



Performance Indicators Q2 2013

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Unless otherwise stated, the references 2011, 2012 and 2013 are the financial years to 31 March 2011, 2012 and 2013, respectively.

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Group income statement £m unless otherwise stated	2012	YoY	2013	2012	YoY	2013	2012	2012	2011	YoY	2012
	Q1 Actual	Change %	Q1 Actual	Q2 Actual	Change %	Q2 Actual	Q3 Actual	Q4 Actual	Full Year Restated ²	Change %	Full Year Actual
Revenue¹											
BT Global Services	1,905	(9.2)	1,730	2,014	(12.8)	1,757	1,894	1,996	8,059	(3.1)	7,809
BT Retail	1,830	(3.0)	1,776	1,853	(3.3)	1,791	1,849	1,861	7,700	(4.0)	7,393
BT Wholesale	1,004	(8.1)	923	982	(12.3)	861	979	958	4,201	(6.6)	3,923
Openreach	1,255	0.2	1,257	1,280	(0.9)	1,269	1,300	1,301	4,930	4.2	5,136
Other	10	60.0	16	10	10.0	11	13	17	38	31.6	50
Eliminations	(1,240)	(1.8)	(1,218)	(1,245)	(2.4)	(1,215)	(1,261)	(1,258)	(4,852)	3.1	(5,004)
Total	4,764	(5.9)	4,484	4,894	(8.6)	4,474	4,774	4,875	20,076	(3.8)	19,307
Underlying revenue excluding transit (as reported)		(3.2)			(5.5)					(1.9)	
EBITDA¹											
BT Global Services	138	(13.8)	119	159	(18.2)	130	144	186	593	5.7	627
BT Retail	446	6.7	476	445	6.5	474	453	486	1,784	2.6	1,830
BT Wholesale	307	(2.3)	300	305	(8.2)	280	303	293	1,316	(8.2)	1,208
Openreach	538	2.8	553	567	2.6	582	591	603	2,132	7.8	2,299
Other	7	n/m	15	19	63.2	31	33	41	61	63.9	100
Total	1,436	1.9	1,463	1,495	0.1	1,497	1,524	1,609	5,886	3.0	6,064
Depreciation and amortisation	(739)	(2.2)	(723)	(753)	(4.1)	(722)	(734)	(746)	(2,979)	(0.2)	(2,972)
Operating profit¹	697	6.2	740	742	4.4	775	790	863	2,907	6.4	3,092
Net finance expense	(168)	0.6	(169)	(174)	(2.9)	(169)	(166)	(173)	(845)	(19.4)	(681)
Share of post tax profits/losses of associates & joint ventures	4		7	2		2	4	0	21		10
Profit before tax¹	533	8.4	578	570	6.7	608	628	690	2,083	16.2	2,421
Specific items	(66)		(2)	(67)		(14)	(26)	(14)	(287)		(173)
Net interest on pensions	50		8	49		8	50	48	(79)		197
Total specific items	(16)		6	(18)		(6)	24	34	(366)		24
