



# Performance Indicators Q1 2010/11

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Group income statement	2009/10	Year on year	2010/11	2009/10	2009/10	2009/10	2008/9	Year on year	2009/10
	Q1	Change	Q1	Q2	Q3	Q4	Full Year	Change	Full Year
£m unless stated	Restated <sup>3</sup>	%	Actual	Restated <sup>3</sup>	Restated <sup>3</sup>	Restated <sup>3</sup>	Restated <sup>3</sup>	%	Restated <sup>3</sup>
<b>Adjusted revenue<sup>1</sup></b>									
BT Global Services	2,079	(3.5)	2,007	2,024	2,118	2,292	8,587	(0.9)	8,513
BT Retail	2,068	(6.9)	1,925	2,019	2,020	2,017	8,491	(4.3)	8,124
BT Wholesale	1,126	(6.0)	1,059	1,109	1,075	1,078	4,638	(5.4)	4,388
Openreach	1,255	(4.4)	1,200	1,234	1,241	1,230	5,069	(2.2)	4,960
Other	12	(8.3)	11	10	7	11	41	(2.4)	40
Eliminations	(1,305)	(8.4)	(1,196)	(1,274)	(1,263)	(1,272)	(5,436)	(5.9)	(5,114)
<b>Total</b>	<b>5,235</b>	<b>(4.4)</b>	<b>5,006</b>	<b>5,122</b>	<b>5,198</b>	<b>5,356</b>	<b>21,390</b>	<b>(2.2)</b>	<b>20,911</b>
<b>Adjusted EBITDA<sup>2</sup></b>									
BT Global Services	62	109.7	130	95	123	177	261	75.1	457
BT Retail	452	(2.2)	442	451	436	438	1,585	12.1	1,777
BT Wholesale	338	0.3	339	344	337	334	1,356	(0.2)	1,353
Openreach	475	7.6	511	507	488	490	1,996	(1.8)	1,960
Other	(1)	n/m	(23)	18	2	73	40	130.0	92
<b>Total</b>	<b>1,326</b>	<b>5.5</b>	<b>1,399</b>	<b>1,415</b>	<b>1,386</b>	<b>1,512</b>	<b>5,238</b>	<b>7.7</b>	<b>5,639</b>
BT Global Services contract and financial review charges	0		0	0	0	0	(1,639)		0
<b>EBITDA pre specific items</b>	<b>1,326</b>	<b>5.5</b>	<b>1,399</b>	<b>1,415</b>	<b>1,386</b>	<b>1,512</b>	<b>3,599</b>	<b>56.7</b>	<b>5,639</b>
Depreciation and amortisation	(738)	(1.2)	(729)	(759)	(754)	(788)	(2,890)	5.2	(3,039)
Operating profit pre specific items	588	13.9	670	656	632	724	709	266.7	2,600
Net finance expense (before specific items)	(214)	6.5	(228)	(225)	(223)	(228)	(933)	(4.6)	(890)
Share of post tax profits/losses of associates & joint ventures	8		4	9	(1)	9	39		25
<b>PBT pre specific items</b>	<b>382</b>	<b>16.8</b>	<b>446</b>	<b>440</b>	<b>408</b>	<b>505</b>	<b>(185)</b>	<b>(1,037.8)</b>	<b>1,735</b>
Specific items (before net interest on pensions)	(41)		(51)	(95)	(130)	(183)	(372)		(449)
Net interest on pensions	(69)		(20)	(70)	(69)	(71)	313		(279)
Specific Items: net gains (losses)	(110)		(71)	(165)	(199)	(254)	(59)		(728)
