

# BT's 21CN – Open Innovation Platform

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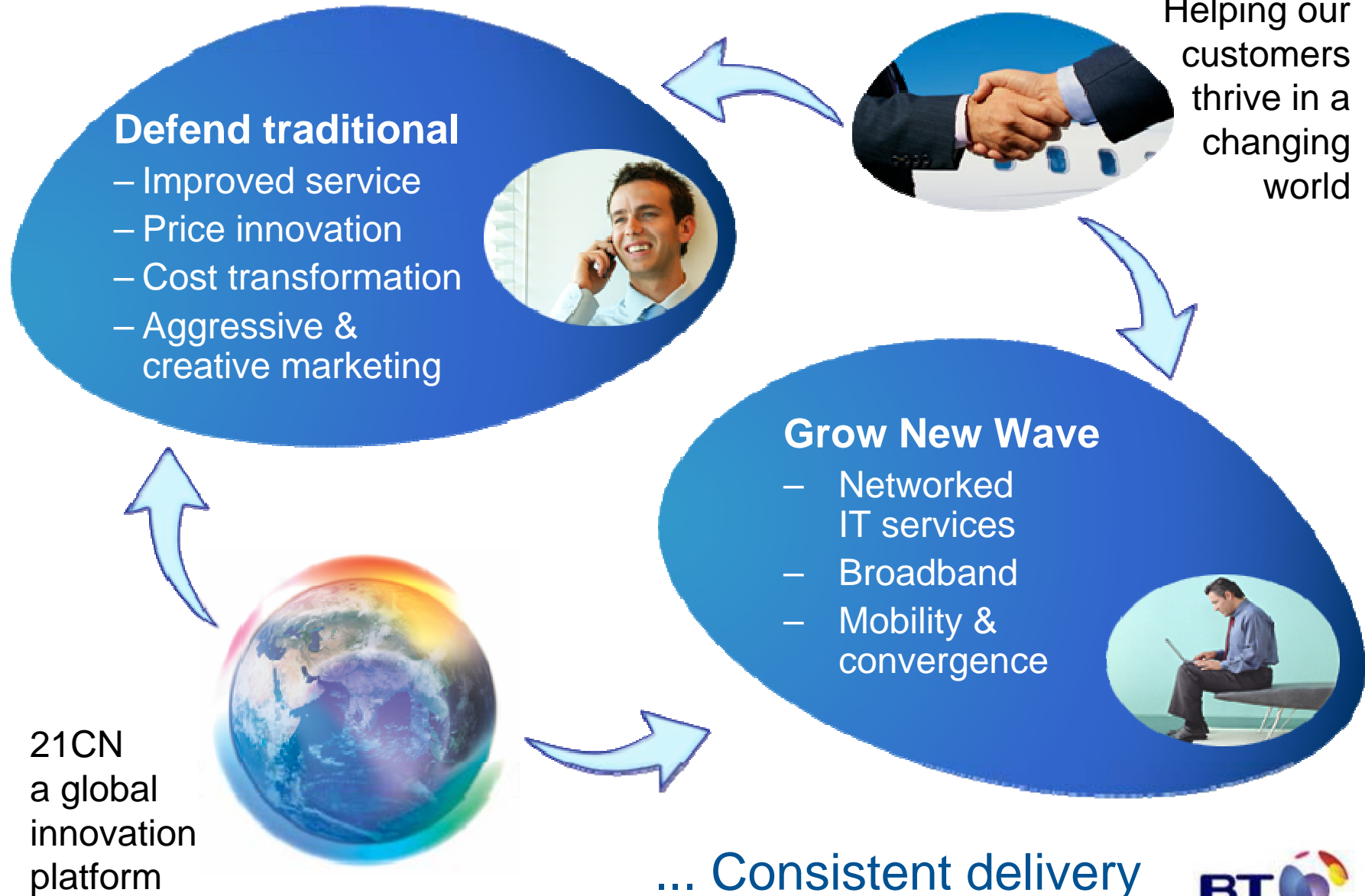
## Forward-looking statements - caution advised

- Certain statements in this presentation are forward-looking and are made in reliance on the safe harbour provisions of the US Private Securities Litigation Reform Act of 1995. These statements include, without limitation, those concerning: transformation of BT's networks and cost base; benefits to customers of the 21CN programme; anticipated capital spend on 21CN transformation and expected cash savings; timescales for delivery of 21CN; and delivery of instantly available broadband dialtone
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# The changing landscape



