1,675
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
Business	664	662	652	658	2,636	607	601	602	611	2,421	584	599	605
Enterprises	135	174	184	209	702	164	182	176	193	715	163	181	176
Ireland	198	194	202	205	799	198	200	201	202	801	185	189	189
Other (incl. eliminations)	(1)	0	1	(8)	(8)	(6)	(6)	(15)	(9)	(36)	(6)	(20)	(13)
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
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
Consumer ARPU ² (£)	278	283	285	287		290	296	301	309		314	317	322
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
BT Vision installed base ('000)	282	320	376	423		433 ⁵	436 ⁵	451	467		481	505	545
Net adds in quarter	68	38	56	47		31	18	15	16		14	24	40
Openreach													
Note new presentation of copper line base													
Internal copper lines ('000)	20,058	19,686	19,164	18,670		18,163	17,707	17,264	16,839		16,396	15,966	15,604
External copper lines ('000)	4,078	4,236	4,445	4,735		5,032	5,163	5,038	4,989		4,969	5,041	5,161
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
Total copper lines ('000)	25,481	25,371	25,205	25,118		25,003	24,935	24,868	24,793		24,752	24,735	24,778

¹ restated to reflect Q1 2010/11 customer account moves between BT Retail and BT Wholesale

² Q1, Q2, Q3 & Q4 2009/10 figures show underlying ARPU, excluding £3 relating to Q1 2009/10 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 2009/10 and Q3 2009/10. There is no impact on the full year figure.

⁵ net adds in Q1 2009/10 and Q2 2009/10 are before the reported data cleanses of the BT Vision installed base. These reduced the customer base by c.22k in Q1 2009/10 and c.15k in Q2 2009/10. Q1 2009/10 net adds have been adjusted for customer churn of 7k.

⁶ MPF base reduced by c.9k in Q2 2010/11 to correct systems issue.

Line of business trends YoY change	2009/10					2010/11		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Group								
Lines sold through BT lines of business								
Consumer	(9.2)%	(10.4)%	(10.9)%	(10.1)%		(9.9)%	(10.0)%	(9.7)%
Business/Corporate	(10.9)%	(10.7)%	(10.6)%	(10.4)%		(10.5)%	(9.8)%	(9.7)%
Total	(9.7)%	(10.5)%	(10.8)%	(10.2)%		(10.1)%	(9.9)%	(9.7)%
Global Services								
Order intake	(24.5)%	(19.0)%	(11.2)%	(11.8)%		10.0%	50.8%	8.1%
Retail								
Business unit revenue								
Consumer	(1.4)%	(5.7)%	(3.6)%	(1.9)%	(3.2)%	(9.6)%	(6.0)%	(4.4)%
Business	(8.6)%	(9.2)%	(7.7)%	(7.1)%	(8.2)%	(3.8)%	(0.3)%	0.5%
Enterprises	21.5%	4.6%	(4.3)%	(7.7)%	1.9%	(0.6)%	(0.5)%	0.0%
Ireland	0.0%	3.1%	(0.5)%	(1.5)%	0.3%	(6.6)%	(5.5)%	(6.0)%
Other (incl. eliminations)								
Total	(2.3)%	(5.4)%	(5.4)%	(4.1)%	(4.3)%	(6.9)%	(4.5)%	(2.6)%
Call minutes (bn)	(15.9)%	(14.6)%	(12.0)%	(10.9)%	(13.4)%	(12.0)%	(11.7)%	(9.0)%
Consumer ARPU	4.3%	4.6%	5.6%	7.7%		8.3%	7.1%	7.0%
Active BT Consumer lines	(6.7)%	(6.9)%	(6.6)%	(5.7)%		(5.6)%	(5.9)%	(6.0)%
BT Vision installed base	53.5%	36.3%	19.9%	10.4%		11.1%	15.8%	20.8%
Openreach								
Internal copper lines	(9.4)%	(10.1)%	(9.9)%	(9.8)%		(9.7)%	(9.8)%	(9.6)%
External copper lines	23.4%	21.9%	13.3%	5.4%		(1.3)%	(2.4)%	2.4%
Fully unbundled copper lines (MPF)	34.4%	42.5%	60.9%	73.0%		87.3%	80.6%	56.3%
Total copper lines	(1.9)%	(1.7)%	(1.3)%	(1.3)%		(1.0)%	(0.8)%	(0.4)%