<b>Reported PBT</b>	<b>272</b>	<b>37.9</b>	<b>375</b>	<b>275</b>	<b>209</b>	<b>251</b>	<b>(244)</b>	<b>(512.7)</b>	<b>1,007</b>
Tax - excluding specific tax	(88)		(109)	(103)	(94)	(113)	98		(398)
Tax on specific items	30		18	256	63	71	(45)		420
Tax rate	23.0%		24.5%	23.4%	23.0%	22.4%	53.0%		22.9%
Memo: Minorities	0		0	0	0	(1)	(2)		(1)
<b>Net Income</b>	<b>214</b>	<b>32.7</b>	<b>284</b>	<b>428</b>	<b>178</b>	<b>209</b>	<b>(191)</b>	<b>(638.7)</b>	<b>1,029</b>
<b>Adjusted EPS<sup>2</sup></b>	<b>3.8</b>	<b>15.8</b>	<b>4.4</b>	<b>4.3</b>	<b>4.1</b>	<b>5.0</b>	<b>14.1</b>	<b>22.7</b>	<b>17.3</b>
<b>Reported EPS</b>	<b>2.8</b>	<b>32.1</b>	<b>3.7</b>	<b>5.5</b>	<b>2.3</b>	<b>2.7</b>	<b>(2.5)</b>	<b>(632.0)</b>	<b>13.3</b>
<b>Dividend per share</b>	<b>-</b>		<b>-</b>	<b>2.3</b>	<b>-</b>	<b>4.6</b>	<b>6.5</b>		<b>6.9</b>
<b>Average number of shares in issue</b>	<b>7,735</b>		<b>7,745</b>	<b>7,739</b>	<b>7,743</b>	<b>7,743</b>	<b>7,724</b>		<b>7,740</b>
<b>Group free cash flow</b>									
Adjusted EBITDA <sup>2</sup>	1,326		1,399	1,415	1,386	1,512	5,238		5,639
Capital expenditure	(678)	(10.0)	(610)	(555)	(548)	(699)	(3,038)	(18.4)	(2,480)
Interest	(284)	3.9	(295)	(152)	(314)	(190)	(937)	0.3	(940)
Tax	210 <sup>4</sup>		(5)	201 <sup>4</sup>	(44)	(18)	(228)		349
Change in working capital	(599)		(140)	(86)	44	478	(462)		(163)
Other	(28)		110	(53)	2	6	199 <sup>5</sup>		(73)
<b>Free cash flow (pre gross pension deficit payment and specific items)</b>	<b>(53)</b>	<b>966.0</b>	<b>459</b>	<b>770</b>	<b>526</b>	<b>1,089</b>	<b>772</b>	<b>202.1</b>	<b>2,332</b>
Specific items (cash)	(69)		(44)	(65)	(221)	(44)	(35)		(399)
<b>Free cash flow (pre gross pension deficit payment)</b>	<b>(122)</b>	<b>440.2</b>	<b>415</b>	<b>705</b>	<b>305</b>	<b>1,045</b>	<b>737</b>	<b>162.3</b>	<b>1,933</b>
Gross pension deficit payment	0		0	0	(525)	0	0		(525)
<b>Free cash flow (post gross pension deficit payment)</b>	<b>(122)</b>	<b>440.2</b>	<b>415</b>	<b>705</b>	<b>(220)</b>	<b>1,045</b>	<b>737</b>	<b>91.0</b>	<b>1,408</b>
<b>Net debt</b>	<b>10,517</b>	<b>(15.6)</b>	<b>8,879</b>	<b>9,878</b>	<b>10,112</b>	<b>9,283</b>	<b>10,361</b>	<b>(10.4)</b>	<b>9,283</b>
<b>Operating cash flow by line of business</b>		Change £m						Change £m	
BT Global Services	(465)	427	(38)	(111)	(34)	128	(912)	430	(482)
BT Retail	328	(35)	293	429	371	438	1,064	502	1,566
BT Wholesale	121	96	217	213	223	361	824	94	918
Openreach	229	(4)	225	280	321	337	1,079	88	1,167

