



Performance Indicators Q4 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

For further information please contact

BT Investor Relations

Phone +44 (0)20 7356 4909

Email investorrelations@bt.com

Unless otherwise stated, the references 2010, 2011 and 2012 are the financial years to 31 March 2010, 2011 and 2012, respectively.

While BT believes the information contained in this document to be reliable, BT does not warrant the accuracy, completeness or validity of the information, figures or calculations that follow, and shall not be liable in any way for loss or damage arising out of the use of the information, or any errors or omissions in its content.

Group income statement £m unless otherwise stated	2011 Q1 Restated ²	YoY Change %	2012 Q1 Actual	2011 Q2 Restated ²	YoY Change %	2012 Q2 Actual	2011 Q3 Restated ²	YoY Change %	2012 Q3 Actual	2011 Q4 Restated ²	YoY Change %	2012 Q4 Actual	2011 Full Year Restated ²	YoY Change %	2012 Full Year Actual
Adjusted revenue¹															
BT Global Services	2,011	(5.3)	1,905	1,992	1.1	2,014	1,978	(4.2)	1,894	2,078	(3.9)	1,996	8,059	(3.1)	7,809
BT Retail	1,911	(4.2)	1,830	1,919	(3.4)	1,853	1,954	(5.4)	1,849	1,916	(2.9)	1,861	7,700	(4.0)	7,393
BT Wholesale	1,057	(5.0)	1,004	1,051	(6.6)	982	1,069	(8.4)	979	1,024	(6.4)	958	4,201	(6.6)	3,923
Openreach	1,200	4.6	1,255	1,235	3.6	1,280	1,240	4.8	1,300	1,255	3.7	1,301	4,930	4.2	5,136
Other	11	(9.1)	10	6	66.7	10	11	18.2	13	10	70.0	17	38	31.6	50
Eliminations	(1,184)	4.7	(1,240)	(1,226)	1.5	(1,245)	(1,214)	3.9	(1,261)	(1,228)	2.4	(1,258)	(4,852)	3.1	(5,004)
Total	5,006	(4.8)	4,764	4,977	(1.7)	4,894	5,038	(5.2)	4,774	5,055	(3.6)	4,875	20,076	(3.8)	19,307
Underlying revenue excluding transit (as reported)		(2.9)			0.4			(3.0)			(2.0)			(1.9)	
Adjusted EBITDA¹															
BT Global Services	130	6.2	138	138	15.2	159	141	2.1	144	184	1.1	186	593	5.7	627
BT Retail	442	0.9	446	414	7.5	445	452	0.2	453	476	2.1	486	1,784	2.6	1,830
BT Wholesale	339	(9.4)	307	326	(6.4)	305	330	(8.2)	303	321	(8.7)	293	1,316	(8.2)	1,208
Openreach	511	5.3	538	532	6.6	567	550	7.5	591	539	11.9	603	2,132	7.8	2,299
Other	(23)	n/m	7	42	(54.8)	19	11	n/m	33	31	32.3	41	61	63.9	100
Total	1,399	2.6	1,436	1,452	3.0	1,495	1,484	2.7	1,524	1,551	3.7	1,609	5,886	3.0	6,064
Depreciation and amortisation	(729)	1.4	(739)	(737)	2.2	(753)	(751)	(2.3)	(734)	(762)	(2.1)	(746)	(2,979)	(0.2)	(2,972)
Operating profit pre specific items	670	4.0	697	715	3.8	742	733	7.8	790	789	9.4	863	2,907	6.4	3,092
Net finance expense	(228)	(26.3)	(168)	(224)	(22.3)	(174)	(207)	(19.8)	(166)	(186)	(7.0)	(173)	(845)	(19.4)	(681)
Share of post tax profits/losses of associates & joint ventures	4		4	5		2	5		4	7		0	21		10
PBT pre specific items	446	19.5	533	496	14.9	570	531	18.3	628	610	13.1	690	2,083	16.2	2,421
Specific items	(51)		(66)	(71)		(67)	(70)		(26)	(95)		(14)	(287)		(173)
Net interest on pensions	(20)		50	(19)		49	(20)		50	(20)		48	(79)		197
Total specific items	(71)		(16)	(90)		(18)	(90)		24	(115)		34	(366)		24
Reported PBT	375	37.9	517	406	36.0	552	441	47.8	652	495	46.3	724	1,717	42.4	2,445
Tax - excluding tax on specific items	(109)		(129)	(98)		(138)	(113)		(151)	(132)		(166)	(452)		(584)
Tax on specific items	18		(3)	92		81	19		(9)	110		73	239		142
Tax rate	24.5%		24.1%	19.7%		24.1%	21.3%		24.1%	21.6%		24.1%	21.7%		24.1%
Memo: Minorities	0		0	(1)		(1)	0		(1)	(1)		1	(2)		(1)
Net income	284	35.6	385	400	23.8	495	347	41.8	492	473	33.4	631	1,504	33.2	2,003
Adjusted EPS¹ (p)	4.4	18.2	5.2	5.1	9.8	5.6	5.4	13.0	6.1	6.2	9.7	6.8	21.0	12.9	23.7
Reported EPS (p)	3.7	35.1	5.0	5.1	25.5	6.4	4.5	40.0	6.3	6.1	32.8	8.1	19.4	33.0	25.8
Dividend per share (p)	-		-	2.4		2.6	-		-	5.0	14.0	5.7	7.4	12.2	8.3
Average number of shares in issue (m)	7,745		7,755	7,750		7,762	7,751		7,766	7,754		7,771	7,750		7,763
Group free cash flow															
Adjusted EBITDA ¹	1,399		1,436	1,452		1,495	1,484		1,524	1,551		1,609	5,886		6,064
Capital expenditure	(610)	1.3	(618)	(602)	2.7	(618)	(670)	(4.6)	(639)	(748)	(8.4)	(685)	(2,630)	(2.7)	(2,560)
Interest	(295)	(27.5)	(214)	(163)	(19.6)	(131)	(267)	(25.1)	(200)	(219)	(36.1)	(140)	(944)	(27.4)	(685)
Tax (excluding cash benefit of pension deficit payment)	(42)		(136)	(47)		(144)	(131)		(163)	(137)		(172)	(356)		(615)
Change in working capital	(140)		(370)	(133)		(75)	58		91	204		351	(11)		(3)
Other	110		103	32		36	58		21	(69)		(54)	131		106
Free cash flow (pre pension deficit payment and specific items)	422		201	539		563	532		634	582		909	2,076	11.1	2,307
Cash tax benefit of pension deficit payment	37		107	37		108	37		0	37		0	147		215
Free cash flow (pre gross pension deficit payment and specific items)	459	(32.9)	308	576	16.5	671	569	11.4	634	619	46.8	909	2,223	13.5	2,522
Specific items	(44)		(61)	(41)		(42)	(54)		(48)	(73)		(53)	(212)		(204)
Free cash flow (pre gross pension deficit payment)	415	(40.5)	247	535	17.6	629	515	13.8	586	546	56.8	856	2,011	15.3	2,318
Gross pension deficit payment	0		0	0		0	(525)		0	(505)		(2,000)	(1,030)		(2,000)
Free cash flow (post pension deficit payment)	415	(40.5)	247	535	17.6	629	(10)	n/m	586	41	n/m	(1,144)	981	(67.6)	318
Net debt	8,879	(3.3)	8,585	8,704	(4.4)	8,317	8,674	(10.8)	7,736	8,816	3.0	9,082	8,816	3.0	9,082
Operating cash flow by line of business		£m			£m			£m			£m			£m	
BT Global Services	(38)	(22)	(60)	(28)	(27)	(55)	115	19	134	70	94	164	119	64	183
BT Retail	293	1	294	333	11	344	324	(40)	284	432	8	440	1,382	(20)	1,362
BT Wholesale	217	(98)	119	222	0	222	141	4	145	331	(17)	314	911	(111)	800
Openreach	225	(48)	177	255	95	350	316	(12)	304	282	82	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

