



Performance Indicators Q4 2012/13

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Group income statement £m unless otherwise stated	2011/12 Q1 Actual	YoY Change %	2012/13 Q1 Actual	2011/12 Q2 Actual	YoY Change %	2012/13 Q2 Actual	2011/12 Q3 Actual	YoY Change %	2012/13 Q3 Actual	2011/12 Q4 Actual	YoY Change %	2012/13 Q4 Actual	2011/12 Full Year Actual	YoY Change %	2012/13 Full Year Actual
Revenue ¹															
BT Global Services	1,905	(9.2)	1,730	2,014	(12.8)	1,757	1,894	(7.8)	1,746	1,996	(3.2)	1,933	7,809	(8.2)	7,166
BT Retail	1,830	(3.0)	1,776	1,853	(3.3)	1,791	1,849	(3.0)	1,793	1,861	0.4	1,868	7,393	(2.2)	7,228
BT Wholesale	1,004	(8.1)	923	982	(12.3)	861	979	(9.1)	890	958	(4.6)	914	3,923	(8.5)	3,588
Openreach	1,255	0.2	1,257	1,280	(0.9)	1,269	1,300	(2.0)	1,274	1,301	(2.6)	1,267	5,136	(1.3)	5,067
Other	10	60.0	16	10	10.0	11	13	0.0	13	17	23.5	21	50	22.0	61
Eliminations	(1,240)	(1.8)	(1,218)	(1,245)	(2.4)	(1,215)	(1,261)	(4.4)	(1,206)	(1,258)	(3.2)	(1,218)	(5,004)	(2.9)	(4,857)
Total	4,764	(5.9)	4,484	4,894	(8.6)	4,474	4,774	(5.5)	4,510	4,875	(1.8)	4,785	19,307	(5.5)	18,253
Underlying revenue excluding transit (as reported)		(3.2)			(5.5)			(3.1)			(0.4)			(3.1)	
EBITDA ¹															
BT Global Services	138	(13.8)	119	159	(18.2)	130	144	13.2	163	186	15.1	214	627	(0.2)	626
BT Retail	446	6.7	476	445	6.5	474	453	4.6	474	486	5.1	511	1,830	5.7	1,935
BT Wholesale	307	(2.3)	300	305	(8.2)	280	303	(4.6)	289	293	2.0	299	1,208	(3.3)	1,168
Openreach	538	2.8	553	567	2.6	582	591	(2.0)	579	603	(0.5)	600	2,299	0.7	2,314
Other	7	n/m	15	19	63.2	31	33	30.3	43	41	19.5	49	100	38.0	138
Total	1,436	1.9	1,463	1,495	0.1	1,497	1,524	1.6	1,548	1,609	4.0	1,673	6,064	1.9	6,181
Depreciation and amortisation	(739)	(2.2)	(723)	(753)	(4.1)	(722)	(734)	(3.8)	(706)	(746)	(7.2)	(692)	(2,972)	(4.3)	(2,843)
Operating profit ⁴	697	6.2	740	742	4.4	775	790	6.6	842	863	13.7	981	3,092	8.0	3,338
Net finance expense	(168)	0.6	(169)	(174)	(2.9)	(169)	(166)	0.6	(167)	(173)	(14.5)	(148)	(681)	(4.1)	(653)
Share of post tax profits/losses of associates & joint ventures	4		7	2		2	4		0	0		0	10		9
Profit before tax ¹	533	8.4	578	570	6.7	608	628	7.5	675	690	20.7	833	2,421	11.3	2,694
Specific items	(66)		(2)	(67)		(14)	(26)		(55)	(14)		(153)	(173)		(224)
Net interest on pensions	50		8	49		8	50		8	48		7	197		31
Total specific items	(16)		6	(18)		(6)	24		(47)	34		(146)	24		(193)