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

<sup>2</sup> before specific items and BT Global Services contract and financial review charges

<sup>3</sup> revenue and EBITDA restated for customer account moves from BT Retail to BT Wholesale effective 1 April 2010

<sup>4</sup> includes HMRC tax repayments of £210m in Q1 2009/10 and £215m in Q2 2009/10

<sup>5</sup> includes £110m non-cash share based payment adjustment

Revenue analysis £m		2008/9 <sup>1 2</sup>					2009/10 <sup>1 2</sup>					2010/11
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
ICT & Managed Networks	BT Global Services	926	974	1,065	1,121 <sup>6</sup>	4,086	895	916	980	1,128	3,919	954
	BT Retail	141	147	149	154	591	135	140	141	162	578	149
	BT Wholesale	81	108	166	163	518	167	180	180	188	715	199
MPLS		1,148	1,229	1,380	1,438	5,195	1,197	1,236	1,301	1,478	5,212	1,302
Total	BT Global Services	247	286	276	337	1,146	326	361	333	342	1,362	343
	BT Global Services	1,173	1,260	1,341	1,458	5,232	1,221	1,277	1,313	1,470	5,281	1,297
	BT Retail	141	147	149	154	591	135	140	141	162	578	149
	BT Wholesale	81	108	166	163	518	167	180	180	188	715	199
<b>Total Managed Solutions</b>		<b>1,395</b>	<b>1,515</b>	<b>1,656</b>	<b>1,775</b>	<b>6,341</b>	<b>1,523</b>	<b>1,597</b>	<b>1,634</b>	<b>1,820</b>	<b>6,574</b>	<b>1,645</b>
Broadband (incl. LLU) and Convergence <sup>3</sup>	BT Global Services	67	73	89	92	321	82	83	84	85	334	76
	BT Retail	305	316	318	314	1,253	312	314	317	315	1,258	324
	BT Wholesale	143	135	134	131	543	131	125	117	115	488	93
	Openreach	120	120	134	127	501	131	143	162	161	597	180
<b>Total</b>		<b>635</b>	<b>644</b>	<b>675</b>	<b>664</b>	<b>2,618</b>	<b>656</b>	<b>665</b>	<b>680</b>	<b>676</b>	<b>2,677</b>	<b>673</b>
Lines <sup>4</sup>	BT Global Services	133	130	127	121	511	122	117	116	117	472	109
	BT Retail	772	767	751	724	3,014	762	707	685	676	2,830	663
		905	897	878	845	3,525	884	824	801	793	3,302	772
Calls	BT Global Services	51	50	51	48	200	48	46	43	47	184	39
	BT Retail	572	543	541	509	2,165	511	492	505	473	1,981	455
Private Circuits		623	593	592	557	2,365	559	538	548	520	2,165	494
	BT Global Services	94	88	83	79	344	78	78	75	69	300	68
	BT Retail	43	44	43	37	167	38	34	36	34	142	31
	BT Wholesale	107	116	87	88	398	90	74	80	72	316	59
<b>Total</b>		<b>244</b>	<b>248</b>	<b>213</b>	<b>204</b>	<b>909</b>	<b>206</b>	<b>186</b>	<b>191</b>	<b>175</b>	<b>758</b>	<b>158</b>
Total Calls and Lines	BT Global Services	278	268	261	248	1,055	248	241	234	233	956	216
	BT Retail	1,387	1,354	1,335	1,270	5,346	1,311	1,233	1,226	1,183	4,953	1,149
	BT Wholesale	107	116	87	88	398	90	74	80	72	316	59
<b>Total</b>		<b>1,772</b>	<b>1,738</b>	<b>1,683</b>	<b>1,606</b>	<b>6,799</b>	<b>1,649</b>	<b>1,548</b>	<b>1,540</b>	<b>1,488</b>	<b>6,225</b>	<b>1,424</b>
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	265	273	280	288	1,106	246	244	261	260	1,011	231
	BT Wholesale	484	478	464	436	1,862	425	393	370	366	1,554	386
	Openreach	124	130	138	149	541	157	163	161	163	644	151
		873	881	882	873	3,509	828	800	792	789	3,209	768
Other <sup>5</sup>	BT Global Services	211	221	223	218	873	282	179	226	244	931	187
	BT Retail	216	236	245	261	958	227	242	247	246	962	218
	BT Wholesale	68	57	62	64	251	58	81	72	82	293	80
<b>Total</b>		<b>495</b>	<b>514</b>	<b>530</b>	<b>543</b>	<b>2,082</b>	<b>567</b>	<b>502</b>	<b>545</b>	<b>572</b>	<b>2,186</b>	<b>485</b>
Total Other	BT Global Services	476	494	503	506	1,979	528	423	487	504	1,942	418
	BT Retail	216	236	245	261	958	227	242	247	246	962	218
	BT Wholesale	552	535	526	500	2,113	483	474	442	448	1,847	466
	Openreach	124	130	138	149	541	157	163	161	163	644	151
<b>Total</b>		<b>1,368</b>	<b>1,395</b>	<b>1,412</b>	<b>1,416</b>	<b>5,591</b>	<b>1,395</b>	<b>1,302</b>	<b>1,337</b>	<b>1,361</b>	<b>5,395</b>	<b>1,253</b>
Internal revenue	BT Retail	68	82	88	105	343	83	90	89	111	373	85
	BT Wholesale	267	268	267	266	1,066	255	256	256	255	1,022	242
	Openreach	1,022	1,013	1,017	977	4,027	967	928	918	906	3,719	869
<b>Total internal revenue</b>		<b>1,356</b>	<b>1,362</b>	<b>1,371</b>	<b>1,347</b>	<b>5,436</b>	<b>1,305</b>	<b>1,274</b>	<b>1,263</b>	<b>1,272</b>	<b>5,114</b>	<b>1,196</b>
Total line of business revenue	BT Global Services	1,994	2,095	2,194	2,304	8,587	2,079	2,024	2,118	2,292	8,513	2,007
	BT Retail	2,117	2,135	2,135	2,104	8,491	2,068	2,019	2,020	2,017	8,124	1,925
	BT Wholesale	1,150	1,162	1,180	1,148	4,638	1,126	1,109	1,075	1,078	4,388	1,059
	Openreach	1,266	1,263	1,289	1,253	5,069	1,255	1,234	1,241	1,230	4,960	1,200
	Other	7	11	11	12	41	12	10	7	11	40	11
	Eliminations	(1,356)	(1,362)	(1,371)	(1,347)	(5,436)	(1,305)	(1,274)	(1,263)	(1,272)	(5,114)	(1,196)
<b>Total group revenue</b>		<b>5,177</b>	<b>5,303</b>	<b>5,437</b>	<b>5,473</b>	<b>21,390</b>	<b>5,235</b>	<b>5,122</b>	<b>5,198</b>	<b>5,356</b>	<b>20,911</b>	<b>5,006</b>