Reported profit before tax	517	13.0	584	552	9.1	602	652	724	1,717	42.4	2,445
Tax - excluding tax on specific items	(129)		(131)	(138)		(138)	(151)	(166)	(452)		(584)
Tax on specific items	(3)		(2)	81		101	(9)	73	239		142
Tax rate	24.1%		22.7%	24.1%		22.7%	24.1%	24.1%	21.7%		24.1%
Memo: Minorities	0		0	(1)		(1)	(1)	1	(2)		(1)
Net income	385	17.1	451	495	14.1	565	492	631	1,504	33.2	2,003
EPS¹ (p)	5.2	9.6	5.7	5.6	7.1	6.0	6.1	6.8	21.0	12.9	23.7
Reported EPS (p)	5.0	16.0	5.8	6.4	12.5	7.2	6.3	8.1	19.4	33.0	25.8
Dividend per share (p)	-		-	2.6	15.4	3.0	-	5.7	7.4	12.2	8.3
Average number of shares in issue (m)	7,755		7,788	7,762		7,839	7,766	7,771	7,750		7,763
Group free cash flow											
EBITDA ¹	1,436		1,463	1,495		1,497	1,524	1,609	5,886		6,064
Capital expenditure	(618)	7.0	(661)	(618)	0.2	(619)	(639)	(685)	(2,630)	(2.7)	(2,560)
Interest	(214)	(0.5)	(213)	(131)	(1.5)	(129)	(200)	(140)	(944)	(27.4)	(685)
Tax (excluding cash tax benefit of pension deficit payments)	(136)		(171)	(144)		(181)	(163)	(172)	(356)		(615)
Change in working capital	(370)		(602)	(75)		(249)	91	351	(11)		(3)
Other	103		60	36		(3)	21	(54)	131		106
Normalised free cash flow³	201	(161.7)	(124)	563	(43.9)	316	634	909	2,076	11.1	2,307
Cash tax benefit of pension deficit payments	107		162	108		162	0	0	147		215
Free cash flow¹	308	(87.7)	38	671	(28.8)	478	634	909	2,223	13.5	2,522
Specific items	(61)		(33)	(42)		(90)	(48)	(53)	(212)		(204)
Free cash flow (pre gross pension deficit payments)	247	(98.0)	5	629	(38.3)	388	586	856	2,011	15.3	2,318
Gross pension deficit payment	0		0	0		0	0	(2,000)	(1,030)		(2,000)
Reported free cash flow	247	(98.0)	5	629	(38.3)	388	586	(1,144)	981	(67.6)	318
Net debt	8,585	6.5	9,142	8,317	8.7	9,037	7,736	9,082	8,816	3.0	9,082
Operating cash flow by line of business		£m			£m					£m	
BT Global Services	(60)	(255)	(315)	(55)	(116)	(171)	134	164	119	64	183
BT Retail	294	(47)	247	344	(27)	317	284	440	1,382	(20)	1,362
BT Wholesale	119	10	129	222	(22)	200	145	314	911	(111)	800
Openreach	177	32	209	350	(104)	246	304	364	1,078	117	1,195