# BT's strategy to the changing landscape

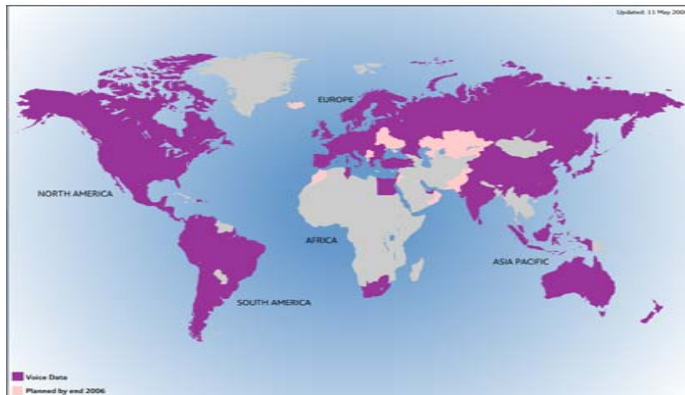


# About BT

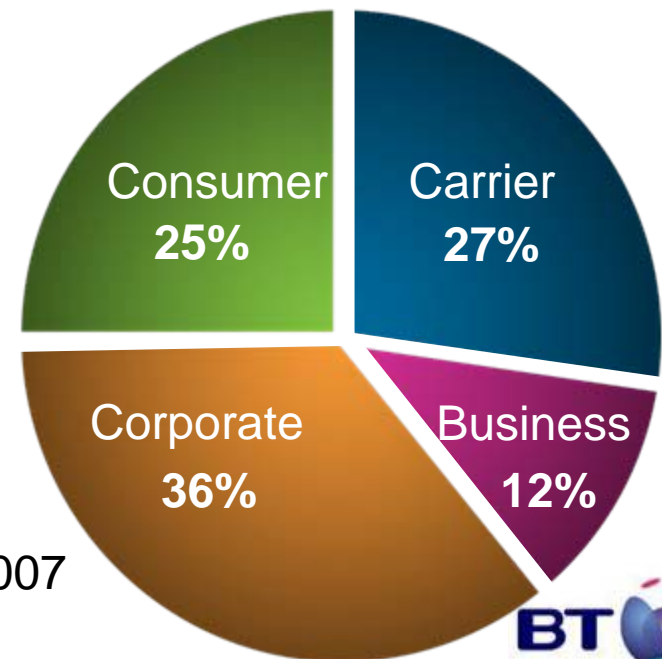
Financial Year 2006/7

Group revenue	£20.2bn	↑ 4%
EBITDA <sup>(1)</sup>	£5.6bn	↑ 2%
Earnings per share <sup>(1)</sup>	22.7p	↑ 16%

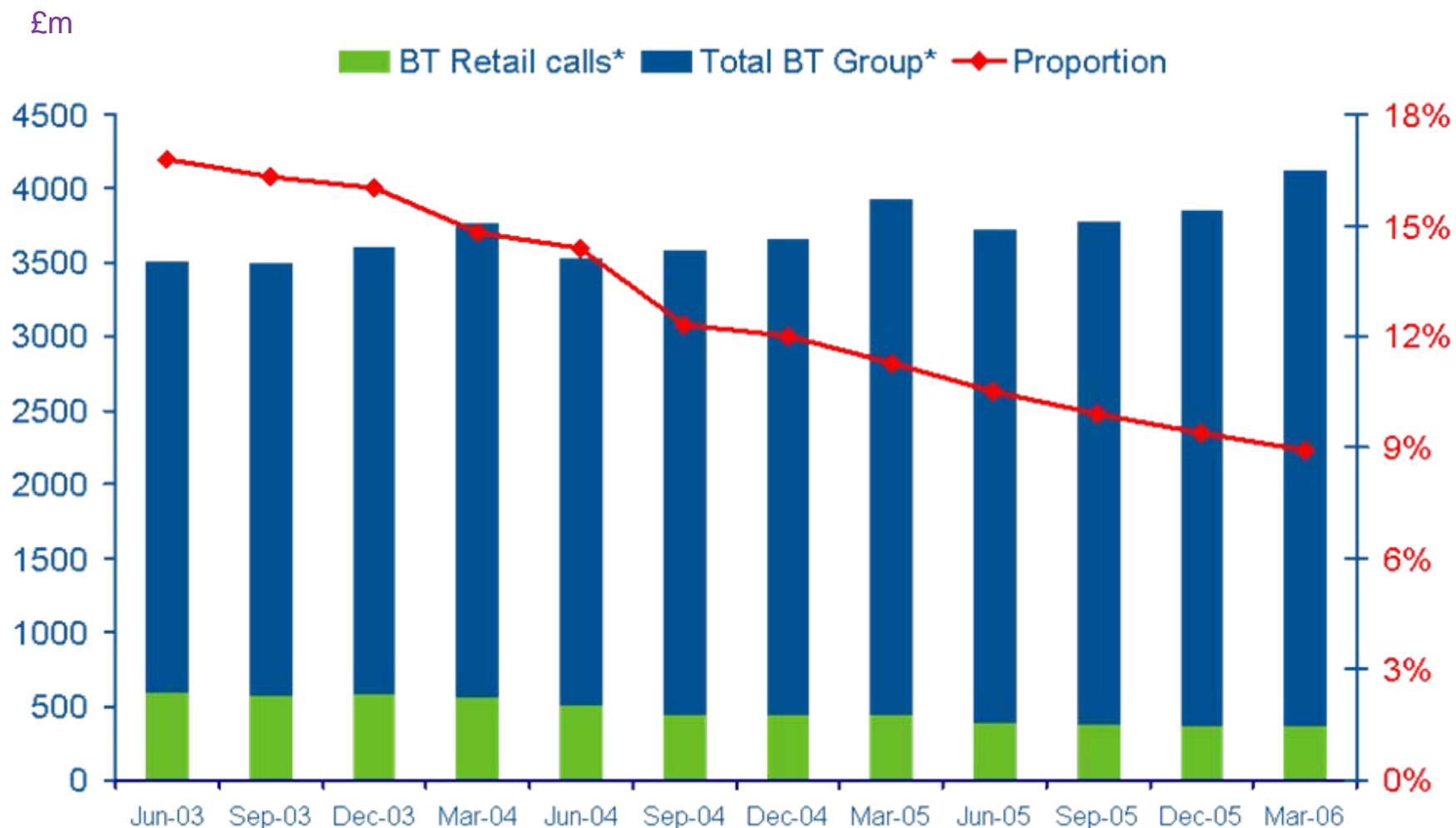
29.6 million **UK Retail lines** (2)