Revenue analysis £m		2010 ¹					2011 ¹					2012				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Total ICT & Managed Networks	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	1,390	1,267	1,374	5,292
	BT Retail	132	135	138	156	561	143	113 ²	135	140	531	120	125	123	133	501
	BT Wholesale	167	180	180	188	715	199	183	197	192	771	199	197	199	196	791
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	1,712	1,589	1,703	6,584
Broadband (incl. LLU) and Convergence	BT Global Services	81	82	83	84	330	75	82	80	77	314	82	76	75	80	313
	BT Retail	312	314	317	315	1,258	324	327	329	331	1,311	337	346	351	366	1,400
	BT Wholesale	131	125	117	115	488	93	82	80	80	335	73	75	70	64	282
	Openreach	132	144	163	162	601	181	211	211	204	807	221	245	250	260	976
	Total	656	665	680	676	2,677	673	702	700	692	2,767	713	742	746	770	2,971
Lines	BT Global Services	122	117	116	117	472	109	102	102	102	415	101	95	93	91	380
	BT Retail	762	707	685	676	2,830	663	645	651	640	2,599	623	614	631	617	2,485
Calls	BT Global Services	884	824	801	793	3,302	772	747	753	742	3,014	724	709	724	708	2,865
	BT Retail	48	46	43	47	184	39	40	35	34	148	32	30	30	29	121
Private Circuits	BT Global Services	511	492	505	473	1,981	455	439	460	414	1,768	396	382	372	362	1,512
	BT Retail	559	538	548	520	2,165	494	479	495	448	1,916	428	412	402	391	1,633
Total	BT Global Services	78	78	75	69	300	68	67	63	61	259	64	62	61	57	244
	BT Retail	38	34	36	34	142	31	33	30	30	124	29	30	28	28	115
	BT Wholesale	90	74	80	72	316	59	84	70	69	282	60	60	60	57	237
Total	206	186	191	175	758	158	184	163	160	665	153	152	149	142	596	
Total Calls and Lines	BT Global Services	248	241	234	233	956	216	209	200	197	822	197	187	184	177	745
	BT Retail	1,311	1,233	1,226	1,183	4,953	1,149	1,117	1,141	1,084	4,491	1,048	1,026	1,031	1,007	4,112
	BT Wholesale	90	74	80	72	316	59	84	70	69	282	60	60	60	57	237
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	1,273	1,275	1,241	5,094	
Transit	BT Global Services	188	184	206	204	782	179	165	158	121	623	115	111	110	121	457
	BT Wholesale	274	250	230	222	976	230	233	226	206	895	187	165	162	157	671
	Total	462	434	436	426	1,758	409	398	384	327	1,518	302	276	272	278	1,128
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	58	60	55	56	229	52	47	49	58	206	56	51	53	49	209
	BT Wholesale	151	143	140	144	578	156	140	161	152	609	163	154	157	146	620
	Openreach	167	173	171	175	686	162	172	177	186	697	161	159	161	166	647
	Total	376	376	366	375	1,493	370	359	387	396	1,512	380	364	371	361	1,476
Other	BT Global Services	281	178	225	243	927	186	188	186	204	764	194	199	205	195	793
	BT Retail	220	235	240	238	933	211	232	235	242	920	203	232	217	217	869
	BT Wholesale	56	79	70	79	284	77	85	87	81	330	77	86	86	93	342
	Total	557	492	535	560	2,144	474	505	508	527	2,014	474	517	508	505	2,004
Total Other	BT Global Services	527	422	486	503	1,938	417	400	393	383	1,593	365	361	368	365	1,459
	BT Retail	220	235	240	238	933	211	232	235	242	920	203	232	217	217	869
	BT Wholesale	481	472	440	445	1,838	463	458	474	439	1,834	427	405	405	396	1,633
	Openreach	167	173	171	175	686	162	172	177	186	697	161	159	161	166	647
Total Other	1,395	1,302	1,337	1,361	5,395	1,253	1,262	1,279	1,250	5,044	1,156	1,157	1,151	1,144	4,608	
Internal revenue	BT Retail	83	90	89	111	373	84	130 ²	114	119	447	122	124	127	138	511
	BT Wholesale	255	256	256	255	1,022	243	244	248	244	979	245	245	245	245	980
	Openreach	956	916	907	894	3,673	857	852	852	865	3,426	873	876	889	875	3,513
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	1,245	1,261	1,258	5,004	
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	2,014	1,894	1,996	7,809
	BT Retail	2,058	2,007	2,010	2,003	8,078	1,911	1,919	1,954	1,916	7,700	1,830	1,853	1,849	1,861	7,393
	BT Wholesale	1,124	1,107	1,073	1,075	4,379	1,057	1,051	1,069	1,024	4,201	1,004	982	979	958	3,923
	Openreach	1,255	1,233	1,241	1,231	4,960	1,200	1,235	1,240	1,255	4,930	1,255	1,280	1,300	1,301	5,136
	Other	12	10	7	11	40	11	6	11	10	38	10	10	13	17	50
	Eliminations	(1,294)	(1,262)	(1,252)	(1,260)	(5,068)	(1,184)	(1,226)	(1,214)	(1,228)	(4,852)	(1,240)	(1,245)	(1,261)	(1,258)	(5,004)
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	4,894	4,774	4,875	19,307	

