



Performance Indicators Q1 2012

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
- Glossary

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Group income statement £m unless otherwise stated	2011 Q1 Restated ²	Year on year Change %	2012 Q1 Actual	2011 Q2 Restated ²	2011 Q3 Restated ²	2011 Q4 Restated ²	2010 Full Year Restated ²	Year on year Change %	2011 Full Year Restated ²
Adjusted revenue¹									
BT Global Services	2,011	(5.3)	1,905	1,992	1,978	2,078	8,522	(5.4)	8,059
BT Retail	1,911	(4.2)	1,830	1,919	1,954	1,916	8,078	(4.7)	7,700
BT Wholesale	1,057	(5.0)	1,004	1,051	1,069	1,024	4,379	(4.1)	4,201
Openreach	1,200	4.6	1,255	1,235	1,240	1,255	4,960	(0.6)	4,930
Other	11	(9.1)	10	6	11	10	40	(5.0)	38
Eliminations	(1,184)	4.7	(1,240)	(1,226)	(1,214)	(1,228)	(5,068)	(4.3)	(4,852)
Total	5,006	(4.8)	4,764	4,977	5,038	5,055	20,911	(4.0)	20,076
Adjusted EBITDA¹									
BT Global Services	130	6.2	138	138	141	184	457	29.8	593
BT Retail	442	0.9	446	414	452	476	1,777	0.4	1,784
BT Wholesale	339	(9.4)	307	326	330	321	1,353	(2.7)	1,316
Openreach	511	5.3	538	532	550	539	1,960	8.8	2,132
Other	(23)	n/m	7	42	11	31	92	(33.7)	61
Total	1,399	2.6	1,436	1,452	1,484	1,551	5,639	4.4	5,886
Depreciation and amortisation	(729)	1.4	(739)	(737)	(751)	(762)	(3,039)	(2.0)	(2,979)
Operating profit pre specific items	670	4.0	697	715	733	789	2,600	11.8	2,907
Net finance expense	(228)	(26.3)	(168)	(224)	(207)	(186)	(890)	(5.1)	(845)
Share of post tax profits/losses of associates & joint ventures	4		4	5	5	7	25		21
PBT pre specific items	446	19.5	533	496	531	610	1,735	20.1	2,083
Specific items	(51)		(66)	(71)	(70)	(95)	(449)		(287)
Net interest on pensions	(20)		50	(19)	(20)	(20)	(279)		(79)
Total specific items	(71)		(16)	(90)	(90)	(115)	(728)		(366)
Reported PBT	375	37.9	517	406	441	495	1,007	70.5	1,717
Tax - excluding tax on specific items	(109)		(129)	(98)	(113)	(132)	(398)		(452)
Tax on specific items	18		(3)	92	19	110	420		239
Tax rate	24.5%		24.1%	19.7%	21.3%	21.6%	22.9%		21.7%
Memo: Minorities	0		0	(1)	0	(1)	(1)		(2)
Net income	284	35.6	385	400	347	473	1,029	46.2	1,504
Adjusted EPS¹ (p)	4.4	18.2	5.2	5.1	5.4	6.2	17.3	21.4	21.0
Reported EPS (p)	3.7	35.1	5.0	5.1	4.5	6.1	13.3	45.9	19.4
Dividend per share (p)	-		-	2.4	-	5.0	6.9		7.4
Average number of shares in issue (m)	7,745		7,755	7,750	7,751	7,754	7,740		7,750
Group free cash flow									
Adjusted EBITDA ¹	1,399		1,436	1,452	1,484	1,551	5,639		5,886
Capital expenditure	(610)	1.3	(618)	(602)	(670)	(748)	(2,480)	6.0	(2,630)
Interest	(295)	(27.5)	(214)	(163)	(267)	(219)	(951)	(0.7)	(944)
Tax	(5)		(29)	(10)	(94)	(100)	134		(209)
Change in working capital	(140)		(370)	(133)	58	204	(163)		(11)
Other	110		103	32	58	(69)	(73)		131
Free cash flow (pre gross pension deficit payment and specific items)	459	(32.9)	308	576	569	619	2,106	5.6	2,223
Specific items	(44)		(61)	(41)	(54)	(73)	(173)		(212)
Free cash flow (pre gross pension deficit payment)	415	(40.5)	247	535	515	546	1,933	4.0	2,011
Gross pension deficit payment	0		0	0	(525)	(505)	(525)		(1,030)
Free cash flow (post gross pension deficit payment)	415	(40.5)	247	535	(10)	41	1,408	(30.3)	981
Net debt	8,879	(3.3)	8,585	8,704	8,674	8,816	9,283	(5.0)	8,816
Operating cash flow by line of business		£m						£m	
BT Global Services	(38)	(22)	(60)	(28)	115	70	(482)	601	119
BT Retail	293	1	294	333	324	432	1,566	(184)	1,382
BT Wholesale	217	(98)	119	222	141	331	917	(6)	911
Openreach	225	(48)	177	255	316	282	1,167	(89)	1,078

