

## **Performance Indicators - Q2 2006/7**

<b>Description</b>	<b>Page</b>
Profit & Loss	1
External Revenue by Segment	2
External Revenue Analysis / Sales Order Value	3
External Revenue Analysis - BT Retail	3a
External Revenue Analysis - BT Wholesale	3b
External Revenue Analysis - BT Global Services	3c
External Revenue Analysis - Openreach	3d
Summary Cost Analysis	4
Capex	5
Total Call Volumes / Growth / Market Share	6
Exchange Lines	7
BT Together Packages / Retail Mobility Connections / Consumer Revenue per Consumer Household	8
Carrier Pre Select / Wholesale Line Rental / Local Loop Unbundling	9

BT Group Results	2005/06	Better /	2006/07	2005/06	Better /	2006/07	2005/06	2005/06	2005/06
£m unless stated	Q1	(worse) vs	Q1	Q2	(worse) vs	Q2	Q3	Q4	Full Year
	Restated	Pr Year	Actual	Restated	Pr Year	Actual	Actual	Restated	Restated
	BT Group	%	BT Group	BT Group	%	BT Group	Restated	BT Group	BT Group
<b>Revenue</b>									
BT Retail	2,120	(2.5)	2,068	2,136	(2.8)	2,077	2,116	2,135	8,507
BT Wholesale	1,814	1.8	1,847	1,813	4.0	1,885	1,848	1,868	7,343
BT Global Services	2,067	4.3	2,155	2,102	2.6	2,157	2,197	2,406	8,772
Openreach	1,294	(2.7)	1,259	1,271	0.6	1,279	1,278	1,299	5,142
Other	6	(16.7)	5	4	0.0	4	3	5	18
Eliminations	(2,570)	3.9	(2,470)	(2,559)	3.8	(2,461)	(2,560)	(2,579)	(10,268)
<b>Group Revenue</b>	<b>4,731</b>	<b>2.8</b>	<b>4,864</b>	<b>4,767</b>	<b>3.7</b>	<b>4,941</b>	<b>4,882</b>	<b>5,134</b>	<b>19,514</b>
<b>Leaver costs</b>	<b>6</b>	<b>-</b>	<b>24</b>	<b>37</b>	<b>-</b>	<b>33</b>	<b>23</b>	<b>67</b>	<b>133</b>
<b>EBITDA Inc. leaver costs</b>									
BT Retail	155	16.1	180	189	20.6	228	175	197	716
BT Wholesale	468	1.9	477	464	1.1	469	481	448	1,861
BT Global Services	219	(3.7)	211	198	13.1	224	223	286	926
Openreach	507	(7.3)	470	482	(4.6)	460	487	507	1,983
Other	8	200.0	24	15	(73.3)	4	15	(7)	31
<b>Group EBITDA</b>	<b>1,357</b>	<b>0.4</b>	<b>1,362</b>	<b>1,348</b>	<b>2.7</b>	<b>1,385</b>	<b>1,381</b>	<b>1,431</b>	<b>5,517</b>
<b>Depreciation &amp; amortisation of intangibles</b>									
BT Retail	34	(17.6)	40	39	0.0	39	36	38	147
BT Wholesale	271	(5.2)	285	274	(6.2)	291	271	286	1,102
BT Global Services	152	2.6	148	158	0.6	157	160	168	638
Openreach	186	5.9	175	188	5.3	178	196	230	800
Other	66	16.7	55	33	(15.2)	38	47	51	197
<b>Group Depreciation</b>	<b>709</b>	<b>0.8</b>	<b>703</b>	<b>692</b>	<b>(1.6)</b>	<b>703</b>	<b>710</b>	<b>773</b>	<b>2,884</b>
<b>Op Profit Inc. leaver costs</b>									
BT Retail	121	15.7	140	150	26.0	189	139	159	569
BT Wholesale	197	(2.5)	192	190	(6.3)	178	210	162	759
BT Global Services	67	6.0	63	40	(67.5)	67	63	118	288
Openreach	321	8.1	295	294	4.1	282	291	277	1,183
Other	(58)	46.6	(31)	(18)	(88.9)	(34)	(32)	(58)	(166)
<b>Underlying Group Op Profit</b>	<b>648</b>	<b>1.7</b>	<b>659</b>	<b>656</b>	<b>4.0</b>	<b>682</b>	<b>671</b>	<b>658</b>	<b>2,633</b>
Net Finance Costs	(142)	67.6	(46)	(100)	45.0	(55)	(129)	(101)	(472)
Share of post tax profits/losses of associates and joint ventures	5	60.0	2	3	(66.7)	5	3	5	16
<b>Underlying PBT</b>	<b>511</b>	<b>20.4</b>	<b>615</b>	<b>559</b>	<b>13.1</b>	<b>632</b>	<b>545</b>	<b>562</b>	<b>2,177</b>
Specific Items : Net gains (losses)	(12)	-	0	(70)	-	(3)	0	(55)	(137)
<b>Reported PBT</b>	<b>499</b>	<b>23.2</b>	<b>615</b>	<b>489</b>	<b>28.6</b>	<b>629</b>	<b>545</b>	<b>507</b>	<b>2,040</b>
Tax - Underlying	(129)	(17.1)	(151)	(139)	(11.5)	(155)	(134)	(131)	(533)
Tax on specific items	4	-	0	21	-	1	0	16	41
Tax rate	25.2%	-	24.6%	24.9%	-	24.5%	24.6%	23.3%	24.5%
<b>Net Income</b>	<b>374</b>	<b>24.1</b>	<b>464</b>	<b>371</b>	<b>28.0</b>	<b>475</b>	<b>411</b>	<b>392</b>	<b>1,548</b>
<i>Memo: Minority Interest</i>									
EPS before specific items	4.5	24.4	5.6	5.0	14.0	5.7	4.9	5.1	19.5
EPS after specific items	4.4	27.3	5.6	4.4	29.5	5.7	4.9	4.7	18.4
Proposed Dividend	-	-	-	4.30	19%	5.10	-	7.60	11.90
Average Number of Shares in Issue	8,471	-	8,314	8,456	-	8,308	8,407	8,354	8,422
Capital Expenditure	716	0.1	715	694	(17.0)	812	759	973	3,142
Net Debt	8,121	4.9	7,727	8,133	0.7	8,079	8,113	7,534	7,534

