

## **Key Performance Indicators**

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

\* 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%)	<b>(1.5%)</b>	(4.8%)
Major Corporate	0.1%	0.9%	(2.6%)	7.2%	<b>1.5%</b>	0.6%
Business	(5.7%)	(4.4%)	(6.1%)	(0.9%)	<b>(4.3%)</b>	(4.2%)
Wholesale / Global Carrier	1.8%	(2.3%)	(0.3%)	(6.8%)	<b>(1.9%)</b>	7.0%
Other	n/m	n/m	n/m	n/m	<b>n/m</b>	n/m
<b>Total</b>	<b>0.0%</b>	<b>(2.0%)</b>	<b>(2.6%)</b>	<b>0.2%</b>	<b>(1.1%)</b>	<b>(0.4%)</b>

#### 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%)	<b>(0.6%)</b>	(4.0%)
Major Corporate	0.1%	1.1%	(2.4%)	7.4%	<b>1.7%</b>	0.8%
Business	(5.1%)	(3.1%)	(5.2%)	0.2%	<b>(3.3%)</b>	(3.4%)
Wholesale / Global Carrier	3.2%	1.9%	3.1%	(3.5%)	<b>1.1%</b>	10.6%
Other	n/m	n/m	n/m	n/m	<b>n/m</b>	n/m
<b>Total</b>	<b>0.6%</b>	<b>(0.5%)</b>	<b>(1.4%)</b>	<b>1.4%</b>	<b>0.1%</b>	<b>0.8%</b>