¹ before specific items

² restated for the impact of customer account moves between BT Retail, BT Wholesale, BT Global Services and Openreach effective from 1 April 2011, which have no impact on group results

Revenue analysis		Q1	Q2	2010 ¹ Q3	Q4	FY	Q1	Q2	2011 ¹ Q3	Q4	FY	2012 Q1
£m												
	BT Global Services	1,224	1,282	1,316	1,476	5,298	1,303	1,301 ²	1,305	1,421	5,330	1,261
	BT Retail	132	135	138	156	561	143	113 ²	135	140	531	120
	BT Wholesale	167	180	180	188	715	199	183	197	192	771	199
Total ICT & Managed Networks		1,523	1,597	1,634	1,820	6,574	1,645	1,597	1,637	1,753	6,632	1,580
	BT Global Services	81	82	83	84	330	75	82	80	77	314	82
	BT Retail	312	314	317	315	1,258	324	327	329	331	1,311	337
	BT Wholesale	131	125	117	115	488	93	82	80	80	335	73
	Openreach	132	144	163	162	601	181	211	211	204	807	221
Broadband (incl. LLU) and Convergence		656	665	680	676	2,677	673	702	700	692	2,767	713
Lines	BT Global Services	122	117	116	117	472	109	102	102	102	415	101
	BT Retail	762	707	685	676	2,830	663	645	651	640	2,599	623
		884	824	801	793	3,302	772	747	753	742	3,014	724
Calls	BT Global Services	48	46	43	47	184	39	40	35	34	148	32
	BT Retail	511	492	505	473	1,981	455	439	460	414	1,768	396
		559	538	548	520	2,165	494	479	495	448	1,916	428
Private Circuits	BT Global Services	78	78	75	69	300	68	67	63	61	259	64
	BT Retail	38	34	36	34	142	31	33	30	30	124	29
	BT Wholesale	90	74	80	72	316	59	84	70	69	282	60
		206	186	191	175	758	158	184	163	160	665	153
Total	BT Global Services	248	241	234	233	956	216	209	200	197	822	197
	BT Retail	1,311	1,233	1,226	1,183	4,953	1,149	1,117	1,141	1,084	4,491	1,048
	BT Wholesale	90	74	80	72	316	59	84	70	69	282	60
Total Calls and Lines		1,649	1,548	1,540	1,488	6,225	1,424	1,410	1,411	1,350	5,595	1,305
Transit	BT Global Services	188	184	206	204	782	179	165	158	121	623	115
	BT Wholesale	274	250	230	222	976	230	233	226	206	895	187
		462	434	436	426	1,758	409	398	384	327	1,518	302
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	58	60	55	56	229	52	47	49	58	206	56
	BT Wholesale	151	143	140	144	578	156	140	161	152	609	163
	Openreach	167	173	171	175	686	162	172	177	186	697	161
		376	376	366	375	1,493	370	359	387	396	1,512	380
Other	BT Global Services	281	178	225	243	927	186	188	186	204	764	194
	BT Retail	220	235	240	238	933	211	232	235	242	920	203
	BT Wholesale	56	79	70	79	284	77	85	87	81	330	77
		557	492	535	560	2,144	474	505	508	527	2,014	474
Total	BT Global Services	527	422	486	503	1,938	417	400	393	383	1,593	365
	BT Retail	220	235	240	238	933	211	232	235	242	920	203
	BT Wholesale	481	472	440	445	1,838	463	458	474	439	1,834	427
	Openreach	167	173	171	175	686	162	172	177	186	697	161
Total Other		1,395	1,302	1,337	1,361	5,395	1,253	1,262	1,279	1,250	5,044	1,156
Internal revenue	BT Retail	83	90	89	111	373	84	130 ²	114	119	447	122
	BT Wholesale	255	256	256	255	1,022	243	244	248	244	979	245
	Openreach	956	916	907	894	3,673	857	852	852	865	3,426	873
Total internal revenue		1,294	1,262	1,252	1,260	5,068	1,184	1,226	1,214	1,228	4,852	1,240
Total line of business revenue	BT Global Services	2,080	2,027	2,119	2,296	8,522	2,011	1,992	1,978	2,078	8,059	1,905
	BT Retail	2,058	2,007	2,010	2,003	8,078	1,911	1,919	1,954	1,916	7,700	1,830
	BT Wholesale	1,124	1,107	1,073	1,075	4,379	1,057	1,051	1,069	1,024	4,201	1,004
	Openreach	1,255	1,233	1,241	1,231	4,960	1,200	1,235	1,240	1,255	4,930	1,255
	Other	12	10	7	11	40	11	6	11	10	38	10
	Eliminations	(1,294)	(1,262)	(1,252)	(1,260)	(5,068)	(1,184)	(1,226)	(1,214)	(1,228)	(4,852)	(1,240)
Total group revenue		5,235	5,122	5,198	5,356	20,911	5,006	4,977	5,038	5,055	20,076	4,764

