



Performance Indicators Q2 2010/11

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Group income statement £m unless otherwise stated	2009/10	Year on year	2010/11	2009/10	Year on year	2010/11	2009/10	2009/10	2008/9	Year on year	2009/10
	Q1 Restated ⁴	Change %	Q1 Actual	Q2 Restated ⁴	Change %	Q2 Actual	Q3 Restated ⁴	Q4 Restated ⁴	Full Year Restated ⁴	Change %	Full Year Restated ⁴
Adjusted revenue¹											
BT Global Services	2,079	(3.5)	2,007	2,024	(1.6)	1,991	2,118	2,292	8,587	(0.9)	8,513
BT Retail	2,068	(6.9)	1,925	2,019	(4.5)	1,929	2,020	2,017	8,491	(4.3)	8,124
BT Wholesale	1,126	(6.0)	1,059	1,109	(5.0)	1,054	1,075	1,078	4,638	(5.4)	4,388
Openreach	1,255	(4.4)	1,200	1,234	0.1	1,235	1,241	1,230	5,069	(2.2)	4,960
Other	12	(8.3)	11	10	(40.0)	6	7	11	41	(2.4)	40
Eliminations	(1,305)	(8.4)	(1,196)	(1,274)	(2.8)	(1,238)	(1,263)	(1,272)	(5,436)	(5.9)	(5,114)
Total	5,235	(4.4)	5,006	5,122	(2.8)	4,977	5,198	5,356	21,390	(2.2)	20,911
Adjusted EBITDA²											
BT Global Services	62	109.7	130	95	45.3	138	123	177	261	75.1	457
BT Retail	452	(2.2)	442	451	(8.2)	414	436	438	1,585	12.1	1,777
BT Wholesale	338	0.3	339	344	(5.2)	326	337	334	1,356	(0.2)	1,353
Openreach	475	7.6	511	507	4.9	532	488	490	1,996	(1.8)	1,960
Other	(1)	n/m	(23)	18	133.3	42	2	73	40	130.0	92
Total	1,326	5.5	1,399	1,415	2.6	1,452	1,386	1,512	5,238	7.7	5,639
BT Global Services contract and financial review charges	0		0	0		0	0	0	(1,639)		0
EBITDA pre specific items	1,326	5.5	1,399	1,415	2.6	1,452	1,386	1,512	3,599	56.7	5,639
Depreciation and amortisation	(738)	(1.2)	(729)	(759)	(2.9)	(737)	(754)	(788)	(2,890)	5.2	(3,039)
Operating profit pre specific items	588	13.9	670	656	9.0	715	632	724	709	266.7	2,600
Net finance expense	(214)	6.5	(228)	(225)	(0.4)	(224)	(223)	(228)	(933)	(4.6)	(890)
Share of post tax profits/losses of associates & joint ventures	8		4	9		5	(1)	9	39		25
PBT pre specific items	382	16.8	446	440	12.7	496	408	505	(185)	(1,037.8)	1,735
Specific items	(41)		(51)	(95)		(71)	(130)	(183)	(372)		(449)
Net interest on pensions	(69)		(20)	(70)		(19)	(69)	(71)	313		(279)
Total specific items	(110)		(71)	(165)		(90)	(199)	(254)	(59)		(728)
Reported PBT	272	37.9	375	275	47.6	406	209	251	(244)	(512.7)	1,007
Tax - excluding tax on specific items	(88)		(109)	(103)		(98)	(94)	(113)	98		(398)
Tax on specific items	30		18	256		92	63	71	(45)		420
Tax rate	23.0%		24.5%	23.4%		19.7%	23.0%	22.4%	53.0%		22.9%
Memo: Minorities	0		0	0		(1)	0	(1)	(2)		(1)
Net income	214	32.7	284	428	(6.5)	400	178	209	(191)	(638.7)	1,029
Adjusted EPS²	3.8	15.8	4.4	4.4	15.9	5.1	4.1	5.0	14.1	22.7	17.3
Reported EPS	2.8	32.1	3.7	5.5	(7.3)	5.1	2.3	2.7	(2.5)	(632.0)	13.3
Dividend per share	-		-	2.3		2.4	-	4.6	6.5		6.9
Average number of shares in issue	7,735		7,745	7,739		7,750	7,743	7,743	7,724		7,740
Group free cash flow											
Adjusted EBITDA ²	1,326		1,399	1,415		1,452	1,386	1,512	5,238		5,639
Capital expenditure	(678)	(10.0)	(610)	(555)	8.5	(602)	(548)	(699)	(3,038)	(18.4)	(2,480)
Interest	(284)	3.9	(295)	(163) ⁷	0.0	(163)	(314)	(190)	(937)	1.5	(951)
Tax	210 ⁵		(5)	(14) ⁷		(10)	(44)	(18)	(228)		134
Change in working capital	(599)		(140)	(86)		(133)	44	478	(462)		(163)
Other	(28)		110	(53)		32	2	6	199 ⁶		(73)
Free cash flow (pre gross pension deficit payment and specific items)	(53)	966.0	459	544	5.9	576	526	1,089	772	172.8	2,106
Specific items	(69)		(44)	161 ⁷		(41)	(221)	(44)	(35)		(173)
Free cash flow (pre gross pension deficit payment)	(122)	440.2	415	705	(24.1)	535	305	1,045	737	162.3	1,933
Gross pension deficit payment	0		0	0		0	(525)	0	0		(525)
Free cash flow (post gross pension deficit payment)	(122)	440.2	415	705	(24.1)	535	(220)	1,045	737	91.0	1,408
Net debt	10,517	(15.6)	8,879	9,878	(11.9)	8,704	10,112	9,283	10,361	(10.4)	9,283
Operating cash flow by line of business³		£m			£m					£m	
BT Global Services	(465)	427	(38)	(103)	75	(28)	(27)	113	(912)	430	(482)
BT Retail	328	(35)	293	430	(97)	333	371	437	1,064	502	1,566
BT Wholesale	121	96	217	212	10	222	224	360	824	93	917
Openreach	229	(4)	225	280	(25)	255	321	337	1,079	88	1,167

