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EUROPEAN PARLIAMENT AWARDS BT TWO LANDMARK CONTRACTS

BT today announced the signature with the European Parliament of two framework contracts, together worth up to 120 million euros. The five year contracts cover a wide range of networked IT services, including the supply of network equipment and applications as well as all associated professional services for the European Parliament's telecommunications infrastructure and systems. Service delivery will take place at the European Parliament's three main sites in Brussels, Luxembourg and Strasbourg.

The contracts address the needs of the European Parliament for high performance networked IT services in areas such as IP telephony, unified communications, videoconferencing, telepresence, security and internet access. They also cover the supply of network equipment and applications, including intelligent switches, routers and broadband multiplexers. BT will function as the sole supplier to the Parliament for related professional services such as systems integration, maintenance, training and reporting.

With the new contracts, BT strengthens its position in the global government sector and with European Union (EU) institutions in particular. BT already holds an inter-institutional contract with the EU for wide area network (WAN) services and provides multiple institutions with internet access as well as highly skilled consultancy through its professional services organisation. BT is also one of the UK's largest suppliers of networked IT solutions for government.

A representative for the European Parliament said: "BT put together a competitive and strong offering which really stood out. Their highly-skilled integration experts and a vendor agnostic approach should enable us to implement all communication infrastructures and services according to our Call for Tender specifications. This makes me confident that we have chosen the right partner, who will help our organisation to become more efficient and reduce costs."

Luis Alvarez, president EMEA & Latin America, BT Global Services, said: "I am extremely proud to announce these large government sector contracts. Our extensive portfolio of services and our professional services capabilities were instrumental in winning these deals. Our consultancy and systems integration expertise is increasingly recognised in the

industry. I want to thank the European Parliament for the trust they put into BT, and I look forward to delivering services of the highest possible quality to this forward looking institution.”

– ENDS –

For further information

Enquiries about this news release should 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.btplc.com/News>.

About BT

BT is one of the world’s leading providers of communications services and solutions, serving customers in more than 170 countries. Its principal activities include the provision of networked IT services globally; local, national and international telecommunications services to our customers for use at home, at work and on the move; broadband and internet products and services and converged fixed/mobile products and services. BT consists principally of four lines of business: BT Global Services, BT Retail, BT Wholesale and Openreach.

In the year ended 31 March 2011, BT Group’s revenue was £20,076m with profit before taxation of £1,717m.