29 July 2010

BT GROUP PLC

RESULTS FOR THE FIRST QUARTER TO 30 JUNE 2010

BT Group plc (BT.L) today announces its results for the first quarter to 30 June 2010. Unless otherwise stated, the changes in results are year on year against the first quarter to 30 June 2009.

Key points:

- Revenue of £5,006m, down 4%
- Operating costs[1] reduced by £291m
- Adjusted EBITDA[2] of £1,399m, up 6%
- Adjusted profit before tax[2] of £446m, up 17%
- Adjusted earnings per share[2] of 4.4p, up 16%, reported earnings per share of 3.7p, up 32%
- Free cash flow of £415m, up £537m
- Net debt of £8.9bn, down by more than £1.6bn
- Fibre roll out passes over 1.5m UK premises in July
- Full year outlook remains unchanged

Ian Livingston, Chief Executive, commenting on the first quarter results, said:

"We have made an acceptable start to the year, delivering improved financial results while investing in the future of the business. In TV we are offering great value premium sports packages and can now compete on a more even playing field. We hit the first major milestone in our fibre roll out, passing over 1.5m premises, and we are now running at an average rate of around 100,000 premises passed every week. In BT Global Services we continue to win significant contracts due to our ability to deliver a world class service to our customers.

"Despite the challenging environment, these financial results underpin our outlook for the full year."

[1] Before specific items, depreciation and amortisation
[2] Before specific items

Group results

	First quarter to 30 June		
	2010	2009	Change
	£m	£m	%
Revenue	**5,006**	5,235	(4)
EBITDA			
– adjusted[1]	**1,399**	1,326	6
– reported	**1,348**	1,285	5
Operating profit			
- adjusted[1]	**670**	588	14
- reported	**619**	547	13
Profit before tax			
– adjusted[1]	**446**	382	17
– reported	**375**	272	38
Earnings per share			
– adjusted[1]	**4.4p**	3.8p	16
– reported	**3.7p**	2.8p	32
Capital expenditure	**523**	559	(6)
Free cash flow	**415**	(122)	n/m
Net debt	**8,879**	10,517	(16)

Line of business results

	Adjusted revenue[2]			Adjusted EBITDA[1]			Operating cash flow		
First quarter to 30 June	**2010 £m**	2009[2] £m	Change %	**2010 £m**	2009[3] £m	Change %	**2010 £m**	2009[3] £m	Change %
BT Global Services	**2,007**	2,079	(3)	**130**	62	110	**(38)**	(465)	92
BT Retail	**1,925**	2,068	(7)	**442**	452	(2)	**293**	328	(11)
BT Wholesale	**1,059**	1,126	(6)	**339**	338	-	**217**	121	79
Openreach	**1,200**	1,255	(4)	**511**	475	8	**225**	229	(2)
Other and intra-group items	**(1,185)**	(1,293)	8	**(23)**	(1)	n/m	**(282)**	(335)	16
Total	**5,006**	5,235	(4)	**1,399**	1,326	6	**415**	(122)	n/m

1 Before specific items. Specific items are defined below
2 Adjusted for the impact of customer account moves and the impact of changes in the internal trading model. See page 4
3 Restated for the impact of customer account moves. See page 4
n/m = "not meaningful"

Notes:
Unless otherwise stated, any reference to earnings before interest, tax, depreciation and amortisation (EBITDA), operating profit, operating costs, profit before tax and earnings per share (EPS) are measured before specific items. From Q1 2010/11 onwards, specific items also include net interest on pensions due to the volatile nature of this item. The commentary focuses on the trading results before specific items. This is consistent with the way that financial performance is measured by management and is reported to the Board and the Operating Committee and assists in providing a meaningful analysis of the trading results of the group. The directors believe that presentation of the group's results in this way is relevant to the understanding of the group's financial performance as specific items are significant one-off or unusual in nature and have little predictive value. Specific items may not be comparable to similarly titled measures used by other companies.
Unless otherwise stated, the change in results is year on year. Reported EBITDA, reported operating profit, reported profit before tax and reported EPS are the equivalent statutory measures.

