



# 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 <sup>2</sup>	Change %	Full Year Actual
<b>Revenue<sup>1</sup></b>											
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)
<b>Total</b>	<b>4,764</b>	<b>(5.9)</b>	<b>4,484</b>	<b>4,894</b>	<b>(8.6)</b>	<b>4,474</b>	<b>4,774</b>	<b>4,875</b>	<b>20,076</b>	<b>(3.8)</b>	<b>19,307</b>
Underlying revenue excluding transit (as reported)		(3.2)			(5.5)					(1.9)	
<b>EBITDA<sup>1</sup></b>											
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
<b>Total</b>	<b>1,436</b>	<b>1.9</b>	<b>1,463</b>	<b>1,495</b>	<b>0.1</b>	<b>1,497</b>	<b>1,524</b>	<b>1,609</b>	<b>5,886</b>	<b>3.0</b>	<b>6,064</b>
Depreciation and amortisation	(739)	(2.2)	(723)	(753)	(4.1)	(722)	(734)	(746)	(2,979)	(0.2)	(2,972)
<b>Operating profit<sup>1</sup></b>	<b>697</b>	<b>6.2</b>	<b>740</b>	<b>742</b>	<b>4.4</b>	<b>775</b>	<b>790</b>	<b>863</b>	<b>2,907</b>	<b>6.4</b>	<b>3,092</b>
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
<b>Profit before tax<sup>1</sup></b>	<b>533</b>	<b>8.4</b>	<b>578</b>	<b>570</b>	<b>6.7</b>	<b>608</b>	<b>628</b>	<b>690</b>	<b>2,083</b>	<b>16.2</b>	<b>2,421</b>
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
<b>Reported profit before tax</b>	<b>517</b>	<b>13.0</b>	<b>584</b>	<b>552</b>	<b>9.1</b>	<b>602</b>	<b>652</b>	<b>724</b>	<b>1,717</b>	<b>42.4</b>	<b>2,445</b>
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)
<b>Net income</b>	<b>385</b>	<b>17.1</b>	<b>451</b>	<b>495</b>	<b>14.1</b>	<b>565</b>	<b>492</b>	<b>631</b>	<b>1,504</b>	<b>33.2</b>	<b>2,003</b>
<b>EPS<sup>1</sup> (p)</b>	<b>5.2</b>	<b>9.6</b>	<b>5.7</b>	<b>5.6</b>	<b>7.1</b>	<b>6.0</b>	<b>6.1</b>	<b>6.8</b>	<b>21.0</b>	<b>12.9</b>	<b>23.7</b>
<b>Reported EPS (p)</b>	<b>5.0</b>	<b>16.0</b>	<b>5.8</b>	<b>6.4</b>	<b>12.5</b>	<b>7.2</b>	<b>6.3</b>	<b>8.1</b>	<b>19.4</b>	<b>33.0</b>	<b>25.8</b>
<b>Dividend per share (p)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.6</b>	<b>15.4</b>	<b>3.0</b>	<b>-</b>	<b>5.7</b>	<b>7.4</b>	<b>12.2</b>	<b>8.3</b>
<b>Average number of shares in issue (m)</b>	<b>7,755</b>		<b>7,788</b>	<b>7,762</b>		<b>7,839</b>	<b>7,766</b>	<b>7,771</b>	<b>7,750</b>		<b>7,763</b>
<b>Group free cash flow</b>											
EBITDA <sup>1</sup>	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
<b>Normalised free cash flow<sup>3</sup></b>	<b>201</b>	<b>(161.7)</b>	<b>(124)</b>	<b>563</b>	<b>(43.9)</b>	<b>316</b>	<b>634</b>	<b>909</b>	<b>2,076</b>	<b>11.1</b>	<b>2,307</b>
Cash tax benefit of pension deficit payments	107		162	108		162	0	0	147		215
<b>Free cash flow<sup>1</sup></b>	<b>308</b>	<b>(87.7)</b>	<b>38</b>	<b>671</b>	<b>(28.8)</b>	<b>478</b>	<b>634</b>	<b>909</b>	<b>2,223</b>	<b>13.5</b>	<b>2,522</b>
Specific items	(61)		(33)	(42)		(90)	(48)	(53)	(212)		(204)
<b>Free cash flow (pre gross pension deficit payments)</b>	<b>247</b>	<b>(98.0)</b>	<b>5</b>	<b>629</b>	<b>(38.3)</b>	<b>388</b>	<b>586</b>	<b>856</b>	<b>2,011</b>	<b>15.3</b>	<b>2,318</b>
Gross pension deficit payment	0		0	0		0	0	(2,000)	(1,030)		(2,000)
<b>Reported free cash flow</b>	<b>247</b>	<b>(98.0)</b>	<b>5</b>	<b>629</b>	<b>(38.3)</b>	<b>388</b>	<b>586</b>	<b>(1,144)</b>	<b>981</b>	<b>(67.6)</b>	<b>318</b>
<b>Net debt</b>	<b>8,585</b>	<b>6.5</b>	<b>9,142</b>	<b>8,317</b>	<b>8.7</b>	<b>9,037</b>	<b>7,736</b>	<b>9,082</b>	<b>8,816</b>	<b>3.0</b>	<b>9,082</b>
<b>Operating cash flow by line of business</b>		<b>£m</b>			<b>£m</b>					<b>£m</b>	
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