Reported profit before tax	517	13.0	584	552	9.1	602	652	(3.7)	628	724	(5.1)	687	2,445	2.3	2,501
Tax - excluding tax on specific items	(129)		(131)	(138)		(138)	(151)		(153)	(166)		(184)	(584)		(606)
Tax on specific items	(3)		(2)	81		101	(9)		9	73		88	142		196
Tax rate	24.1%		22.7%	24.1%		22.7%	24.1%		22.7%	24.1%		22.1%	24.1%		22.5%
Net income	385	17.1	451	495	14.1	565	492	(1.6)	484	631	(6.3)	591	2,003	4.4	2,091
EPS ¹ (p)	5.2	9.6	5.7	5.6	7.1	6.0	6.1	8.2	6.6	6.8	22.1	8.3	23.7	12.2	26.6
Reported EPS (p)	5.0	16.0	5.8	6.4	12.5	7.2	6.3	(1.6)	6.2	8.1	(7.4)	7.5	25.8	3.5	26.7
Dividend per share (p)	-		-	2.6	15.4	3.0	-		-	5.7	14.0	6.5	8.3	14.5	9.5
Average number of shares in issue (m)	7,755		7,788	7,762		7,839	7,766		7,865	7,771		7,838	7,763		7,832
Group free cash flow															
EBITDA ¹	1,436		1,463	1,495		1,497	1,524		1,548	1,609		1,673	6,064		6,181
Capital expenditure ²	(618)	7.0	(661)	(618)	0.2	(619)	(639)	(8.3)	(586)	(685)	(16.5)	(572)	(2,560)	(4.8)	(2,438)
Interest	(214)	(0.5)	(213)	(131)	(1.5)	(129)	(200)	5.0	(210)	(140)	0.0	(140)	(685)	1.0	(692)
Tax (excluding cash tax benefit of pension deficit payments)	(136)		(171)	(144)		(181)	(163)		(168)	(172)		(104)	(615)		(624)
Change in working capital	(370)		(602)	(75)		(249)	91		217	351		553	(3)		(81)
Other	103		60	36		(3)	21		6	(54)		(109)	106		(46)
Normalised free cash flow ³	201	(161.7)	(124)	563	(43.9)	316	634	27.3	807	909	43.1	1,301	2,307	(0.3)	2,300
Cash tax benefit of pension deficit payments	107		162	108		162	0		157	0		79	215		560
Purchases of telecoms licences	0		0	0		0	0		0	0		(202)	0		(202)
Specific items	(61)		(33)	(42)		(90)	(48)		(96)	(53)		(147)	(204)		(366)
Reported free cash flow	247	(98.0)	5	629	(38.3)	388	586	48.1	868	856	20.4	1,031	2,318	(1.1)	2,292
Gross pension deficit payment	0		0	0		0	0		0	(2,000)		(325)	(2,000)		(325)
Free cash flow (post gross pension deficit payments)	247	(98.0)	5	629	(38.3)	388	586	48.1	868	(1,144)	161.7	706	318	518.6	1,967
Net debt	8,585	6.5	9,142	8,317	8.7	9,037	7,736	5.2	8,140	9,082	(14.1)	7,797	9,082	(14.1)	7,797
Operating cash flow by line of business		£m			£m			£m			£m			£m	
BT Global Services	(60)	(255)	(315)	(55)	(116)	(171)	134	(46)	88	164	240	404	183	(177)	6
BT Retail	294	(47)	247	344	(27)	317	284	166	450	440	54	494	1,362	146	1,508
BT Wholesale	119	10	129	222	(22)	200	145	106	251	314	2	316	800	96	896
Openreach	177	32	209	350	(104)	246	304	61	365	364	(37)	327	1,195	(48)	1,147

