

News Release



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BT UNVEILS NEW STRUCTURE TO KEEP AHEAD OF THE GAME

BT today announced a new structure that will deliver faster, more resilient and cost effective services to customers wherever they are. The move is designed to accelerate BT's transformation into a networked IT services company, delivering software driven products over broadband. It builds on the success of the past five years, keeping BT ahead of the game.

BT is bringing together its world class people from design, operations, IT and networks into a single reporting structure under Andy Green who moves from being Chief Executive of BT Global Services to become CEO of Group Strategy and Operations. Francois Barrault becomes Chief Executive of BT Global Services and joins the BT Board. Francois moves from his current role of President of BT International where he has established a record of exceptional growth in BT's operations outside the UK. Both appointments take immediate effect.

Andy will lead two new business units that will design and operate services across the world to meet the needs of BT Retail, BT Global Services, BT Wholesale, Openreach and the wider communications industry. "BT Design" will be responsible for the design and development of new services. "BT Operate" will be responsible for their deployment and operation. Approximately 20,000 BT employees will move into these new units from other parts of the business.

The structure will benefit customers by bringing them new services quicker, making them more reliable, easy to buy and easy to use. In his new role Andy will also have responsibility for driving this transformational change throughout BT.

The lines of business, BT Retail, BT Global Services and BT Wholesale, retain their critical responsibility for marketing sales and customer service to their consumer, business and wholesale market segments. Openreach remains unchanged retaining its role of providing highly regulated products and services.

Ben Verwaayen, BT chief executive, said today: "This is the second phase of BT's transformation. The first phase saw BT shift its focus from narrowband to broadband. This next stage is equally important. It will see BT advance from a 20th century hardware-based company to a 21st century software-based services company. In a software driven world, services will be available in real time and around the globe, harnessing the potential of BT's 21st Century Network. The changes we are announcing today will drive new standards of excellence and shift power and choice decisively to customers."

Commenting on his new role, Andy Green said: "BT has built a fantastic business by being the first to recognize the growth potential for networked IT services. My challenge is to help keep BT ahead of the game. Bringing together our world class capabilities in IT networks and process skills will give us unrivalled agility and renewed focus on operational excellence."

Francois Barrault said: "I am thrilled to be taking over one of the great growth engines of BT. BT Global Services is a tremendous success story which has only just begun. The company's new structure brings improved levels of innovation and speed to market within our reach. It will enable BT to extend its position of world leadership in helping customers get the most out of their global operations".

Inquiries may also be made to the BT Group Newsroom on its 24-hour number: 020 7356 5369. From outside the UK dial + 44 20 7356 5369. All news releases can be accessed at our web site: <http://www.bt.com/newscentre>

About BT

BT is one of the world's leading providers of communications solutions and services operating in 170 countries. Its principal activities include networked IT services, local, national and international telecommunications services, and higher-value broadband and internet products and services. BT consists principally of four lines of business: BT Global Services, Openreach, BT Retail and BT Wholesale.

In the year ended 31 March 2006, BT Group plc's revenue was £19,514 million with profit before taxation of £2,040 million.

British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on stock exchanges in London and New York.

For more information, visit www.bt.com/aboutbt