

Key Performance Indicators

Description	Page
External Revenue by Segment	1
External Revenue Analysis	2
Summary Cost Analysis	3
Capex	4
Total Call Volumes / Growth	5
Exchange Lines	6
BTTogether Packages	7
Consumer Revenue per Consumer Household	8
Market Share	9
Carrier Pre Select & Wholesale Line Rental	10

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

* Two customers previously managed by BT Retail (Major Business) 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	Q1	Q2	2003/4		Total	2004/5
			Q3	Q4		Q1
Consumer	1.8%	(2.9%)	(2.6%)	(2.3%)	(1.5%)	(4.8%)
Major Corporate	0.1%	0.9%	(2.6%)	7.2%	1.5%	0.6%
Business	(5.7%)	(4.4%)	(6.1%)	(0.9%)	(4.3%)	(4.2%)
Wholesale / Global Carrier	1.8%	(2.3%)	(0.3%)	(6.8%)	(1.9%)	7.0%
Other	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%)

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

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

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
Exchange lines/ISDN - connection and rental	947	972	975	955	3,849	949	962	939	929	3,779	918
Calls	1,153	1,186	1,178	1,136	4,653	1,120	1,091	1,059	1,044	4,314	982
Private Circuits	413	382	420	408	1,623	352	324	348	324	1,348	326
Transit, conveyance, interconnect circuits and other wholesale (incl. FRIACO)	604	652	630	643	2,529	638	632	597	607	2,474	657
Other	891	859	856	855	3,461	817	798	797	805	3,217	748
Total Traditional	4,008	4,051	4,059	3,997	16,115	3,876	3,807	3740	3709	15,132	3,631
ICT / Solutions / Syntegra*	494	497	524	632	2,147	552	584	611	799	2,546	634
Broadband	42	61	56	78	237	92	106	128	165	491	186
Mobility*	5	9	9	21	44	16	17	26	40	99	43
Other	38	43	53	50	184	50	54	73	74	251	73
Total New Wave	579	610	642	781	2,612	710	761	838	1,078	3,387	936
Total Revenue	4,587	4,661	4,701	4,778	18,727	4,586	4,568	4,578	4,787	18,519	4,567

* ICT/Mobility revenues adjusted to reflect mobility revenues previously shown under ICT

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

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

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
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
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
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
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
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
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
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
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
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
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
* 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
Internet Related and Other Non Geo	57%	38%	16%	1%	(3)%	(8)%	(8)%	(11)%	(11)%	(12)%	(16)%	(16)%	(22)%
Fixed to Mobile	17%	13%	8%	4%	5%	7%	6%	5%	5%	1%	(2)%	(2)%	(7)%
Total Non Geographic Calls	51%	35%	15%	2%	(2)%	(6)%	(6)%	(9)%	(9)%	(10)%	(14)%	(14)%	(19)%
Local	(8)%	(6)%	(5)%	(5)%	(4)%	(5)%	(4)%	(6)%	(7)%	(8)%	(10)%	(8)%	(12)%
National	(5)%	(5)%	(6)%	(5)%	(3)%	(3)%	(2)%	(4)%	(7)%	(8)%	(9)%	(7)%	(10)%
International	(0)%	(0)%	(5)%	(8)%	(9)%	(11)%	(8)%	(4)%	(3)%	(3)%	(3)%	(4)%	(7)%
Total Geographic	(7)%	(5)%	(5)%	(5)%	(4)%	(4)%	(3)%	(5)%	(7)%	(8)%	(9)%	(7)%	(11)%
Total BT Retail	14%	10%	3%	(2)%	(3)%	(5)%	(5)%	(7)%	(8)%	(9)%	(11)%	(11)%	(15)%
Freephone and FRIACO	89%	102%	158%	166%	149%	102%	70%	38%	29%	18%	7%	3%	(10)%
BT Group Originating Calls*	21%	20%	20%	20%	21%	16%	13%	6%	4%	0%	(5)%	(5)%	(13)%

Exchange Lines ('000)									
Product Group Summary	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04
BT Retail									
Business Voice	5,702	5,661	5,614	5,570	5,539	5,483	5,395	5,324	5,260
Business ISDN	3,358	3,425	3,468	3,492	3,519	3,528	3,524	3,500	3,476
Business Broadband	59	78	103	136	158	184	218	247	272
Major Corporate Broadband *	3	5	8	10	20	26	33	40	47
Total Business	9,122	9,169	9,193	9,208	9,236	9,221	9,170	9,111	9,055
Residential Voice	19,735	19,744	19,790	19,775	19,716	19,679	19,683	19,649	19,554
Residential ISDN	300	303	301	290	280	264	243	221	198
Residential Broadband	110	150	205	293	378	455	578	680	783
Total Residential	20,145	20,197	20,296	20,358	20,374	20,398	20,504	20,550	20,535
Total Voice	25,437	25,405	25,404	25,345	25,255	25,162	25,078	24,973	24,814
Total ISDN	3,658	3,728	3,769	3,782	3,799	3,792	3,767	3,721	3,674
Total Broadband*	172	233	316	439	556	665	829	967	1,102
Total BT Retail Lines	29,267	29,366	29,489	29,566	29,610	29,619	29,674	29,661	29,590
BT Wholesale									
BT Wholesale Broadband Connections	277	391	555	800	1,058	1,339	1,753	2,215	2,687
* 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
Total	8,590	8,736	8,814	8,883	8,894	8,873	8,934	8,956	8,859	8,991
Option 1	N/A	N/A	N/A	N/A	N/A	5,100	5,255	5,379	5,419	5,609
Option 2	N/A	N/A	N/A	N/A	N/A	1,087	1,173	1,220	1,218	1,250
Option 3	N/A	N/A	N/A	N/A	N/A	82	210	274	324	433
BTT Local	N/A	N/A	N/A	N/A	N/A	2,604	2,296	2,083	1,898	1,699

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

* Rolling 12 month consumer revenue, less mobile polos, divided by average number of primary lines
** Contracted 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
Residential	73%	73%	74%	73%	72%	70%	69%	68%	66%
Business	47%	47%	47%	46%	45%	44%	43%	43%	43%

* 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
Number of users	59	198	366	638	1,020	1,583	2,060	2,598	3,124	3,500
Net adds in quarter *		139	168	272	382	563	477	538	526	376
* 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
Analogue lines / ISDN Channels		51	57	72	91	121	180	291	377	491
LLU Volumes ('000)										
		Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04
Full and Shared loops		1	1	2	3	6	8	8	11	14