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

³ before specific items, pension deficit payments and the cash tax benefit of pension deficit payments

Revenue ¹ analysis £m		2011 ²					2012					2013	
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Total ICT & Managed Networks	BT Global Services	1,303	1,301 ³	1,305	1,421	5,330	1,261	1,390	1,267	1,374	5,292	1,149	1,160
	BT Retail	143	113 ³	135	140	531	120	125	123	133	501	119	127
	BT Wholesale	199	183	197	192	771	199	197	199	196	791	195	197
Total ICT & Managed Networks		1,645	1,597	1,637	1,753	6,632	1,580	1,712	1,589	1,703	6,584	1,463	1,484
Broadband (incl. LLU) and Convergence	BT Global Services	75	82	80	77	314	82	76	75	80	313	67	74
	BT Retail	324	327	329	331	1,311	337	346	351	366	1,400	368	367
	BT Wholesale	93	82	80	80	335	73	75	70	64	282	62	58
	Openreach	181	211	211	204	807	221	245	250	260	976	260	278
	Broadband (incl. LLU) and Convergence		673	702	700	692	2,767	713	742	746	770	2,971	757
Lines	BT Global Services	109	102	102	102	415	101	95	93	91	380	86	83
	BT Retail	663	645	651	640	2,599	623	614	631	617	2,485	598	594
Calls	BT Global Services	39	40	35	34	148	32	30	30	29	121	29	32
	BT Retail	455	439	460	414	1,768	396	382	372	362	1,512	347	347
Private Circuits	BT Global Services	494	479	495	448	1,916	428	412	402	391	1,633	376	379
	BT Global Services	68	67	63	61	259	64	62	61	57	244	60	60
	BT Retail	31	33	30	30	124	29	30	28	28	115	21	22
Total	BT Wholesale	59	84	70	69	282	60	60	60	57	237	58	54
	BT Global Services	158	184	163	160	665	153	152	149	142	596	139	136
	BT Retail	216	209	200	197	822	197	187	184	177	745	175	175
Total Calls and Lines		1,424	1,410	1,411	1,350	5,595	1,305	1,273	1,275	1,241	5,094	1,199	1,192
Transit	BT Global Services	179	165	158	121	623	115	111	110	121	457	111	105
	BT Wholesale	230	233	226	206	895	187	165	162	157	671	119	86
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	409	398	384	327	1,518	302	276	272	278	1,128	230	191
	BT Global Services	52	47	49	58	206	56	51	53	49	209	55	53
	BT Wholesale	156	140	161	152	609	163	154	157	146	620	162	154
Other	Openreach	162	172	177	186	697	161	159	161	166	647	155	155
	BT Global Services	370	359	387	396	1,512	380	364	371	361	1,476	372	362
	BT Global Services	186	188	186	204	764	194	199	205	195	793	173	190
Total	BT Retail	211	232	235	242	920	203	232	217	217	869	193	200
	BT Wholesale	77	85	87	81	330	77	86	86	93	342	81	67
	BT Global Services	474	505	508	527	2,014	474	517	508	505	2,004	447	457
Total Other		1,253	1,262	1,279	1,250	5,044	1,156	1,157	1,151	1,144	4,608	1,049	1,010
Internal revenue	BT Retail	84	130 ³	114	119	447	122	124	127	138	511	130	134
	BT Wholesale	243	244	248	244	979	245	245	245	245	980	246	245
	Openreach	857	852	852	865	3,426	873	876	889	875	3,513	842	836
Total internal revenue		1,184	1,226	1,214	1,228	4,852	1,240	1,245	1,261	1,258	5,004	1,218	1,215
Total line of business revenue	BT Global Services	2,011	1,992	1,978	2,078	8,059	1,905	2,014	1,894	1,996	7,809	1,730	1,757
	BT Retail	1,911	1,919	1,954	1,916	7,700	1,830	1,853	1,849	1,861	7,393	1,776	1,791
	BT Wholesale	1,057	1,051	1,069	1,024	4,201	1,004	982	979	958	3,923	923	861
	Openreach	1,200	1,235	1,240	1,255	4,930	1,255	1,280	1,300	1,301	5,136	1,257	1,269
	Other	11	6	11	10	38	10	10	13	17	50	16	11
	Eliminations	(1,184)	(1,226)	(1,214)	(1,228)	(4,852)	(1,240)	(1,245)	(1,261)	(1,258)	(5,004)	(1,218)	(1,215)
Total group revenue		5,006	4,977	5,038	5,055	20,076	4,764	4,894	4,774	4,875	19,307	4,484	4,474