BT's MPLS network will span 160 countries by 2007



# Revenue - reduced reliance on calls



\* Revenue less POLO payments



# Move from **connectivity** to **services**

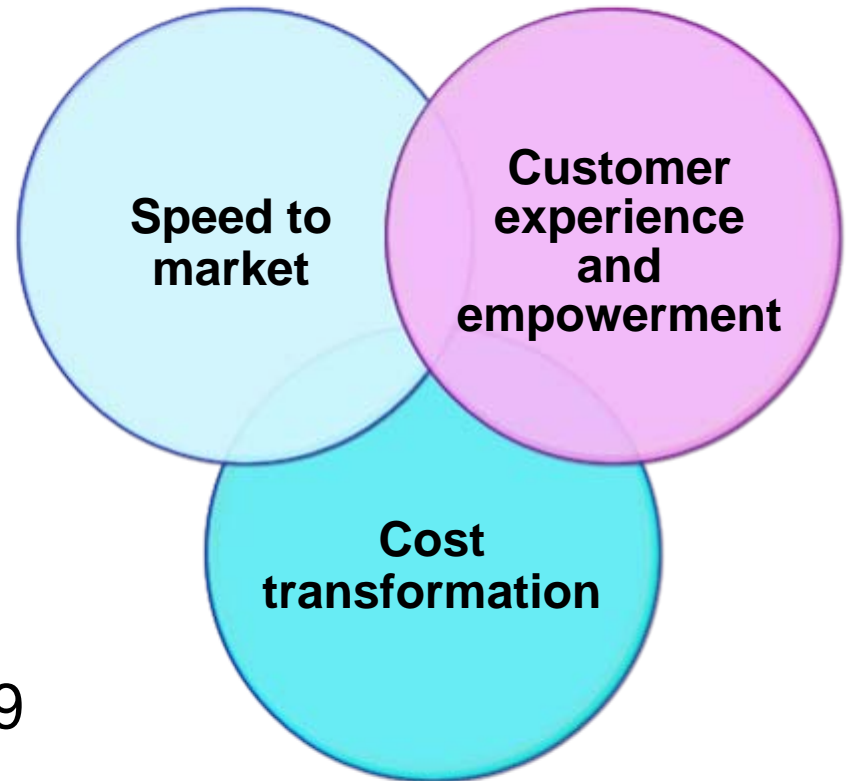
- Regulated
- Telco-specific
- 24m households
- In home
- Standard service to all
- Product push
- Mass market

- Liberalised
- Entrants from other markets
- 60m individuals in 24m households
- In home / out of home
- Differentiated by service
- Customer pull
- Targeted to individual