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A conference call for analysts and investors will be held at 9.00am today and a simultaneous webcast will be available at www.bt.com/results

The second quarter and half year results for 2010/11 are expected to be announced on 11 November 2010.

About BT
BT is one of the world's leading providers of communications solutions and services operating in more than 170 countries. Its principal activities include the provision of networked IT services globally; local, national and international telecommunications services to our customers for use at home, at work and on the move; broadband and internet products and services and converged fixed/mobile products and services. BT consists principally of four lines of business: BT Global Services, BT Retail, BT Wholesale and Openreach.

British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group plc and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on stock exchanges in London and New York.

For more information, visit www.btplc.com

BT Group plc
RESULTS FOR THE FIRST QUARTER TO 30 JUNE 2010

GROUP RESULTS

Revenue
Revenue was down 4% at £5,006m. Foreign exchange movements had no significant impact on revenue in the quarter. Excluding the reduction in low margin transit revenue, principally due to mobile termination rate reductions, revenue was down 3%.

The 2009/10 line of business comparative results have been restated for customer account moves from BT Retail to BT Wholesale effective from 1 April 2010, but these have no impact on total group results. The impact on line of business revenue and EBITDA in 2009/10 is detailed in Note 2.

We have also simplified the group's internal trading model with effect from 1 April 2010. The effect of the changes is primarily to reduce internal revenue in both BT Wholesale and Openreach by around £62m per quarter in 2010/11. There is no impact from these changes on total group revenue. In the line of business commentaries for BT Wholesale and Openreach, revenue has been measured against an adjusted basis taking account of the changes in the internal trading model to enable a like for like comparison.

In the prior year, revenue, EBITDA and operating cash flow included a one-off benefit of £38m in BT Retail.

Operating results
As stated in our 2009/10 final results announcement, for 2010/11 onwards, group and line of business results are reported after leaver costs. The impact on line of business EBITDA in 2009/10 is detailed in Note 2.

Adjusted EBITDA increased by 6% to £1,399m reflecting continued progress in the delivery of cost reductions. This was despite the increase in the IAS 19 pension service cost of around £25m. Foreign exchange movements did not have a significant impact on EBITDA in the quarter.

Total group operating costs, before specific items, decreased by 6% to £4,424m, primarily due to reductions in total labour costs and the delivery of other cost savings by all lines of business. Depreciation and amortisation decreased by 1% to £729m. Excluding depreciation and amortisation, group operating costs reduced by £291m or 7%.

Total labour costs were £1,468m, a decrease of 8%. Direct staff costs, including leaver costs of £10m (Q1 2009/10: £45m), decreased by 4% to £1,253m. Other operating costs decreased by 9% to £2,442m, principally due to reductions in indirect labour costs.

Capital expenditure reduced by 6% to £523m but we still expect our capital expenditure for the full year to be around £2.6bn, with an acceleration in expenditure over the rest of the year reflecting the phasing of our major investment programmes.

Net finance expense
Net finance expense was £228m, an increase of £14m, principally reflecting the impact of the step-up in interest rates on some of our debt following last year's credit rating change and inflation on our index linked bonds. We are now including the net interest on pensions within specific items because of its volatile nature.

Tax
The effective tax rate on the profit before specific items was 24.5% (Q1 2009/10: 23.0%) compared with the UK statutory rate of 28%, reflecting the continued focus on tax efficiency within the group.

Specific items
Specific items in the quarter were a net charge of £71m before tax, £53m after tax. Specific items comprise property rationalisation charges of £30m (Q1 2009/10: £nil), BT Global Services restructuring charges of £21m (Q1 2009/10: £41m) and net interest expense on pensions of £20m (Q1 2009/10: £69m).

Earnings per share
Adjusted EPS was 4.4p, up 16%. Reported EPS was 3.7p, up 32%.