<sup>1</sup> before specific items

<sup>2</sup> 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

<sup>3</sup> before specific items, pension deficit payments and the cash tax benefit of pension deficit payments

Revenue <sup>1</sup> analysis £m		2011 <sup>2</sup>					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 <sup>3</sup>	1,305	1,421	5,330	1,261	1,390	1,267	1,374	5,292	1,149	1,160
	BT Retail	143	113 <sup>3</sup>	135	140	531	120	125	123	133	501	119	127
	BT Wholesale	199	183	197	192	771	199	197	199	196	791	195	197
<b>Total ICT &amp; Managed Networks</b>		<b>1,645</b>	<b>1,597</b>	<b>1,637</b>	<b>1,753</b>	<b>6,632</b>	<b>1,580</b>	<b>1,712</b>	<b>1,589</b>	<b>1,703</b>	<b>6,584</b>	<b>1,463</b>	<b>1,484</b>
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
	<b>Broadband (incl. LLU) and Convergence</b>		<b>673</b>	<b>702</b>	<b>700</b>	<b>692</b>	<b>2,767</b>	<b>713</b>	<b>742</b>	<b>746</b>	<b>770</b>	<b>2,971</b>	<b>757</b>
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
<b>Total Calls and Lines</b>		<b>1,424</b>	<b>1,410</b>	<b>1,411</b>	<b>1,350</b>	<b>5,595</b>	<b>1,305</b>	<b>1,273</b>	<b>1,275</b>	<b>1,241</b>	<b>5,094</b>	<b>1,199</b>	<b>1,192</b>
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
<b>Total Other</b>		<b>1,253</b>	<b>1,262</b>	<b>1,279</b>	<b>1,250</b>	<b>5,044</b>	<b>1,156</b>	<b>1,157</b>	<b>1,151</b>	<b>1,144</b>	<b>4,608</b>	<b>1,049</b>	<b>1,010</b>
Internal revenue	BT Retail	84	130 <sup>3</sup>	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
<b>Total internal revenue</b>		<b>1,184</b>	<b>1,226</b>	<b>1,214</b>	<b>1,228</b>	<b>4,852</b>	<b>1,240</b>	<b>1,245</b>	<b>1,261</b>	<b>1,258</b>	<b>5,004</b>	<b>1,218</b>	<b>1,215</b>
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)
<b>Total group revenue</b>		<b>5,006</b>	<b>4,977</b>	<b>5,038</b>	<b>5,055</b>	<b>20,076</b>	<b>4,764</b>	<b>4,894</b>	<b>4,774</b>	<b>4,875</b>	<b>19,307</b>	<b>4,484</b>	<b>4,474</b>

<sup>1</sup> before specific items

<sup>2</sup> 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

<sup>3</sup> 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%
<b>Total ICT &amp; Managed Networks</b>		<b>(4.0)%</b>	<b>7.2%</b>	<b>(2.9)%</b>	<b>(2.9)%</b>	<b>(0.7)%</b>	<b>(7.4)%</b>	<b>(13.3)%</b>
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%
	<b>Broadband (incl. LLU) and Convergence</b>		<b>5.9%</b>	<b>5.7%</b>	<b>6.6%</b>	<b>11.3%</b>	<b>7.4%</b>	<b>6.2%</b>
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)%
<b>Total</b>		<b>(3.2)%</b>	<b>(17.4)%</b>	<b>(8.6)%</b>	<b>(11.3)%</b>	<b>(10.4)%</b>	<b>(9.2)%</b>	<b>(10.5)%</b>
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)%
<b>Total Calls and Lines</b>		<b>(8.4)%</b>	<b>(9.7)%</b>	<b>(9.6)%</b>	<b>(8.1)%</b>	<b>(9.0)%</b>	<b>(8.1)%</b>	<b>(6.4)%</b>
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)%
<b>Total Other</b>		<b>(7.7)%</b>	<b>(8.3)%</b>	<b>(10.0)%</b>	<b>(8.5)%</b>	<b>(8.6)%</b>	<b>(9.3)%</b>	<b>(12.7)%</b>
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)%
<b>Total internal revenue</b>		<b>4.7%</b>	<b>1.5%</b>	<b>3.9%</b>	<b>2.4%</b>	<b>3.1%</b>	<b>(1.8)%</b>	<b>(2.4)%</b>
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)%
<b>Total group revenue</b>		<b>(4.8)%</b>	<b>(1.7)%</b>	<b>(5.2)%</b>	<b>(3.6)%</b>	<b>(3.8)%</b>	<b>(5.9)%</b>	<b>(8.6)%</b>