Broadband statistics 000s	2008/9				2009/10				2010/11		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
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
Net adds in quarter	103	69	83	99	78	72	102	123	96	114	188
Retail share of DSL + LLU net adds	31%	26%	28%	42%	46%	43%	42%	44%	40%	45%¹	53%
Retail share of DSL + LLU installed base	35%	34%	34%	34%	35%	35%	35%	35%	35%	35%	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
Net adds in quarter	(123)	(65)	(122)	(12)	(36)	5	14	13	(45)	(41)	9
External Wholesale	3,756	3,622	3,416	3,305	3,191	3,124	3,036	2,926	2,785	2,629	2,451
Net adds in quarter	(227)	(134)	(206)	(110)	(114)	(67)	(88)	(110)	(141)	(156)	(179)
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
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
Total	4,756	5,084	5,501	5,750	5,957	6,121	6,352	6,620	6,906	7,143	7,490
Net adds in quarter	456	328	417	249	208	164	231	268	286	294 ¹	347
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
Net adds in quarter	333	263	295	237	172	169	245	281	241	253 ¹	356

¹ LLU base adjusted in Q2 2010/11 to correct systems issue. MPF base reduced by c.9k and SMPF base reduced by c.48k. Net adds in Q2 2010/11 shown before the adjustments to the base.

Broadband trends YoY change

2009/10			
Q1	Q2	Q3	Q4

2010/11		
Q1	Q2	Q3

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%
22.7%	59.5%	83.8%

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)%
(24.2)%	(946.6)%	(36.9)%
(12.7)%	(15.8)%	(19.3)%
(23.2)%	(133.3)%	(102.5)%

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%
(15.2)%	(15.8)%	(8.1)%
15.9%	16.7%	17.9%
37.5%	79.8%	50.1%

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%
40.4%	50.0%	45.2%

Costs £m	2008/9					2009/10					2010/11		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
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
Indirect labour costs						325	315	259	263	1,162	229	253	235
Gross labour costs						1,591	1,521	1,473	1,439	6,024	1,472	1,454	1,436
Direct labour capitalised	(158)	(155)	(192)	(168)	(673)	(144)	(133)	(143)	(155)	(575)	(152)	(189)	(190)
Indirect labour capitalised						(118)	(117)	(102)	(103)	(440)	(79)	(83)	(78)
Net labour costs						1,329	1,271	1,228	1,181	5,009	1,241	1,182	1,168
Leaver costs	73	36	33	62	204	45	21	58	18	142	10	14	12
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
Property and energy costs						320	317	333	314	1,284	287	278	294
Network maintenance and IT costs						209	190	191	191	781	178	185	187
General and administrative costs						343	322	382	377	1,424	345	311	371
Other operating costs						694	639	634	960	2,927	673	666	688
Operating costs before depreciation and specific items	3,923	4,039	4,576	5,605	18,143	3,988	3,800	3,892	3,970	15,650	3,695	3,606	3,657
Depreciation and amortisation	680	672	702	774	2,828	722	747	742	774	2,985	716	726	739
Amortisation of acquired intangibles	11	13	21	17	62	16	12	12	14	54	13	11	12
Total operating costs before specific items	4,614	4,724	5,299	6,396	21,033	4,726	4,559	4,646	4,758	18,689	4,424	4,343	4,408
Specific items	27	38	-	330	395	41	54	159	173	427	51	71	105
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
Capital expenditure													
Platform/Network	329	333	287	311	1,260	207	217	241	470	1,135	230	274	322
Line of Business	233	200	223	216	873	130	131	128	171	560	119	136	152
Access	171	167	166	159	663	143	130	138	155	566	136	151	159
Regulatory & compliance	53	50	59	65	227	59	56	40	51	206	36	39	32
Support functions	16	15	26	7	65	20	24	7	15	66	2	8	15
Total	802	766	762	758	3,088	559	558	554	862	2,533	523	608	680
Capital expenditure by line of business													
BT Global Services	245	213	208	220	886	131	131	120	217	599	103	124	128
BT Retail	127	117	110	117	471	81	82	90	164	417	85	99	115
BT Wholesale	120	119	99	97	435	71	69	71	114	325	67	79	91
Openreach	227	230	246	248	951	203	200	226	278	907	236	262	295
Other	83	87	99	76	345	73	76	47	89	285	32	44	51
Total	802	766	762	758	3,088	559	558	554	862	2,533	523	608	680

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 solutions, 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, conveyance, interconnect circuits, WLR, global carrier and other wholesale	
Global Services	Global carrier revenue - revenue from selling, carrying and exchanging traditional and IP traffic with wholesalers worldwide
Wholesale	Transit (including mobile termination), 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 digital channels) sold by BT Retail, including Northern Ireland and Plusnet
Business/Corporate lines	Total lines (analogue lines and digital channels) 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 2009/10, 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 Northern Ireland and Plusnet (includes analogue and ISDN WLR lines provided over copper)
External copper lines	Lines provided by Openreach to other CPs (including analogue and ISDN WLR lines provided over copper)
Fully unbundled copper lines (MPF)	Full LLU lines provided by Openreach to other CPs

Broadband statistics

Total broadband base (Retail)	Total BT Retail broadband base - BT Consumer (including 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