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In this annual report, references to the "financial year" are to the year ended 31 March of each year, e.g. the "2001 financial year" refers to the year ended 31 March 2001. Unless otherwise stated, all non-financial statistics are at 31 March 2001.

References to the "company" are to British Telecommunications public limited company, and references to "BT" or the "group" are to the company and its subsidiaries, or any of them as the context may require.

Please see cautionary statement regarding forward-looking statements on page 143