

Delivering today Investing for tomorrow

Notice of
Annual General
Meeting 2004

10.30 am
14 July 2004

Cardiff International
Arena, Cardiff



Dear Shareholder

I have pleasure in sending you the Notice of this year's Annual General Meeting for shareholders of BT Group, which will be held in Cardiff on Wednesday 14 July 2004.

We like to give as many shareholders as possible the opportunity to attend the AGM. For that reason, each year we hold the meeting in a different city in the UK. To make the meeting accessible to even more shareholders, we will this year broadcast my speech and the speech of our Chief Executive, Ben Verwaayen, live over the internet. Details of how to view this webcast are on page 6 of this Notice.

Of the directors proposed for re-election this year, one is an independent non-executive director, John Nelson. I am pleased to provide confirmation to shareholders that we continue to regard John as an effective non-executive director. He makes a valuable contribution to the Board and has demonstrated a high level of commitment to the role.

Even if you are not able to come to the meeting in person, your vote is still important. I would urge you, regardless of the number of shares you own, to vote either by completing, signing and returning the enclosed form of proxy, or by registering your proxy appointment and voting instructions over the internet or by telephone or fax.

More than 150,000 shareholders now receive shareholder communications electronically rather than in paper form, resulting in cost savings for your Company. If you have not yet signed up for this facility and wish to do so, details are provided on page 11 of this Notice.

If you intend coming to this year's meeting, please either return the AGM Intention to Attend card or indicate your intention to attend over the internet or by phone.

I look forward to seeing you in Cardiff.

Yours sincerely

Sir Christopher Bland
Chairman

19 May 2004

Notice of Meeting

The 2004 Annual General Meeting of BT Group plc will be held at the Cardiff International Arena, Mary Ann Street, Cardiff CF10 2EQ on Wednesday 14 July 2004 at 10.30 am to consider the following:

Ordinary business

Resolution 1

That the accounts and reports of the directors and the auditors for the year ended 31 March 2004 be received.

The directors are required to present to the meeting the accounts, and reports of the directors and auditors, for the year ended 31 March 2004. They are contained in the Company's Annual Report.

Resolution 2

That the directors' remuneration report for the year ended 31 March 2004 be approved.

The directors are required to ask shareholders to vote on the report on directors' remuneration. A summary of the report is included in the Annual Review, which accompanies this Notice. A copy of the full report, contained in the Annual Report, is sent to shareholders if requested or it can be viewed on the Company's website (see "Internet" on page 11).

Resolution 3

That the final dividend of 5.3 pence per share recommended by the directors be declared payable on 6 September 2004 to holders of ordinary shares registered at the close of business on 6 August 2004.

The final dividend declared cannot exceed the amount recommended by the directors.

Resolutions 4-7: re-election of directors

Under the Company's articles of association ("articles"), in compliance with the Combined Code on Corporate Governance, all directors have to retire and be re-elected every three years at an Annual General Meeting. In the interests of good corporate governance, the Board has asked four directors to retire by rotation at this year's meeting even though Sir Christopher Bland is the only director who must do so under the articles. This is because all the others were elected directors within the past two years.

Information about the four directors who are proposed by the Board for re-election is given below each resolution.

Resolution 4

That Sir Christopher Bland be re-elected as a director.

Sir Christopher Bland was appointed to the Board of British Telecommunications plc as Chairman on 1 May 2001. He became Chairman of the Company at the time of the demerger of mmO2 in November 2001. He chairs the Nominating and Community Support Committees and is a member of the Pension Scheme Performance Review Group.

He was chairman of the BBC Board of Governors from 1 April 1996 until 30 September 2001. From 1972 to 1979, Sir Christopher was deputy chairman of the Independent Broadcasting Authority and chairman of its Complaints Review Board. In 1982, he became a non-executive director of LWT Holdings and was chairman from 1983 to 1994, when LWT was acquired by Granada Group. From December 1994 to May 2000, he was chairman of NFC. From 1977 to 1985, he was chairman of Sir Joseph Causton & Sons.