Free cash flow

Free cash flow was an inflow of £415m, an improvement of £537m. The increase is due to the improved profitability and lower capital expenditure and also reflects progress towards achieving a less volatile cash flow profile through the year. Working capital outflow has significantly improved, benefitting from the receipt of around £200m relating to a major customer contract. Tax payments were £5m in the quarter, compared with a receipt of £210m in the prior year due to the tax settlement reached last year. There was a net cash outflow of £44m relating to specific items (Q1 2009/10: net outflow of £69m), principally comprising BT Global Services restructuring costs. Excluding these, free cash flow before specific items was £459m (Q1 2009/10: £53m outflow).

Net debt and liquidity

As a result of the strong cash flow performance, net debt reduced to £8,879m (31 March 2010: £9,283m; 30 June 2009: £10,517m). Our undrawn committed facilities of £2,150m and cash and investments of £2,448m provide us with a strong liquidity and funding position.

Pensions

The IAS 19 net pension position at 30 June 2010 was a deficit of £5.7bn net of tax (£7.9bn gross of tax), unchanged from 31 March 2010. The market value of the BT Pension Scheme assets was £33.9bn at 30 June 2010 (31 March 2010: £35.3bn). The value of the BT Pension Scheme liabilities was £41.7bn (31 March 2010: £43.0bn). The IAS 19 liability valuation is based on an AA bond rate of 5.30% (31 March 2010: 5.50%) and an inflation rate of 3.10% (31 March 2010: 3.60%).

The funding valuation and recovery plan remain under review by the Pensions Regulator. The Trustee's estimate the funding valuation deficit at 31 March 2010 was around £6.6bn, a significant reduction on the position at 31 December 2008 of £9.0bn.

We believe that the recent announcement by the Minister of Pensions on the change to CPI for the indexation of pensions may lead to a reduction in the liabilities of the BT Pension Scheme. We are reviewing this in detail with our legal and actuarial advisers, and discussing it with the Trustee.

Outlook

At this stage, our outlook for the full year remains unchanged. However we expect the growth in EBITDA in the second quarter to be lower, due to the timing of the additional investments we announced in our 2009/10 final results.

BT Global Services

	First quarter to 30 June			
	2010	2009	Change	
	£m	£m	£m	%
Revenue	**2,007**	2,079	(72)	(3)
Net operating costs[1]	**1,877**	2,017	(140)	(7)
EBITDA	**130**	62	68	110
Depreciation & amortisation	**184**	186	(2)	(1)
Operating loss	**(54)**	(124)	70	56
Capital expenditure	**103**	131	(28)	(21)
Operating cash flow	**(38)**	(465)	427	92

[1] Net of other operating income

Revenue decreased by 3%. Foreign exchange movements had no significant impact in the quarter. The reduction reflects declines in UK calls and lines revenue, the broader economic conditions and the impact of mobile termination rate reductions.

Total order intake was £1.6bn (Q1 2009/10: £1.4bn). Contracts signed in the quarter included a four year extension with Unilever to supply managed services in over 100 countries; a two year extension with Connecting for Health for the N3 contract to provide managed network services; a three year extension with Capgemini to provide network services for the Metropolitan Police, and a new five year contract with Nationwide to provide managed security services. The UK government's recent announcement of spending cuts represents both opportunities and challenges and we are actively engaged with the UK government in this regard.

Net operating costs decreased by 7%. We have made further progress with our cost efficiency initiatives during the quarter including supplier renegotiations and rationalisation across Asia, EMEA and the US. Our cost reduction activities helped deliver EBITDA of £130m, more than double the prior year.

Capital expenditure decreased by 21%, principally due to the timing of capital expenditure across certain of our larger customer contracts. The significant improvement in operating cash flow reflects the improvement in EBITDA, lower capital expenditure and a strong working capital performance, including the receipt of around £200m relating to a major customer contract.