¹ before specific items

² before purchases of telecommunications licences

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

Revenue ¹ analysis £m		2010/11 ²					2011/12					2012/13				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	BT Global Services	1,303	1,301 ³	1,305	1,421	5,330	1,261	1,390	1,267	1,374	5,292	1,149	1,160	1,177	1,296	4,782
	BT Retail	143	113 ³	135	140	531	120	125	123	133	501	119	127	129	146	521
	BT Wholesale	199	183	197	192	771	199	197	199	196	791	195	197	208	232	832
Total ICT & Managed Networks		1,645	1,597	1,637	1,753	6,632	1,580	1,712	1,589	1,703	6,584	1,463	1,484	1,514	1,674	6,135
	BT Global Services	75	82	80	77	314	82	76	75	80	313	67	74	65	76	282
	BT Retail	324	327	329	331	1,311	337	346	351	366	1,400	373 ⁴	374 ⁴	388	403	1,538
	BT Wholesale	93	82	80	80	335	73	75	70	64	282	62	58	55	54	229
	Openreach	181	211	211	204	807	221	245	250	260	976	260	278	285	298	1,121
Broadband (incl. LLU) and Convergence		673	702	700	692	2,767	713	742	746	770	2,971	762	784	793	831	3,170
Lines	BT Global Services	109	102	102	102	415	101	95	93	91	380	86	83	81	79	329
	BT Retail	663	645	651	640	2,599	623	614	631	617	2,485	598	594	574	586	2,352
		772	747	753	742	3,014	724	709	724	708	2,865	684	677	655	665	2,681
Calls	BT Global Services	39	40	35	34	148	32	30	30	29	121	29	32	28	25	114
	BT Retail	455	439	460	414	1,768	396	382	372	362	1,512	342 ⁴	340 ⁴	338	337	1,357
		494	479	495	448	1,916	428	412	402	391	1,633	371	372	366	362	1,471
Private Circuits	BT Global Services	68	67	63	61	259	64	62	61	57	244	60	60	53	55	228
	BT Retail	31	33	30	30	124	29	30	28	28	115	21	22	22	23	88
	BT Wholesale	59	84	70	69	282	60	60	60	57	237	58	54	57	52	221
Total		158	184	163	160	665	153	152	149	142	596	139	136	132	130	537
	BT Global Services	216	209	200	197	822	197	187	184	177	745	175	175	162	159	671
	BT Retail	1,149	1,117	1,141	1,084	4,491	1,048	1,026	1,031	1,007	4,112	961	956	934	946	3,797
Total Calls and Lines		59	84	70	69	282	60	60	60	57	237	58	54	57	52	221
		1,424	1,410	1,411	1,350	5,595	1,305	1,273	1,275	1,241	5,094	1,194	1,185	1,153	1,157	4,689
Transit	BT Global Services	179	165	158	121	623	115	111	110	121	457	111	105	105	104	425
	BT Wholesale	230	233	226	206	895	187	165	162	157	671	119	86	95	94	394
		409	398	384	327	1,518	302	276	272	278	1,128	230	191	200	198	819
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	BT Global Services	52	47	49	58	206	56	51	53	49	209	55	53	54	70	232
	BT Wholesale	156	140	161	152	609	163	154	157	146	620	162	154	163	161	640
	Openreach	162	172	177	186	697	161	159	161	166	647	155	155	162	154	626
Other		370	359	387	396	1,512	380	364	371	361	1,476	372	362	379	385	1,498
	BT Global Services	186	188	186	204	764	194	199	205	195	793	173	190	183	228	774
	BT Retail	211	232	235	242	920	203	232	217	217	869	193	200	208	215	816
Total	BT Wholesale	77	85	87	81	330	77	86	86	93	342	81	67	67	76	291
		474	505	508	527	2,014	474	517	508	505	2,004	447	457	458	519	1,881
	BT Global Services	417	400	393	383	1,593	365	361	368	365	1,459	339	348	342	402	1,431
	BT Retail	211	232	235	242	920	203	232	217	217	869	193	200	208	215	816
	BT Wholesale	463	458	474	439	1,834	427	405	405	396	1,633	362	307	325	331	1,325
	Openreach	162	172	177	186	697	161	159	161	166	647	155	155	162	154	626
Total Other		1,253	1,262	1,279	1,250	5,044	1,156	1,157	1,151	1,144	4,608	1,049	1,010	1,037	1,102	4,198
Internal revenue	BT Retail	84	130 ³	114	119	447	122	124	127	138	511	130	134	134	158	556
	BT Wholesale	243	244	248	244	979	245	245	245	245	980	246	245	245	245	981
	Openreach	857	852	852	865	3,426	873	876	889	875	3,513	842	836	827	815	3,320
Total internal revenue		1,184	1,226	1,214	1,228	4,852	1,240	1,245	1,261	1,258	5,004	1,218	1,215	1,206	1,218	4,857
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	1,746	1,933	7,166
	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	1,793	1,868	7,228
	BT Wholesale	1,057	1,051	1,069	1,024	4,201	1,004	982	979	958	3,923	923	861	890	914	3,588
	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	1,274	1,267	5,067
	Other	11	6	11	10	38	10	10	13	17	50	16	11	13	21	61
	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)	(1,206)	(1,218)	(4,857)
Total group revenue		5,006	4,977	5,038	5,055	20,076	4,764	4,894	4,774	4,875	19,307	4,484	4,474	4,510	4,785	18,253

