

Key Performance Indicators

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EXTERNAL REVENUE BY SEGMENT	2002/3					2003/4					2004/5	
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m
Consumer	1,471	1,542	1,545	1,509	6,067	1,497	1,498	1,505	1,474	5,974	1,425	1,421
Major Corporate *	1,415	1,400	1,445	1,534	5,794	1,416	1,413	1,407	1,645	5,881	1,424	1,444
Business	689	684	677	666	2,716	650	654	636	660	2,600	623	629
Wholesale / Global Carrier *	999	1,022	1,024	1,065	4,110	1,017	999	1,021	993	4,030	1,088	1,102
Other	13	13	10	4	40	6	4	9	15	34	7	6
Total	4,587	4,661	4,701	4,778	18,727	4,586	4,568	4,578	4,787	18,519	4,567	4,602

* Two customers previously managed by BT Retail (Major Corporate) have moved to BT Wholesale. 2003/04 numbers adjusted by <£30m p.a. to reflect this.

Headline Year-on-Year Growth

EXTERNAL REVENUE BY SEGMENT	2003/4					2004/5	
	Q1	Q2	Q3	Q4	Total	Q1	Q2
Consumer	1.8%	(2.9%)	(2.6%)	(2.3%)	(1.5%)	(4.8%)	(5.1%)
Major Corporate	0.1%	0.9%	(2.6%)	7.2%	1.5%	0.6%	2.2%
Business	(5.7%)	(4.4%)	(6.1%)	(0.9%)	(4.3%)	(4.2%)	(3.8%)
Wholesale / Global Carrier	1.8%	(2.3%)	(0.3%)	(6.8%)	(1.9%)	7.0%	10.3%
Other	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Total	0.0%	(2.0%)	(2.6%)	0.2%	(1.1%)	(0.4%)	0.7%

Underlying Year-on-Year Growth - excluding mobile termination impact

EXTERNAL REVENUE BY SEGMENT	2003/4					2004/5	
	Q1	Q2	Q3	Q4	Total	Q1	Q2
Consumer	2.3%	(1.7%)	(1.7%)	(1.4%)	(0.6%)	(4.0%)	(4.3%)
Major Corporate	0.1%	1.1%	(2.4%)	7.4%	1.7%	0.8%	2.5%
Business	(5.1%)	(3.1%)	(5.2%)	0.2%	(3.3%)	(3.4%)	(2.9%)
Wholesale / Global Carrier	3.2%	1.9%	3.1%	(3.5%)	1.1%	10.6%	14.4%
Other	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Total	0.6%	(0.5%)	(1.4%)	1.4%	0.1%	0.8%	2.1%

EXTERNAL REVENUE ANALYSIS	2002/3					2003/4					2004/5	
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m
Exchange lines/ISDN - connection and rental	947	972	975	955	3,849	949	962	939	929	3,779	918	959
Calls	1,153	1,186	1,178	1,136	4,653	1,120	1,091	1,059	1,044	4,314	982	888
Private Circuits	413	382	420	408	1,623	352	324	348	324	1,348	326	325
Transit, conveyance, interconnect circuits and other wholesale (incl. FRIACO)	604	652	630	643	2,529	638	632	597	607	2,474	657	650
Other	891	859	856	855	3,461	817	798	797	805	3,217	748	747
Total Traditional	4,008	4,051	4,059	3,997	16,115	3,876	3,807	3740	3709	15,132	3,631	3,569
ICT / Solutions / Syntegra*	494	497	524	632	2,147	552	584	611	799	2,546	634	699
Broadband	42	61	56	78	237	92	106	128	165	491	186	199
Mobility*	5	9	9	21	44	16	17	26	40	99	43	49
Other	38	43	53	50	184	50	54	73	74	251	73	86
Total New Wave	579	610	642	781	2,612	710	761	838	1,078	3,387	936	1,033
Total Revenue	4,587	4,661	4,701	4,778	18,727	4,586	4,568	4,578	4,787	18,519	4,567	4,602
* 2003/04 ICT/Mobility revenues adjusted to reflect mobility revenues previously shown under ICT												
GLOBAL SERVICES SALES ORDER VALUE	2002/3				2003/4				2004/5			
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Q1 £m	Q2 £m		
Total order intake	584	416	1,755	1,656	2,048	561	2,078	2,325	1,276	852		
Rolling 12 months order intake	3,353	2,752	4,042	4,411	5,875	6,020	6,343	7,012	6,240	6,531		