EXTERNAL REVENUE BY SEGMENT	2004/5					2005/6					2006/7	
	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	1,416	1,410	1,400	1,373	<b>5,599</b>	1,324	1,336	1,324	1,312	<b>5,296</b>	1,252	1,257
Major Corporate	1,391	1,412	1,440	1,693	<b>5,936</b>	1,597	1,629	1,732	1,922	<b>6,880</b>	1,699	1,703
Business	617	624	600	601	<b>2,442</b>	586	583	568	587	<b>2,324</b>	588	593
Wholesale / Global Carrier	1,088	1,102	1,090	1,147	<b>4,427</b>	1,218	1,215	1,255	1,308	<b>4,996</b>	1,319	1,384
Other	7	6	6	6	<b>25</b>	6	4	3	5	<b>18</b>	6	4
<b>Total</b>	<b>4,519</b>	<b>4,554</b>	<b>4,536</b>	<b>4,820</b>	<b>18,429</b>	<b>4,731</b>	<b>4,767</b>	<b>4,882</b>	<b>5,134</b>	<b>19,514</b>	<b>4,864</b>	<b>4,941</b>

#### Headline Year-on-Year Growth

EXTERNAL REVENUE BY SEGMENT	2005/6					2006/7	2006/7
	Q1	Q2	Q3	Q4	Total	Q1	Q2
Consumer	(6.5%)	(5.2%)	(5.4%)	(4.4%)	<b>(5.4%)</b>	(5.4%)	(5.9%)
Major Corporate	14.8%	15.4%	20.3%	13.5%	<b>15.9%</b>	6.4%	4.5%
Business	(5.0%)	(6.6%)	(5.3%)	(2.3%)	<b>(4.8%)</b>	0.3%	1.7%
Wholesale / Global Carrier	11.9%	10.3%	15.1%	14.0%	<b>12.9%</b>	8.3%	13.9%
Other	n/m	n/m	n/m	n/m	<b>n/m</b>	n/m	n/m
<b>Total</b>	<b>4.7%</b>	<b>4.7%</b>	<b>7.6%</b>	<b>6.5%</b>	<b>5.9%</b>	<b>2.8%</b>	<b>3.7%</b>

Underlying Year-on-Year Growth - excluding impact of mobile termination and revenues from Infonet and Albacom (for 2005/6)

EXTERNAL REVENUE BY SEGMENT	2005/6					2006/7	2006/7
	Q1	Q2	Q3	Q4	Total	Q1	Q2
Consumer	(4.9%)	(4.5%)	(5.4%)	(4.4%)	<b>(4.8%)</b>	(5.4%)	(5.9%)
Major Corporate	4.2%	5.6%	8.9%	8.9%	<b>7.0%</b>	6.4%	4.5%
Business	(2.8%)	(4.8%)	(5.3%)	(2.3%)	<b>(3.8%)</b>	0.3%	1.7%
Wholesale / Global Carrier	16.8%	11.6%	11.6%	13.6%	<b>13.4%</b>	8.3%	13.9%
Other	n/m	n/m	n/m	n/m	<b>n/m</b>	n/m	n/m
<b>Total</b>	<b>3.4%</b>	<b>2.5%</b>	<b>3.2%</b>	<b>4.7%</b>	<b>3.4%</b>	<b>2.8%</b>	<b>3.7%</b>