¹ before specific items

² restated for the impact of customer account moves between BT Retail, BT Wholesale, BT Global Services and Openreach effective from 1 April 2011, which have no impact on group results

³ Q2 2010/11 revenue reflects the transfer of certain external customer relationships in the business and corporate markets from BT Retail to BT Global Services

⁴ Q1 & Q2 2012/13 restated as from 1 April 2012, some revenue previously treated as Retail call revenue has been correctly classified as Retail broadband revenue

Line of business statistics	2010/11					2011/12					2012/13				
	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	12,701	12,327	12,041	11,802		11,563	11,323	11,138	10,919		10,717	10,534	10,361	10,207	
Business/Corporate	5,294	5,172	5,032	4,917		4,827	4,722	4,636	4,551		4,437	4,340	4,262	4,165	
Total	17,995	17,499	17,073	16,719		16,390	16,045	15,774	15,470		15,154	14,874	14,623	14,372	
Global Services															
Order intake (£m)	1,552 ¹	2,165	1,675	1,878	7,270	1,584	1,433	1,638	2,028	6,683	1,134	1,264	1,921	1,954	6,273
Retail															
Business unit revenue ² (£m)															
Consumer	998	979	1,009	966	3,952	939	939	945	944	3,767	919	907	913	940	3,679
Business	575	598	601	608	2,382	570	565	564	571	2,270	536	547	545	569	2,197
Enterprises	162	180	177	180	699	160	178	175	180	693	165	175	174	182	696
Ireland	180	183	183	180	726	177	187	182	187	733	178	179	185	198	740
Other (incl. eliminations)	(4)	(21)	(16)	(18)	(59)	(16)	(16)	(17)	(21)	(70)	(22)	(17)	(24)	(21)	(84)
Total	1,911	1,919	1,954	1,916	7,700	1,830	1,853	1,849	1,861	7,393	1,776	1,791	1,793	1,868	7,228
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	8.78	8.71	35.40
Consumer ARPU (£)	314	317	322	326		330	335	337	343		350	355	359	365	
Active consumer lines ³ ('000)	11,291	11,068	10,923	10,799		10,671	10,550	10,457	10,321		10,184	10,053	9,931	9,824	
BT TV installed base ('000)	481	505	545	575		598	639	679	707		728	749	770	810	
Net adds in quarter ('000)	14	24	40	30		23	41	39	28		21	21	21	40	
Openreach															
Internal physical lines ('000)	16,352	15,922	15,560	15,320		14,973	14,661	14,425	14,125		13,864	13,626	13,402	13,212	
External physical lines ('000)	4,985	5,057	5,177	5,189		5,237	5,258	5,172	5,155		5,156	5,094	5,091	5,052	
Fully unbundled physical lines (MPF) ('000)	3,387	3,728 ⁴	4,012	4,266		4,583	4,885	5,240	5,631		5,848	6,110	6,384	6,702	
Total physical lines ('000)	24,724	24,707	24,750	24,776		24,793	24,804	24,838	24,912		24,868	24,830	24,878	24,966	
Net adds in quarter ('000)	-41	-17	43	26		18	11	34	74		-44	-38	48	88	