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	Q1	Q2	2012 Q3	Q4	FY
Total ICT & Managed Networks	BT Global Services	6.5%	1.5%	(0.8)%	(3.7)%	0.6%	(3.2)%	6.8%	(2.9)%	(3.3)%	(0.7)%
	BT Retail	8.3%	(16.3)%	(2.2)%	(10.3)%	(5.3)%	(16.1)%	10.6%	(8.9)%	(5.0)%	(5.6)%
	BT Wholesale	19.2%	1.7%	9.4%	2.1%	7.8%	0.0%	7.7%	1.0%	2.1%	2.6%
Total ICT & Managed Networks		8.0%	0.0%	0.2%	(3.7)%	0.9%	(4.0)%	7.2%	(2.9)%	(2.9)%	(0.7)%
Broadband (incl. LLU) and Convergence	BT Global Services	(7.4)%	0.0%	(3.6)%	(8.3)%	(4.8)%	9.3%	(7.3)%	(6.3)%	3.9%	(0.3)%
	BT Retail	3.8%	4.1%	3.8%	5.1%	4.2%	4.0%	5.8%	6.7%	10.6%	6.8%
	BT Wholesale	(29.0)%	(34.4)%	(31.6)%	(30.4)%	(31.4)%	(21.5)%	(8.5)%	(12.5)%	(20.0)%	(15.8)%
	Openreach	37.1%	46.5%	29.4%	25.9%	34.3%	22.1%	16.1%	18.5%	27.5%	20.9%
	Broadband (incl. LLU) and Convergence		2.6%	5.6%	2.9%	2.4%	3.4%	5.9%	5.7%	6.6%	11.3%
Lines	BT Global Services	(10.7)%	(12.8)%	(12.1)%	(12.8)%	(12.1)%	(7.3)%	(6.9)%	(8.8)%	(10.8)%	(8.4)%
	BT Retail	(13.0)%	(8.8)%	(5.0)%	(5.3)%	(8.2)%	(6.0)%	(4.8)%	(3.1)%	(3.6)%	(4.4)%
Calls	BT Global Services	(12.7)%	(9.3)%	(6.0)%	(6.4)%	(8.7)%	(6.2)%	(5.1)%	(3.9)%	(4.6)%	(4.9)%
	BT Retail	(18.8)%	(13.0)%	(18.6)%	(27.7)%	(19.6)%	(17.9)%	(25.0)%	(14.3)%	(14.7)%	(18.2)%
Private Circuits	BT Global Services	(11.0)%	(10.8)%	(8.9)%	(12.5)%	(10.8)%	(13.0)%	(13.0)%	(19.1)%	(12.6)%	(14.5)%
	BT Retail	(11.6)%	(11.0)%	(9.7)%	(13.8)%	(11.5)%	(13.4)%	(14.0)%	(18.8)%	(12.7)%	(14.8)%
Total	BT Global Services	(12.8)%	(14.1)%	(16.0)%	(11.6)%	(13.7)%	(5.9)%	(7.5)%	(3.2)%	(6.6)%	(5.8)%
	BT Retail	(18.4)%	(2.9)%	(16.7)%	(11.8)%	(12.7)%	(6.5)%	(9.1)%	(6.7)%	(6.7)%	(7.3)%
	BT Wholesale	(34.4)%	13.5%	(12.5)%	(4.2)%	(10.8)%	1.7%	(28.6)%	(14.3)%	(17.4)%	(16.0)%
Total		(23.3)%	(1.1)%	(14.7)%	(8.6)%	(12.3)%	(3.2)%	(17.4)%	(8.6)%	(11.3)%	(10.4)%
Total Calls and Lines	BT Global Services	(12.9)%	(13.3)%	(14.5)%	(15.5)%	(14.0)%	(8.8)%	(10.5)%	(8.0)%	(10.2)%	(9.4)%
	BT Retail	(12.4)%	(9.4)%	(6.9)%	(8.4)%	(9.3)%	(8.8)%	(8.1)%	(9.6)%	(7.1)%	(8.4)%
	BT Wholesale	(34.4)%	13.5%	(12.5)%	(4.2)%	(10.8)%	1.7%	(28.6)%	(14.3)%	(17.4)%	(16.0)%
Total Calls and Lines		(13.6)%	(8.9)%	(8.4)%	(9.3)%	(10.1)%	(8.4)%	(9.7)%	(9.6)%	(8.1)%	(9.0)%