<sup>1</sup> adjusted for changes in the internal trading model.<sup>2</sup> restated to reflect Q1 2010/11 customer account moves between BT Retail and BT Wholesale<sup>3</sup> includes VOIP and BT Vision revenues<sup>4</sup> includes connection and rental fees<sup>5</sup> includes BT Global Services revenue from non-UK global products and BT Retail revenue from conferencing, directories, payphones and other select services<sup>6</sup> revenue as reported - shown after BT Global Services contract and financial review charges of £41m in Q4 2008/9

Revenue trends		2009/10					2010/11
		Q1	Q2	Q3	Q4	FY	Q1
ICT & Managed Networks	BT Global Services	(3.3)%	(6.0)%	(8.0)%	0.6%	(4.1)%	6.6%
	BT Retail	(4.3)%	(4.8)%	(5.4)%	5.2%	(2.2)%	10.4%
	BT Wholesale	106.2%	66.7%	8.4%	15.3%	38.0%	19.2%
MPLS		4.3%	0.6%	(5.7)%	2.8%	0.3%	8.8%
Total	BT Global Services	32.0%	26.2%	20.7%	1.5%	18.8%	5.2%
	BT Global Services	4.1%	1.3%	(2.1)%	0.8%	0.9%	6.2%
	BT Retail	(4.3)%	(4.8)%	(5.4)%	5.2%	(2.2)%	10.4%
	BT Wholesale	106.2%	66.7%	8.4%	15.3%	38.0%	19.2%
<b>Total Managed Solutions</b>		<b>9.2%</b>	<b>5.4%</b>	<b>(1.3)%</b>	<b>2.5%</b>	<b>3.7%</b>	<b>8.0%</b>
	BT Global Services	22.4%	13.7%	(5.6)%	(7.6)%	4.0%	(7.3)%
	BT Retail	2.3%	(0.6)%	(0.3)%	0.3%	0.4%	3.8%
	BT Wholesale	(8.4)%	(7.4)%	(12.7)%	(12.2)%	(10.1)%	(29.0)%
	Openreach	9.2%	19.2%	20.9%	26.8%	19.2%	37.4%
<b>Broadband (incl. LLU) and Convergence</b>		<b>3.3%</b>	<b>3.3%</b>	<b>0.7%</b>	<b>1.8%</b>	<b>2.3%</b>	<b>2.6%</b>
Lines	BT Global Services	(8.3)%	(10.0)%	(8.7)%	(3.3)%	(7.6)%	(10.7)%
	BT Retail	(1.3)%	(7.8)%	(8.8)%	(6.6)%	(6.1)%	(13.0)%
Calls		(2.3)%	(8.1)%	(8.8)%	(6.2)%	(6.3)%	(12.7)%
	BT Global Services	(5.9)%	(8.0)%	(15.7)%	(2.1)%	(8.0)%	(18.8)%
	BT Retail	(10.7)%	(9.4)%	(6.7)%	(7.1)%	(8.5)%	(11.0)%
Private Circuits		(10.3)%	(9.3)%	(7.4)%	(6.6)%	(8.5)%	(11.6)%
	BT Global Services	(17.0)%	(11.4)%	(9.6)%	(12.7)%	(12.8)%	(12.8)%