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BT Retail

	First quarter to 30 June			
	2010	2009[1]	Change	
	£m	£m	£m	%
Revenue	**1,925**	2,068	(143)	(7)
Net operating costs[2]	**1,483**	1,616	(133)	(8)
EBITDA	**442**	452	(10)	(2)
Depreciation & amortisation	**111**	117	(6)	(5)
Operating profit	**331**	335	(4)	(1)
Capital expenditure	**85**	81	4	5
Operating cash flow	**293**	328	(35)	(11)

[1] Restated for the impact of customer account moves
[2] Net of other operating income

Revenue decreased by 7%, although excluding the one-off benefit of £38m recognised last year the decrease was 5%. This decline was largely due to the ongoing reduction in calls and lines revenue. Excluding the one-off revenue benefit last year, our Consumer revenues were down 6%. Business revenues were down 4% reflecting a reduction in calls and lines revenue which was partially offset by increased growth of 10% in our managed solutions and IT services revenue.

Consumer ARPU increased to £314, up £5 over the previous quarter, principally due to increasing take up of broadband across our customer base. Broadband net additions were 96,000 in the quarter and BT's retail market share was 40%. Since the launch in January of our fibre based broadband product, BT Infinity, we have seen order levels accelerate. In July we launched our premium TV sports packages, offering BT broadband customers Sky Sports packages from £6.99 a month.

Net operating costs decreased by 8%. This was principally due to reductions in total labour costs, achieved through a range of programmes including improvements to customer service at first point of contact and reducing levels of customer complaints by addressing root causes. Further cost savings have been achieved through simplifying our portfolio of products and services, renegotiating supplier contracts and enhancing our debtor management processes. EBITDA decreased by 2% although excluding the one-off benefit recognised last year, EBITDA increased by 7%. Depreciation and amortisation decreased by 5%. Operating profit declined by 1%, although excluding the one-off benefit recognised last year this was an increase of 11%.

Operating cash flow for the quarter was down 11%, although excluding the one-off benefit recognised last year, operating cash flow increased by 1%.

BT Wholesale

	First quarter to 30 June			
	2010	2009[1]	Change	
	£m	£m	£m	%
Revenue				
- adjusted[2]	**1,059**	1,126	(67)	(6)
- reported	**1,059**	1,177	(118)	(10)
Net operating costs[3]	**720**	839	(119)	(14)
EBITDA	**339**	338	1	-
Depreciation & amortisation	**154**	171	(17)	(10)
Operating profit	**185**	167	18	11
Capital expenditure	**67**	71	(4)	(6)
Operating cash flow	**217**	121	96	79

[1] Restated for the impact of customer account moves
[2] Prior year revenue adjusted for changes in the internal trading model
[3] Net of other operating income

Revenue declined by 10%, although adjusting the prior year for the changes in the internal trading model, revenue reduced by 6%. Excluding the £44m reduction in low margin transit revenue, primarily due to mobile termination rate reductions, revenue declined by 2%. This decline reflected in part continued reductions in broadband and circuits revenue of £69m. Managed network services (MNS) revenue grew by 19% to £199m and now represents 24% of external revenue (Q1 2009/10: 19%). 42% of external revenue is now underpinned by long term contracts (Q1 2009/10: 34%).

During the quarter we signed in excess of £1bn of MNS contracts including a major contract with Orange to take on the management and development of its UK fixed line broadband infrastructure for consumers and SMEs.

Also, as part of our efforts to exploit growth in the global IP voice telephony market, during the quarter we launched the global availability of IP Exchange, the wholesale service that enables communications providers to connect VoIP to VoIP and VoIP to traditional voice calls. This is the first BT Wholesale service designed specifically for the global communications market. The service is already being used by over 100 fixed line and mobile operators in the UK.

Net operating costs reduced by 14%, partly due to changes in the internal trading model. Excluding these, net operating costs fell by 8% due to reductions in total labour resource and continued control of discretionary expenditure, as well as lower mobile termination rates. Benefits from various initiatives in customer services, such as improved performance in broadband operations and further automation of order entry processes delivered sustainable savings in the quarter. This resulted in EBITDA being broadly flat at £339m. Depreciation and amortisation decreased by 10%, contributing to an 11% increase in operating profit. Operating cash flow increased by £96m due to improved working capital.