Transit	BT Global Services	(4.8)%	(10.3)%	(23.3)%	(40.7)%	(20.3)%	(35.8)%	(32.7)%	(30.4)%	0.0%	(26.6)%
	BT Wholesale	(16.1)%	(6.8)%	(1.7)%	(7.2)%	(8.3)%	(18.7)%	(29.2)%	(28.3)%	(23.8)%	(25.0)%
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	(11.5)%	(8.3)%	(11.9)%	(23.2)%	(13.7)%	(26.2)%	(30.7)%	(29.2)%	(15.0)%	(25.7)%
	BT Wholesale	(10.3)%	(21.7)%	(10.9)%	3.6%	(10.0)%	7.7%	8.5%	8.2%	(15.5)%	1.5%
	Openreach	3.3%	(2.1)%	15.0%	5.6%	5.4%	4.5%	10.0%	(2.5)%	(3.9)%	1.8%
Other	BT Global Services	(3.0)%	(0.6)%	3.5%	6.3%	1.6%	(0.6)%	(7.6)%	(9.0)%	(10.8)%	(7.2)%
	BT Retail	(1.6)%	(4.5)%	5.7%	5.6%	1.3%	2.7%	1.4%	(4.1)%	(8.8)%	(2.4)%
	BT Wholesale	(33.8)%	5.6%	(17.3)%	(16.0)%	(17.6)%	4.3%	5.9%	10.2%	(4.4)%	3.8%
Total	BT Global Services	(4.1)%	(1.3)%	(2.1)%	1.7%	(1.4)%	(3.8)%	0.0%	(7.7)%	(10.3)%	(5.5)%
	BT Retail	37.5%	7.6%	24.3%	2.5%	16.2%	0.0%	1.2%	(1.1)%	14.8%	3.6%
	BT Wholesale	(14.9)%	2.6%	(5.0)%	(5.9)%	(6.1)%	0.0%	2.4%	0.0%	(4.2)%	(0.5)%
Total		(20.9)%	(5.2)%	(19.1)%	(23.9)%	(17.8)%	(12.5)%	(9.8)%	(6.4)%	(4.7)%	(8.4)%
Total Other	BT Global Services	(4.1)%	(1.3)%	(2.1)%	1.7%	(1.4)%	(3.8)%	0.0%	(7.7)%	(10.3)%	(5.5)%
	BT Retail	(3.7)%	(3.0)%	7.7%	(1.3)%	(0.2)%	(7.8)%	(11.6)%	(14.6)%	(9.8)%	(11.0)%
	BT Wholesale	(3.0)%	(0.6)%	3.5%	6.3%	1.6%	(0.6)%	(7.6)%	(9.0)%	(10.8)%	(7.2)%
	Openreach	(10.2)%	(3.1)%	(4.3)%	(8.2)%	(6.5)%	(7.7)%	(8.3)%	(10.0)%	(8.5)%	(8.6)%
Internal revenue	BT Retail	1.2%	44.4%	28.1%	7.2%	19.8%	45.2%	(4.6)%	11.4%	16.0%	14.3%
	BT Wholesale	(4.7)%	(4.7)%	(3.1)%	(4.3)%	(4.2)%	0.8%	0.4%	(1.2)%	0.4%	0.1%
	Openreach	(10.4)%	(7.0)%	(6.1)%	(3.2)%	(6.7)%	1.9%	2.8%	4.3%	1.2%	2.5%
Total internal revenue		(8.5)%	(2.9)%	(3.0)%	(2.5)%	(4.3)%	4.7%	1.5%	3.9%	2.4%	3.1%
Total line of business revenue	BT Global Services	(3.3)%	(1.7)%	(6.7)%	(9.5)%	(5.4)%	(5.3)%	1.1%	(4.2)%	(3.9)%	(3.1)%
	BT Retail	(7.1)%	(4.4)%	(2.8)%	(4.3)%	(4.7)%	(4.2)%	(3.4)%	(5.4)%	(2.9)%	(4.0)%
	BT Wholesale	(6.0)%	(5.1)%	(0.4)%	(4.7)%	(4.1)%	(5.0)%	(6.6)%	(8.4)%	(6.4)%	(6.6)%
	Openreach	(4.4)%	0.2%	(0.1)%	1.9%	(0.6)%	4.6%	3.6%	4.8%	3.7%	4.2%
Total group revenue		(4.4)%	(2.8)%	(3.1)%	(5.6)%	(4.0)%	(4.8)%	(1.7)%	(5.2)%	(3.6)%	(3.8)%