EXTERNAL REVENUE ANALYSIS - BT Group	2004/5					2005/6					2006/7	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Exchange lines/ISDN - connection and rental	918	959	952	934	3,763	921	912	889	881	3,603	876	851
Calls	982	888	820	799	3,489	764	749	730	713	2,956	685	655
Private Circuits	326	325	325	316	1,292	314	302	322	302	1,240	309	317
Transit, conveyance, interconnect circuits, WLR and other wholesale (incl. FRIACO)	657	650	619	599	2,525	630	634	636	655	2,555	661	689
Other	700	699	685	726	2,810	717	731	698	732	2,878	692	693
<b>Total Traditional</b>	<b>3,583</b>	<b>3,521</b>	<b>3,401</b>	<b>3374</b>	<b>13,879</b>	<b>3,346</b>	<b>3,328</b>	<b>3,275</b>	<b>3283</b>	<b>13,232</b>	<b>3,223</b>	<b>3,205</b>
Networked IT Services	634	699	738	995	3,066	899	914	1,038	1,214	4,065	981	1,001
Broadband and LLU	186	199	253	292	930	314	350	374	421	1,459	454	486
Mobility	43	49	55	58	205	66	69	75	82	292	71	72
Other	73	86	89	101	349	106	106	120	134	466	135	177
<b>Total New Wave</b>	<b>936</b>	<b>1,033</b>	<b>1,135</b>	<b>1,446</b>	<b>4,550</b>	<b>1,385</b>	<b>1,439</b>	<b>1,607</b>	<b>1,851</b>	<b>6,282</b>	<b>1,641</b>	<b>1,736</b>
<b>Total Revenue (Incl. Infonet and Albacom)</b>	<b>4,519</b>	<b>4,554</b>	<b>4,536</b>	<b>4,820</b>	<b>18,429</b>	<b>4,731</b>	<b>4,767</b>	<b>4,882</b>	<b>5,134</b>	<b>19,514</b>	<b>4,864</b>	<b>4,941</b>

EXTERNAL REVENUE ANALYSIS - Retail	2004/5					2005/6					2006/7	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Exchange lines/ISDN - connection and rental	752	801	795	780	3,128	766	754	741	736	2,997	719	699
Calls	875	787	729	710	3,101	678	664	650	631	2,623	603	581
Private Circuits	43	47	48	35	173	41	41	41	35	158	34	35
Transit, conveyance, interconnect circuits, WLR and other wholesale (incl. FRIACO)	-	-	-	-	-	-	-	-	-	-	-	-
Other	266	277	272	254	1,069	260	272	257	253	1,042	251	254
<b>Total Traditional</b>	<b>1,936</b>	<b>1,912</b>	<b>1,844</b>	<b>1,779</b>	<b>7,471</b>	<b>1,745</b>	<b>1,731</b>	<b>1,689</b>	<b>1,655</b>	<b>6,820</b>	<b>1,607</b>	<b>1,569</b>
Networked IT Services	56	73	72	83	284	75	73	83	102	333	83	78
Broadband	108	111	131	146	496	159	176	185	198	718	212	219
Mobility	17	23	30	32	102	27	30	31	27	115	26	26
Other	14	18	19	26	77	17	26	29	44	116	49	90
<b>Total New Wave</b>	<b>195</b>	<b>225</b>	<b>252</b>	<b>287</b>	<b>959</b>	<b>278</b>	<b>305</b>	<b>328</b>	<b>371</b>	<b>1,282</b>	<b>370</b>	<b>413</b>
<b>Total External Revenue</b>	<b>2,131</b>	<b>2,137</b>	<b>2,096</b>	<b>2,066</b>	<b>8,430</b>	<b>2,023</b>	<b>2,036</b>	<b>2,017</b>	<b>2,026</b>	<b>8,102</b>	<b>1,977</b>	<b>1,982</b>
Memo: Internal Revenue	53	68	64	83	268	97	100	99	109	405	91	95
<b>Total Retail Reported Revenue</b>	<b>2,184</b>	<b>2,205</b>	<b>2,160</b>	<b>2,149</b>	<b>8,698</b>	<b>2,120</b>	<b>2,136</b>	<b>2,116</b>	<b>2,135</b>	<b>8,507</b>	<b>2,068</b>	<b>2,077</b>