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

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	2012 Q3	Q4	FY	2013 Q1 Q2	
Total ICT & Managed Networks	BT Global Services	(3.2)%	6.8%	(2.9)%	(3.3)%	(0.7)%	(8.9)%	(16.5)%
	BT Retail	(16.1)%	10.6%	(8.9)%	(5.0)%	(5.6)%	(0.8)%	1.6%
	BT Wholesale	0.0%	7.7%	1.0%	2.1%	2.6%	(2.0)%	0.0%
Total ICT & Managed Networks		(4.0)%	7.2%	(2.9)%	(2.9)%	(0.7)%	(7.4)%	(13.3)%
Broadband (incl. LLU) and Convergence	BT Global Services	9.3%	(7.3)%	(6.3)%	3.9%	(0.3)%	(18.3)%	(2.6)%
	BT Retail	4.0%	5.8%	6.7%	10.6%	6.8%	9.2%	6.1%
	BT Wholesale	(21.5)%	(8.5)%	(12.5)%	(20.0)%	(15.8)%	(15.1)%	(22.7)%
	Openreach	22.1%	16.1%	18.5%	27.5%	20.9%	17.6%	13.5%
	Broadband (incl. LLU) and Convergence		5.9%	5.7%	6.6%	11.3%	7.4%	6.2%
Lines	BT Global Services	(7.3)%	(6.9)%	(8.8)%	(10.8)%	(8.4)%	(14.9)%	(12.6)%
	BT Retail	(6.0)%	(4.8)%	(3.1)%	(3.6)%	(4.4)%	(4.0)%	(3.3)%
Calls	BT Global Services	(6.2)%	(5.1)%	(3.9)%	(4.6)%	(4.9)%	(5.5)%	(4.5)%
	BT Retail	(17.9)%	(25.0)%	(14.3)%	(14.7)%	(18.2)%	(9.4)%	6.7%
Private Circuits	BT Global Services	(13.0)%	(13.0)%	(19.1)%	(12.6)%	(14.5)%	(12.4)%	(9.2)%
	BT Retail	(13.4)%	(14.0)%	(18.8)%	(12.7)%	(14.8)%	(12.1)%	(8.0)%
Total	BT Global Services	(5.9)%	(7.5)%	(3.2)%	(6.6)%	(5.8)%	(6.3)%	(3.2)%
	BT Retail	(6.5)%	(9.1)%	(6.7)%	(6.7)%	(7.3)%	(27.6)%	(26.7)%
	BT Wholesale	1.7%	(28.6)%	(14.3)%	(17.4)%	(16.0)%	(3.3)%	(10.0)%
Total		(3.2)%	(17.4)%	(8.6)%	(11.3)%	(10.4)%	(9.2)%	(10.5)%
Total Calls and Lines	BT Global Services	(8.8)%	(10.5)%	(8.0)%	(10.2)%	(9.4)%	(11.2)%	(6.4)%
	BT Retail	(8.8)%	(8.1)%	(9.6)%	(7.1)%	(8.4)%	(7.8)%	(6.1)%
	BT Wholesale	1.7%	(28.6)%	(14.3)%	(17.4)%	(16.0)%	(3.3)%	(10.0)%
Total Calls and Lines		(8.4)%	(9.7)%	(9.6)%	(8.1)%	(9.0)%	(8.1)%	(6.4)%
Transit	BT Global Services	(35.8)%	(32.7)%	(30.4)%	0.0%	(26.6)%	(3.5)%	(5.4)%
	BT Wholesale	(18.7)%	(29.2)%	(28.3)%	(23.8)%	(25.0)%	(36.4)%	(47.9)%
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	(26.2)%	(30.7)%	(29.2)%	(15.0)%	(25.7)%	(23.8)%	(30.8)%
	BT Wholesale	7.7%	8.5%	8.2%	(15.5)%	1.5%	(1.8)%	3.9%
	Openreach	4.5%	10.0%	(2.5)%	(3.9)%	1.8%	(0.6)%	0.0%
Other	BT Global Services	(0.6)%	(7.6)%	(9.0)%	(10.8)%	(7.2)%	(3.7)%	(2.5)%
	BT Retail	2.7%	1.4%	(4.1)%	(8.8)%	(2.4)%	(2.1)%	(0.5)%
	BT Wholesale	4.3%	5.9%	10.2%	(4.4)%	3.8%	(10.8)%	(4.5)%
Total	BT Global Services	(3.8)%	0.0%	(7.7)%	(10.3)%	(5.5)%	(4.9)%	(13.8)%
	BT Retail	0.0%	1.2%	(1.1)%	14.8%	3.6%	5.2%	(22.1)%
	BT Wholesale	0.0%	2.4%	0.0%	(4.2)%	(0.5)%	(5.7)%	(11.6)%
Total Other		(7.7)%	(8.3)%	(10.0)%	(8.5)%	(8.6)%	(9.3)%	(12.7)%
Internal revenue	BT Retail	45.2%	(4.6)%	11.4%	16.0%	14.3%	6.6%	8.1%
	BT Wholesale	0.8%	0.4%	(1.2)%	0.4%	0.1%	0.4%	0.0%
	Openreach	1.9%	2.8%	4.3%	1.2%	2.5%	(3.6)%	(4.6)%
Total internal revenue		4.7%	1.5%	3.9%	2.4%	3.1%	(1.8)%	(2.4)%
Total line of business revenue	BT Global Services	(5.3)%	1.1%	(4.2)%	(3.9)%	(3.1)%	(9.2)%	(12.8)%
	BT Retail	(4.2)%	(3.4)%	(5.4)%	(2.9)%	(4.0)%	(3.0)%	(3.3)%
	BT Wholesale	(5.0)%	(6.6)%	(8.4)%	(6.4)%	(6.6)%	(8.1)%	(12.3)%
	Openreach	4.6%	3.6%	4.8%	3.7%	4.2%	0.2%	(0.9)%
Total group revenue		(4.8)%	(1.7)%	(5.2)%	(3.6)%	(3.8)%	(5.9)%	(8.6)%