Line of business statistics	2010					2011					2012				
	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	14,104	13,696	13,330	13,051	2	12,701	12,327	12,041	11,802		11,563	11,323	11,138	10,919	
Business/Corporate ¹	5,851	5,705	5,549	5,423		5,294	5,172	5,032	4,917		4,827	4,722	4,636	4,551	
Total	19,955	19,401	18,879	18,474		17,995	17,499	17,073	16,719		16,390	16,045	15,774	15,470	
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	1,433	1,638	2,028	6,683
Retail															
Business unit revenue⁴ (£m)															
Consumer	1,105	1,042	1,056	1,020	4,223	999	980	1,010	967	3,956	940	941	946	945	3,772
Business	597	589	592	597	2,375	571	588	592	599	2,350	568	559	555	561	2,243
Enterprises	164	182	176	193	715	163	181	176	179	699	160	179	178	183	700
Ireland	198	200	201	202	801	185	189	189	187	750	183	193	188	193	757
Other (incl. eliminations)	(6)	(6)	(15)	(9)	(36)	(7)	(19)	(13)	(16)	(55)	(21)	(19)	(18)	(21)	(79)
Total	2,058	2,007	2,010	2,003	8,078	1,911	1,919	1,954	1,916	7,700	1,830	1,853	1,849	1,861	7,393
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	9.72	9.63	9.69	38.81
Consumer ARPU ⁵ (£)	290	296	301	309		314	317	322	326		330	335	337	343	
Active BT Consumer lines ('000)	11,583	11,388	11,251	11,113	2	10,932	10,713	10,571	10,448		10,323	10,206	10,113	9,983	
BT Vision installed base ('000)	433 ⁶	436 ⁶	451	467		481	505	545	575		598	639	679	707	
Net adds in quarter ('000)	31	18	15	16		14	24	40	30		23	41	39	28	
Openreach															
Internal copper lines ('000)	18,119	17,663	17,220	16,795		16,352	15,922	15,560	15,320		14,973	14,661	14,425	14,125	
External copper lines ('000)	5,048	5,179	5,054	5,005		4,985	5,057	5,177	5,189		5,237	5,258	5,172	5,155	
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	4,885	5,240	5,631	
Total copper lines ('000)	24,975	24,907	24,840	24,765		24,724	24,707	24,750	24,776		24,793	24,804	24,838	24,912	
Net adds in quarter ('000)	-116	-68	-67	-75		-41	-17	43	26		18	11	34	74	