Line of business statistics	2011					2012					2013	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
<b>Group</b>												
<b>Lines sold through BT lines of business ('000)</b>												
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
<b>Total</b>	<b>17,995</b>	<b>17,499</b>	<b>17,073</b>	<b>16,719</b>		<b>16,390</b>	<b>16,045</b>	<b>15,774</b>	<b>15,470</b>		<b>15,154</b>	<b>14,874</b>
<b>Global Services</b>												
Order intake (£m)	1,552 <sup>1</sup>	2,165	1,675	1,878	7,270	1,584	1,433	1,638	2,028	6,683	1,134	1,264
<b>Retail</b>												
<b>Business unit revenue<sup>2</sup> (£m)</b>												
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)
<b>Total</b>	<b>1,911</b>	<b>1,919</b>	<b>1,954</b>	<b>1,916</b>	<b>7,700</b>	<b>1,830</b>	<b>1,853</b>	<b>1,849</b>	<b>1,861</b>	<b>7,393</b>	<b>1,776</b>	<b>1,791</b>
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 <sup>3</sup> ('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
<b>Openreach</b>												
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 <sup>4</sup>	4,012	4,266		4,583	4,885	5,240	5,631		5,848	6,110
<b>Total physical lines ('000)</b>	<b>24,724</b>	<b>24,707</b>	<b>24,750</b>	<b>24,776</b>		<b>24,793</b>	<b>24,804</b>	<b>24,838</b>	<b>24,912</b>		<b>24,868</b>	<b>24,830</b>
Net adds in quarter ('000)	-41	-17	43	26		18	11	34	74		-44	-38

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

<sup>2</sup> 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.

<sup>3</sup> restated in Q1 2013 to include active consumer lines in Northern Ireland.

<sup>4</sup> 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
<b>Group</b>							
<b>Lines sold through BT lines of business</b>							
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)%
<b>Total</b>	(8.9)%	(8.3)%	(7.6)%	(7.5)%		(7.5)%	(7.3)%
<b>Global Services</b>							
Order intake	2.1%	(33.8)%	(2.2)%	8.0%	(8.1)%	(28.4)%	(11.8)%
<b>Retail</b>							
<b>Business unit revenue</b>							
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)							
<b>Total</b>	(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%
<b>Openreach</b>							
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
<b>Retail</b>										
<b>Total Broadband</b>	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% <sup>1</sup>	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%
<b>Wholesale</b>										
<b>Total BT Wholesale Broadband</b>	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)
<b>Openreach</b>										
<b>External LLU Volumes</b>										
Full loops (MPF)	3,387	3,728 <sup>1</sup>	4,012	4,266	4,583	4,885	5,240	5,631	5,848	6,110
Shared loops (SMPF)	3,519	3,414 <sup>1</sup>	3,477	3,342	2,997	2,840	2,706	2,632	2,551	2,448
<b>Total</b>	<b>6,906</b>	<b>7,143</b>	<b>7,490</b>	<b>7,608</b>	<b>7,580</b>	<b>7,725</b>	<b>7,946</b>	<b>8,263</b>	<b>8,399</b>	<b>8,558</b>
Net adds in quarter	286	294 <sup>1</sup>	347	119	(29)	144	221	317	136	159
<b>Group</b>										
<b>Total DSL, LLU + fibre</b>	<b>14,918</b>	<b>15,114</b>	<b>15,469</b>	<b>15,720</b>	<b>15,971</b>	<b>16,235</b>	<b>16,497</b>	<b>16,805</b>	<b>16,976</b>	<b>17,149</b>
Net adds in quarter	241	253 <sup>1</sup>	356	251	250	263	262	308	170	174

<sup>1</sup> 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**

<b>Total Broadband</b>
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**

<b>Total Wholesale Broadband</b>
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**

<b>External LLU Volumes</b>
Full loops (MPF)
Shared loops (SMPF)
<b>Total</b>
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**

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

<sup>1</sup> 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.

<sup>2</sup> Q1, Q2 and Q3 2012 adjusted to ensure consistency with 2011 figures

## Glossary

### Revenue analysis

<b>ICT &amp; Managed Networks</b>	
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
<b>Broadband (incl. LLU) and Convergence</b>	
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
<b>Lines</b>	
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
<b>Calls</b>	
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
<b>Private Circuits</b>	
	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)
<b>Transit</b>	
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)
<b>Conveyance, interconnect circuits, WLR, global carrier and other wholesale</b>	
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
<b>Other</b>	
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
<b>Internal</b>	
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