Line of business statistics	2011					2012					2013	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Group												
Lines sold through BT lines of business ('000)												
Consumer	12,701	12,327	12,041	11,802		11,563	11,323	11,138	10,919		10,717	10,534
Business/Corporate	5,294	5,172	5,032	4,917		4,827	4,722	4,636	4,551		4,437	4,340
Total	17,995	17,499	17,073	16,719		16,390	16,045	15,774	15,470		15,154	14,874
Global Services												
Order intake (£m)	1,552 ¹	2,165	1,675	1,878	7,270	1,584	1,433	1,638	2,028	6,683	1,134	1,264
Retail												
Business unit revenue² (£m)												
Consumer	998	979	1,009	966	3,952	939	939	945	944	3,767	919	907
Business	575	598	601	608	2,382	570	565	564	571	2,270	536	547
Enterprises	162	180	177	180	699	160	178	175	180	693	165	175
Ireland	180	183	183	180	726	177	187	182	187	733	178	179
Other (incl. eliminations)	(4)	(21)	(16)	(18)	(59)	(16)	(16)	(17)	(21)	(70)	(22)	(17)
Total	1,911	1,919	1,954	1,916	7,700	1,830	1,853	1,849	1,861	7,393	1,776	1,791
Call minutes (bn)	10.95	10.77	11.16	10.60	43.48	9.77	9.72	9.63	9.69	38.81	9.07	8.84
Consumer ARPU (£)	314	317	322	326		330	335	337	343		350	355
Active consumer lines ³ ('000)	11,291	11,068	10,923	10,799		10,671	10,550	10,457	10,321		10,184	10,053
BT Vision installed base ('000)	481	505	545	575		598	639	679	707		728	749
Net adds in quarter ('000)	14	24	40	30		23	41	39	28		21	21
Openreach												
Internal physical lines ('000)	16,352	15,922	15,560	15,320		14,973	14,661	14,425	14,125		13,864	13,626
External physical lines ('000)	4,985	5,057	5,177	5,189		5,237	5,258	5,172	5,155		5,156	5,094
Fully unbundled physical lines (MPF) ('000)	3,387	3,728 ⁴	4,012	4,266		4,583	4,885	5,240	5,631		5,848	6,110
Total physical lines ('000)	24,724	24,707	24,750	24,776		24,793	24,804	24,838	24,912		24,868	24,830
Net adds in quarter ('000)	-41	-17	43	26		18	11	34	74		-44	-38

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

² revenue in 2011 and 2012 adjusted to reflect the impact of changes in the internal trading model effective from 1 April 2012, which have no impact on total BT Retail or group results.

³ restated in Q1 2013 to include active consumer lines in Northern Ireland.

⁴ MPF base reduced by c.9k in Q2 2011 to correct systems issue.