Summary Cost Analysis	2002/3					2003/4					2004/05	
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m
Net staff costs before leaver costs*	870	853	833	835	3,391	903	892	866	875	3,536	875	831
Leaver costs	156	37	12	71	276	11	16	26	149	202	102	8
Net staff costs (including leaver costs)	1,026	890	845	906	3,667	914	908	892	1,024	3,738	977	839
Other operating costs	1,301	1,315	1,400	1,514	5,530	1,227	1,209	1,326	1,423	5,185	1,301	1,401
Sub total	2,327	2,205	2,245	2,420	9,197	2,141	2,117	2,218	2,447	8,923	2,278	2,240
POLO's	1,005	1,022	998	915	3,940	1,039	1,027	924	973	3,963	988	965
Depreciation	732	748	754	777	3,011	729	721	731	740	2,921	699	702
Total costs**	4,064	3,975	3,997	4,112	16,148	3,909	3,865	3,873	4,160	15,807	3,965	3,907

*2002/3 and 2003/4 numbers restated due to adoption of UITF 38 'Accounting for ESOP trusts' and the related amendments to UITF 17 (revised 2003) 'Employee Share Schemes (Impact <£5m pa)

** pre amortisation & exceptional items

Capex by Line of Business	2002/3					2003/4					2004/5	
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m
BT Retail	19	25	25	40	109	20	20	32	46	118	28	36
Access	208	206	222	252	888	215	232	270	249	966	269	274
Switch	40	42	52	30	164	11	22	37	17	87	30	25
Transmission	63	61	55	81	260	54	46	49	64	213	45	50
Products/Systems Support	48	76	101	115	340	88	108	133	214	543	131	196
BT Wholesale	359	385	430	478	1,652	368	408	489	544	1,809	475	545
Solutions and Syntegra	12	12	12	30	66	36	25	19	41	121	47	61
UK Networks	27	32	25	56	140	24	35	33	39	131	37	35
Other	57	51	65	66	239	42	42	63	80	227	65	73
BT Global Services	96	95	102	152	445	102	102	115	160	479	149	169
Others (includes Fleet and Property)	75	54	56	54	239	62	48	63	94	267	42	53
Total	549	559	613	724	2,445	552	578	699	844	2,673	694	803

Total Fixed Network Calls														
Quarterly Minutes (billions)	Jun-01	Sep-01	Dec-01	Mar-02	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04
Internet Related and Other Non Geo	16.07	16.05	16.12	16.56	15.61	14.80	14.83	14.81	13.94	13.06	12.51	12.45	10.93	10.13
Fixed to Mobile	2.16	2.19	2.20	2.20	2.26	2.34	2.34	2.31	2.37	2.37	2.29	2.26	2.21	2.20
Total Non Geographic Calls	18.23	18.24	18.33	18.76	17.88	17.13	17.18	17.12	16.31	15.43	14.79	14.70	13.13	12.33
Local	13.54	13.28	13.73	13.60	12.96	12.66	13.16	12.81	12.04	11.67	11.89	11.78	10.61	10.34
National	6.78	6.78	6.76	6.83	6.58	6.59	6.65	6.52	6.14	6.09	6.07	6.09	5.53	5.51
International	0.63	0.64	0.62	0.60	0.57	0.57	0.58	0.57	0.56	0.55	0.56	0.55	0.52	0.52
Total Geographic	20.95	20.70	21.11	21.03	20.11	19.83	20.39	19.91	18.74	18.31	18.51	18.43	16.66	16.37
Total BT Retail	39.18	38.94	39.44	39.79	37.98	36.96	37.56	37.03	35.04	33.74	33.30	33.13	29.79	28.70
Freephone and FRIACO	7.25	9.29	12.29	16.61	18.03	18.80	20.83	22.90	23.20	22.10	22.23	23.64	20.88	18.55
BT Group Originating Calls*	46.43	48.23	51.73	56.40	56.01	55.76	58.39	59.93	58.24	55.84	55.54	56.77	50.67	47.25
* Excluding Payphones and Directories (c0.3bn mins/qtr)														
Total Fixed Network Calls														
Quarterly Year on Year Minutes Change	Jun-01	Sep-01	Dec-01	Mar-02	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04
Internet Related and Other Non Geo	57%	38%	16%	1%	(3)%	(8)%	(8)%	(11)%	(11)%	(12)%	(16)%	(16)%	(22)%	(22)%
Fixed to Mobile	17%	13%	8%	4%	5%	7%	6%	5%	5%	1%	(2)%	(2)%	(7)%	(7)%
Total Non Geographic Calls	51%	35%	15%	2%	(2)%	(6)%	(6)%	(9)%	(9)%	(10)%	(14)%	(14)%	(19)%	(20)%
Local	(8)%	(6)%	(5)%	(5)%	(4)%	(5)%	(4)%	(6)%	(7)%	(8)%	(10)%	(8)%	(12)%	(11)%
National	(5)%	(5)%	(6)%	(5)%	(3)%	(3)%	(2)%	(4)%	(7)%	(8)%	(9)%	(7)%	(10)%	(10)%
International	(0)%	(0)%	(5)%	(8)%	(9)%	(11)%	(8)%	(4)%	(3)%	(3)%	(3)%	(4)%	(7)%	(6)%
Total Geographic	(7)%	(5)%	(5)%	(5)%	(4)%	(4)%	(3)%	(5)%	(7)%	(8)%	(9)%	(7)%	(11)%	(11)%
Total BT Retail	14%	10%	3%	(2)%	(3)%	(5)%	(5)%	(7)%	(8)%	(9)%	(11)%	(11)%	(15)%	(15)%
Freephone and FRIACO	89%	102%	158%	166%	149%	102%	70%	38%	29%	18%	7%	3%	(10)%	(16)%
BT Group Originating Calls*	21%	20%	20%	20%	21%	16%	13%	6%	4%	0%	(5)%	(5)%	(13)%	(15)%