¹ 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.

² before specific items and BT Global Services contract and financial review charges

³ 2008/9 and 2009/10 operating cashflow by line of business adjusted for changes in the internal trading model and is now shown after leavers, in line with adjusted EBITDA

⁴ revenue and EBITDA restated for customer account moves from BT Retail to BT Wholesale effective 1 April 2010

⁵ includes HMRC tax repayment of £210m

⁶ includes £110m non-cash share based payment adjustment

⁷ cash specific items include HMRC tax repayment of £215m and associated interest of £11m. This was previously shown in the KPI cashflow in the tax and interest lines, respectively.

Revenue analysis		2008/9 ^{1 2}					2009/10 ^{1 2}					2010/11	
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
£m													
	BT Global Services	1,173	1,260	1,341	1,458 ⁷	5,232	1,221	1,277	1,313	1,470	5,281	1,297	1,297 ⁸
	BT Retail	141	147	149	154	591	135	140	141	162	578	149	117 ⁸
	BT Wholesale	81	108	166	163	518	167	180	180	188	715	199	183
	Total ICT & Managed Networks³	1,395	1,515	1,656	1,775	6,341	1,523	1,597	1,634	1,820	6,574	1,645	1,597
	BT Global Services	67	73	89	92	321	82	83	84	85	334	76	83
	BT Retail	305	316	318	314	1,253	312	314	317	315	1,258	324	327
	BT Wholesale	143	135	134	131	543	131	125	117	115	488	93	82
	Openreach	120	120	134	127	501	131	143	162	161	597	180	210
	Broadband (incl. LLU) and Convergence⁴	635	644	675	664	2,618	656	665	680	676	2,677	673	702
Lines ⁵	BT Global Services	133	130	127	121	511	122	117	116	117	472	109	102
	BT Retail	772	767	751	724	3,014	762	707	685	676	2,830	663	645
	Total	905	897	878	845	3,525	884	824	801	793	3,302	772	747
Calls	BT Global Services	51	50	51	48	200	48	46	43	47	184	39	40
	BT Retail	572	543	541	509	2,165	511	492	505	473	1,981	455	439
	Total	623	593	592	557	2,365	559	538	548	520	2,165	494	479
Private Circuits	BT Global Services	94	88	83	79	344	78	78	75	69	300	68	67
	BT Retail	43	44	43	37	167	38	34	36	34	142	31	33
	BT Wholesale	107	116	87	88	398	90	74	80	72	316	59	84
	Total	244	248	213	204	909	206	186	191	175	758	158	184
Total	BT Global Services	278	268	261	248	1,055	248	241	234	233	956	216	209
	BT Retail	1,387	1,354	1,335	1,270	5,346	1,311	1,233	1,226	1,183	4,953	1,149	1,117
	BT Wholesale	107	116	87	88	398	90	74	80	72	316	59	84
	Total Calls and Lines	1,772	1,738	1,683	1,606	6,799	1,649	1,548	1,540	1,488	6,225	1,424	1,410
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	212
	BT Wholesale	484	478	464	436	1,862	425	393	370	366	1,554	386	373
	Openreach	124	130	138	149	541	157	163	161	163	644	151	162
	Total	873	881	882	873	3,509	828	800	792	789	3,209	768	747
Other ⁶	BT Global Services	211	221	223	218	873	282	179	226	244	931	187	190
	BT Retail	216	236	245	261	958	227	242	247	246	962	218	239
	BT Wholesale	68	57	62	64	251	58	81	72	82	293	80	86
	Total	495	514	530	543	2,082	567	502	545	572	2,186	485	515
Total	BT Global Services	476	494	503	506	1,979	528	423	487	504	1,942	418	402
	BT Retail	216	236	245	261	958	227	242	247	246	962	218	239
	BT Wholesale	552	535	526	500	2,113	483	474	442	448	1,847	466	459
	Openreach	124	130	138	149	541	157	163	161	163	644	151	162
	Total Other	1,368	1,395	1,412	1,416	5,591	1,395	1,302	1,337	1,361	5,395	1,253	1,262
Internal revenue	BT Retail	68	82	88	105	343	83	90	89	111	373	85	129 ⁸
	BT Wholesale	267	268	267	266	1,066	255	256	256	255	1,022	242	246
	Openreach	1,022	1,013	1,017	977	4,027	967	928	918	906	3,719	869	863
	Total internal revenue	1,356	1,362	1,371	1,347	5,436	1,305	1,274	1,263	1,272	5,114	1,196	1,238
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	1,991
	BT Retail	2,117	2,135	2,135	2,104	8,491	2,068	2,019	2,020	2,017	8,124	1,925	1,929
	BT Wholesale	1,150	1,162	1,180	1,148	4,638	1,126	1,109	1,075	1,078	4,388	1,059	1,054
	Openreach	1,266	1,263	1,289	1,253	5,069	1,255	1,234	1,241	1,230	4,960	1,200	1,235
	Other	7	11	11	12	41	12	10	7	11	40	11	6
	Eliminations	(1,356)	(1,362)	(1,371)	(1,347)	(5,436)	(1,305)	(1,274)	(1,263)	(1,272)	(5,114)	(1,196)	(1,238)
	Total group revenue	5,177	5,303	5,437	5,473	21,390	5,235	5,122	5,198	5,356	20,911	5,006	4,977