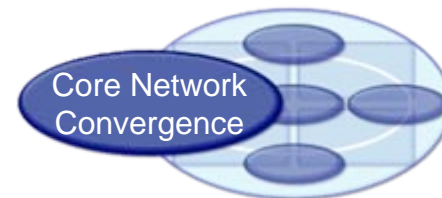
...**committed to** but not **limited by** access

# 21CN transformation

- Empower customers with control, choice and flexibility like never before
- Offer exciting new services for customers faster than before
- Reduce costs and increase cash cost savings: £1 billion per annum by 2008/9

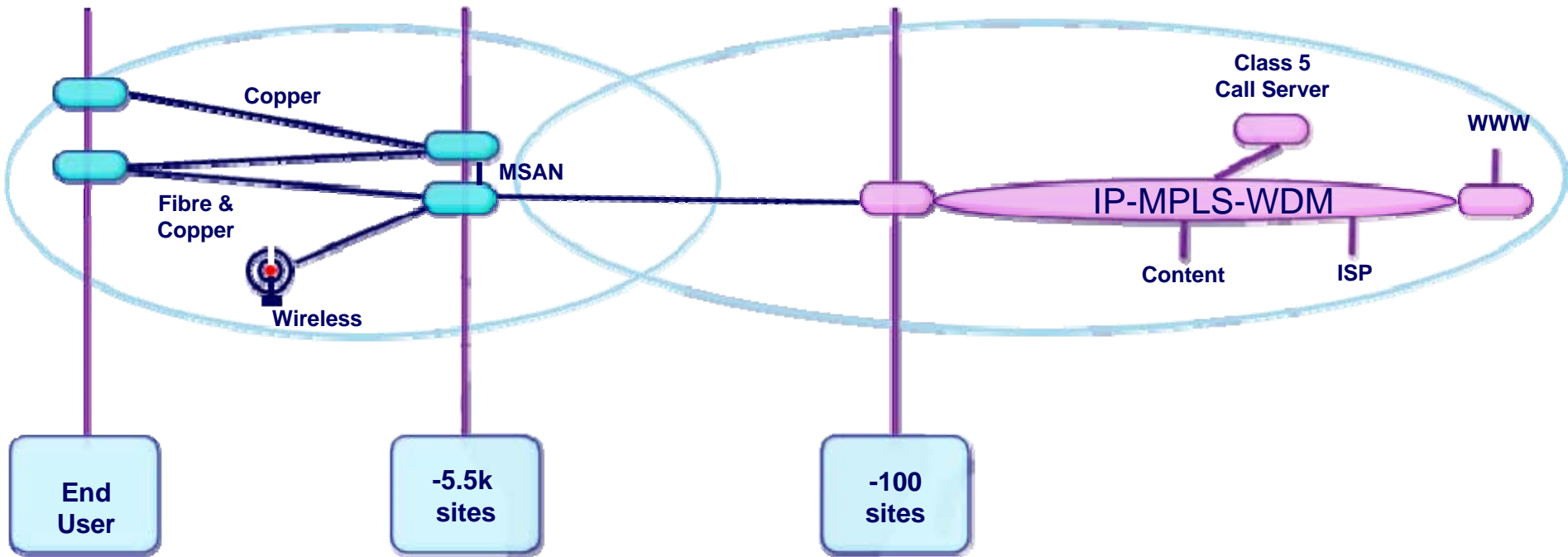


# 21CN driving a radical simplification