Shading = not restated for proforma Openreach

EXTERNAL REVENUE ANALYSIS - Wholesale	2004/5					2005/6					2006/7	
	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 rents	-	-	-	-	-	-	-	-	-	-	-	-
Calls	-	-	-	-	-	-	-	-	-	-	-	-
Private Circuits	154	155	155	167	631	161	150	169	158	638	158	168
Transit, conveyance, interconnect circuits, WLR and other wholesale (incl. FRIACO)	657	650	619	599	2,525	588	587	575	582	2,332	574	594
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Traditional</b>	<b>811</b>	<b>805</b>	<b>774</b>	<b>766</b>	<b>3,156</b>	<b>749</b>	<b>737</b>	<b>744</b>	<b>740</b>	<b>2,970</b>	<b>732</b>	<b>762</b>
Networked IT Services:	-	-	-	-	-	-	-	-	-	-	-	-
Broadband and LLL	71	79	110	132	392	130	147	152	159	588	179	181
Mobility	-	-	-	-	-	-	-	-	-	-	-	-
Other	59	68	70	75	272	89	80	91	90	350	86	87
<b>Total New Wave</b>	<b>130</b>	<b>147</b>	<b>180</b>	<b>207</b>	<b>664</b>	<b>219</b>	<b>227</b>	<b>243</b>	<b>249</b>	<b>938</b>	<b>265</b>	<b>268</b>
<b>Total External Revenue</b>	<b>941</b>	<b>952</b>	<b>954</b>	<b>973</b>	<b>3,820</b>	<b>968</b>	<b>964</b>	<b>987</b>	<b>989</b>	<b>3,908</b>	<b>997</b>	<b>1,030</b>
Memo: Internal Revenue	1,332	1,311	1,318	1,314	5,275	847	849	861	879	3,435	850	855
<b>Total Wholesale Reported Revenue</b>	<b>2,273</b>	<b>2,263</b>	<b>2,272</b>	<b>2,287</b>	<b>9,095</b>	<b>1,815</b>	<b>1,813</b>	<b>1,848</b>	<b>1,868</b>	<b>7,344</b>	<b>1,847</b>	<b>1,885</b>

Shading = not restated for proforma Openreach

EXTERNAL REVENUE ANALYSIS - Global Services	2004/5					2005/6					2006/7	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Exchange lines/ISDN - connection and rental	166	158	157	154	635	155	158	148	145	606	157	152
Calls	107	101	91	89	388	86	85	80	82	333	82	74
Private Circuits	129	123	122	114	488	112	111	112	109	444	117	114
Transit, conveyance, interconnect circuits, WLR and other wholesale (incl. FRIACO)	-	-	-	-	-	-	-	-	-	-	-	-
Other (a)	427	416	407	466	1,716	451	455	438	474	1,818	441	439
<b>Total Traditional</b>	<b>829</b>	<b>798</b>	<b>777</b>	<b>823</b>	<b>3,227</b>	<b>804</b>	<b>809</b>	<b>778</b>	<b>810</b>	<b>3,201</b>	<b>797</b>	<b>779</b>
Networked IT Services	578	626	666	912	2,782	824	841	955	1,112	3,732	898	923
Broadband and LLU	7	9	12	14	42	14	14	15	15	58	14	15
Mobility	26	26	25	26	103	39	39	44	55	177	45	46
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total New Wave</b>	<b>611</b>	<b>661</b>	<b>703</b>	<b>952</b>	<b>2,927</b>	<b>877</b>	<b>894</b>	<b>1,014</b>	<b>1,182</b>	<b>3,967</b>	<b>957</b>	<b>984</b>
<b>Total Revenue</b>	<b>1,440</b>	<b>1,459</b>	<b>1,480</b>	<b>1,775</b>	<b>6,154</b>	<b>1,681</b>	<b>1,703</b>	<b>1,792</b>	<b>1,992</b>	<b>7,168</b>	<b>1,754</b>	<b>1,763</b>
Memo: Internal Revenue	287	332	330	385	1,334	386	399	405	414	1,604	401	394
<b>Total Global Services Reported Revenue(b)</b>	<b>1,727</b>	<b>1,791</b>	<b>1,810</b>	<b>2,160</b>	<b>7,488</b>	<b>2,067</b>	<b>2,102</b>	<b>2,197</b>	<b>2,406</b>	<b>8,772</b>	<b>2,155</b>	<b>2,157</b>

Shading = not restated for proforma Openreach

Memo information		2005/6					2006/7	
		Q1	Q2	Q3	Q4	Total	Q1	Q2
		£m	£m	£m	£m	£m	£m	£m
(a) Other Traditional	UK	72	53	59	56	240	59	54
	Non-UK	379	402	379	418	1,578	382	385
	<b>Total</b>	<b>451</b>	<b>455</b>	<b>438</b>	<b>474</b>	<b>1,818</b>	<b>441</b>	<b>439</b>
(b) Reclassified total revenue	Traditional (as reported above excluding Other)	353	354	340	336	1,383	356	340
	UK Traditional (Included in Other)	72	53	59	56	240	59	54
	Internal	126	135	130	123	514	101	102
	<b>GS Traditional</b>	<b>551</b>	<b>542</b>	<b>529</b>	<b>515</b>	<b>2,137 #</b>	<b>516</b>	<b>496</b>
	New wave (as reported above)	877	894	1,014	1,182	3,967	957	984
	Non-UK (Included in Other)	379	402	379	418	1,578	382	385
	Internal	260	264	275	291	1,090	300	292
<b>GS New Wave</b>	<b>1,516</b>	<b>1,560</b>	<b>1,668</b>	<b>1,891</b>	<b>6,635 #</b>	<b>1,639</b>	<b>1,661</b>	
<b>Total GS Reported Revenue</b>	<b>2,067</b>	<b>2,102</b>	<b>2,197</b>	<b>2,406</b>	<b>8,772</b>	<b>2,155</b>	<b>2,157</b>	