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	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Group										
Lines sold through BT lines of business										
Consumer	(9.9)%	(10.0)%	(9.7)%	(9.6)%		(9.0)%	(8.1)%	(7.5)%	(7.5)%	
<i>Consumer - quarter on quarter movement</i>	(2.7)%	(2.9)%	(2.3)%	(2.0)%		(2.0)%	(2.1)%	(1.6)%	(2.0)%	
Business/Corporate	(9.5)%	(9.3)%	(9.3)%	(9.3)%		(8.8)%	(8.7)%	(7.9)%	(7.4)%	
<i>Business/Corporate - quarter on quarter movement</i>	(2.4)%	(2.3)%	(2.7)%	(2.3)%		(1.8)%	(2.2)%	(1.8)%	(1.8)%	
Total	(9.8)%	(9.8)%	(9.6)%	(9.5)%		(8.9)%	(8.3)%	(7.6)%	(7.5)%	
Global Services										
Order intake	10.0%	50.8%	8.1%	(15.9)%	9.6%	2.1%	(33.8)%	(2.2)%	8.0%	(8.1)%
Retail										
Business unit revenue										
Consumer	(9.6)%	(6.0)%	(4.4)%	(5.2)%	(6.3)%	(5.9)%	(4.0)%	(6.3)%	(2.3)%	(4.7)%
Business	(4.4)%	(0.2)%	0.0%	0.3%	(1.1)%	(0.5)%	(4.9)%	(6.3)%	(6.3)%	(4.6)%
Enterprises	(0.6)%	(0.5)%	0.0%	(7.3)%	(2.2)%	(1.8)%	(1.1)%	1.1%	2.2%	0.1%
Ireland	(6.6)%	(5.5)%	(6.0)%	(7.4)%	(6.4)%	(1.1)%	2.1%	(0.5)%	3.2%	0.9%
Other (incl. eliminations)										
Total	(7.1)%	(4.4)%	(2.8)%	(4.3)%	(4.7)%	(4.2)%	(3.4)%	(5.4)%	(2.9)%	(4.0)%
Call minutes (bn)	(12.0)%	(11.7)%	(9.0)%	(13.5)%	(11.6)%	(10.8)%	(9.7)%	(13.7)%	(8.6)%	(10.7)%
Consumer ARPU	8.3%	7.1%	7.0%	5.5%		5.1%	5.7%	4.7%	5.2%	
Active BT Consumer lines	(5.6)%	(5.9)%	(6.0)%	(6.0)%		(5.6)%	(4.7)%	(4.3)%	(4.5)%	
<i>Quarter on quarter movement</i>	(1.6)%	(2.0)%	(1.3)%	(1.2)%		(1.2)%	(1.1)%	(0.9)%	(1.3)%	
BT Vision installed base	11.1%	15.8%	20.8%	23.1%		24.3%	26.5%	24.6%	23.0%	
Openreach										
Internal copper lines	(9.7)%	(9.9)%	(9.6)%	(8.8)%		(8.4)%	(7.9)%	(7.3)%	(7.8)%	
External copper lines	(1.2)%	(2.4)%	2.4%	3.7%		5.1%	4.0%	(0.1)%	(0.6)%	
Fully unbundled copper lines (MPF)	87.3%	80.6%	56.3%	43.9%		35.3%	31.0%	30.6%	32.0%	
Total copper lines	(1.0)%	(0.8)%	(0.4)%	0.0%		0.3%	0.4%	0.4%	0.5%	
<i>Quarter on quarter movement</i>	(0.2)%	(0.1)%	0.2%	0.1%		0.1%	0.0%	0.1%	0.3%	