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

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

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

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

<b>Total Fixed Network Calls</b>													
<b>Quarterly Minutes (billions)</b>	<b>Jun-01</b>	<b>Sep-01</b>	<b>Dec-01</b>	<b>Mar-02</b>	<b>Jun-02</b>	<b>Sep-02</b>	<b>Dec-02</b>	<b>Mar-03</b>	<b>Jun-03</b>	<b>Sep-03</b>	<b>Dec-03</b>	<b>Mar-04</b>	<b>Jun-04</b>
Internet Related and Other Non Geo	16.07	16.05	16.12	<b>16.56</b>	15.61	14.80	14.83	<b>14.81</b>	13.94	13.06	12.51	<b>12.45</b>	10.93
Fixed to Mobile	2.16	2.19	2.20	<b>2.20</b>	2.26	2.34	2.34	<b>2.31</b>	2.37	2.37	2.29	<b>2.26</b>	2.21
<b>Total Non Geographic Calls</b>	<b>18.23</b>	<b>18.24</b>	<b>18.33</b>	<b>18.76</b>	<b>17.88</b>	<b>17.13</b>	<b>17.18</b>	<b>17.12</b>	<b>16.31</b>	<b>15.43</b>	<b>14.79</b>	<b>14.70</b>	<b>13.13</b>
Local	13.54	13.28	13.73	<b>13.60</b>	12.96	12.66	13.16	<b>12.81</b>	12.04	11.67	11.89	<b>11.78</b>	10.61
National	6.78	6.78	6.76	<b>6.83</b>	6.58	6.59	6.65	<b>6.52</b>	6.14	6.09	6.07	<b>6.09</b>	5.53
International	0.63	0.64	0.62	<b>0.60</b>	0.57	0.57	0.58	<b>0.57</b>	0.56	0.55	0.56	<b>0.55</b>	0.52
<b>Total Geographic</b>	<b>20.95</b>	<b>20.70</b>	<b>21.11</b>	<b>21.03</b>	<b>20.11</b>	<b>19.83</b>	<b>20.39</b>	<b>19.91</b>	<b>18.74</b>	<b>18.31</b>	<b>18.51</b>	<b>18.43</b>	<b>16.66</b>
<b>Total BT Retail</b>	<b>39.18</b>	<b>38.94</b>	<b>39.44</b>	<b>39.79</b>	<b>37.98</b>	<b>36.96</b>	<b>37.56</b>	<b>37.03</b>	<b>35.04</b>	<b>33.74</b>	<b>33.30</b>	<b>33.13</b>	<b>29.79</b>
Freephone and FRIACO	7.25	9.29	12.29	<b>16.61</b>	18.03	18.80	20.83	<b>22.90</b>	23.20	22.10	22.23	<b>23.64</b>	20.88
<b>BT Group Originating Calls*</b>	<b>46.43</b>	<b>48.23</b>	<b>51.73</b>	<b>56.40</b>	<b>56.01</b>	<b>55.76</b>	<b>58.39</b>	<b>59.93</b>	<b>58.24</b>	<b>55.84</b>	<b>55.54</b>	<b>56.77</b>	<b>50.67</b>
* Excluding Payphones and Directories (c0.3bn mins/qtr)													
<b>Total Fixed Network Calls</b>													
<b>Quarterly Year on Year Minutes Change</b>	<b>Jun-01</b>	<b>Sep-01</b>	<b>Dec-01</b>	<b>Mar-02</b>	<b>Jun-02</b>	<b>Sep-02</b>	<b>Dec-02</b>	<b>Mar-03</b>	<b>Jun-03</b>	<b>Sep-03</b>	<b>Dec-03</b>	<b>Mar-04</b>	<b>Jun-04</b>
Internet Related and Other Non Geo	57%	38%	16%	<b>1%</b>	(3)%	(8)%	(8)%	<b>(11)%</b>	(11)%	(12)%	(16)%	<b>(16)%</b>	(22)%
Fixed to Mobile	17%	13%	8%	<b>4%</b>	5%	7%	6%	<b>5%</b>	5%	1%	(2)%	<b>(2)%</b>	(7)%
<b>Total Non Geographic Calls</b>	<b>51%</b>	<b>35%</b>	<b>15%</b>	<b>2%</b>	(2)%	(6)%	(6)%	<b>(9)%</b>	(9)%	(10)%	(14)%	<b>(14)%</b>	(19)%
Local	(8)%	(6)%	(5)%	<b>(5)%</b>	(4)%	(5)%	(4)%	<b>(6)%</b>	(7)%	(8)%	(10)%	<b>(8)%</b>	(12)%
National	(5)%	(5)%	(6)%	<b>(5)%</b>	(3)%	(3)%	(2)%	<b>(4)%</b>	(7)%	(8)%	(9)%	<b>(7)%</b>	(10)%
International	(0)%	(0)%	(5)%	<b>(8)%</b>	(9)%	(11)%	(8)%	<b>(4)%</b>	(3)%	(3)%	(3)%	<b>(4)%</b>	(7)%
<b>Total Geographic</b>	<b>(7)%</b>	<b>(5)%</b>	<b>(5)%</b>	<b>(5)%</b>	(4)%	(4)%	(3)%	<b>(5)%</b>	(7)%	(8)%	(9)%	<b>(7)%</b>	(11)%
<b>Total BT Retail</b>	<b>14%</b>	<b>10%</b>	<b>3%</b>	<b>(2)%</b>	(3)%	(5)%	(5)%	<b>(7)%</b>	(8)%	(9)%	(11)%	<b>(11)%</b>	(15)%
Freephone and FRIACO	89%	102%	158%	<b>166%</b>	149%	102%	70%	<b>38%</b>	29%	18%	7%	<b>3%</b>	(10)%
<b>BT Group Originating Calls*</b>	<b>21%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	21%	16%	13%	<b>6%</b>	4%	0%	(5)%	<b>(5)%</b>	(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
<b>BT Retail</b>									
Business Voice	5,702	5,661	5,614	<b>5,570</b>	5,539	5,483	5,395	<b>5,324</b>	5,260
Business ISDN	3,358	3,425	3,468	<b>3,492</b>	3,519	3,528	3,524	<b>3,500</b>	3,476
Business Broadband	59	78	103	<b>136</b>	158	184	218	<b>247</b>	272
Major Corporate Broadband *	<b>3</b>	<b>5</b>	<b>8</b>	<b>10</b>	<b>20</b>	<b>26</b>	<b>33</b>	<b>40</b>	<b>47</b>
<b>Total Business</b>	<b>9,122</b>	<b>9,169</b>	<b>9,193</b>	<b>9,208</b>	<b>9,236</b>	<b>9,221</b>	<b>9,170</b>	<b>9,111</b>	<b>9,055</b>
Residential Voice	19,735	19,744	19,790	<b>19,775</b>	19,716	19,679	19,683	<b>19,649</b>	19,554
Residential ISDN	300	303	301	<b>290</b>	280	264	243	<b>221</b>	198
Residential Broadband	110	150	205	<b>293</b>	378	455	578	<b>680</b>	783
<b>Total Residential</b>	<b>20,145</b>	<b>20,197</b>	<b>20,296</b>	<b>20,358</b>	<b>20,374</b>	<b>20,398</b>	<b>20,504</b>	<b>20,550</b>	<b>20,535</b>
Total Voice	25,437	25,405	25,404	<b>25,345</b>	25,255	25,162	25,078	<b>24,973</b>	24,814
Total ISDN	3,658	3,728	3,769	<b>3,782</b>	3,799	3,792	3,767	<b>3,721</b>	3,674
Total Broadband*	172	233	316	<b>439</b>	556	665	829	<b>967</b>	1,102
<b>Total BT Retail Lines</b>	<b>29,267</b>	<b>29,366</b>	<b>29,489</b>	<b>29,566</b>	<b>29,610</b>	<b>29,619</b>	<b>29,674</b>	<b>29,661</b>	<b>29,590</b>
<b>BT Wholesale</b>									
<b>BT Wholesale Broadband Connections</b>	<b>277</b>	<b>391</b>	<b>555</b>	<b>800</b>	<b>1,058</b>	<b>1,339</b>	<b>1,753</b>	<b>2,215</b>	<b>2,687</b>
* Sold to Major Corporates as Connectivity and not as ISP. Previously not included within Business Broadband and Retail total lines									

