

BT's strategy is to create value for shareholders through being the best provider of communications services and solutions for everybody in the UK, and for corporate customers in Europe, achieving global reach through partnership.

The fundamentals of our strategy are:

- customer satisfaction;
- financial discipline;
- broadband – at the heart of BT;
- value-added solutions for multi-site corporate customers in Europe;
- a clear network strategy, with unified management of all UK networks;
- a clear strategy for each customer group, including new services and brand extension; and
- diverse, skilled and motivated people.

## Financial headlines

- Group turnover<sup>1</sup> of £18.4 billion, 8% up on prior year
- Profit before taxation<sup>1</sup> down 28% to £1.3 billion
- Net exceptional gains of £0.8 billion
- Net debt reduced from £27.9 billion to £13.7 billion
- Dividend resumed – final dividend of 2.0 pence per share
- Successful corporate restructuring programme
- New three-year strategic plan announced

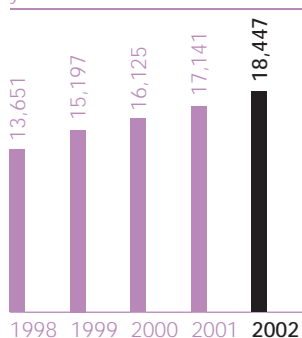
<sup>1</sup> from continuing activities before goodwill amortisation and exceptional items

Years ended 31 March

In £ million unless otherwise stated	Continuing activities		
	2002	2001	2000
Group turnover	18,447	17,141	16,125
Exceptional operating costs	2,696	7	64
Total operating profit (loss)	(1,489)	2,456	3,143
Profit on sale of fixed asset investments	169	534	–
Profit on sale of group undertakings	(148)	84	126
Profit on sale of property fixed assets	1,089	34	26
Amounts written off investments	(535)	–	–
Profit (loss) before taxation	(2,493)	1,937	2,968
Profit (loss) after taxation	(2,878)	1,505	2,104
Basic earnings (loss) per share	(34.8)p	20.7p	29.2p
Dividends per share	2.0p	7.8p	19.6p
Profit before goodwill amortisation, exceptional items and taxation	1,273	1,763	2,973
Basic earnings per share before goodwill amortisation and exceptional items	8.8p	19.3p	29.5p
Net cash flow from operating activities	5,023	5,410	5,609
Capital expenditure on property, plant and equipment	3,100	3,857	3,160

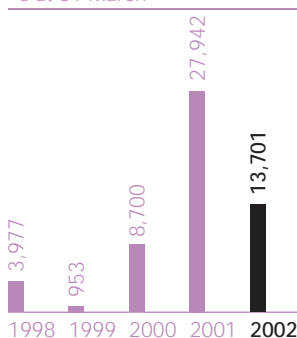
### Group turnover<sup>2</sup>

£m  
years ended 31 March



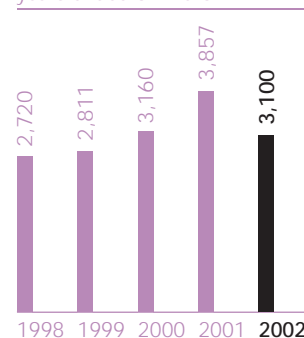
### Net debt

£m  
s at 31 March



### Capital expenditure<sup>2</sup>

£m  
years ended 31 March



<sup>2</sup>from continuing activities