Sir Christopher, who was chairman of the Hammersmith and

Queen Charlotte's Hospitals Special Health Authority from 1982 to 1994 and of Hammersmith Hospital's NHS Trust from 1994 to February 1997, was knighted for his work in the NHS in 1993. He was chairman of the Private Finance Panel from 1995 to 1996 and a member of the Prime Minister's Advisory Panel on the Citizens' Charter. He is senior adviser at Warburg Pincus and chairman of the Royal Shakespeare Company. Aged 65.

Resolution 5

That Andy Green be re-elected as a director.

Andy Green was appointed to the Board on 19 November 2001. He is a member of the Operating Committee. In October 2001 Andy Green was appointed as Chief Executive of BT Global Services, BT's managed services and solutions provider, serving multi-site organisations worldwide. Since joining the Company in 1986, he has held a number of positions, including Chief Executive of BT Openworld and Group Director of Strategy and Development. Andy Green was a member of the former Executive Committee from February 1995. Aged 48.

Resolution 6

That Ian Livingston be re-elected as a director.

Ian Livingston was appointed Group Finance Director in April 2002. He is a member of the Operating Committee and the Pension Scheme Performance Review Group. Before joining the Company he was group finance director of Dixons Group, a position he held from 1997. He joined Dixons in 1991 after working for 3i Group and Bank of America International. His experience at Dixons spanned a number of operational and financial roles, both in the UK and overseas. He was also a director of Freeserve from its inception. Ian Livingston is a Chartered Accountant. He is a non-executive director of Hilton Group. Aged 39.

Resolution 7

That John Nelson be re-elected as a director.

John Nelson was appointed to the Board on 14 January 2002. He is a member of the Audit and Nominating Committees and the Pension Scheme Performance Review Group. A Chartered Accountant, he retired as chairman of Credit Suisse First Boston Europe (CSFB) on 31 January 2002. He was a member of the executive board and chairman of the European executive committee of CSFB.

Prior to joining CSFB in January 1999, John Nelson spent 13 years with Lazard Brothers. He was appointed vice chairman of Lazard Brothers in 1990. He was also a chairman of Lazard S.p.A. in Italy and a managing director of Lazard Freres, New York. He is deputy chairman of Kingfisher and a non-executive director of Hammerson. Aged 56.

Resolution 8

That PricewaterhouseCoopers LLP be reappointed auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and that their remuneration be fixed by the directors.

The resolution proposes the reappointment of PricewaterhouseCoopers LLP as the Company's auditors. In accordance with standard practice, it gives authority to the directors to decide how much they should be paid.

Special business

The following resolution will be proposed as an ordinary resolution.

Resolution 9

That the authority and power conferred on the directors in relation to the Section 80 Amount by Article 74 of the Company's articles of association be renewed until 13 October 2005 and for that period the Section 80 Amount shall be £142 million.

Under the Companies Act 1985 (Section 80), the directors of a company may allot unissued shares only if authorised to do so. The articles give a general authority to the directors to allot unissued shares, but that authority is subject to renewal by shareholders. Passing this resolution will continue the directors' flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares.

The directors will be able to issue new shares up to a nominal value of £142 million (the Section 80 Amount), which is equal to approximately 33% of the issued share capital (excluding treasury shares) of the Company as at the date of this Notice.

As at 14 May 2004, the Company held 44.2 million treasury shares which is equal to 0.5% of the issued share capital of the Company (excluding treasury shares) in issue as at that date.

The following two resolutions will be proposed as special resolutions.

Resolution 10

That the authority and power conferred on the directors by Article 74 of the Company's articles of association be:

- extended to any sale of shares which the Company may hold as treasury shares; and
 - renewed until 13 October 2005;
- and for that period the Section 89 Amount shall be £22 million.**

If shares are to be allotted for cash, the Companies Act 1985 (Section 89) requires those shares to be offered first to existing shareholders in proportion to the number of shares they hold at the time of the offer. However, it may sometimes be in the interests of the Company for the directors to allot shares other than to shareholders in proportion to their existing holdings.

