



PRESS RELEASE

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Net2S SA ANNOUNCES A RE-ORGANISATION PROJECT OF ITS IT SERVICES ACTIVITIES IN FRANCE

Puteaux – 15 December 2008 : Net2S SA (“Net2S”) announces today a strategic reorganisation to bring together BT’s Managed Services and Professional Services activities in France into a single corporate entity. The reorganisation involves the merger of certain BT group companies and the transfer of certain business divisions from BT France SA (“BT France”) into Net2S, with the intention of streamlining the operations in France to enhance value for Net2S, BT France and their respective shareholders, customers and employees.

The reorganisation to combine these IT services activities into Net2S involves several steps, including:

- the contribution of the Global Professional Services (“GPS”) division by BT France to Net2S ,
- the contribution of the Applications Hosting (“AH”) division by BT France to Net2S,

(the “Contributions”)

les “Apports”

- the merger of BTIC-BT Infrastructures Critiques SA (“BTIC”), a 100% subsidiary of BT France, into Net2S.

(the “Merger”)

la “Fusion”

The newly enlarged Net2S will have ca. 2,300 employees and would be re-named BT Services. Following the Merger and Contributions, BT Services will focus on the selling and delivery of IT

Managed and Professional Services whilst BT France will focus on the selling and delivery of network services.

The contemplated reorganization is intended to make the Managed Services and Professional Services activities in France a more focused proposition to customers, existing employees and potential recruits, enabling the businesses to be managed more efficiently so as to enhance value for Net2S, BT France and their respective shareholders, customers and employees.

Following the consultations with the respective works councils of BT France, BTIC and Net2S and approval by the Boards of Net2S, BT France and BTIC, the related Merger and Contributions agreements have been signed late afternoon 15 December by BT France, BTIC and Net2S.

This project is part of BT's stated strategic intentions when it acquired a controlling stake in Net2S, as highlighted in the February 2008 offer information note¹.

A draft Document E, outlining the reorganization, will be filed with the France's Autorité des Marchés Financiers (AMF) in accordance with AMF regulations.

The valuations of the different assets contributed through the Merger and the Contributions are to be reviewed by Mr. Olivier Peronnet (Cabinet Finexi) and Mr. Alain Abergel, demerger and merger designated auditors. They are expected to deliver their report on the valuations and fairness of the parity ratio during January 2009.

Based on the valuation of the contributed assets, the Contributions shall result in the issuance of 4,676,956 new shares of Net2S in favour of BT France. The gross assets being transferred under the contribution of the GPS division amount to €22,4 million². The gross assets being transferred under the contribution of the AH division amount to €29,5million².

The Merger of BTIC into Net2S will be effected at a ratio of 1 BTIC shares for approximately 1.26 Net2S shares, and results in the issuance of 11,178,738 new shares of Net2S in favour of BT France as sole shareholder of BTIC. The gross assets involved in the Merger amount to €132,2 million².

The realisation of the Merger, Contributions and recapitalisation of BTIC shall result in the issuance in favour of BT France of a total of 15,855,694 new shares of Net2S. The total number of issued shares of Net2S following the Merger and Contributions will be 29,009,539.

The benefits of the newly issued shares will be effective from the beginning of the current fiscal year, being 1st April 2008.

The Merger and the Contributions are conditional on the approval by the shareholders of BTIC, BT France and Net2S. The respective extraordinary general meetings will be convened to be held on 27 February 2009.

¹ Excerpt of BT Group plc information note drafted by BT Group Plc within the scope of the simplified offer over the shares of Net2S for a price of 5.27 euros and which was stamped and registered by AMF on 8th February 2008 under the visa number 02-025, paragraph 1.3.2 (iii): "At some point of time in the future BT might decide to merge certain Net2S Group companies and/or assets with BT Group companies. The conditions of these possible merger operations would be subject to required consultation in due course wherever applicable." This prospectus is available on the following AMF web site: <http://www.amf-france.org/DocDoif/txtint/opdepotPdf/2008/208C028500.pdf>

² The gross assets are unaudited figures as at 30 September 2008, being the latest available information

As a consequence of these operations, BT France will file with AMF a public tender offer followed, as the case may be, by a squeeze-out, over the outstanding shares of Net2S not held by BT France. In anticipation of this filing, Mrs. Dominique Mahias, from Cabinet Kling Associé has been appointed by Net2S as independent expert, in accordance with the AMF regulations.

The launch of this public tender offer will be subject to completion of the Merger and Contributions after approval from the shareholders of Net2S, BT France and BTIC, the approval of the AMF and a review of the value of the newly enlarged Net2S by BT France and the independent expert. As such, the terms of any such offer are not yet finalised. A press release will be then issued in due course.

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About NET2S

NET2S is a consulting group specialized in the implementation of innovating solutions focusing on information and communication technologies, and a leading provider on the security market. Established in Paris, London, New York, Zurich, Brussels, Madrid and Casablanca, NET2S had 862 employees (including 699 consultants and engineers) at 30th June 2008. The combination of technological solutions and cross-functional offers, with dedicated business lines, particularly in the finance and telecoms sectors, allows NET2S to offer its customers high value added.

NET2S is a BT group company.

For more information, visit www.net2s.com

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About BT

BT is one of the world's leading providers of communications solutions and services operating in 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, Openreach, BT Retail and BT Wholesale.

In the year ended 31 March 2008, BT Group's revenue was £20,704 million with profit before taxation and specific items of £2,506 million.

BT Group plc is listed on stock exchanges in London and New York.

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