Global Services ORDER VALUE	2004/5				2005/6				2006/7	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Networked IT Services order intake	1,276	852	1,235	3,798	2,359	752	1,194	1,086	1,041	702
Other Order Intake	571	477	926	491	466	706	1,203	1,232	739	915
<b>Total Global Services order intake</b>	<b>1,847</b>	<b>1,329</b>	<b>2,161</b>	<b>4,289</b>	<b>2,825</b>	<b>1,458</b>	<b>2,397</b>	<b>2,318</b>	<b>1,780</b>	<b>1,617</b>

EXTERNAL REVENUE ANALYSIS - Openreach	2004/5					2005/6					2006/7	
	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	-	-	-	-	-	-	-	-	-	-	-	-
Calls	-	-	-	-	-	-	-	-	-	-	-	-
Private Circuits	-	-	-	-	-	-	-	-	-	-	-	-
Transit, conveyance, interconnect circuits, WLR and other wholesale (incl. FRIACO)	-	-	-	-	-	42	47	61	73	223	81	91
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Traditional</b>						<b>42</b>	<b>47</b>	<b>61</b>	<b>73</b>	<b>223</b>	<b>81</b>	<b>91</b>
Networked IT Services	-	-	-	-	-	-	-	-	-	-	-	-
Broadband and LLU	-	-	-	-	-	11	13	22	49	95	49	71
Mobility	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total New Wave</b>						<b>11</b>	<b>13</b>	<b>22</b>	<b>49</b>	<b>95</b>	<b>49</b>	<b>71</b>
<b>Total Revenue</b>						<b>53</b>	<b>60</b>	<b>83</b>	<b>122</b>	<b>318</b>	<b>130</b>	<b>162</b>
Memo: Internal Revenue						1,241	1,211	1,195	1,177	4,824	1,129	1,117
<b>Total Openreach Reported Revenue</b>						<b>1,294</b>	<b>1,271</b>	<b>1,278</b>	<b>1,299</b>	<b>5,142</b>	<b>1,259</b>	<b>1,279</b>

Shading = not restated for proforma Openreach



Summary Cost Analysis	2004/5					2005/6					2006/7	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Staff costs before leaver costs	1,070	1,065	1,098	1,155	<b>4,388</b>	1,156	1,210	1,226	1,241	<b>4,833</b>	1,256	1,274
Leaver costs	102	8	12	44	<b>166</b>	6	37	23	67	<b>133</b>	24	33
Staff costs (including leaver costs)	1,172	1,073	1,110	1,199	<b>4,554</b>	1,162	1,247	1,249	1,308	<b>4,966</b>	1,280	1,307
Other operating costs^	1,285	1,371	1,370	1,502	<b>5,528</b>	1,406	1,395	1,453	1,633	<b>5,887</b>	1,437	1,442
Own work capitalised^	(172)	(206)	(169)	(175)	<b>(722)</b>	(161)	(159)	(179)	(175)	<b>(674)</b>	(171)	(175)
<b>Sub total</b>	<b>2,285</b>	<b>2,238</b>	<b>2,311</b>	<b>2,526</b>	<b>9,360</b>	<b>2,407</b>	<b>2,483</b>	<b>2,523</b>	<b>2,766</b>	<b>10,179</b>	<b>2,546</b>	<b>2,574</b>
POLO's	988	964	880	893	<b>3,725</b>	1,009	989	1,032	1,015	<b>4,045</b>	1,006	1,034
Depreciation and amortisation	700	704	695	745	<b>2,844</b>	706	690	707	770	<b>2,873</b>	700	700
Amortisation of acquired intangibles	-	-	-	-	-	3	2	3	3	<b>11</b>	3	3
<b>Total costs*</b>	<b>3,973</b>	<b>3,906</b>	<b>3,886</b>	<b>4,164</b>	<b>15,929</b>	<b>4,125</b>	<b>4,164</b>	<b>4,265</b>	<b>4,554</b>	<b>17,108</b>	<b>4,255</b>	<b>4,311</b>

^ 2005/6 restated to exclude external software development related activity from both Other Operating Costs and Own Work Capitalised