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

² revenue in 2010/11 and 2011/12 adjusted to reflect the impact of changes in the internal trading model effective from 1 April 2012, which have no impact on total BT Retail or group results

³ restated in Q1 2012/13 to include active consumer lines in

⁴ MPF base reduced by c.9k in Q2 2010/11 to correct systems issue

Line of business trends
YoY change

		2011/12			
Q1	Q2	Q3	Q4	FY	

		2012/13			
Q1	Q2	Q3	Q4	FY	

Group

Lines sold through BT lines of business
Consumer
<i>Consumer - quarter on quarter movement</i>
Business/Corporate
<i>Business/Corporate - quarter on quarter movement</i>
Total

(9.0)%	(8.1)%	(7.5)%	(7.5)%
(2.0)%	(2.1)%	(1.6)%	(2.0)%
(8.8)%	(8.7)%	(7.9)%	(7.4)%
(1.8)%	(2.2)%	(1.8)%	(1.8)%
(8.9)%	(8.3)%	(7.6)%	(7.5)%

(7.3)%	(7.0)%	(7.0)%	(6.5)%
(1.8)%	(1.7)%	(1.6)%	(1.5)%
(8.1)%	(8.1)%	(8.1)%	(8.5)%
(2.5)%	(2.2)%	(1.8)%	(2.3)%
(7.5)%	(7.3)%	(7.3)%	(7.1)%

Global Services

Order intake

2.1%	(33.8)%	(2.2)%	8.0%	(8.1)%
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(28.4)%	(11.8)%	17.3%	(3.6)%	(6.1)%
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Retail

Business unit revenue
Consumer
Business
Enterprises
Ireland
Other (incl. eliminations)
Total

(5.9)%	(4.1)%	(6.3)%	(2.3)%	(4.7)%
(0.9)%	(5.5)%	(6.2)%	(6.1)%	(4.7)%
(1.2)%	(1.1)%	(1.1)%	0.0%	(0.9)%
(1.7)%	2.2%	(0.5)%	3.9%	1.0%
(4.2)%	(3.4)%	(5.4)%	(2.9)%	(4.0)%

(2.1)%	(3.4)%	(3.4)%	(0.4)%	(2.3)%
(6.0)%	(3.2)%	(3.4)%	(0.4)%	(3.2)%
3.1%	(1.7)%	(0.6)%	1.1%	0.4%
0.6%	(4.3)%	1.6%	5.9%	1.0%
(3.0)%	(3.3)%	(3.0)%	0.4%	(2.2)%

Call minutes (bn)

(10.8)%	(9.7)%	(13.7)%	(8.6)%	(10.7)%
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(7.2)%	(9.1)%	(8.8)%	(10.1)%	(8.8)%
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Consumer ARPU

5.1%	5.7%	4.7%	5.2%
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6.1%	6.0%	6.5%	6.4%
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Active consumer lines
<i>Quarter on quarter movement</i>

(5.5)%	(4.7)%	(4.3)%	(4.4)%
(1.2)%	(1.1)%	(0.9)%	(1.3)%

(4.6)%	(4.7)%	(5.0)%	(4.8)%
(1.3)%	(1.3)%	(1.2)%	(1.1)%

BT TV installed base

24.3%	26.5%	24.6%	23.0%
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21.7%	17.2%	13.4%	14.6%
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Openreach

Internal physical lines

(8.4)%	(7.9)%	(7.3)%	(7.8)%
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(7.4)%	(7.1)%	(7.1)%	(6.5)%
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External physical lines

5.1%	4.0%	(0.1)%	(0.6)%
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(1.6)%	(3.1)%	(1.6)%	(2.0)%
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Fully unbundled physical lines (MPF)

35.3%	31.0%	30.6%	32.0%
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27.6%	25.1%	21.8%	19.0%
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Total physical lines
<i>Quarter on quarter movement</i>