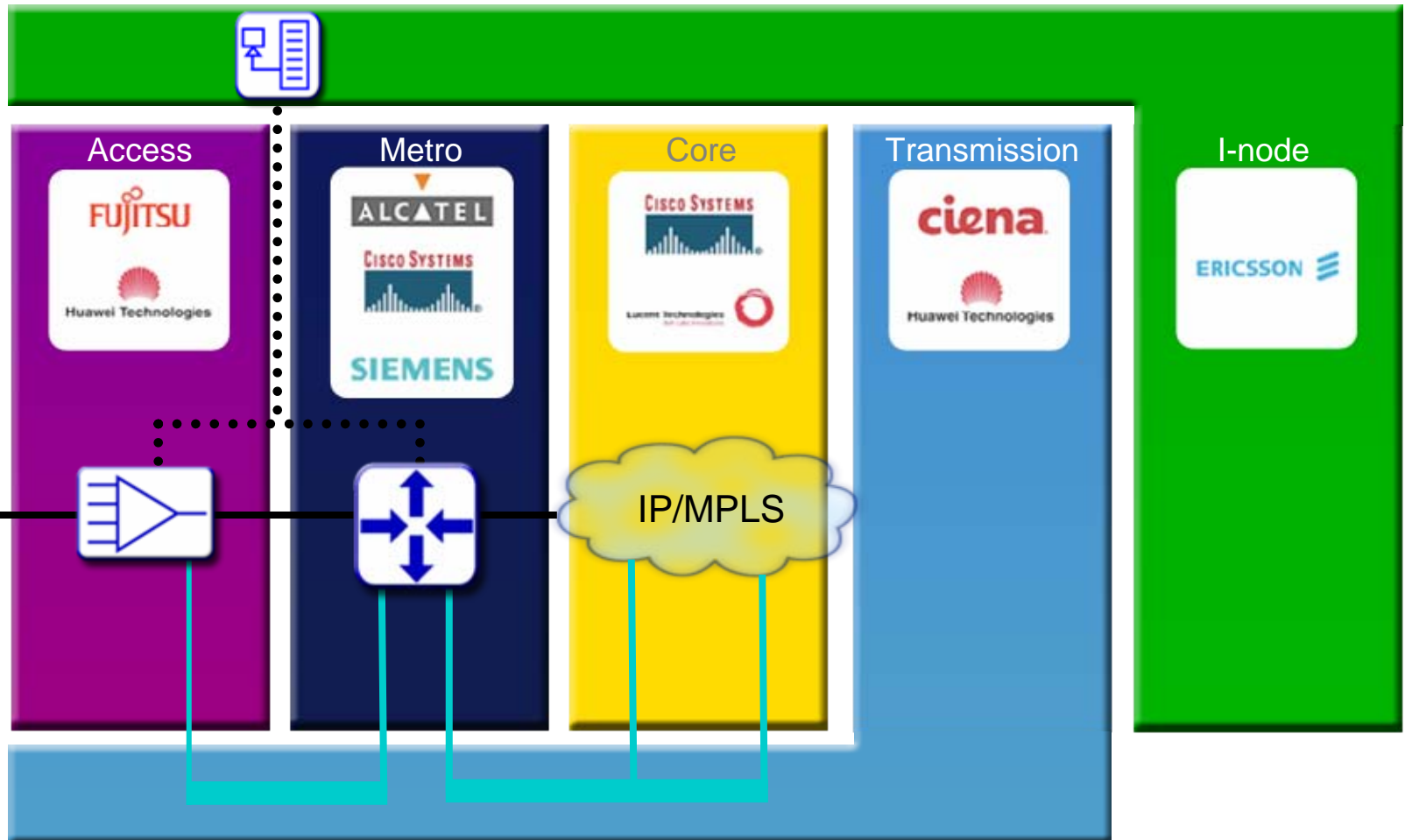
Multi-service access

Converged Core

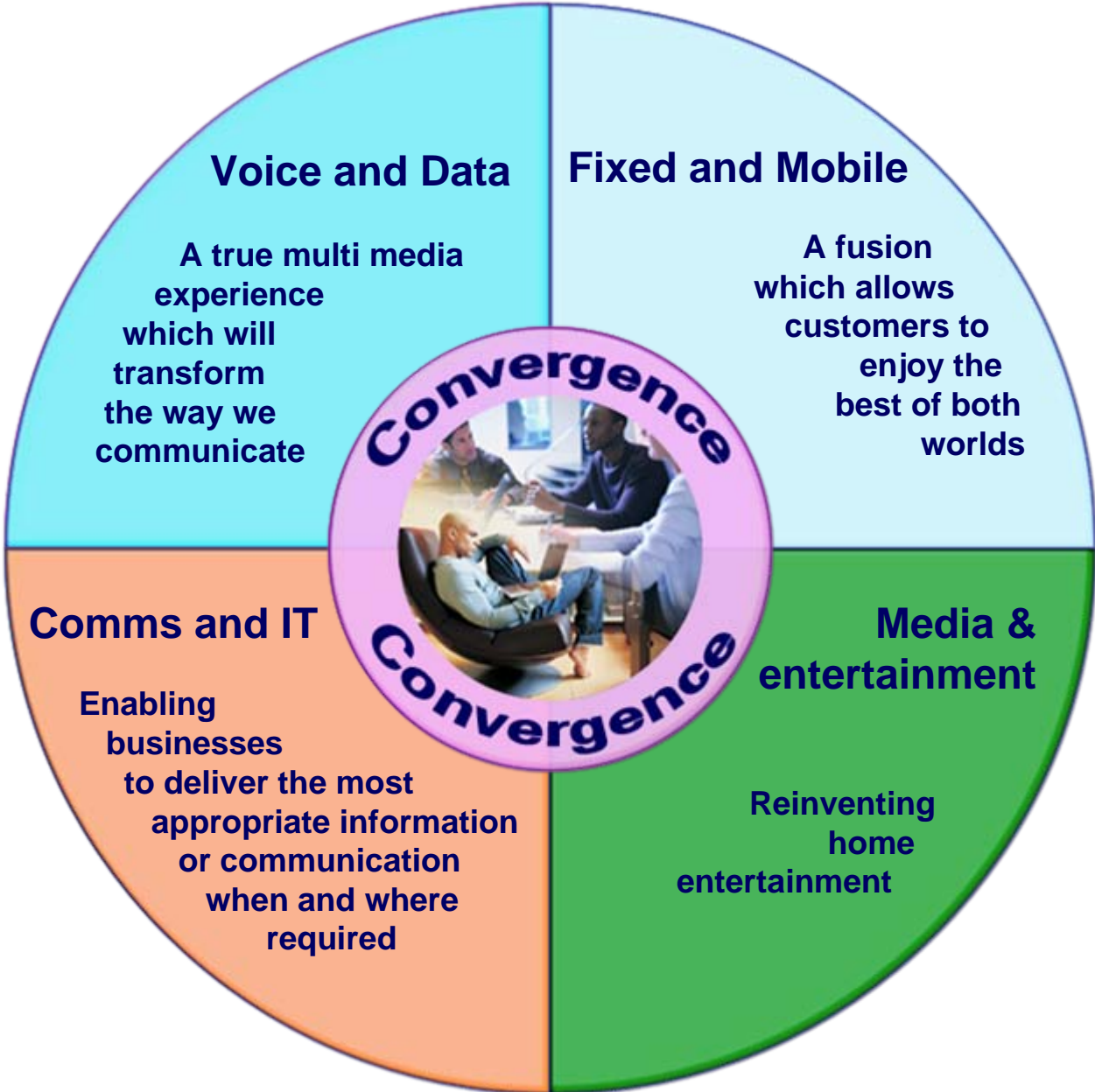


# 21CN

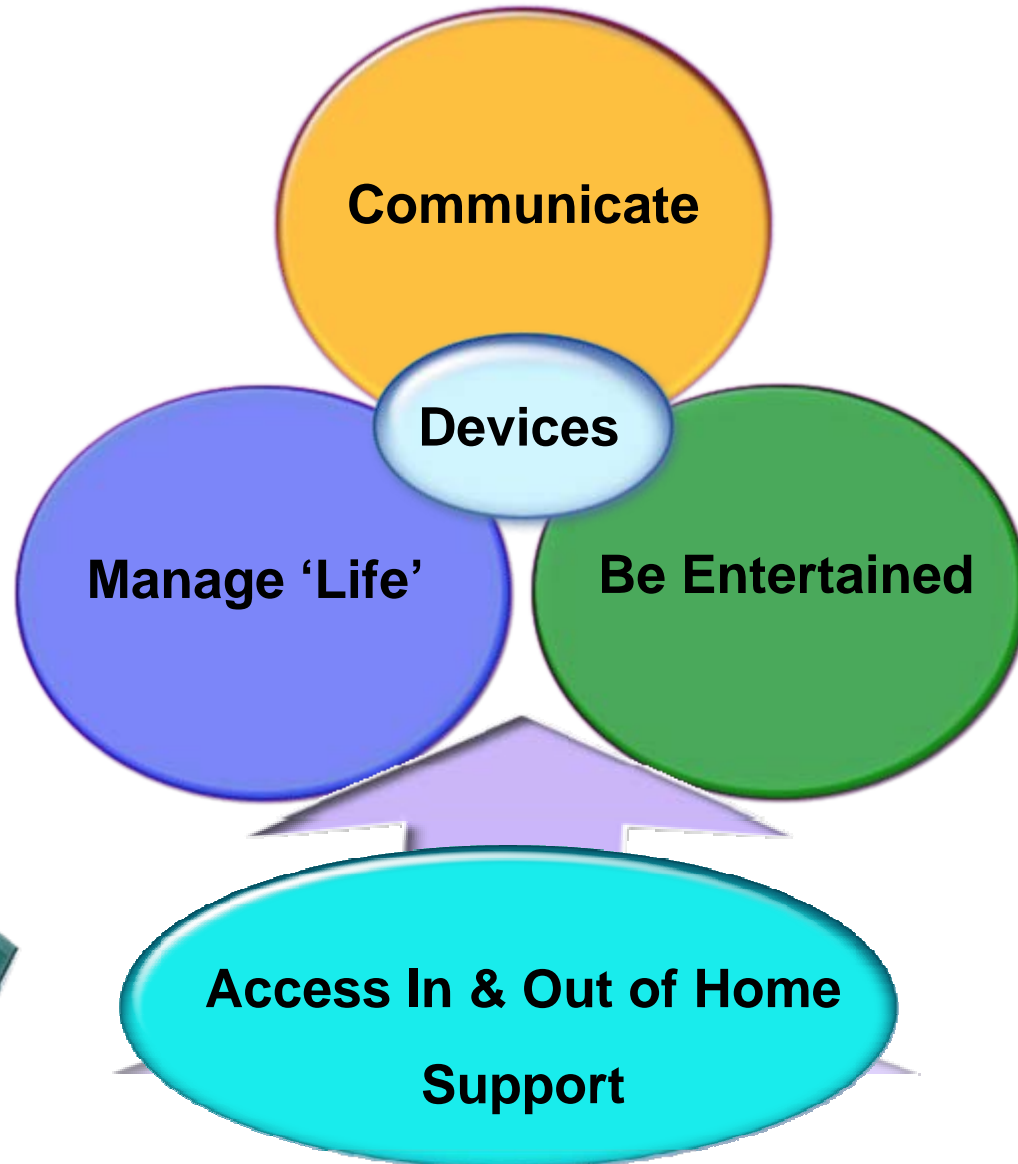
- call path through strategic domains in the UK