\* Under IFRS basis and before specific items

Shading = not restated

Capex by Line of Business	2004/5					2005/6					2006/7	
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m	Q3 £m	Q4 £m	Total £m	Q1 £m	Q2 £m
<b>BT Retail</b>	<b>31</b>	<b>41</b>	<b>44</b>	<b>54</b>	<b>170</b>	<b>35</b>	<b>33</b>	<b>32</b>	<b>53</b>	<b>153</b>	<b>40</b>	<b>40</b>
<b>Openreach</b>						<b>257</b>	<b>246</b>	<b>270</b>	<b>265</b>	<b>1,038</b>	<b>271</b>	<b>279</b>
Access	269	274	268	225	<b>1,036</b>	20	20	19	22	<b>81</b>	16	17
Switch	30	25	31	14	<b>100</b>	10	8	9	5	<b>32</b>	2	2
Transmission	45	50	73	62	<b>230</b>	32	39	35	33	<b>139</b>	20	23
Products/Systems Support	133	199	142	141	<b>615</b>	168	131	158	266	<b>723</b>	162	224
<b>BT Wholesale</b>	<b>477</b>	<b>548</b>	<b>514</b>	<b>442</b>	<b>1,981</b>	<b>230</b>	<b>198</b>	<b>221</b>	<b>326</b>	<b>975</b>	<b>200</b>	<b>266</b>
Solutions and C&SI	47	61	66	86	<b>260</b>	51	49	55	61	<b>216</b>	53	53
UK Networks	37	35	24	25	<b>121</b>	27	32	23	33	<b>115</b>	24	23
Other	60	65	51	48	<b>224</b>	64	90	91	126	<b>371</b>	72	100
<b>BT Global Services</b>	<b>144</b>	<b>161</b>	<b>141</b>	<b>159</b>	<b>605</b>	<b>142</b>	<b>171</b>	<b>169</b>	<b>220</b>	<b>702</b>	<b>149</b>	<b>176</b>
Others (includes Fleet and Property)	42	53	71	89	<b>255</b>	52	46	67	109	<b>274</b>	55	51
<b>Total</b>	<b>694</b>	<b>803</b>	<b>770</b>	<b>744</b>	<b>3,011</b>	<b>716</b>	<b>694</b>	<b>759</b>	<b>973</b>	<b>3,142</b>	<b>715</b>	<b>812</b>
Shading = not restated for proforma Openreach												

Total Fixed Network Calls														
Quarterly Minutes (billions)	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
Internet Related and Other Non Geo	13.94	13.06	12.51	<b>12.45</b>	10.93	10.13	9.33	<b>8.68</b>	7.51	6.86	6.20	<b>5.87</b>	5.00	4.37
Fixed to Mobile	2.37	2.37	2.29	<b>2.26</b>	2.21	2.20	2.13	<b>2.08</b>	2.13	2.08	2.02	<b>1.99</b>	1.99	1.98
<b>Total Non Geographic Calls</b>	<b>16.31</b>	<b>15.43</b>	<b>14.79</b>	<b>14.70</b>	<b>13.13</b>	<b>12.33</b>	<b>11.46</b>	<b>10.76</b>	<b>9.64</b>	<b>8.94</b>	<b>8.22</b>	<b>7.86</b>	<b>6.99</b>	<b>6.35</b>
Local	12.04	11.67	11.89	<b>11.78</b>	10.61	10.34	10.42	<b>10.15</b>	9.53	9.02	9.15	<b>9.01</b>	8.20	7.93
National	6.14	6.09	6.07	<b>6.09</b>	5.53	5.51	5.46	<b>5.33</b>	5.09	4.90	4.87	<b>4.87</b>	4.47	4.42
International	0.56	0.55	0.56	<b>0.55</b>	0.52	0.52	0.52	<b>0.50</b>	0.49	0.48	0.47	<b>0.47</b>	0.45	0.45