¹ restated for the impact of customer account moves between BT Retail, BT Wholesale, BT Global Services and Openreach effective from 1 April 2011, which have no impact on group results

² 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	2011 Q3	Q4	FY	2012 Q1
	BT Global Services	6.5%	1.5%	(0.8)%	(3.7)%	0.6%	(3.2)%
	BT Retail	8.3%	(16.3)%	(2.2)%	(10.3)%	(5.3)%	(16.1)%
	BT Wholesale	19.2%	1.7%	9.4%	2.1%	7.8%	0.0%
Total ICT & Managed Networks		8.0%	0.0%	0.2%	(3.7)%	0.9%	(4.0)%
	BT Global Services	(7.4)%	0.0%	(3.6)%	(8.3)%	(4.8)%	9.3%
	BT Retail	3.8%	4.1%	3.8%	5.1%	4.2%	4.0%
	BT Wholesale	(29.0)%	(34.4)%	(31.6)%	(30.4)%	(31.4)%	(21.5)%
	Openreach	37.1%	46.5%	29.4%	25.9%	34.3%	22.1%
Broadband (incl. LLU) and Convergence		2.6%	5.6%	2.9%	2.4%	3.4%	5.9%
Lines	BT Global Services	(10.7)%	(12.8)%	(12.1)%	(12.8)%	(12.1)%	(7.3)%
	BT Retail	(13.0)%	(8.8)%	(5.0)%	(5.3)%	(8.2)%	(6.0)%
Calls	BT Global Services	(12.7)%	(9.3)%	(6.0)%	(6.4)%	(8.7)%	(6.2)%
	BT Retail	(18.8)%	(13.0)%	(18.6)%	(27.7)%	(19.6)%	(17.9)%
	BT Wholesale	(11.0)%	(10.8)%	(8.9)%	(12.5)%	(10.8)%	(13.0)%
Private Circuits	BT Global Services	(11.6)%	(11.0)%	(9.7)%	(13.8)%	(11.5)%	(13.4)%
	BT Retail	(12.8)%	(14.1)%	(16.0)%	(11.6)%	(13.7)%	(5.9)%
	BT Wholesale	(18.4)%	(2.9)%	(16.7)%	(11.8)%	(12.7)%	(6.5)%
	Openreach	(34.4)%	13.5%	(12.5)%	(4.2)%	(10.8)%	1.7%
Total		(23.3)%	(1.1)%	(14.7)%	(8.6)%	(12.3)%	(3.2)%
	BT Global Services	(12.9)%	(13.3)%	(14.5)%	(15.5)%	(14.0)%	(8.8)%
	BT Retail	(12.4)%	(9.4)%	(6.9)%	(8.4)%	(9.3)%	(8.8)%
	BT Wholesale	(34.4)%	13.5%	(12.5)%	(4.2)%	(10.8)%	1.7%