All references to allotment in this note include the sale of treasury shares. (Treasury shares are explained more fully in the notes to Resolution 11).

The articles give the following general authorities to the Board, which are subject to renewal by shareholders, to allot shares:

- in connection with a rights issue – defined (in summary) as an offer of equity securities to shareholders which is open for a period decided by the Board, subject to any limits or restrictions which the Board thinks are necessary or appropriate; and
- not in connection with a rights issue – so that the pre-emption requirement does not apply to allotments of shares for cash up to a specific amount.

This resolution would allow the directors to allot shares for cash only:

- up to a nominal value of £22 million (the Section 89 Amount), which is approximately 5% of the Company's issued share capital (including treasury shares) as at the date of this Notice; or

- in a rights issue as defined in the articles (see above).

This means that the interests of existing shareholders are protected. If a share issue is not a rights issue, the proportionate interest of existing shareholders could not, without their agreement, be reduced by more than 5% by the allotment of new shares for cash to new shareholders by reference to the issued share capital at the date of this Notice.

There are no current plans to allot shares except in connection with the Company's employee share plans.

The authorities sought by Resolutions 9 and 10 will last for 15 months until 13 October 2005, although the directors intend to seek renewal of these powers at each Annual General Meeting.

Resolution 11

That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of shares of 5p each in the Company, subject to the following conditions:

- (a) the maximum number of shares which may be purchased is 859 million shares;
- (b) the minimum price which may be paid for each share is 5p;
- (c) the maximum price which may be paid for each share is an amount equal to 105% of the average of the middle market quotations of a share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and
- (d) this authority will expire at the close of the Annual General Meeting of the Company held in 2005, or if earlier, 13 October 2005 (except in relation to the purchase of shares, the contract for which was concluded before the expiry of this authority and which might be executed wholly or partly after that expiry).

The directors believe that it is helpful for the Company to continue to have the flexibility to buy its own shares and this resolution seeks authority from shareholders to do so.

This resolution would renew the 2003 authority, which was in similar terms, and would be limited to 859 million ordinary shares, representing 10% of the issued share capital (excluding treasury shares) at the date of this Notice.

The minimum and maximum prices to be paid for the shares are stated in the resolution. The directors would only exercise this authority after considering the benefits for shareholders generally. The purchase of shares by the Company under this authority would be a purchase in the market. It should not be confused with any share dealing facilities that may be offered to shareholders by the Company.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Regulations"), which came into effect on 1 December 2003, allow shares purchased by the Company out of distributable profits to be held as treasury shares, which may then be cancelled, sold for cash or used to meet the Company's obligations under its employee share plans.

During the 2004 financial year, 80.6 million shares were purchased (1% of the share capital) for a total consideration of £144 million, at an average price of £1.77 per share. 36.2 million shares were cancelled and 44.4 million shares were retained as treasury shares. As at 14 May 2004, 0.2 million treasury shares had been transferred to meet the Company's obligations under its employee share plans.

The Company's current intention is to hold any shares purchased as treasury shares but retains the flexibility to cancel

them if it considers this to be in the best interests of the Company. Any treasury shares used to meet the obligations under the Company's employee share plans will, so long as required under institutional investor guidelines, be counted towards the limits in the plans on the number of new shares which may be issued under them.

The authority sought by this resolution will end by 13 October 2005, although the directors intend to seek renewal of this power at each Annual General Meeting.

As at 14 May 2004, there were options outstanding over 427 million shares (of which options over 233 million shares were in respect of options granted under the savings-related share option plans), representing 2.7% of the Company's issued share capital (excluding treasury shares). If the authority given by this resolution were to be fully used, these would represent 3% of the Company's issued share capital (excluding treasury shares). There are no warrants outstanding.

The following resolution will be proposed as an ordinary resolution.