# Convergence sits at the heart of the future



# Convergence is at the heart of BT's strategy



# At home - BT Home Hub

- offering benefits for the family and home

Home



400k hubs distributed Q2

Remote diagnostics and support



# Wi-Fi devices

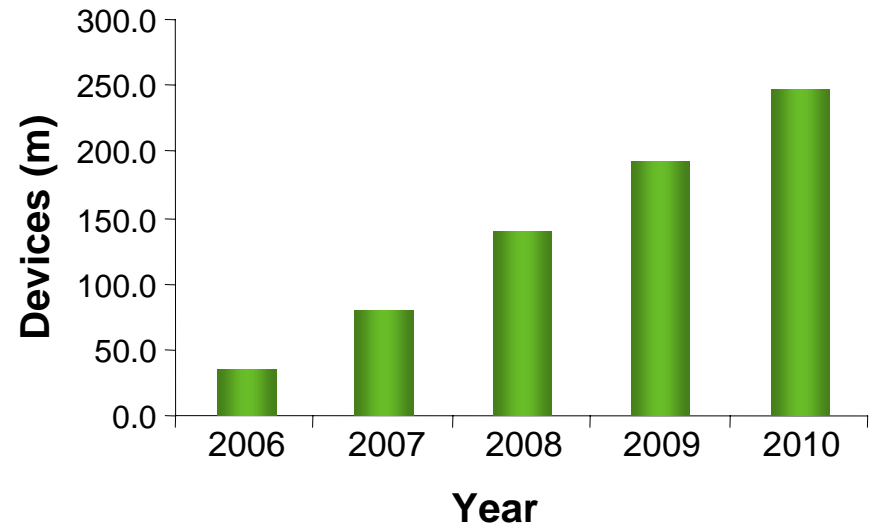
– key driver for mobility and convergence

Out and about

**WiFi Alliance® certifies  
3000th product**  
*August 2006*

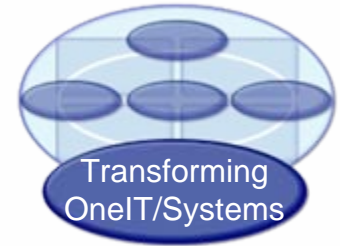
- **245.9 million Wi-Fi portable devices globally by 2010\***
- **125.5 million in Europe\***
- **22 million by 2011 in UK alone\***
- **Over 25 Wi-Fi/GSM devices by mid 2007**

Total wireless portable devices\*



\* Source: Strategy Analytics & BTCTO. Data includes digital cameras, MP3 players, media players and portable game consoles.