Total Calls and Lines		(13.6)%	(8.9)%	(8.4)%	(9.3)%	(10.1)%	(8.4)%
Transit	BT Global Services	(4.8)%	(10.3)%	(23.3)%	(40.7)%	(20.3)%	(35.8)%
	BT Wholesale	(16.1)%	(6.8)%	(1.7)%	(7.2)%	(8.3)%	(18.7)%
Conveyance, interconnect circuits, WLR, global carrier and other wholesale		(11.5)%	(8.3)%	(11.9)%	(23.2)%	(13.7)%	(26.2)%
	BT Global Services	(10.3)%	(21.7)%	(10.9)%	3.6%	(10.0)%	7.7%
	BT Wholesale	3.3%	(2.1)%	15.0%	5.6%	5.4%	4.5%
	Openreach	(3.0)%	(0.6)%	3.5%	6.3%	1.6%	(0.6)%
Other		(1.6)%	(4.5)%	5.7%	5.6%	1.3%	2.7%
	BT Global Services	(33.8)%	5.6%	(17.3)%	(16.0)%	(17.6)%	4.3%
	BT Retail	(4.1)%	(1.3)%	(2.1)%	1.7%	(1.4)%	(3.8)%
	BT Wholesale	37.5%	7.6%	24.3%	2.5%	16.2%	0.0%
Total		(14.9)%	2.6%	(5.0)%	(5.9)%	(6.1)%	0.0%
	BT Global Services	(20.9)%	(5.2)%	(19.1)%	(23.9)%	(17.8)%	(12.5)%
	BT Retail	(4.1)%	(1.3)%	(2.1)%	1.7%	(1.4)%	(3.8)%
	BT Wholesale	(3.7)%	(3.0)%	7.7%	(1.3)%	(0.2)%	(7.8)%
	Openreach	(3.0)%	(0.6)%	3.5%	6.3%	1.6%	(0.6)%
Total Other		(10.2)%	(3.1)%	(4.3)%	(8.2)%	(6.5)%	(7.7)%
Internal revenue	BT Retail	1.2%	44.4%	28.1%	7.2%	19.8%	45.2%
	BT Wholesale	(4.7)%	(4.7)%	(3.1)%	(4.3)%	(4.2)%	0.8%
	Openreach	(10.4)%	(7.0)%	(6.1)%	(3.2)%	(6.7)%	1.9%
Total internal revenue		(8.5)%	(2.9)%	(3.0)%	(2.5)%	(4.3)%	4.7%
Total line of business revenue	BT Global Services	(3.3)%	(1.7)%	(6.7)%	(9.5)%	(5.4)%	(5.3)%
	BT Retail	(7.1)%	(4.4)%	(2.8)%	(4.3)%	(4.7)%	(4.2)%
	BT Wholesale	(6.0)%	(5.1)%	(0.4)%	(4.7)%	(4.1)%	(5.0)%
	Openreach	(4.4)%	0.2%	(0.1)%	1.9%	(0.6)%	4.6%
Total group revenue		(4.4)%	(2.8)%	(3.1)%	(5.6)%	(4.0)%	(4.8)%