<b>Total Geographic</b>	<b>18.74</b>	<b>18.31</b>	<b>18.51</b>	<b>18.43</b>	<b>16.66</b>	<b>16.37</b>	<b>16.40</b>	<b>15.98</b>	<b>15.11</b>	<b>14.40</b>	<b>14.49</b>	<b>14.35</b>	<b>13.12</b>	<b>12.80</b>
<b>Total Retail</b>	<b>35.04</b>	<b>33.74</b>	<b>33.30</b>	<b>33.13</b>	<b>29.79</b>	<b>28.70</b>	<b>27.86</b>	<b>26.74</b>	<b>24.75</b>	<b>23.34</b>	<b>22.71</b>	<b>22.21</b>	<b>20.11</b>	<b>19.15</b>
Freephone and FRIACO	23.20	22.10	22.23	<b>23.64</b>	20.88	18.55	16.71	<b>15.84</b>	12.83	9.90	8.38	<b>7.16</b>	5.96	4.75
<b>BT Group Originating Calls*</b>	<b>58.24</b>	<b>55.84</b>	<b>55.54</b>	<b>56.77</b>	<b>50.67</b>	<b>47.25</b>	<b>44.57</b>	<b>42.58</b>	<b>37.58</b>	<b>33.24</b>	<b>31.09</b>	<b>29.37</b>	<b>26.07</b>	<b>23.90</b>
* Excluding Payphones and Directories (c0.3bn mins/qtr)														
Total Fixed Network Calls														
Quarterly Year on Year Minutes Change	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
Internet Related and Other Non Geo	(11)%	(12)%	(16)%	<b>(16)%</b>	(22)%	(22)%	(25)%	<b>(30)%</b>	(31)%	(32)%	(34)%	<b>(32)%</b>	(33)%	(36)%
Fixed to Mobile	5%	1%	(2)%	<b>(2)%</b>	(7)%	(7)%	(7)%	<b>(8)%</b>	(4)%	(6)%	(5)%	<b>(4)%</b>	(7)%	(5)%
<b>Total Non Geographic Calls</b>	<b>(9)%</b>	<b>(10)%</b>	<b>(14)%</b>	<b>(14)%</b>	<b>(19)%</b>	<b>(20)%</b>	<b>(23)%</b>	<b>(27)%</b>	<b>(27)%</b>	<b>(27)%</b>	<b>(28)%</b>	<b>(27)%</b>	<b>(28)%</b>	<b>(29)%</b>
Local	(7)%	(8)%	(10)%	<b>(8)%</b>	(12)%	(11)%	(12)%	<b>(14)%</b>	(10)%	(13)%	(12)%	<b>(11)%</b>	(14)%	(12)%
National	(7)%	(8)%	(9)%	<b>(7)%</b>	(10)%	(10)%	(10)%	<b>(12)%</b>	(8)%	(11)%	(11)%	<b>(9)%</b>	(12)%	(10)%
International	(3)%	(3)%	(3)%	<b>(4)%</b>	(7)%	(6)%	(7)%	<b>(9)%</b>	(6)%	(7)%	(9)%	<b>(8)%</b>	(8)%	(6)%
<b>Total Geographic</b>	<b>(7)%</b>	<b>(8)%</b>	<b>(9)%</b>	<b>(7)%</b>	<b>(11)%</b>	<b>(11)%</b>	<b>(11)%</b>	<b>(13)%</b>	<b>(9)%</b>	<b>(12)%</b>	<b>(12)%</b>	<b>(10)%</b>	<b>(13)%</b>	<b>(11)%</b>
<b>Total Retail</b>	<b>(8)%</b>	<b>(9)%</b>	<b>(11)%</b>	<b>(11)%</b>	<b>(15)%</b>	<b>(15)%</b>	<b>(16)%</b>	<b>(19)%</b>	<b>(17)%</b>	<b>(19)%</b>	<b>(18)%</b>	<b>(17)%</b>	<b>(19)%</b>	<b>(18)%</b>
Freephone and FRIACO	29%	18%	7%	<b>3%</b>	(10)%	(16)%	(25)%	<b>(33)%</b>	(39)%	(47)%	(50)%	<b>(55)%</b>	(54)%	(52)%
<b>BT Group Originating Calls*</b>	<b>4%</b>	<b>0%</b>	<b>(5)%</b>	<b>(5)%</b>	<b>(13)%</b>	<b>(15)%</b>	<b>(20)%</b>	<b>(25)%</b>	<b>(26)%</b>	<b>(30)%</b>	<b>(30)%</b>	<b>(31)%</b>	<b>(31)%</b>	<b>(28)%</b>