	BT Retail	(11.6)%	(22.7)%	(16.3)%	(8.1)%	(15.0)%	(18.4)%
	BT Wholesale	(15.9)%	(36.2)%	(8.0)%	(18.2)%	(20.6)%	(34.4)%
Total		(15.6)%	(25.0)%	(10.3)%	(14.2)%	(16.6)%	(23.3)%
	BT Global Services	(10.8)%	(10.1)%	(10.3)%	(6.0)%	(9.4)%	(12.9)%
	BT Retail	(5.5)%	(8.9)%	(8.2)%	(6.9)%	(7.4)%	(12.4)%
	BT Wholesale	(15.9)%	(36.2)%	(8.0)%	(18.2)%	(20.6)%	(34.4)%
<b>Total Calls and Lines</b>		<b>(6.9)%</b>	<b>(10.9)%</b>	<b>(8.5)%</b>	<b>(7.3)%</b>	<b>(8.4)%</b>	<b>(13.6)%</b>
Transit, conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	(7.2)%	(10.6)%	(6.8)%	(9.7)%	(8.6)%	(6.1)%
	BT Wholesale	(12.2)%	(17.8)%	(20.3)%	(16.1)%	(16.5)%	(9.2)%
	Openreach	26.6%	25.4%	16.7%	9.4%	19.0%	(3.8)%
Other		(5.2)%	(9.2)%	(10.2)%	(9.6)%	(8.5)%	(7.2)%
	BT Global Services	33.6%	(19.0)%	1.3%	11.9%	6.6%	(33.7)%
	BT Retail	5.1%	2.5%	0.8%	(5.7)%	0.4%	(4.0)%
	BT Wholesale	(14.7)%	42.1%	16.1%	28.1%	16.7%	37.9%
Total		14.5%	(2.3)%	2.8%	5.3%	5.0%	(14.5)%
	BT Global Services	10.9%	(14.4)%	(3.2)%	(0.4)%	(1.9)%	(20.8)%
	BT Retail	5.1%	2.5%	0.8%	(5.7)%	0.4%	(4.0)%
	BT Wholesale	(12.5)%	(11.4)%	(16.0)%	(10.4)%	(12.6)%	(3.5)%
	Openreach	26.6%	25.4%	16.7%	9.4%	19.0%	(3.8)%
<b>Total Other</b>		<b>2.0%</b>	<b>(6.7)%</b>	<b>(5.3)%</b>	<b>(3.9)%</b>	<b>(3.5)%</b>	<b>(10.2)%</b>
Internal revenue	BT Retail	22.1%	9.8%	1.1%	5.7%	8.7%	2.4%
	BT Wholesale	(4.3)%	(4.3)%	(3.9)%	(4.0)%	(4.1)%	(5.1)%
	Openreach	(5.3)%	(8.3)%	(9.7)%	(7.2)%	(7.6)%	(10.1)%
<b>Total internal revenue</b>		<b>(3.8)%</b>	<b>(6.5)%</b>	<b>(7.9)%</b>	<b>(5.6)%</b>	<b>(5.9)%</b>	<b>(8.4)%</b>
Total line of business revenue	BT Global Services	4.3%	(3.4)%	(3.5)%	(0.5)%	(0.9)%	(3.5)%
	BT Retail	(2.3)%	(5.4)%	(5.4)%	(4.1)%	(4.3)%	(6.9)%
	BT Wholesale	(2.0)%	(4.5)%	(8.9)%	(6.1)%	(5.4)%	(6.0)%
	Openreach	(0.8)%	(2.3)%	(3.7)%	(1.8)%	(2.2)%	(4.4)%
<b>Total group revenue</b>		<b>1.1%</b>	<b>(3.4)%</b>	<b>(4.4)%</b>	<b>(2.1)%</b>	<b>(2.2)%</b>	<b>(4.4)%</b>