Line of business statistics	2010					2011					2012
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Group											
Lines sold through BT lines of business ('000)											
Consumer	14,104	13,696	13,330	13,051	²	12,701	12,327	12,041	11,802		11,563
Business/Corporate ¹	5,851	5,705	5,549	5,423		5,294	5,172	5,032	4,917		4,827
Total	19,955	19,401	18,879	18,474		17,995	17,499	17,073	16,719		16,390
Global Services											
Order intake (£m)	1,411	1,436	1,550	2,234	6,631	1,552 ³	2,165	1,675	1,878	7,270	1,584
Retail											
Business unit revenue⁴ (£m)											
Consumer	1,105	1,042	1,056	1,020	4,223	999	980	1,010	967	3,956	940
Business	597	589	592	597	2,375	571	588	592	599	2,350	568
Enterprises	164	182	176	193	715	163	181	176	179	699	160
Ireland	198	200	201	202	801	185	189	189	187	750	183
Other (incl. eliminations)	(6)	(6)	(15)	(9)	(36)	(7)	(19)	(13)	(16)	(55)	(21)
Total	2,058	2,007	2,010	2,003	8,078	1,911	1,919	1,954	1,916	7,700	1,830
Call minutes (bn)	12.45	12.20	12.27	12.25	49.17	10.95	10.77	11.16	10.60	43.48	9.77
Consumer ARPU ⁵ (£)	290	296	301	309		314	317	322	326		330
Active Consumer lines ('000)	11,583	11,388	11,251	11,113	²	10,932	10,713	10,571	10,448		10,323
BT Vision installed base ('000)	433 ⁶	436 ⁶	451	467		481	505	545	575		598
Net adds in quarter ('000)	31	18	15	16		14	24	40	30		23
Openreach											
Internal copper lines ('000)	18,119	17,663	17,220	16,795		16,352	15,922	15,560	15,320		14,973
External copper lines ('000)	5,048	5,179	5,054	5,005		4,985	5,057	5,177	5,189		5,237
Fully unbundled copper lines (MPF) ('000)	1,808	2,064	2,567	2,966		3,387	3,728 ⁷	4,012	4,266		4,583
Total copper lines ('000)	24,975	24,907	24,840	24,765		24,724	24,707	24,750	24,776		24,793
Net adds in quarter ('000)	-116	-68	-67	-75		-41	-17	43	26		18

¹ 2010 and 2011 figures restated to align reporting systems.

² 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 2010 full year figure.

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

⁴ restated for the impact of customer account moves between BT Retail, BT Wholesale, BT Global Services and Openreach effective from 1 April 2011, which have no impact on group results.

⁵ Q1, Q2, Q3 & Q4 2010 figures show underlying ARPU, excluding £3 relating to Q1 2010 one-off benefit relating to prior periods.

⁶ 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.

⁷ MPF base reduced by c.9k in Q2 2011 to correct systems issue.