0.3%	0.4%	0.4%	0.5%
0.1%	0.0%	0.1%	0.3%

0.3%	0.1%	0.2%	0.2%
(0.2)%	(0.2)%	0.2%	0.4%

Broadband statistics																			
000s					2010/11					2011/12					2012/13				
					Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Retail																			
Total Broadband					5,227	5,342	5,529	5,691		5,832	5,998	6,144	6,280		6,365	6,446	6,569	6,704	
Net adds in quarter					96	114	188	162		141	166	146	136		85	81	122	136	
Retail share of DSL, LLU + fibre net adds					40%	45% ¹	53%	65%		56%	64%	56%	45%		54%	54%	50%	48%	
Retail share of DSL, LLU + fibre installed base					35%	35%	36%	36%		37%	37%	37%	37%		38%	38%	38%	38%	
Wholesale																			
Total BT Wholesale Broadband					8,013	7,971	7,980	8,112		8,391	8,510	8,551	8,543		8,577	8,591	8,653	8,770	
Net adds in quarter					(45)	(41)	9	132		279	119	41	(8)		34	14	62	117	
External Wholesale					2,785	2,629	2,451	2,421		2,559	2,512	2,407	2,263		2,212	2,144	2,084	2,066	
Net adds in quarter					(141)	(156)	(179)	(30)		138	(47)	(105)	(144)		(51)	(67)	(60)	(19)	
Openreach																			
External LLU Volumes																			
Full loops (MPF)					3,387	3,728 ¹	4,012	4,266		4,583	4,885	5,240	5,631		5,848	6,110	6,384	6,702	
Shared loops (SMPF) + external fibre on WLR lines ²					3,519	3,414 ¹	3,477	3,342		2,996	2,836	2,700	2,622		2,528	2,401	2,308	2,158	
Total					6,906	7,143	7,490	7,608		7,579	7,722	7,941	8,253		8,376	8,511	8,693	8,859	
Net adds in quarter					286	294 ¹	347	118		(29)	142	219	312		123	135	182	167	
Group																			
Total DSL, LLU + fibre					14,918	15,114	15,469	15,720		15,969	16,232	16,491	16,795		16,952	17,102	17,345	17,629	
Net adds in quarter					241	253 ¹	356	251		250	261	260	304		157	150	243	284	

¹ As reported in Q2 2010/11, LLU base adjusted to correct a systems issue. Q2 2010/11 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

² Restated from Q4 2010/11 to rectify data inconsistency. No change to absolute Retail numbers

Broadband trends
YoY change

2011/12			
Q1	Q2	Q3	Q4

2012/13			
Q1	Q2	Q3	Q4

Retail

Total Broadband
Net adds in quarter

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

9.1%	7.5%	6.9%	6.8%
(39.5)%	(51.0)%	(16.2)%	(0.4)%

Wholesale

Total Wholesale Broadband
External Wholesale

4.7%	6.8%	7.2%	5.3%
(8.1)%	(4.5)%	(1.8)%	(6.5)%

2.2%	0.9%	1.2%	2.7%
(13.6)%	(14.6)%	(13.4)%	(8.7)%

Openreach

External LLU Volumes
Full loops (MPF)
Shared loops (SMPF) + external fibre on WLR lines
Total