Line of business statistics	2008/9					2009/10					2010/11
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
<b>Global Services</b>											
Order intake (£m)	1,868	1,772	1,745	2,532		1,411	1,436	1,550	2,234		1,552
<b>Retail</b>											
<b>Business unit revenue<sup>1</sup> (£m)</b>											
Consumer	1,121	1,105	1,096	1,040	4,362	1,105	1,042	1,056	1,020	4,223	999
Business	664	662	652	658	2,636	607	601	602	611	2,421	584
Enterprises	135	174	184	209	702	164	182	176	193	715	163
Ireland	198	194	202	205	799	198	200	201	202	801	185
Other (incl. eliminations)	(1)	0	1	(8)	(8)	(6)	(6)	(15)	(9)	(36)	(6)
<b>Total</b>	<b>2,117</b>	<b>2,135</b>	<b>2,135</b>	<b>2,104</b>	<b>8,491</b>	<b>2,068</b>	<b>2,019</b>	<b>2,020</b>	<b>2,017</b>	<b>8,124</b>	<b>1,925</b>
<b>Calls (mins bn)</b>											
Non geographic	4.02	3.81	3.50	3.40	14.73	3.13	3.05	2.87	2.81	11.86	2.62
Geographic	10.79	10.47	10.45	10.35	42.06	9.32	9.15	9.40	9.44	37.31	8.33
<b>Total</b>	<b>14.81</b>	<b>14.28</b>	<b>13.95</b>	<b>13.75</b>	<b>56.79</b>	<b>12.45</b>	<b>12.20</b>	<b>12.27</b>	<b>12.25</b>	<b>49.17</b>	<b>10.95</b>
<b>Consumer ARPU<sup>2</sup> (£)</b>	<b>278</b>	<b>283</b>	<b>285</b>	<b>287</b>		<b>290</b>	<b>296</b>	<b>301</b>	<b>309</b>		<b>314</b>
<b>Active Consumer lines<sup>3</sup> ('000)</b>	<b>12,416</b>	<b>12,229</b>	<b>12,043</b>	<b>11,789</b>		<b>11,583</b>	<b>11,388</b>	<b>11,251</b>	<b>11,113<sup>4</sup></b>		<b>10,932</b>
<b>BT Vision installed base ('000)</b>	<b>282</b>	<b>320</b>	<b>376</b>	<b>423</b>		<b>433<sup>5</sup></b>	<b>436<sup>5</sup></b>	<b>451</b>	<b>467</b>		<b>481</b>
Net adds in quarter	68	38	56	47		31	18	15	16		14
<b>Openreach</b>											
<b>External WLR lines ('000)</b>	<b>4,853</b>	<b>5,077</b>	<b>5,323</b>	<b>5,647</b>		<b>5,972</b>	<b>6,138</b>	<b>6,051</b>	<b>6,028</b>		<b>6,036</b>
<b>Lines sold through BT lines of business ('000)</b>											
Consumer	15,527	15,289	14,954	14,514		14,104	13,696	13,330	13,051 <sup>4</sup>		12,701
Business	6,547	6,362	6,167	5,992		5,835	5,679	5,513	5,367		5,225
<b>Total</b>	<b>22,074</b>	<b>21,651</b>	<b>21,121</b>	<b>20,506</b>		<b>19,939</b>	<b>19,375</b>	<b>18,843</b>	<b>18,418</b>		<b>17,926</b>
<b>Total exchange lines ('000)</b>	<b>26,927</b>	<b>26,728</b>	<b>26,444</b>	<b>26,153</b>		<b>25,911</b>	<b>25,513</b>	<b>24,894</b>	<b>24,446</b>		<b>23,962</b>

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

<sup>2</sup> 12 month rolling consumer revenue, less mobile POLOs, divided by number of primary lines. Note: Q1, Q2, Q3 & Q4 2009/10 figures show underlying ARPU, excluding £3 relating to Q1 2009/10 one-off benefit relating to prior periods.

<sup>3</sup> 'Active consumer lines' represents the number of lines over which BT is the call provider (excl. NI, incl. Plusnet from Q3 2009/10)

<sup>4</sup> includes a favourable adjustment of 72k to Active Consumer lines and 79k to Group Consumer lines to write back bad debtors previously written off in Q2 2009/10 and Q3 2009/10. There is no impact on the full year figure.

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

Line of business trends	2009/10					2010/11
	Q1	Q2	Q3	Q4	FY	Q1
<b>Global Services</b>						
Order intake	(24.5)%	(19.0)%	(11.2)%	(11.8)%		10.0%
<b>Retail</b>						
<b>Business unit revenue</b>						
Consumer	(1.4)%	(5.7)%	(3.6)%	(1.9)%	(3.2)%	(9.6)%
Business	(8.6)%	(9.2)%	(7.7)%	(7.1)%	(8.2)%	(3.8)%
Enterprises	21.5%	4.6%	(4.3)%	(7.7)%	1.9%	(0.6)%
Ireland	0.0%	3.1%	(0.5)%	(1.5)%	0.3%	(6.6)%
Other (incl. eliminations)						
<b>Total</b>	(2.3)%	(5.4)%	(5.4)%	(4.1)%	(4.3)%	(6.9)%
<b>Calls (mins bn)</b>						
Non geographic	(22.1)%	(19.9)%	(18.0)%	(17.4)%	(19.5)%	(16.3)%
Geographic	(13.6)%	(12.6)%	(10.0)%	(8.8)%	(11.3)%	(10.6)%
<b>Total</b>	(15.9)%	(14.6)%	(12.0)%	(10.9)%	(13.4)%	(12.0)%
Consumer ARPU	4.3%	4.6%	5.6%	7.7%		8.3%
Active Consumer lines	(6.7)%	(6.9)%	(6.6)%	(5.7)%		(5.6)%
BT Vision installed base	53.5%	36.3%	19.9%	10.4%		11.1%
<b>Openreach</b>						
External WLR lines	23.1%	20.9%	13.7%	6.7%		1.1%
<b>Lines sold through BT lines of business</b>						
Consumer	(9.2)%	(10.4)%	(10.9)%	(10.1)%		(9.9)%
Business	(10.9)%	(10.7)%	(10.6)%	(10.4)%		(10.5)%
<b>Total</b>	(9.7)%	(10.5)%	(10.8)%	(10.2)%		(10.1)%
<b>Total exchange lines</b>	(3.8)%	(4.5)%	(5.9)%	(6.5)%		(7.5)%