¹ adjusted for changes in the internal trading model.² restated to reflect Q1 2010/11 customer account moves between BT Retail and BT Wholesale³ includes MPLS revenue⁴ includes VOIP and BT Vision revenues⁵ includes connection and rental fees⁶ includes BT Global Services revenue from non-UK global products and BT Retail revenue from conferencing, directories, payphones and other select services⁷ revenue as reported - shown after BT Global Services contract and financial review charges of £41m in Q4 2008/9⁸ Q2 2010/11 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	2009/10 Q3	Q4	FY	2010/11 Q1	Q2
	BT Global Services	4.1%	1.3%	(2.1)%	0.8%	0.9%	6.2%	1.6%
	BT Retail	(4.3)%	(4.8)%	(5.4)%	5.2%	(2.2)%	10.4%	(16.4)%
	BT Wholesale	106.2%	66.7%	8.4%	15.3%	38.0%	19.2%	1.7%
Total ICT & Managed Networks		9.2%	5.4%	(1.3)%	2.5%	3.7%	8.0%	0.0%
	BT Global Services	22.4%	13.7%	(5.6)%	(7.6)%	4.0%	(7.3)%	0.0%
	BT Retail	2.3%	(0.6)%	(0.3)%	0.3%	0.4%	3.8%	4.1%
	BT Wholesale	(8.4)%	(7.4)%	(12.7)%	(12.2)%	(10.1)%	(29.0)%	(34.4)%
	Openreach	9.2%	19.2%	20.9%	26.8%	19.2%	37.4%	46.9%
Broadband (incl. LLU) and Convergence		3.3%	3.3%	0.7%	1.8%	2.3%	2.6%	5.6%
Lines	BT Global Services	(8.3)%	(10.0)%	(8.7)%	(3.3)%	(7.6)%	(10.7)%	(12.8)%
	BT Retail	(1.3)%	(7.8)%	(8.8)%	(6.6)%	(6.1)%	(13.0)%	(8.8)%
Calls	BT Global Services	(2.3)%	(8.1)%	(8.8)%	(6.2)%	(6.3)%	(12.7)%	(9.3)%
	BT Retail	(5.9)%	(8.0)%	(15.7)%	(2.1)%	(8.0)%	(18.8)%	(13.0)%
Private Circuits	BT Retail	(10.7)%	(9.4)%	(6.7)%	(7.1)%	(8.5)%	(11.0)%	(10.8)%
	BT Wholesale	(10.3)%	(9.3)%	(7.4)%	(6.6)%	(8.5)%	(11.6)%	(11.0)%
Total	BT Global Services	(17.0)%	(11.4)%	(9.6)%	(12.7)%	(12.8)%	(12.8)%	(14.1)%
	BT Retail	(11.6)%	(22.7)%	(16.3)%	(8.1)%	(15.0)%	(18.4)%	(2.9)%
	BT Wholesale	(15.9)%	(36.2)%	(8.0)%	(18.2)%	(20.6)%	(34.4)%	13.5%