Openreach

	First quarter to 30 June			
	2010	2009[1]	Change	
	£m	£m	£m	%
Revenue				
- adjusted[1]	**1,200**	1,255	(55)	(4)
- reported	**1,200**	1,306	(106)	(8)
External revenue	**331**	288	43	15
Revenue from other BT lines of business	**869**	1,018	(149)	(15)
Net operating costs[2]	**689**	831	(142)	(17)
EBITDA	**511**	475	36	8
Depreciation & amortisation	**215**	201	14	7
Operating profit	**296**	274	22	8
Capital expenditure	**236**	203	33	16
Operating cash flow	**225**	229	(4)	(2)

[1] Prior year revenue adjusted for changes in the internal trading model
[2] Net of other operating income

Revenue declined by 8%, although adjusting the prior year for changes in the internal trading model, revenue reduced by 4%. The decrease of 4% is primarily due to a one-off internal billing in the prior year to ensure compliance with the Undertakings. Otherwise, revenue was broadly flat as the growth in Ethernet volumes stimulated by lower prices and other connection revenues offset the continued migration from WLR to lower priced MPF. The ongoing growth of end-customers using other CPs' WLR and LLU products contributed to the switch from internal to external revenues, with external revenue increasing by 15%. Excluding the change in the trading model and the prior year one-off billing, internal revenue decreased by 6%.

Net operating costs reduced by 17% partly due to changes in the internal trading model offsetting the revenue decline and lower leaver costs. Excluding these, net operating costs reduced by 8% driven by cost savings delivered through efficiencies in provision and repair, planning and network build, and service centres. As a result, EBITDA increased by 8%. Depreciation and amortisation increased by 7% reflecting increased investment in software to support the business. Overall this contributed to an 8% increase in operating profit.

Capital expenditure increased by 16% due to the increased investment in our fibre roll out. In July we achieved the first major milestone in our fibre roll out passing over 1.5m UK premises, and we are now running at an average rate of around 100,000 premises passed per week. These premises now have access to super-fast fibre-based broadband at download speeds of up to 40Mbps. Operating cash flow was broadly maintained due to the improvement in EBITDA being offset by the increase in capital expenditure.

FINANCIAL STATEMENTS

Group income statement
for the first quarter to 30 June 2010

	Before specific items £m	Specific items £m	Total £m
Revenue	5,006	-	**5,006**
Other operating income	88	-	**88**
Operating costs	(4,424)	(51)	**(4,475)**
Operating profit	670	(51)	**619**
Finance expense	(231)	(580)	**(811)**
Finance income	3	560	**563**
Net finance expense	(228)	(20)	**(248)**
Share of post tax profits of associates and joint ventures	4	-	**4**
Profit before tax	446	(71)	**375**
Tax	(109)	18	**(91)**
Profit for the period	337	(53)	**284**
Attributable to:			
Equity shareholders	337	(53)	**284**
Minority interests	-	-	**-**
Earnings per share			
- basic	4.4p		**3.7p**
- diluted	4.2p		**3.5p**

Group income statement
for the first quarter to 30 June 2009

	Before specific items £m	Specific items £m	Total £m
Revenue	5,235	-	**5,235**
Other operating income	79	-	**79**
Operating costs	(4,726)	(41)	**(4,767)**
Operating profit	588	(41)	**547**
Finance expense	(215)	(552)	**(767)**
Finance income	1	483	**484**
Net finance expense	(214)	(69)	**(283)**
Share of post tax profits of associates and joint ventures	8	-	**8**
Profit before tax	382	(110)	**272**
Tax	(88)	30	**(58)**
Profit for the period	294	(80)	**214**
Attributable to:			
Equity shareholders	294	(80)	**214**
Minority interests	-	-	**-**
Earnings per share			
- basic	3.8p		**2.8p**
- diluted	3.8p		**2.7p**