Line of business trends YoY change	2012					2013	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Group							
Lines sold through BT lines of business							
Consumer	(9.0)%	(8.1)%	(7.5)%	(7.5)%		(7.3)%	(7.0)%
<i>Consumer - quarter on quarter movement</i>	(2.0)%	(2.1)%	(1.6)%	(2.0)%		(1.8)%	(1.7)%
Business/Corporate	(8.8)%	(8.7)%	(7.9)%	(7.4)%		(8.1)%	(8.1)%
<i>Business/Corporate - quarter on quarter movement</i>	(1.8)%	(2.2)%	(1.8)%	(1.8)%		(2.5)%	(2.2)%
Total	(8.9)%	(8.3)%	(7.6)%	(7.5)%		(7.5)%	(7.3)%
Global Services							
Order intake	2.1%	(33.8)%	(2.2)%	8.0%	(8.1)%	(28.4)%	(11.8)%
Retail							
Business unit revenue							
Consumer	(5.9)%	(4.1)%	(6.3)%	(2.3)%	(4.7)%	(2.1)%	(3.4)%
Business	(0.9)%	(5.5)%	(6.2)%	(6.1)%	(4.7)%	(6.0)%	(3.2)%
Enterprises	(1.2)%	(1.1)%	(1.1)%	0.0%	(0.9)%	3.1%	(1.7)%
Ireland	(1.7)%	2.2%	(0.5)%	3.9%	1.0%	0.6%	(4.3)%
Other (incl. eliminations)							
Total	(4.2)%	(3.4)%	(5.4)%	(2.9)%	(4.0)%	(3.0)%	(3.3)%
Call minutes (bn)	(10.8)%	(9.7)%	(13.7)%	(8.6)%	(10.7)%	(7.2)%	(9.1)%
Consumer ARPU	5.1%	5.7%	4.7%	5.2%		6.1%	6.0%
Active consumer lines	(5.5)%	(4.7)%	(4.3)%	(4.4)%		(4.6)%	(4.7)%
<i>Quarter on quarter movement</i>	(1.2)%	(1.1)%	(0.9)%	(1.3)%		(1.3)%	(1.3)%
BT Vision installed base	24.3%	26.5%	24.6%	23.0%		21.7%	17.2%
Openreach							
Internal physical lines	(8.4)%	(7.9)%	(7.3)%	(7.8)%		(7.4)%	(7.1)%
External physical lines	5.1%	4.0%	(0.1)%	(0.6)%		(1.6)%	(3.1)%
Fully unbundled physical lines (MPF)	35.3%	31.0%	30.6%	32.0%		27.6%	25.1%
Total physical lines	0.3%	0.4%	0.4%	0.5%		0.3%	0.1%
<i>Quarter on quarter movement</i>	0.1%	0.0%	0.1%	0.3%		(0.2)%	(0.2)%

Broadband statistics 000s	2011				2012				2013	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Retail										
Total Broadband	5,227	5,342	5,529	5,691	5,832	5,998	6,144	6,280	6,365	6,446
Net adds in quarter	96	114	188	162	141	166	146	136	85	81
Retail share of DSL, LLU + fibre net adds	40%	45% ¹	53%	64%	56%	63%	56%	44%	50%	47%
Retail share of DSL, LLU + fibre installed base	35%	35%	36%	36%	37%	37%	37%	37%	37%	38%
Wholesale										
Total BT Wholesale Broadband	8,013	7,971	7,980	8,112	8,391	8,510	8,551	8,543	8,577	8,591
Net adds in quarter	(45)	(41)	9	132	279	119	41	(8)	34	14
External Wholesale	2,785	2,629	2,451	2,421	2,559	2,512	2,407	2,263	2,212	2,144
Net adds in quarter	(141)	(156)	(179)	(30)	138	(47)	(105)	(144)	(51)	(67)
Openreach										
External LLU Volumes										
Full loops (MPF)	3,387	3,728 ¹	4,012	4,266	4,583	4,885	5,240	5,631	5,848	6,110
Shared loops (SMPF)	3,519	3,414 ¹	3,477	3,342	2,997	2,840	2,706	2,632	2,551	2,448
Total	6,906	7,143	7,490	7,608	7,580	7,725	7,946	8,263	8,399	8,558
Net adds in quarter	286	294 ¹	347	119	(29)	144	221	317	136	159
Group										
Total DSL, LLU + fibre	14,918	15,114	15,469	15,720	15,971	16,235	16,497	16,805	16,976	17,149
Net adds in quarter	241	253 ¹	356	251	250	263	262	308	170	174

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

2012			
Q1	Q2	Q3	Q4

2013	
Q1	Q2

Retail

Total Broadband
Net adds in quarter

11.6%	12.3%	11.1%	10.3%
46.8%	45.4%	(22.2)%	(15.9)%

9.1%	7.5%
(39.5)%	(51.0)%

Wholesale

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

4.7%	6.8%	7.2%	5.3%
721.1%	388.1%	370.5%	(106.2)%
(8.1)%	(4.5)%	(1.8)%	(6.5)%
198.2%	69.9%	41.3%	(386.6)%