	Openreach	(15.6)%	(25.0)%	(10.3)%	(14.2)%	(16.6)%	(23.3)%	(1.1)%
	BT Global Services	(10.8)%	(10.1)%	(10.3)%	(6.0)%	(9.4)%	(12.9)%	(13.3)%
	BT Retail	(5.5)%	(8.9)%	(8.2)%	(6.9)%	(7.4)%	(12.4)%	(9.4)%
	BT Wholesale	(15.9)%	(36.2)%	(8.0)%	(18.2)%	(20.6)%	(34.4)%	13.5%
Total Calls and Lines		(6.9)%	(10.9)%	(8.5)%	(7.3)%	(8.4)%	(13.6)%	(8.9)%
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)%	(13.1)%
	BT Wholesale	(12.2)%	(17.8)%	(20.3)%	(16.1)%	(16.5)%	(9.2)%	(5.1)%
	Openreach	26.6%	25.4%	16.7%	9.4%	19.0%	(3.8)%	(0.6)%
Other	BT Global Services	(5.2)%	(9.2)%	(10.2)%	(9.6)%	(8.5)%	(7.2)%	(6.6)%
	BT Retail	33.6%	(19.0)%	1.3%	11.9%	6.6%	(33.7)%	6.1%
	BT Wholesale	5.1%	2.5%	0.8%	(5.7)%	0.4%	(4.0)%	(1.2)%
Total	BT Wholesale	(14.7)%	42.1%	16.1%	28.1%	16.7%	37.9%	6.2%
	Openreach	14.5%	(2.3)%	2.8%	5.3%	5.0%	(14.5)%	2.6%
	BT Global Services	10.9%	(14.4)%	(3.2)%	(0.4)%	(1.9)%	(20.8)%	(5.0)%
	BT Retail	5.1%	2.5%	0.8%	(5.7)%	0.4%	(4.0)%	(1.2)%
	BT Wholesale	(12.5)%	(11.4)%	(16.0)%	(10.4)%	(12.6)%	(3.5)%	(3.2)%
	Openreach	26.6%	25.4%	16.7%	9.4%	19.0%	(3.8)%	(0.6)%
Total Other		2.0%	(6.7)%	(5.3)%	(3.9)%	(3.5)%	(10.2)%	(3.1)%
Internal revenue	BT Retail	22.1%	9.8%	1.1%	5.7%	8.7%	2.4%	43.3%
	BT Wholesale	(4.3)%	(4.3)%	(3.9)%	(4.0)%	(4.1)%	(5.1)%	(3.9)%
	Openreach	(5.3)%	(8.3)%	(9.7)%	(7.2)%	(7.6)%	(10.1)%	(7.0)%
Total internal revenue		(3.8)%	(6.5)%	(7.9)%	(5.6)%	(5.9)%	(8.4)%	(2.8)%
Total line of business revenue	BT Global Services	4.3%	(3.4)%	(3.5)%	(0.5)%	(0.9)%	(3.5)%	(1.6)%
	BT Retail	(2.3)%	(5.4)%	(5.4)%	(4.1)%	(4.3)%	(6.9)%	(4.5)%
	BT Wholesale	(2.0)%	(4.5)%	(8.9)%	(6.1)%	(5.4)%	(6.0)%	(5.0)%
	Openreach	(0.8)%	(2.3)%	(3.7)%	(1.8)%	(2.2)%	(4.4)%	0.1%
Total group revenue		1.1%	(3.4)%	(4.4)%	(2.1)%	(2.2)%	(4.4)%	(2.8)%