Broadband statistics 000s	2008/9				2009/10				2010/11
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Retail</b>									
<b>Total Broadband</b>	<b>4,505</b>	<b>4,574</b>	<b>4,658</b>	<b>4,757</b>	<b>4,835</b>	<b>4,906</b>	<b>5,008</b>	<b>5,132</b>	<b>5,227</b>
Net adds in quarter	103	69	83	99	78	72	102	123	96
<b>Retail share of DSL + LLU net adds</b>	<b>31%</b>	<b>26%</b>	<b>28%</b>	<b>42%</b>	<b>46%</b>	<b>43%</b>	<b>42%</b>	<b>44%</b>	<b>40%</b>
<b>Retail share of DSL + LLU installed base</b>	<b>35%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>	<b>35%</b>	<b>35%</b>	<b>35%</b>	<b>35%</b>	<b>35%</b>
<b>Wholesale</b>									
<b>Total Wholesale Broadband</b>	<b>8,261</b>	<b>8,196</b>	<b>8,074</b>	<b>8,062</b>	<b>8,026</b>	<b>8,031</b>	<b>8,044</b>	<b>8,057</b>	<b>8,013</b>
Net adds in quarter	(123)	(65)	(122)	(12)	(36)	5	14	13	(45)
External Wholesale	3,756	3,622	3,416	3,305	3,191	3,124	3,036	2,926	2,785
Net adds in quarter	(227)	(134)	(206)	(110)	(114)	(67)	(88)	(110)	(141)
<b>Openreach</b>									
<b>External LLU Volumes ('000)</b>									
Full loops (MPF)	1,345	1,448	1,595	1,714	1,808	2,064	2,567	2,966	3,387
Shared loops (SMPF)	3,411	3,635	3,906	4,036	4,150	4,057	3,786	3,654	3,519
<b>Total</b>	<b>4,756</b>	<b>5,084</b>	<b>5,501</b>	<b>5,750</b>	<b>5,957</b>	<b>6,121</b>	<b>6,352</b>	<b>6,620</b>	<b>6,906</b>
Net adds in quarter	456	328	417	249	208	164	231	268	286
<b>Group</b>									
<b>Total DSL + LLU</b>	<b>13,017</b>	<b>13,280</b>	<b>13,575</b>	<b>13,812</b>	<b>13,983</b>	<b>14,152</b>	<b>14,397</b>	<b>14,677</b>	<b>14,918</b>
Net adds in quarter	333	263	295	237	172	169	245	281	241

Broadband trends	2009/10				2010/11
	Q1	Q2	Q3	Q4	Q1
<b>Retail</b>					
<b>Total Broadband</b>	7.3%	7.3%	7.5%	7.9%	8.1%
Net adds in quarter	(24.5)%	3.8%	22.3%	24.5%	22.7%
<b>Wholesale</b>					
<b>Total Wholesale Broadband</b>	(2.9)%	(2.0)%	(0.4)%	(0.1)%	(0.2)%
Net adds in quarter	70.7%	107.5%	111.2%	211.5%	(24.2)%
External Wholesale	(15.0)%	(13.7)%	(11.1)%	(11.5)%	(12.7)%
Net adds in quarter	49.6%	50.3%	57.1%	0.3%	(23.2)%
<b>Openreach</b>					
<b>External LLU Volumes</b>					
Full loops (MPF)	34.4%	42.5%	60.9%	73.0%	87.3%
Shared loops (SMPF)	21.7%	11.6%	(3.1)%	(9.5)%	(15.2)%
<b>Total</b>	25.3%	20.4%	15.5%	15.1%	15.9%
Net adds in quarter	(54.5)%	(50.1)%	(44.6)%	7.7%	37.5%
<b>Group</b>					
<b>Total DSL + LLU</b>	7.4%	6.6%	6.1%	6.3%	6.7%
Net adds in quarter	(48.5)%	(35.8)%	(16.9)%	18.4%	40.4%