35.3%	31.0%	30.6%	32.0%
(14.9)%	(16.9)%	(22.3)%	(21.5)%
9.7%	8.1%	6.0%	8.5%

27.6%	25.1%	21.8%	19.0%
(15.6)%	(15.4)%	(14.5)%	(17.7)%
10.5%	10.2%	9.5%	7.3%

Group

Total DSL, LLU + fibre
Net adds in quarter

7.0%	7.4%	6.6%	6.8%
3.6%	3.4%	(27.0)%	21.4%

6.2%	5.4%	5.2%	5.0%
(37.1)%	(42.8)%	(6.2)%	(6.7)%

Costs £m	2010/11					2011/12					2012/13				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Operating costs															
Direct labour costs before leaver costs ¹	1,265	1,224	1,224	1,205	4,918	1,187	1,213	1,191	1,197	4,788	1,183	1,173	1,156	1,177	4,689
Indirect labour costs	229	253	235	241	958	242	232	230	210	914	221	214	205	205	845
Leaver costs	10	14	12	21	57	28	29	11	29	97	23	16	12	7	58
Gross labour costs	1,504	1,491	1,471	1,467	5,933	1,457	1,474	1,432	1,436	5,799	1,427	1,403	1,373	1,389	5,592
Capitalised labour	(231)	(272)	(268)	(276)	(1,047)	(241)	(242)	(247)	(257)	(987)	(237)	(243)	(241)	(245)	(966)
Net labour costs	1,273	1,219	1,203	1,191	4,886	1,216	1,232	1,185	1,179	4,812	1,190	1,160	1,132	1,144	4,626
Payments to telecommunications operators	961	970	937	872	3,740	825	786	800	742	3,153	697	653	651	676	2,677
Property and energy costs	287	278	294	290	1,149	273	270	270	253	1,066	261	259	253	249	1,022
Network operating and IT costs	178	185	187	156	706	170	163	144	153	630	156	156	137	138	587
Other costs ¹	996	954	1,036	1,096	4,082	942	1,047	944	1,036	3,969	805	835	896	1,016	3,552
Operating costs before depreciation and specific items	3,695	3,606	3,657	3,605	14,563	3,426	3,498	3,343	3,363	13,630	3,109	3,063	3,069	3,223	12,464
Depreciation and amortisation	729	737	751	762	2,979	739	753	734	746	2,972	723	722	706	692	2,843
Total operating costs before specific items	4,424	4,343	4,408	4,367	17,542	4,165	4,251	4,077	4,109	16,602	3,832	3,785	3,775	3,915	15,307
Specific items	51	71	105	102	329	66	(362)	26	14	(256)	9	50	(87)	151	123
Total operating costs	4,475	4,414	4,513	4,469	17,871	4,231	3,889	4,103	4,123	16,346	3,841	3,835	3,688	4,066	15,430
Capital expenditure															
Platform/Network²	230	274	322	319	1,145	266	310	341	350	1,267	310	265	248	277	1,100
Line of Business²	119	136	152	192	599	125	161	150	169	605	143	158	141	181	623
Access	136	151	159	145	591	148	140	135	134	557	125	132	146	135	538
Regulatory & compliance	36	39	32	59	166	31	31	30	29	121	30	30	31	32	123
Support functions	2	8	15	64	89	12	10	9	13	44	14	11	6	23	54
Total	523	608	680	779	2,590	582	652	665	695	2,594	622	596	572	648	2,438
Capital expenditure by line of business															
BT Global Services	103	124	128	143	498	117	155	139	149	560	128	125	121	150	524
BT Retail	85	99	115	135	434	94	109	108	123	434	95	99	86	95	375
BT Wholesale	67	79	91	92	329	74	89	82	91	336	72	57	52	52	233
Openreach	236	262	295	294	1,087	253	251	292	279	1,075	286	278	287	293	1,144
Other	32	44	51	115	242	44	48	44	53	189	41	37	26	58	162
Total	523	608	680	779	2,590	582	652	665	695	2,594	622	596	572	648	2,438

¹ From 2011/12 certain labour-related costs, previously treated as Other costs, have been classified within direct labour costs. Figures in 2010/11 are shown on a consistent basis with the revised classification.