Line of business statistics	2008/9					2009/10					2010/11	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Global Services												
Order intake (£m)	1,868	1,772	1,745	2,532		1,411	1,436	1,550	2,234		1,552	2,165
Retail												
Business unit revenue¹ (£m)												
Consumer	1,121	1,105	1,096	1,040	4,362	1,105	1,042	1,056	1,020	4,223	999	980
Business	664	662	652	658	2,636	607	601	602	611	2,421	584	599
Enterprises	135	174	184	209	702	164	182	176	193	715	163	181
Ireland	198	194	202	205	799	198	200	201	202	801	185	189
Other (incl. eliminations)	(1)	0	1	(8)	(8)	(6)	(6)	(15)	(9)	(36)	(6)	(20)
Total	2,117	2,135	2,135	2,104	8,491	2,068	2,019	2,020	2,017	8,124	1,925	1,929
Calls (mins bn)												
Non geographic	4.02	3.81	3.50	3.40	14.73	3.13	3.05	2.87	2.81	11.86	2.62	2.57
Geographic	10.79	10.47	10.45	10.35	42.06	9.32	9.15	9.40	9.44	37.31	8.33	8.20
Total	14.81	14.28	13.95	13.75	56.79	12.45	12.20	12.27	12.25	49.17	10.95	10.77
Consumer ARPU ² (£)	278	283	285	287		290	296	301	309		314	317
Active Consumer lines ³ ('000)	12,416	12,229	12,043	11,789		11,583	11,388	11,251	11,113 ⁶		10,932	10,713
BT Vision installed base ('000)	282	320	376	423		433 ⁷	436 ⁷	451	467		481	505
Net adds in quarter	68	38	56	47		31	18	15	16		14	24
Openreach												
Lines sold through BT lines of business ('000)												
Consumer ⁴	15,527	15,289	14,954	14,514		14,104	13,696	13,330	13,051 ⁶		12,701	12,327
Business ⁵	6,547	6,362	6,167	5,992		5,835	5,679	5,513	5,367		5,225	5,122
Total	22,074	21,651	21,121	20,506		19,939	19,375	18,843	18,418		17,926	17,449
External WLR lines ('000)	4,853	5,077	5,323	5,647		5,972	6,138	6,051	6,028		6,036	6,128
Fully unbundled lines (MPF) ('000s)	1,345	1,448	1,595	1,714		1,808	2,064	2,567	2,966		3,387	3,728 ⁸
Total exchange lines including MPF ('000)	28,272	28,176	28,039	27,867		27,719	27,577	27,461	27,412		27,349	27,305

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

² 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.

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

⁴ total lines sold by BT Retail, including NI and Plusnet

⁵ total lines sold by BT Business, BT Global Services and BT Wholesale

⁶ 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.

⁷ 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.

⁸ MPF base reduced by c.9k in Q2 2010/11 to correct systems issue.