Broadband statistics 000s	2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Retail												
Total Broadband	4,835	4,906	5,008	5,132	5,227	5,342	5,529	5,691	5,832	5,998	6,144	6,280
Net adds in quarter	78	72	102	123	96	114	188	162	141	166	146	136
Retail share of DSL, LLU + fibre net adds	46%	43%	42%	44%	40%	45% ¹	53%	64%	56%	63%	56%	44%
Retail share of DSL, LLU + fibre installed base	35%	35%	35%	35%	35%	35%	36%	36%	37%	37%	37%	37%
Wholesale												
Total BT Wholesale Broadband	8,026	8,031	8,044	8,057	8,013	7,971	7,980	8,112	8,391	8,510	8,551	8,543
Net adds in quarter	(36)	5	14	13	(45)	(41)	9	132	279	119	41	(8)
External Wholesale	3,191	3,124	3,036	2,926	2,785	2,629	2,451	2,421	2,559	2,512	2,407	2,263
Net adds in quarter	(114)	(67)	(88)	(110)	(141)	(156)	(179)	(30)	138	(47)	(105)	(144)
Openreach												
External LLU Volumes ('000)												
Full loops (MPF)	1,808	2,064	2,567	2,966	3,387	3,728 ¹	4,012	4,266	4,583	4,885	5,240	5,631
Shared loops (SMPF)	4,150	4,057	3,786	3,654	3,519	3,414 ¹	3,477	3,342	2,997	2,840	2,706	2,632
Total	5,957	6,121	6,352	6,620	6,906	7,143	7,490	7,608	7,580	7,725	7,946	8,263
Net adds in quarter	208	164	231	268	286	294 ¹	347	119	-29	144	221	317
Group												
Total DSL + LLU	13,983	14,152	14,397	14,677	14,918	15,114	15,469	15,720	15,971	16,235	16,497	16,805
Net adds in quarter	172	169	245	281	241	253 ¹	356	251	250	263	262	308