2.2%	0.9%
(87.8)%	(88.0)%
(13.6)%	(14.6)%
n/m	43.3%

Openreach

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

35.3%	31.0%	30.6%	32.0%
(14.8)%	(16.8)%	(22.2)%	(21.3)%
9.8%	8.2%	6.1%	8.6%
n/m	(51.0)%	(36.3)%	166.6%

27.6%	25.1%
(14.9)%	(13.8)%
10.8%	10.8%
n/m	10.5%

Group

Total DSL, LLU + fibre
Net adds in quarter

7.1%	7.4%	6.6%	6.9%
3.9%	4.2%	(26.4)%	22.9%

6.3%	5.6%
(31.9)%	(34.1)%

Costs £m	2011					2012					2013	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Operating costs												
Direct labour costs before leaver costs ¹	1,265	1,224	1,224	1,205	4,918	1,187	1,213	1,191	1,197	4,788	1,183	1,173
Indirect labour costs	229	253	235	241	958	242	232	230	210	914	221	214
Leaver costs	10	14	12	21	57	28	29	11	29	97	23	16
Gross labour costs	1,504	1,491	1,471	1,467	5,933	1,457	1,474	1,432	1,436	5,799	1,427	1,403
Capitalised labour	(231)	(272)	(268)	(276)	(1,047)	(241)	(242)	(247)	(257)	(987)	(237)	(243)
Net labour costs	1,273	1,219	1,203	1,191	4,886	1,216	1,232	1,185	1,179	4,812	1,190	1,160
Payments to telecommunications operators	961	970	937	872	3,740	825	786	800	742	3,153	697	653
Property and energy costs	287	278	294	290	1,149	273	270	270	253	1,066	261	259
Network operating and IT costs	178	185	187	156	706	170	163	144	153	630	156	156
Other costs ¹	996	954	1,036	1,096	4,082	942	1,047	944	1,036	3,969	805	835
Operating costs before depreciation and specific items	3,695	3,606	3,657	3,605	14,563	3,426	3,498	3,343	3,363	13,630	3,109	3,063
Depreciation and amortisation	729	737	751	762	2,979	739	753	734	746	2,972	723	722
Total operating costs before specific items	4,424	4,343	4,408	4,367	17,542	4,165	4,251	4,077	4,109	16,602	3,832	3,785
Specific items	51	71	105	102	329	66	(362)	26	14	(256)	9	50
Total operating costs	4,475	4,414	4,513	4,469	17,871	4,231	3,889	4,103	4,123	16,346	3,841	3,835
Capital expenditure												
Platform/Network ²	230	274	322	319	1,145	266	310	341	350	1,267	310	265
Line of Business ²	119	136	152	192	599	125	161	150	169	605	143	158
Access	136	151	159	145	591	148	140	135	134	557	125	132
Regulatory & compliance	36	39	32	59	166	31	31	30	29	121	30	30
Support functions	2	8	15	64	89	12	10	9	13	44	14	11
Total	523	608	680	779	2,590	582	652	665	695	2,594	622	596
Capital expenditure by line of business												
BT Global Services	103	124	128	143	498	117	155	139	149	560	128	125
BT Retail	85	99	115	135	434	94	109	108	123	434	95	99
BT Wholesale	67	79	91	92	329	74	89	82	91	336	72	57
Openreach	236	262	295	294	1,087	253	251	292	279	1,075	286	278
Other	32	44	51	115	242	44	48	44	53	189	41	37
Total	523	608	680	779	2,590	582	652	665	695	2,594	622	596

¹ From 2012 certain labour-related costs, previously treated as Other costs, have been classified within direct labour costs. Figures in 2011 are shown on a consistent basis with the revised classification.

² Q1, Q2 and Q3 2012 adjusted to ensure consistency with 2011 figures

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 consumer lines	The number of UK consumer lines over which BT is the call provider (including Plusnet and 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 physical lines	Lines provided by Openreach to other BT lines of business - including Plusnet and physical 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 physical 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 physical lines (MPF)	MPF lines provided by Openreach to other CPs

Broadband statistics

Total broadband base (BT Retail)	BT's total retail broadband base - BT Consumer (including BT Infinity), BT Business, Plusnet, Northern Ireland and broadband lines sold by Global Services
Total BT Wholesale Broadband	Total physical 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