Group cash flow statement
for the first quarter to 30 June 2010

	First quarter to 30 June	
	2010	2009
	£m	£m
Profit before tax	**375**	272
Depreciation and amortisation	**729**	738
Net finance expense	**248**	283
Associates and joint ventures	**(4)**	(8)
Share based payments	**18**	18
Decrease in working capital	**(150)**	(599)
Provisions, pensions and other non cash movements	**123**	(75)
Cash generated from operations	**1,339**	629
Tax (paid) received	**(5)**	210
Net cash inflow from operating activities	**1,334**	839
Cash flow from investing activities		
Interest received	**2**	1
Dividends received from associates and joint ventures	**3**	1
Proceeds on disposal of property, plant and equipment	**4**	7
Acquisition of subsidiaries, net of cash acquired	**-**	(12)
Purchases of property, plant and equipment and computer software	**(614)**	(685)
Purchases of current financial assets	**(3,123)**	(2,644)
Purchases of non current financial assets	**(17)**	-
Sale of current financial assets	**1,303**	1,800
Net cash used in investing activities	**(2,442)**	(1,532)
Cash flow from financing activities		
Interest paid	**(297)**	(285)
Equity dividends paid	**(1)**	(2)
Repayment of borrowings	**(6)**	(11)
Repayment of finance lease liabilities	**(4)**	-
New bank loans and bonds	**211**	522
Net repayment on commercial paper	**-**	(170)
Proceeds on issue of treasury shares	**1**	1
Net cash (used) generated from financing activities	**(96)**	55
Effects of exchange rate changes	**(4)**	(30)
Net decrease in cash and cash equivalents	**(1,208)**	(668)
Cash and cash equivalents, net of bank overdrafts, at beginning of period	**1,444**	1,115
Cash and cash equivalents, net of bank overdrafts, at end of period	**236**	447

Group balance sheet
at 30 June 2010

	30 June 2010 £m	30 June 2009 £m	31 March 2010 £m
Non current assets			
Intangible assets	**3,602**	3,602	3,672
Property, plant and equipment	**14,618**	15,098	14,856
Derivative financial instruments	**1,161**	1,100	1,076
Investments	**79**	55	64
Associates and joint ventures	**194**	130	195
Trade and other receivables	**312**	349	336
Deferred tax assets	**2,218**	2,245	2,196
	22,184	22,579	22,395
Current assets			
Inventories	**117**	128	107
Trade and other receivables	**3,743**	4,270	3,696
Derivative financial instruments	**468**	54	624
Investments	**2,206**	996	406
Cash and cash equivalents	**242**	457	1,452
	6,776	5,905	6,285
Total assets	**28,960**	28,484	28,680
Current liabilities			
Loans and other borrowings	**3,343**	1,062	3,269
Derivative financial instruments	**96**	68	166
Trade and other payables	**6,318**	6,631	6,531
Current tax liabilities	**402**	271	320
Provisions	**134**	219	134
	10,293	8,251	10,420
Total assets less current liabilities	**18,667**	20,233	18,260
Non current liabilities			
Loans and other borrowings	**9,334**	11,878	9,522
Derivative financial instruments	**620**	649	533
Other payables	**814**	800	804
Deferred tax liabilities	**1,455**	1,599	1,456
Retirement benefit obligations	**7,944**	8,053	7,864
Provisions	**758**	427	707
	20,925	23,406	20,886
Capital and reserves			
Called up share capital	**408**	408	408
Reserves	**(2,685)**	(3,600)	(3,058)
Total equity shareholders' deficit	**(2,277)**	(3,192)	(2,650)
Minority interests	**19**	19	24
Total deficit	**(2,258)**	(3,173)	(2,626)
	18,667	20,233	18,260

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation and accounting policies

These condensed consolidated financial statements ('the financial statements') comprise the financial results of BT Group plc for the quarter to 30 June 2010 and 2009.

The financial statements have been prepared in accordance with the accounting policies as set out in the financial statements for the year to 31 March 2010 and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value.

The financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year to 31 March 2010 were approved by the Board of Directors on 12 May 2010, published on 26 May 2010 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain any statement under Section 498 of the Companies Act 2006. The financial statements should be read in conjunction with the annual financial statements for the year to 31 March 2010.