Line of business trends YoY change	2009/10					2010/11	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Global Services							
Order intake	(24.5)%	(19.0)%	(11.2)%	(11.8)%		10.0%	50.8%
Retail							
Business unit revenue							
Consumer	(1.4)%	(5.7)%	(3.6)%	(1.9)%	(3.2)%	(9.6)%	(6.0)%
Business	(8.6)%	(9.2)%	(7.7)%	(7.1)%	(8.2)%	(3.8)%	(0.3)%
Enterprises	21.5%	4.6%	(4.3)%	(7.7)%	1.9%	(0.6)%	(0.5)%
Ireland	0.0%	3.1%	(0.5)%	(1.5)%	0.3%	(6.6)%	(5.5)%
Other (incl. eliminations)							
Total	(2.3)%	(5.4)%	(5.4)%	(4.1)%	(4.3)%	(6.9)%	(4.5)%
Calls (mins bn)							
Non geographic	(22.1)%	(19.9)%	(18.0)%	(17.4)%	(19.5)%	(16.3)%	(15.7)%
Geographic	(13.6)%	(12.6)%	(10.0)%	(8.8)%	(11.3)%	(10.6)%	(10.4)%
Total	(15.9)%	(14.6)%	(12.0)%	(10.9)%	(13.4)%	(12.0)%	(11.7)%
Consumer ARPU	4.3%	4.6%	5.6%	7.7%		8.3%	7.1%
Active Consumer lines	(6.7)%	(6.9)%	(6.6)%	(5.7)%		(5.6)%	(5.9)%
BT Vision installed base	53.5%	36.3%	19.9%	10.4%		11.1%	15.8%
Openreach							
Lines sold through BT lines of business ('000)							
Consumer	(9.2)%	(10.4)%	(10.9)%	(10.1)%		(9.9)%	(10.0)%
Business	(10.9)%	(10.7)%	(10.6)%	(10.4)%		(10.5)%	(9.8)%
Total	(9.7)%	(10.5)%	(10.8)%	(10.2)%		(10.1)%	(9.9)%
External WLR lines ('000)	23.1%	20.9%	13.7%	6.7%		1.1%	(0.2)%
Fully unbundled lines (MPF) ('000s)	34.4%	42.5%	60.9%	73.0%		87.3%	80.6%
Total exchange lines including MPF ('000)	(2.0)%	(2.1)%	(2.1)%	(1.6)%		(1.3)%	(1.0)%

Broadband statistics 000s	2008/9				2009/10				2010/11	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Retail										
Total Broadband	4,505	4,574	4,658	4,757	4,835	4,906	5,008	5,132	5,227	5,342
Net adds in quarter	103	69	83	99	78	72	102	123	96	114
Retail share of DSL + LLU net adds	31%	26%	28%	42%	46%	43%	42%	44%	40%	45% ¹
Retail share of DSL + LLU installed base	35%	34%	34%	34%	35%	35%	35%	35%	35%	35%
Wholesale										
Total Wholesale Broadband	8,261	8,196	8,074	8,062	8,026	8,031	8,044	8,057	8,013	7,971
Net adds in quarter	(123)	(65)	(122)	(12)	(36)	5	14	13	(45)	(41)
External Wholesale	3,756	3,622	3,416	3,305	3,191	3,124	3,036	2,926	2,785	2,629
Net adds in quarter	(227)	(134)	(206)	(110)	(114)	(67)	(88)	(110)	(141)	(156)
Openreach										
External LLU Volumes ('000)										
Full loops (MPF)	1,345	1,448	1,595	1,714	1,808	2,064	2,567	2,966	3,387	3,728 ¹
Shared loops (SMPF)	3,411	3,635	3,906	4,036	4,150	4,057	3,786	3,654	3,519	3,414 ¹
Total	4,756	5,084	5,501	5,750	5,957	6,121	6,352	6,620	6,906	7,143
Net adds in quarter	456	328	417	249	208	164	231	268	286	294 ¹
Group										
Total DSL + LLU	13,017	13,280	13,575	13,812	13,983	14,152	14,397	14,677	14,918	15,114
Net adds in quarter	333	263	295	237	172	169	245	281	241	253 ¹

¹ LLU base adjusted in Q2 2010/11 to correct systems issue. MPF base reduced by c.9k and SMPF base reduced by c.48k. Net adds in Q2 2010/11 shown before the adjustments to the base.