² Q1, Q2 and Q3 2011/12 adjusted to ensure consistency with 2010/11 figures

Glossary

Revenue analysis

ICT & Managed Networks	
Global Services	Networked IT services and MPLS revenue from major UK, European and multinational corporations and the public sector
Retail	Networked IT services sold by BT Business and BT Ireland to SMEs and corporates
Wholesale	Managed network services, white label managed services and wholesale calls sold to external communications providers (CPs) in the UK. Includes managed broadband network service contracts
Broadband (incl. LLU) and Convergence	
Global Services	UK broadband and global mobility revenues - includes revenue from products and services such as Field Force Automation and Supply Chain Solutions, Mobile Xpress, and GSM and Managed Mobile
Retail	BT Consumer, BT Business and Plusnet broadband revenue, BT Infinity, BT Vision and mobility (including wi-fi) revenue
Wholesale	IPStream Connect and Wholesale Broadband Connect revenue from sales to external CP customers including that not deemed managed network solutions. Excludes managed broadband network service contracts
Openreach	External SMPF and MPF connection and rental revenue, external Ethernet revenue and co-location connection and rental revenue
Lines	
Global Services	Rentals and connection revenue for both analogue and digital lines sold in the UK
Retail	Rentals, connection and calling features revenue for both analogue and digital lines sold by BT Consumer, BT Business and BT Ireland
Calls	
Global Services	Predominantly fixed to mobile, local and national geographic calls and international direct dial sold in the UK
Retail	Local and national geographic calls, international direct dial, fixed to mobile, other non-geographic calls and revenue from call packages, in BT Consumer, BT Business and BT Ireland
Private Circuits	Includes private circuits and partial private circuits revenue in BT Wholesale, and private circuits revenue in BT Retail (including Digital IPLC, Megastream & BT LAN/SAN extensions) and BT Global Services (including Megastream and Ethernet)
Transit	
Global Services	Non-UK revenues from the carriage of traditional and IP traffic across BT's network where neither the originating nor the terminating network is owned or controlled by BT (including the pass through of mobile terminating traffic)
Wholesale	UK revenues from the carriage of telecoms traffic across BT's network where neither the originating nor the terminating network is owned or controlled by BT (includes the pass through of mobile terminating traffic)
Conveyance, interconnect circuits, WLR, global carrier and other wholesale	
Global Services	Includes non-UK direct and indirect conveyance revenue, from the carriage of traditional or IP services where either the originating or destination network is owned or controlled by BT
Wholesale	Direct and indirect conveyance, interconnect circuits, international direct dial and wholesale calls (not sold as part of a managed service)
Openreach	WLR rentals and connection revenue from external CPs in the UK
Other	
Global Services	Includes revenue from non-UK global products and other network related services
Retail	External revenue from BT Enterprises (BT Conferencing, BT Directories, BT Redcare and BT Payphones), other BT Business revenue (mainly dabs.com), BT Consumer revenue (telephone and equipment sales) and other revenue in BT Ireland
Wholesale	Other wholesale data revenue including MPLS products such as SHDS & IP Clear, Fixed Wholesale Ethernet, Media & Broadcast revenue and revenue from contracts not deemed managed network solutions
Internal	
Retail	BT Conferencing revenue from BT Global Services, BT Business ICT & managed networks revenue from BT Global Services and other internal revenue in BT Enterprises and BT Ireland
Wholesale	Relating primarily to the sale of line cards and access electronic services to Openreach
Openreach	Primarily rental, connection and migration revenue related to WLR, SMPF and Ethernet supplied to the customer-facing BT lines of business

Glossary

Line of business statistics

Consumer lines	Total lines (analogue lines and ISDN channels (WLR)) sold by BT Retail, including Northern Ireland and Plusnet
Business/Corporate lines	Total lines (analogue lines and ISDN channels (WLR)) sold by BT Business, BT Global Services and BT Wholesale
Call minutes	Includes BT Retail and BT Global Services non geographic and geographic call minutes - local, national and international call minutes, fixed to mobile, 0800, 0870 and 0845
Consumer ARPU	12 month rolling consumer revenue, less mobile POLOs, divided by the number of primary lines
Active consumer lines	The number of UK consumer lines over which BT is the call provider (including Plusnet and Northern Ireland)
BT Vision installed base	Total number of customers, with either a BT Vision or a YouView box, 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) + external fibre on WLR lines	SMPF lines provided by Openreach to other CPs - includes Generic Ethernet Access (fibre) provided by Openreach to other CPs on WLR lines