Resolution 12

That British Telecommunications plc, a wholly owned subsidiary of the Company, be authorised to make donations to EU (European Union) political organisations, not exceeding £100,000 in total, during the period beginning with the date of the 2004 Annual General Meeting and ending at the conclusion of the day on which the 2005 Annual General Meeting is held.

The Companies Act 1985 requires companies to obtain shareholder authority before they can make donations to EU political organisations (which include UK political parties). The definition of political donations used in the Act is very broad and, as a result, it covers activities that form part of normal relationships between British Telecommunications plc (BT) and the political machinery. These activities are not designed to support any political party nor to influence public support for a particular party and would not be thought of as political donations in the ordinary sense of those words. They are entirely non-political in nature and are designed so that BT can make MPs and others aware of key industry issues and matters affecting the Company. In the year to 31 March 2004 BT spent £25,690.

BT Group's policy is that it does not, directly or through BT or any other subsidiary, make what are commonly regarded as donations to any political party. The authority we are requesting from shareholders is not designed to change that policy. It will, however, ensure that BT acts within the provisions and definitions of the current UK law when carrying out the above activities.

Only shareholders on the Register of Members at 6.00 pm on 12 July 2004 are entitled to attend and vote.

A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to vote on his or her behalf.

A proxy need not be a shareholder of the Company.

On a poll, the number of shares held by each shareholder at 6.00 pm on 12 July 2004 will decide the number of votes that the shareholder may cast.

By order of the Board

Larry Stone
Secretary
81 Newgate Street
London EC1A 7AJ
19 May 2004

Documents

The following documentation, which is available for inspection during business hours at the registered office of the Company on any weekday (public holidays excluded), will also be available for inspection at the place of the Annual General Meeting from 9.30 am on the day of the meeting until the conclusion of the meeting:

- (a) the register of interests of directors (and their families) in the share capital of the Company;
- (b) copies of all service contracts and contracts of appointment between the directors and the Company; and
- (c) printed copies of this Notice and the documentation made available to shareholders using electronic communication, including the Annual Report and Form 20-F 2004 and the Annual Review 2004.

Your directors believe that the proposals in Resolutions 1 to 12 are in the best interests of both the Company and its shareholders. Accordingly, the directors unanimously recommend that you vote in favour of all these resolutions, as they intend to do in respect of their own beneficial holdings.

AGM Information

You have the right to attend, speak and vote at the Annual General Meeting if you are on the BT Group share register at 6.00 pm on 12 July 2004.

If you are not attending the meeting, you may appoint someone else as your “proxy” to attend the meeting and/or vote on your behalf, by post, fax, over the internet or by telephone. The number of shares you hold as at the above register deadline will decide how many votes you or your proxy will have if there is a poll.

Time of meeting

10.30 am on 14 July 2004. Doors open at 9.30 am to the shareholder helpdesk, for questions and queries, and to the reception area.

Place of meeting

Cardiff International Arena, Mary Ann Street, Cardiff, CF10 2EQ. A map and travel instructions are included on page 9 of this Notice.

If you are coming to the meeting

If you were sent an **AGM Intention to Attend Card**, please sign and return it. No stamp is required if posting within the UK, even if you use an envelope. You can also register your intention to attend over the internet (see Internet Proxy Appointment on page 7), or by calling the telephone number given for appointing proxies on page 7.

Admission Card/Form of Proxy

Please bring your **Admission Card/Form of Proxy**. It authenticates your right to attend, speak and vote and will speed your admission. You will need to keep it until the meeting ends. You may also find it helpful to bring with you this Notice and the **BT Annual Review 2004**, so that you can refer to them at the meeting.

Joint shareholders

All joint shareholders may attend and speak at the meeting. However, only the first shareholder listed on the Register of Members is entitled to vote.

Questions

Before voting on each resolution, shareholders will have the opportunity to ask questions. If you wish to ask a question, please make your way to a question point where there will be someone to help you.