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			
	Q1	Q2	Q3	Q4

	2012			
	Q1	Q2	Q3	Q4

Retail

Total Broadband
Net adds in quarter

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

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

Wholesale

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

(0.2)%	(0.7)%	(0.8)%	0.7%
(24.2)%	(946.6)%	(36.9)%	919.5%
(12.7)%	(15.8)%	(19.3)%	(17.3)%
(23.2)%	(133.3)%	(102.5)%	73.1%

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)%

Openreach

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

87.3%	80.6%	56.3%	43.9%
(15.2)%	(15.8)%	(8.1)%	(8.5)%
15.9%	16.7%	17.9%	14.9%
37.5%	79.8%	50.1%	(55.6)%

35.3%	31.0%	30.6%	32.0%
(14.8)%	(16.8)%	(22.2)%	(21.3)%
9.8%	8.2%	6.1%	8.6%
(110.0)%	(51.0)%	(36.3)%	166.6%

Group

Total DSL + LLU
Net adds in quarter

6.7%	6.8%	7.5%	7.1%
40.4%	50.0%	45.2%	(10.6)%

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

Costs £m	2010					2011					2012				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Operating costs															
Direct labour costs before leaver costs ¹	1,266	1,215	1,218	1,180	4,879	1,265	1,224	1,224	1,205	4,918	1,187	1,213	1,191	1,197	4,788
Indirect labour costs	325	315	259	263	1,162	229	253	235	241	958	242	232	230	210	914
Leaver costs	45	21	58	18	142	10	14	12	21	57	28	29	11	29	97
Gross labour costs	1,636	1,551	1,535	1,461	6,183	1,504	1,491	1,471	1,467	5,933	1,457	1,474	1,432	1,436	5,799
Capitalised labour	(262)	(250)	(245)	(258)	(1,015)	(231)	(272)	(268)	(276)	(1,047)	(241)	(242)	(247)	(257)	(987)
Net labour costs	1,374	1,301	1,290	1,203	5,168	1,273	1,219	1,203	1,191	4,886	1,216	1,232	1,185	1,179	4,812
Payments to telecommunications operators	1,048	1,040	1,066	929	4,083	961	970	937	872	3,740	825	786	800	742	3,153
Property and energy costs	320	317	333	314	1,284	287	278	294	290	1,149	273	270	270	253	1,066
Network operating and IT costs	209	190	191	191	781	178	185	187	156	706	170	163	144	153	630
Other costs ¹	1,037	952	1,012	1,333	4,334	996	954	1,036	1,096	4,082	942	1,047	944	1,036	3,969
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	3,498	3,343	3,363	13,630
Depreciation and amortisation	738	759	754	788	3,039	729	737	751	762	2,979	739	753	734	746	2,972
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	4,251	4,077	4,109	16,602
Specific items	41	54	159	173	427	51	71	105	102	329	66	(362)	26	14	(256)
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	3,889	4,103	4,123	16,346
Capital expenditure															
Platform/Network ²	207	217	241	470	1,135	230	274	322	319	1,145	266	310	341	350	1,267
Line of Business ²	130	131	128	171	560	119	136	152	192	599	125	161	150	169	605
Access	143	130	138	155	566	136	151	159	145	591	148	140	135	134	557
Regulatory & compliance	59	56	40	51	206	36	39	32	59	166	31	31	30	29	121
Support functions	20	24	7	15	66	2	8	15	64	89	12	10	9	13	44
Total	559	558	554	862	2,533	523	608	680	779	2,590	582	652	665	695	2,594
Capital expenditure by line of business															
BT Global Services	131	131	120	217	599	103	124	128	143	498	117	155	139	149	560
BT Retail	81	82	90	164	417	85	99	115	135	434	94	109	108	123	434
BT Wholesale	71	69	71	114	325	67	79	91	92	329	74	89	82	91	336
Openreach	203	200	226	278	907	236	262	295	294	1,087	253	251	292	279	1,075
Other	73	76	47	89	285	32	44	51	115	242	44	48	44	53	189
Total	559	558	554	862	2,533	523	608	680	779	2,590	582	652	665	695	2,594

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.

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 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)	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 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