Exchange Lines ('000)										
Product Group Summary	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04
BT Retail										
Business Voice	5,702	5,661	5,614	5,570	5,539	5,483	5,395	5,324	5,260	5,148
Business ISDN	3,358	3,425	3,468	3,492	3,519	3,528	3,524	3,500	3,476	3,452
Business Broadband	59	78	103	136	158	184	218	247	272	297
Major Corporate Broadband *	3	5	8	10	20	26	33	40	47	55
Total Business	9,122	9,169	9,193	9,208	9,236	9,221	9,170	9,111	9,055	8,952
Residential Voice	19,735	19,744	19,790	19,775	19,716	19,679	19,683	19,649	19,554	19,497
Residential ISDN	300	303	301	290	280	264	243	221	198	170
Residential Broadband	110	150	205	293	378	455	578	680	783	931
Total Residential	20,145	20,197	20,296	20,358	20,374	20,398	20,504	20,550	20,535	20,598
Total Voice	25,437	25,405	25,404	25,345	25,255	25,162	25,078	24,973	24,814	24,645
Total ISDN	3,658	3,728	3,769	3,782	3,799	3,792	3,767	3,721	3,674	3,622
Total Broadband*	172	233	316	439	556	665	829	967	1,102	1,283
Total BT Retail Lines	29,267	29,366	29,489	29,566	29,610	29,619	29,674	29,661	29,590	29,550
BT Wholesale										
BT Wholesale Broadband Connections	277	391	555	800	1,058	1,339	1,753	2,215	2,687	3,294
* Sold to Major Corporates as Connectivity and not as ISP. Previously not included within Business Broadband and Retail total lines										

BT Together Packages ('000)

	Mar-02	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04
Total	8,590	8,736	8,814	8,883	8,894	8,873	8,934	8,956	8,859	8,991	17,617
Option 1	N/A	N/A	N/A	N/A	N/A	5,100	5,255	5,379	5,419	5,609	14,270
Option 2	N/A	N/A	N/A	N/A	N/A	1,087	1,173	1,220	1,218	1,250	1,269
Option 3	N/A	N/A	N/A	N/A	N/A	82	210	274	324	433	515
BTT Local	N/A	N/A	N/A	N/A	N/A	2,604	2,296	2,083	1,898	1,699	1,563

Retail Mobility Connections ('000)

	Mar-02	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04
Total					27	57	70	106	145	215	306
Business	N/A	N/A	N/A	N/A	27	51	59	82	104	127	145
Consumer	N/A	N/A	N/A	N/A	N/A	6	11	24	41	88	161

Average Revenue per Consumer Household *										
	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04
	£	£	£	£	£	£	£	£	£	£
Annual revenue	266	269	270	271	272	271	269	268	265	262
Contracted**	55%	55%	56%	56%	56%	57%	57%	58%	59%	60%
Non-contracted	45%	45%	44%	44%	44%	43%	43%	42%	41%	40%

* Rolling 12 month consumer revenue, less mobile polos, divided by average number of primary lines
** Includes line rental, broadband, select services and packages.

Fixed to Fixed Voice Market Share *

	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04
Residential	73%	73%	74%	73%	72%	70%	69%	68%	66%	65%
Business	47%	47%	47%	46%	45%	44%	43%	43%	43%	42%

* BT estimates - numbers restated based on revised Ofcom data : Local, national, international and non-geographic voice minutes

CPS Volumes ('000)											
	Mar-02	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04
Number of users*	72	214	381	648	1,044	1,622	2,120	2,725	3,299	3,723	4,169
Net adds in quarter **		142	167	267	396	578	498	605	574	424	446
* CPS numbers have been restated due to data cleanse and aligning reporting with other operators ** CPS numbers include those customers who have migrated from Indirect Access											
WLR and Calls & Access Volumes ('000)											
	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	
Analogue lines / ISDN Channels	51	57	72	91	121	180	291	377	491	596	
LLU Volumes ('000)											
	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	
Full and Shared loops	1	1	2	3	6	8	8	11	14	20	