Fixed to Fixed Voice Market Share *			
	FY 04	FY 05	FY 06
Residential	<b>70%</b>	<b>64%</b>	<b>58%</b>
Business	<b>44%</b>	<b>42%</b>	<b>41%</b>
* BT annual estimates: Local, national, international and non-geographic voice minut			

Exchange Lines ('000)														
Product Group Summary	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
<b>Retail</b>														
Business Voice	5,539	5,483	5,395	<b>5,324</b>	5,260	5,148	5,043	<b>4,976</b>	4,895	4,789	4,735	<b>4,645</b>	4,558	4,473
Business ISDN	3,519	3,528	3,524	<b>3,500</b>	3,476	3,452	3,413	<b>3,382</b>	3,311	3,254	3,207	<b>3,152</b>	3,100	3,040
Business Broadband	158	184	218	<b>247</b>	272	297	343	<b>366</b>	390	416	448	<b>481</b>	507	534
Major Corporate Broadband	20	26	33	<b>40</b>	47	55	65	<b>75</b>	83	90	99	<b>103</b>	106	113
<b>Total Business</b>	<b>9,236</b>	<b>9,221</b>	<b>9,170</b>	<b>9,111</b>	<b>9,055</b>	<b>8,952</b>	<b>8,864</b>	<b>8,799</b>	<b>8,679</b>	<b>8,549</b>	<b>8,489</b>	<b>8,381</b>	8,271	8,160
Residential Voice	19,716	19,679	19,683	<b>19,649</b>	19,554	19,497	19,467	<b>19,405</b>	19,086	18,701	18,360	<b>17,863</b>	17,219	16,836
Residential ISDN	280	264	243	<b>221</b>	198	170	140	<b>115</b>	93	74	61	<b>49</b>	41	35
Residential Broadband	378	455	578	<b>680</b>	783	931	1,101	<b>1,339</b>	1,508	1,661	1,863	<b>2,084</b>	2,213	2,333
<b>Total Residential</b>	<b>20,374</b>	<b>20,398</b>	<b>20,504</b>	<b>20,550</b>	<b>20,535</b>	<b>20,598</b>	<b>20,708</b>	<b>20,859</b>	<b>20,687</b>	<b>20,436</b>	<b>20,284</b>	<b>19,996</b>	<b>19,473</b>	<b>19,204</b>
Total Voice	25,255	25,162	25,078	<b>24,973</b>	24,814	24,645	24,510	<b>24,381</b>	23,981	23,490	23,095	<b>22,508</b>	21,777	21,309
Total ISDN	3,799	3,792	3,767	<b>3,721</b>	3,674	3,622	3,553	<b>3,497</b>	3,404	3,328	3,268	<b>3,201</b>	3,141	3,075
Total Broadband (incl. Major Corporates)	556	665	829	<b>967</b>	1,102	1,283	1,509	<b>1,780</b>	1,981	2,167	2,410	<b>2,668</b>	2,826	2,980
<b>Total Retail Lines</b>	<b>29,610</b>	<b>29,619</b>	<b>29,674</b>	<b>29,661</b>	<b>29,590</b>	<b>29,550</b>	<b>29,572</b>	<b>29,658</b>	<b>29,366</b>	<b>28,985</b>	<b>28,773</b>	<b>28,377</b>	27,744	27,364
<b>BT Wholesale</b>														
BT Wholesale Broadband Connections	1,058	1,339	1,753	2,215	2,687	3,294	4,182	5,023	5,713	6,348	7,078	7,760	8,071	8,439
<b>Broadband numbers adjusted from Dec-04. This is due to all data now being sourced from equivalent BT Wholesale systems and also from the inclusion of BT own use and test lines</b>														

BT Together Packages ('000)														
	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
<b>Total</b>	<b>8,873</b>	<b>8,934</b>	<b>8,956</b>	<b>8,859</b>	<b>8,991</b>	<b>17,617</b>	<b>17,599</b>	<b>17,560</b>	<b>17,268</b>	<b>16,914</b>	<b>16,609</b>	<b>16,158</b>	<b>15,563</b>	<b>15,229</b>
Option 1	5,100	5,255	5,379	5,419	5,609	14,270	14,314	14,326	14,119	13,836	13,600	13,192	12,630	11,997
Option 2	1,087	1,173	1,220	1,218	1,250	1,269	1,290	1,317	1,344	1,387	1,409	1,442	1,478	1,785
Option 3	82	210	274	324	433	515	556	582	582	575	573	586	598	681
BTT Local	2,604	2,296	2,083	1,898	1,699	1,563	1,439	1,335	1,223	1,116	1,027	938	857	766

BT Mobility Connections ('000)														
	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
<b>Total</b>	<b>57</b>	<b>70</b>	<b>106</b>	<b>145</b>	<b>215</b>	<b>305</b>	<b>341</b>	<b>372</b>	<b>370</b>	<b>350</b>	<b>334</b>	<b>341</b>	<b>337</b>	<b>329</b>
Business	51	59	82	104	127	144	162	185	196	204	209	214	219	223
Consumer	6	11	24	41	88	161	179	187	174	146	125	127	118	106

Average Revenue per Consumer Household *														
	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Annual revenue	272	270	268	<b>266</b>	265	261	258	<b>254</b>	252	251	250	<b>251</b>	253	254
Contracted**	56%	57%	57%	<b>58%</b>	59%	60%	62%	<b>64%</b>	65%	66%	67%	<b>67%</b>	68%	69%
Non-contracted	44%	43%	43%	<b>42%</b>	41%	40%	38%	<b>36%</b>	35%	34%	33%	33%	32%	31%

\* Rolling 12 month consumer revenue, less mobile polos, divided by average number of primary lines

\*\* Includes line rental, broadband, select services and packages.

CPS Volumes ('000)														
	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
Number of users*	1,622	2,120	2,725	<b>3,299</b>	3,723	4,169	4,571	<b>4,909</b>	5,291	5,554	5,779	6,067	6,335	6,397
Net adds in quarter	578	498	605	<b>574</b>	424	446	402	<b>338</b>	382	263	225	288	268	62
* CPS numbers include those customers who have migrated from Indirect Access														
External WLR ('000)														
	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
Analogue lines / ISDN Channels	121	180	291	<b>377</b>	491	630	825	1,026	1,450	1,882	2,333	2,874	3,557	4,003
Net adds in quarter	30	59	111	<b>86</b>	114	139	195	<b>201</b>	424	432	451	<b>541</b>	683	446
External LLU Volumes ('000)														
	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
Full and Shared loops	6	8	8	<b>11</b>	14	20	28	<b>41</b>	72	122	192	356	580	838
Net adds in quarter	3	2	-	<b>3</b>	3	6	8	<b>13</b>	31	50	70	<b>164</b>	224	258