# Flexible platform rapid delivery



**BT Vision**  
Premieres soon

Customers



3rd Party Applications

BT Applications

Web Services & Software Development Kit

Future services

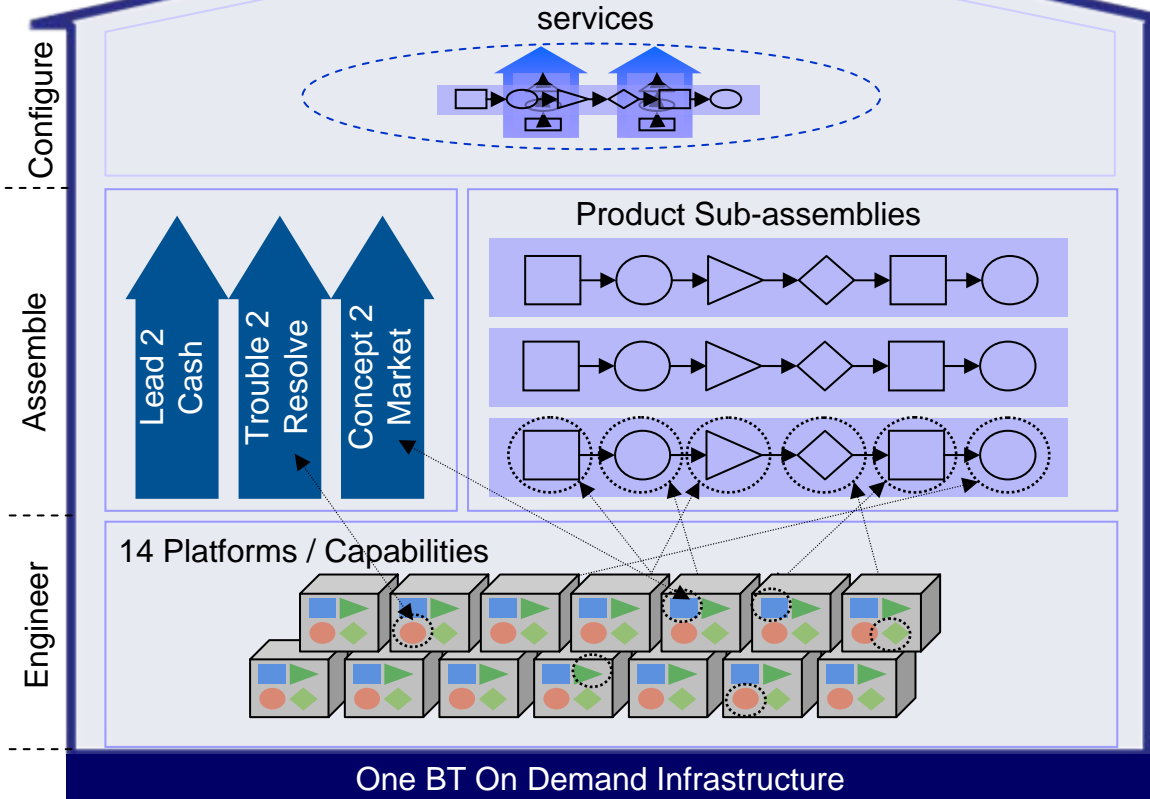
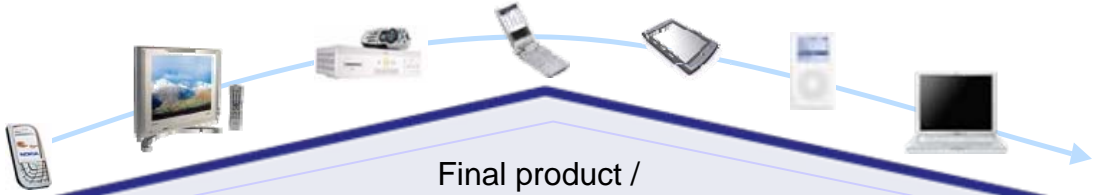
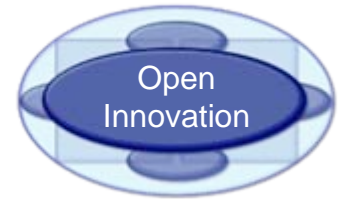


Web 21C

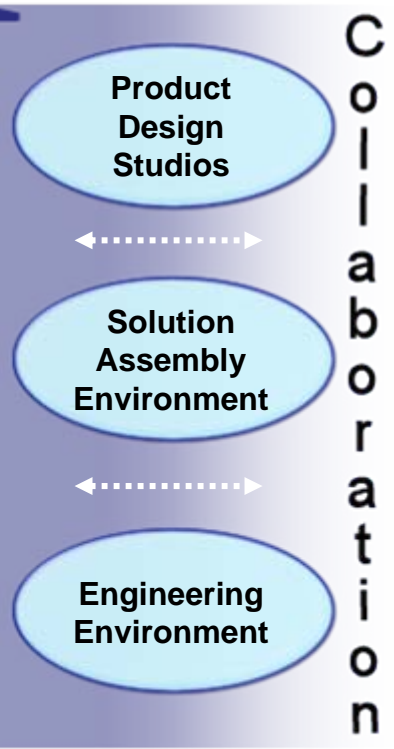
SDK available at [web21c.bt.com](http://web21c.bt.com)



# Open innovation unleashed



Global universe of innovators



One BT On Demand Infrastructure





Bringing it all together