Broadband trends YoY change	2009/10				2010/11	
	Q1	Q2	Q3	Q4	Q1	Q2
Retail						
Total Broadband	7.3%	7.3%	7.5%	7.9%	8.1%	8.9%
Net adds in quarter	(24.5)%	3.8%	22.3%	24.5%	22.7%	59.5%
Wholesale						
Total Wholesale Broadband	(2.9)%	(2.0)%	(0.4)%	(0.1)%	(0.2)%	(0.7)%
Net adds in quarter	70.7%	107.5%	111.2%	211.5%	(24.2)%	(946.6)%
External Wholesale	(15.0)%	(13.7)%	(11.1)%	(11.5)%	(12.7)%	(15.8)%
Net adds in quarter	49.6%	50.3%	57.1%	0.3%	(23.2)%	(133.3)%
Openreach						
External LLU Volumes						
Full loops (MPF)	34.4%	42.5%	60.9%	73.0%	87.3%	80.6%
Shared loops (SMPF)	21.7%	11.6%	(3.1)%	(9.5)%	(15.2)%	(15.8)%
Total	25.3%	20.4%	15.5%	15.1%	15.9%	16.7%
Net adds in quarter	(54.5)%	(50.1)%	(44.6)%	7.7%	37.5%	79.8%
Group						
Total DSL + LLU	7.4%	6.6%	6.1%	6.3%	6.7%	6.8%
Net adds in quarter	(48.5)%	(35.8)%	(16.9)%	18.4%	40.4%	50.0%

Costs £m	2008/9					2009/10					2010/11	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Operating costs												
Direct labour costs before leaver costs	1,386	1,344	1,352	1,330	5,412	1,266	1,206	1,214	1,176	4,862	1,243	1,201
Indirect labour costs						325	315	259	263	1,162	229	253
Total labour costs						1,591	1,521	1,473	1,439	6,024	1,472	1,454
Direct labour capitalised	(158)	(155)	(192)	(168)	(673)	(144)	(133)	(143)	(155)	(575)	(152)	(189)
Indirect labour capitalised						(118)	(117)	(102)	(103)	(440)	(79)	(83)
Net labour costs						1,329	1,271	1,228	1,181	5,009	1,241	1,182
Leaver costs	73	36	33	62	204	45	21	58	18	142	10	14
Payments to telecommunications operators	1,037	1,043	1,094	1,092	4,266	1,048	1,040	1,066	929	4,083	961	970
Property and energy costs						320	317	333	314	1,284	287	278
Network maintenance and IT costs						209	190	191	191	781	178	185
General and administrative costs						343	322	382	377	1,424	345	311
Other operating costs						694	639	634	960	2,927	673	666
Operating costs before depreciation and specific items	3,923	4,039	4,576	5,605	18,143	3,988	3,800	3,892	3,970	15,650	3,695	3,606
Depreciation and amortisation	680	672	702	774	2,828	722	747	742	774	2,985	716	726
Amortisation of acquired intangibles	11	13	21	17	62	16	12	12	14	54	13	11
Total operating costs before specific items	4,614	4,724	5,299	6,396	21,033	4,726	4,559	4,646	4,758	18,689	4,424	4,343
Specific items	27	38	-	330	395	41	54	159	173	427	51	71
Total operating costs	4,641	4,762	5,299	6,726	21,428	4,767	4,613	4,805	4,931	19,116	4,475	4,414
Capital expenditure												
Platform/Network	329	333	287	311	1,260	207	217	241	470	1,135	230	274
Line of Business	233	200	223	216	873	130	131	128	171	560	119	136
Access	171	167	166	159	663	143	130	138	155	566	136	151
Regulatory & compliance	53	50	59	65	227	59	56	40	51	206	36	39
Support functions	16	15	26	7	65	20	24	7	15	66	2	8
Total	802	766	762	758	3,088	559	558	554	862	2,533	523	608
Capital expenditure by line of business												
BT Global Services	245	213	208	220	886	131	131	120	217	599	103	124
BT Retail	127	117	110	117	471	81	82	90	164	417	85	99
BT Wholesale	120	119	99	97	435	71	69	71	114	325	67	79
Openreach	227	230	246	248	951	203	200	226	278	907	236	262
Other	83	87	99	76	345	73	76	47	89	285	32	44
Total	802	766	762	758	3,088	559	558	554	862	2,533	523	608