Customer account moves
We have restated our 2009/10 line of business comparatives as a result of customer account moves between BT Retail and BT Wholesale effective from 1 April 2010, which have no impact on the total group results. The impact on prior period line of business results is disclosed in Note 2.

Pension interest
We are now including net interest on pensions within specific items because of its volatile nature.

Presentation of leaver costs
As stated in our 2009/10 final results announcement, from Q1 2010/11 onwards group and line of business adjusted results are reported after leaver costs. The impact on prior period group and line of business adjusted EBITDA is disclosed in Note 2.

2 Prior period customer account moves and presentation of leaver costs

	As reported - 2009/10					Leaver costs					Customer account moves					Restated – 2009/10				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Global Services																				
Revenue	2,079	2,024	2,118	2,292	8,513	-	-	-	-	-	-	-	-	-	-	2,079	2,024	2,118	2,292	8,513
EBITDA	62	95	123	177	457	-	-	-	-	-	-	-	-	-	-	62	95	123	177	457
Retail																				
Revenue	2,110	2,062	2,061	2,064	8,297	-	-	-	-	-	(42)	(43)	(41)	(47)	(173)	2,068	2,019	2,020	2,017	8,124
EBITDA	476	475	464	470	1,885	(6)	(6)	(10)	(13)	(35)	(18)	(18)	(18)	(19)	(73)	452	451	436	438	1,777
Wholesale																				
Revenue	1,142	1,125	1,092	1,091	4,450	-	-	-	-	-	35	35	34	38	142	1,177	1,160	1,126	1,129	4,592
EBITDA	320	328	321	315	1,284	-	(2)	(2)	(1)	(5)	18	18	18	20	74	338	344	337	334	1,353
Openreach																				
Revenue	1,306	1,285	1,292	1,281	5,164	-	-	-	-	-	-	-	-	-	-	1,306	1,285	1,292	1,281	5,164
EBITDA	503	507	513	493	2,016	(28)	-	(25)	(3)	(56)	-	-	-	-	-	475	507	488	490	1,960
Other and intra-group items																				
Revenue	(1,402)	(1,374)	(1,365)	(1,372)	(5,513)	-	-	-	-	-	7	8	7	9	31	(1,395)	(1,366)	(1,358)	(1,363)	(5,482)
EBITDA	10	31	23	75	139	(11)	(13)	(21)	(1)	(46)	-	-	-	(1)	(1)	(1)	18	2	73	92
TOTAL																				
Revenue	5,235	5,122	5,198	5,356	20,911	-	-	-	-	-	-	-	-	-	-	5,235	5,122	5,198	5,356	20,911
EBITDA	1,371	1,436	1,444	1,530	5,781	(45)	(21)	(58)	(18)	(142)	-	-	-	-	-	1,326	1,415	1,386	1,512	5,639

Forward-looking statements – caution advised

Certain statements in this results release are forward-looking and are made in reliance on the safe harbour provisions of the US Private Securities Litigation Reform Act of 1995. These statements include, without limitation, those concerning: full year outlook; investment plans; EBITDA trends; liquidity and funding; the change to CPI for indexation of pensions and the liabilities of the BT Pension Scheme; opportunities in BT Global Services; capital expenditure; our TV offering; and roll out of fibre.

Although BT believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

Factors that could cause differences between actual results and those implied by the forward-looking statements include, but are not limited to: material adverse changes in economic conditions in the markets served by BT; future regulatory actions and conditions in BT's operating areas, including competition from others; selection by BT and its lines of business of the appropriate trading and marketing models for its products and services; fluctuations in foreign currency exchange rates and interest rates; technological innovations, including the cost of developing new products, networks and solutions and the need to increase expenditures for improving the quality of service; prolonged adverse weather conditions resulting in a material increase in overtime, staff or other costs; developments in the convergence of technologies; the anticipated benefits and advantages of new technologies, products and services not being realised; the underlying assumptions and estimates made in respect of major customer contracts proving unreliable; the aims of the BT Global Services restructuring programme not being achieved; the outcome of the Pension Regulator's review; and general financial market conditions affecting BT's performance and ability to raise finance. BT undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.