Line of business trends YoY change	2011					2012 Q1
	Q1	Q2	Q3	Q4	FY	
Group						
Lines sold through BT lines of business						
Consumer	(9.9)%	(10.0)%	(9.7)%	(9.6)%		(9.0)%
<i>Consumer - quarter on quarter movement</i>	(2.7)%	(2.9)%	(2.3)%	(2.0)%		(2.0)%
Business/Corporate	(9.5)%	(9.3)%	(9.3)%	(9.3)%		(8.8)%
<i>Business/Corporate - quarter on quarter movement</i>	(2.4)%	(2.3)%	(2.7)%	(2.3)%		(1.8)%
Total	(9.8)%	(9.8)%	(9.6)%	(9.5)%		(8.9)%
Global Services						
Order intake	10.0%	50.8%	8.1%	(15.9)%	9.6%	2.1%
Retail						
Business unit revenue						
Consumer	(9.6)%	(6.0)%	(4.4)%	(5.2)%	(6.3)%	(5.9)%
Business	(4.4)%	(0.2)%	0.0%	0.3%	(1.1)%	(0.5)%
Enterprises	(0.6)%	(0.5)%	0.0%	(7.3)%	(2.2)%	(1.8)%
Ireland	(6.6)%	(5.5)%	(6.0)%	(7.4)%	(6.4)%	(1.1)%
Other (incl. eliminations)						
Total	(7.1)%	(4.4)%	(2.8)%	(4.3)%	(4.7)%	(4.2)%
Call minutes (bn)	(12.0)%	(11.7)%	(9.0)%	(13.5)%	(11.6)%	(10.8)%
Consumer ARPU	8.3%	7.1%	7.0%	5.5%		5.1%
Active BT Consumer lines	(5.6)%	(5.9)%	(6.0)%	(6.0)%		(5.6)%
<i>Quarter on quarter movement</i>	(1.6)%	(2.0)%	(1.3)%	(1.2)%		(1.2)%
BT Vision installed base	11.1%	15.8%	20.8%	23.1%		24.3%
Openreach						
Internal copper lines	(9.7)%	(9.9)%	(9.6)%	(8.8)%		(8.4)%
External copper lines	(1.2)%	(2.4)%	2.4%	3.7%		5.1%
Fully unbundled copper lines (MPF)	87.3%	80.6%	56.3%	43.9%		35.3%
Total copper lines	(1.0)%	(0.8)%	(0.4)%	0.0%		0.3%
<i>Quarter on quarter movement</i>	(0.2)%	(0.1)%	0.2%	0.1%		0.1%

Broadband statistics 000s	2010				2011				2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Retail									
Total Broadband	4,835	4,906	5,008	5,132	5,227	5,342	5,529	5,691	5,832
Net adds in quarter	78	72	102	123	96	114	188	162	141
Retail share of DSL + LLU net adds	46%	43%	42%	44%	40%	45% ¹	53%	64%	56%
Retail share of DSL + LLU installed base	35%	35%	35%	35%	35%	35%	36%	36%	37%
Wholesale									
Total BT Wholesale Broadband	8,026	8,031	8,044	8,057	8,013	7,971	7,980	8,112	8,391
Net adds in quarter	(36)	5	14	13	(45)	(41)	9	132	279
External Wholesale	3,191	3,124	3,036	2,926	2,785	2,629	2,451	2,421	2,559
Net adds in quarter	(114)	(67)	(88)	(110)	(141)	(156)	(179)	(30)	138
Openreach									
External LLU Volumes ('000)									
Full loops (MPF)	1,808	2,064	2,567	2,966	3,387	3,728 ¹	4,012	4,268	4,584
Shared loops (SMPF)	4,150	4,057	3,786	3,654	3,519	3,414 ¹	3,477	3,342	2,997
Total	5,957	6,121	6,352	6,620	6,906	7,143	7,490	7,609	7,581
Net adds in quarter	208	164	231	268	286	294 ¹	347	120	-28
Group									
Total DSL + LLU	13,983	14,152	14,397	14,677	14,918	15,114	15,469	15,721	15,972
Net adds in quarter	172	169	245	281	241	253 ¹	356	252	251