<b>BT Together Packages ('000)</b>										
	<b>Mar-02</b>	<b>Jun-02</b>	<b>Sep-02</b>	<b>Dec-02</b>	<b>Mar-03</b>	<b>Jun-03</b>	<b>Sep-03</b>	<b>Dec-03</b>	<b>Mar-04</b>	<b>Jun-04</b>
<b>Total</b>	<b>8,590</b>	<b>8,736</b>	<b>8,814</b>	<b>8,883</b>	<b>8,894</b>	<b>8,873</b>	<b>8,934</b>	<b>8,956</b>	<b>8,859</b>	<b>8,991</b>
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	<b>271</b>	272	271	269	<b>268</b>	265
Contracted**	55%	55%	56%	<b>56%</b>	56%	57%	57%	<b>58%</b>	59%
Non-contracted**	45%	45%	44%	<b>44%</b>	44%	43%	43%	<b>42%</b>	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 \***

	<b>Jun-02</b>	<b>Sep-02</b>	<b>Dec-02</b>	<b>Mar-03</b>	<b>Jun-03</b>	<b>Sep-03</b>	<b>Dec-03</b>	<b>Mar-04</b>	<b>Jun-04</b>
Residential	73%	73%	74%	<b>73%</b>	72%	70%	69%	<b>68%</b>	66%
Business	47%	47%	47%	<b>46%</b>	45%	44%	43%	<b>43%</b>	43%

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

<b>CPS Volumes ('000)</b>										
	<b>Mar-02</b>	<b>Jun-02</b>	<b>Sep-02</b>	<b>Dec-02</b>	<b>Mar-03</b>	<b>Jun-03</b>	<b>Sep-03</b>	<b>Dec-03</b>	<b>Mar-04</b>	<b>Jun-04</b>
Number of users	<b>59</b>	198	366	638	<b>1,020</b>	1,583	2,060	2,598	<b>3,124</b>	3,500
Net adds in quarter *		139	168	272	<b>382</b>	563	477	538	<b>526</b>	376
* CPS numbers include those customers who have migrated from Indirect Access										
<b>WLR and Calls &amp; Access Volumes ('000)</b>										
		<b>Jun-02</b>	<b>Sep-02</b>	<b>Dec-02</b>	<b>Mar-03</b>	<b>Jun-03</b>	<b>Sep-03</b>	<b>Dec-03</b>	<b>Mar-04</b>	<b>Jun-04</b>
Analogue lines / ISDN Channels		51	57	72	<b>91</b>	121	180	291	<b>377</b>	491
<b>LLU Volumes ('000)</b>										
		<b>Jun-02</b>	<b>Sep-02</b>	<b>Dec-02</b>	<b>Mar-03</b>	<b>Jun-03</b>	<b>Sep-03</b>	<b>Dec-03</b>	<b>Mar-04</b>	<b>Jun-04</b>
Full and Shared loops		1	1	2	<b>3</b>	6	8	8	<b>11</b>	14