Costs £m	2008/9					2009/10					2010/11
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
<b>Summary cost analysis</b>											
Staff costs before leaver costs	1,386	1,344	1,352	1,330	<b>5,412</b>	1,266	1,206	1,214	1,176	<b>4,862</b>	1,243
Own work capitalised	(158)	(155)	(192)	(168)	<b>(673)</b>	(144)	(133)	(143)	(155)	<b>(575)</b>	(152)
<b>Net staff costs before leavers</b>	<b>1,228</b>	<b>1,189</b>	<b>1,160</b>	<b>1,162</b>	<b>4,739</b>	<b>1,122</b>	<b>1,073</b>	<b>1,071</b>	<b>1,021</b>	<b>4,287</b>	<b>1,091</b>
Leaver costs	73	36	33	62	<b>204</b>	45	21	58	18	<b>142</b>	10
<b>Total staff costs incl. leaver costs</b>	<b>1,301</b>	<b>1,225</b>	<b>1,193</b>	<b>1,224</b>	<b>4,943</b>	<b>1,167</b>	<b>1,094</b>	<b>1,129</b>	<b>1,039</b>	<b>4,429</b>	<b>1,101</b>
Other operating costs	1,585	1,771	2,289	3,289	<b>8,934</b>	1,773	1,666	1,697	2,002	<b>7,138</b>	1,633
<b>Sub total</b>	<b>2,886</b>	<b>2,996</b>	<b>3,482</b>	<b>4,513</b>	<b>13,877</b>	<b>2,940</b>	<b>2,760</b>	<b>2,826</b>	<b>3,041</b>	<b>11,567</b>	<b>2,734</b>
POLO's	1,037	1,043	1,094	1,092	<b>4,266</b>	1,048	1,040	1,066	929	<b>4,083</b>	961
Depreciation and amortisation	680	672	702	774	<b>2,828</b>	722	747	742	774	<b>2,985</b>	716
Amortisation of acquired intangibles	11	13	21	17	<b>62</b>	16	12	12	14	<b>54</b>	13
<b>Total costs<sup>1</sup></b>	<b>4,614</b>	<b>4,724</b>	<b>5,299</b>	<b>6,396</b>	<b>21,033</b>	<b>4,726</b>	<b>4,559</b>	<b>4,646</b>	<b>4,758</b>	<b>18,689</b>	<b>4,424</b>

<sup>1</sup> before specific items

<b>Capital expenditure</b>											
<b>Platform/Network</b>	329	333	287	311	<b>1,260</b>	207	217	241	470	<b>1,135</b>	230
<b>Line of Business</b>	233	200	223	216	<b>873</b>	130	131	128	171	<b>560</b>	119
<b>Access</b>	171	167	166	159	<b>663</b>	143	130	138	155	<b>566</b>	136
<b>Regulatory &amp; compliance</b>	53	50	59	65	<b>227</b>	59	56	40	51	<b>206</b>	36
<b>Support functions</b>	16	15	26	7	<b>65</b>	20	24	7	15	<b>66</b>	2
<b>Total</b>	<b>802</b>	<b>766</b>	<b>762</b>	<b>758</b>	<b>3,088</b>	<b>559</b>	<b>558</b>	<b>554</b>	<b>862</b>	<b>2,533</b>	<b>523</b>
<b>Capital expenditure by line of business</b>											
<b>BT Global Services</b>	245	213	208	220	<b>886</b>	131	131	120	217	<b>599</b>	103
<b>BT Retail</b>	127	117	110	117	<b>471</b>	81	82	90	164	<b>417</b>	85
<b>BT Wholesale</b>	120	119	99	97	<b>435</b>	71	69	71	114	<b>325</b>	67
<b>Openreach</b>	227	230	246	248	<b>951</b>	203	200	226	278	<b>907</b>	236
<b>Other</b>	83	87	99	76	<b>345</b>	73	76	47	89	<b>285</b>	32
<b>Total</b>	<b>802</b>	<b>766</b>	<b>762</b>	<b>758</b>	<b>3,088</b>	<b>559</b>	<b>558</b>	<b>554</b>	<b>862</b>	<b>2,533</b>	<b>523</b>