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	2011				2012
	Q1	Q2	Q3	Q4	Q1
Retail					
Total Broadband	8.1%	8.9%	10.4%	10.9%	11.6%
Net adds in quarter	22.7%	59.5%	83.8%	31.6%	46.8%
Wholesale					
Total Wholesale Broadband	(0.2)%	(0.7)%	(0.8)%	0.7%	4.7%
Net adds in quarter	(24.2)%	(946.6)%	(36.9)%	919.1%	721.2%
External Wholesale	(12.7)%	(15.8)%	(19.3)%	(17.3)%	(8.1)%
Net adds in quarter	(23.2)%	(133.3)%	(102.5)%	73.0%	198.2%
Openreach					
External LLU Volumes					
Full loops (MPF)	87.3%	80.6%	56.3%	43.9%	35.4%
Shared loops (SMPF)	(15.2)%	(15.8)%	(8.1)%	(8.6)%	(14.8)%
Total	15.9%	16.7%	17.9%	14.9%	9.8%
Net adds in quarter	37.5%	79.8%	50.1%	(55.2)%	(109.8)%
Group					
Total DSL + LLU	6.7%	6.8%	7.5%	7.1%	7.1%
Net adds in quarter	40.4%	50.0%	45.2%	(10.2)%	4.1%

Costs £m	2010					2011					2012
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Operating costs											
Direct labour costs before leaver costs ¹	1,266	1,215	1,218	1,180	4,879	1,266	1,223	1,224	1,205	4,918	1,187
Indirect labour costs	325	315	259	263	1,162	229	253	235	241	958	242
Leaver costs	45	21	58	18	142	10	14	12	21	57	28
Gross labour costs	1,636	1,551	1,535	1,461	6,183	1,505	1,490	1,471	1,467	5,933	1,457
Direct labour capitalised	(144)	(133)	(143)	(155)	(575)	(152)	(189)	(190)	(187)	(718)	(160)
Indirect labour capitalised	(118)	(117)	(102)	(103)	(440)	(79)	(83)	(78)	(89)	(329)	(81)
Net labour costs	1,374	1,301	1,290	1,203	5,168	1,274	1,218	1,203	1,191	4,886	1,216
Payments to telecommunications operators	1,048	1,040	1,066	929	4,083	961	970	937	872	3,740	825
Property and energy costs	320	317	333	314	1,284	287	278	294	290	1,149	273
Network maintenance and IT costs	209	190	191	191	781	178	185	187	156	706	170
Other costs ¹	1,037	952	1,012	1,333	4,334	995	955	1,036	1,096	4,082	942
Operating costs before depreciation and specific items	3,988	3,800	3,892	3,970	15,650	3,695	3,606	3,657	3,605	14,563	3,426
Depreciation and amortisation	722	747	742	774	2,985	716	726	739	751	2,932	730
Amortisation of acquired intangibles	16	12	12	14	54	13	11	12	11	47	9
Total operating costs before specific items	4,726	4,559	4,646	4,758	18,689	4,424	4,343	4,408	4,367	17,542	4,165
Specific items	41	54	159	173	427	51	71	105	102	329	66
Total operating costs	4,767	4,613	4,805	4,931	19,116	4,475	4,414	4,513	4,469	17,871	4,231
Capital expenditure											
Platform/Network	207	217	241	470	1,135	230	274	322	319	1,145	281
Line of Business	130	131	128	171	560	119	136	152	192	599	110
Access	143	130	138	155	566	136	151	159	145	591	148
Regulatory & compliance	59	56	40	51	206	36	39	32	59	166	31
Support functions	20	24	7	15	66	2	8	15	64	89	12
Total	559	558	554	862	2,533	523	608	680	779	2,590	582
Capital expenditure by line of business											
BT Global Services	131	131	120	217	599	103	124	128	143	498	117
BT Retail	81	82	90	164	417	85	99	115	135	434	94
BT Wholesale	71	69	71	114	325	67	79	91	92	329	74
Openreach	203	200	226	278	907	236	262	295	294	1,087	253
Other	73	76	47	89	285	32	44	51	115	242	44
Total	559	558	554	862	2,533	523	608	680	779	2,590	582

¹ From 2012 certain labour-related costs, previously treated as Other costs, have been classified within direct labour costs. Prior year comparative figures are shown on a consistent basis with the revised classification.

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. Includes managed broadband network service contracts
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. Excludes managed broadband network service contracts
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