If you are not coming to the meeting

Webcast

For the first time this year, the speeches by the Chairman, Sir Christopher Bland, and the Chief Executive, Ben Verwaayen, will be broadcast live on the internet at www.bt.com/btagm2004. Questions and voting on the business of the meeting will not be broadcast.

If you intend to view the webcast, you should visit this site before the meeting to check that you will be able to view it on your computer, and also whether you need any additional software.

Appointing a proxy

Whoever you appoint as proxy can vote, or abstain from voting, as he or she decides on any other business which may validly come before the meeting. This would include a proxy appointed using the CREST service (see below).

The proxy appointment and instructions (together with any authority – see notes 1.4 and 1.5 below), however submitted, must be received by Lloyds TSB Registrars by 10.30 am on Monday 12 July 2004 to be valid.

1. By post or fax

1.1 Appointing the Chairman as your proxy.

For convenience, the appointment of the Chairman has already been included.

1.2 Appointing someone other than the Chairman as your proxy.

You should delete the words “the Chairman of the meeting or” on the form, initial the alteration, and insert the name and address of your proxy in the space provided. A special admission card, together with a copy of this Notice, will be sent direct to the person you appoint.

1.3 Instructing your proxy how to vote.

If you have appointed the **Chairman** as your proxy, you can tell him how to vote on the resolutions to be proposed at the AGM by placing a cross in the appropriate box to indicate whether you wish your votes to be cast “For” or “Against” that resolution, or if you wish to “Abstain”. Unless you give specific instructions on how to vote on a particular resolution, the Chairman will have the discretion as to whether, and if so how, he votes.

If you have appointed **someone else** as your proxy, it is your responsibility to tell him or her how you want your votes cast. It is a good idea to fill in the form beforehand, otherwise he or she may vote (or abstain from voting) as he or she decides.

1.4 Completing the Form of Proxy

Before returning the **Form of Proxy**, please check that it has been signed and dated. In the case of joint holders, any one of you may sign. If someone signs on your behalf, the authority under which it is signed, (or a copy of the authority certified by a solicitor or notary), must be returned with the **Form of Proxy**.

1.5 Corporate appointment of proxy

Where the person appointing the proxy is a company, the **Form of Proxy** must either be sealed or signed by an officer of the company or an authorised attorney, and returned together with the appropriate authority or power of attorney.

1.6 Posting details

The FREEPOST return address is printed on the back of the **Form of Proxy**.

If you do not wish the **Form of Proxy** to be seen by anyone except the Company and the Registrar, you should post it in an envelope to:

Lloyds TSB Registrars (2450)
FREEPOST (KE7700)
The Causeway
Worthing
West Sussex BN99 6BU

There is no postage to pay if posted in the UK.

1.7 Shareholders outside the UK

Shareholders outside the UK should reply using the return-addressed envelope provided. If you live in a country covered by the International Business Reply Service, postage on the envelope has been prepaid.

1.8 Fax

You can fax the **Form of Proxy** to Freefone 0808 100 4142 (+44 1903 702341 from outside the UK).

2. Internet Proxy Appointment

You may appoint a proxy and/or indicate your intention to attend the meeting by logging on to www.sharevote.co.uk and following the instructions on the screen. You will need your Reference Number (the 24-digit number printed below your name and address on the accompanying **Admission Card/Form of Proxy**). Alternatively, if you are registered for the BT e-communication service, you can go to www.shareview.co.uk and click on "Company Meetings".

Any electronic communication that is found to contain a computer virus will not be accepted.

This internet service is governed by Lloyds TSB Registrars' conditions of use, which can be seen at www.sharevote.co.uk.

3. Telephone Proxy Appointment

You may appoint a proxy and/or indicate your intention to attend the meeting using the Lloyds TSB Registrars' telephone proxy appointment and voting instruction service ("Telephone Service") by calling Freefone 0808 100 4141 (or +44 1903 702892 from outside the UK) before 10.30 am on 12 July 2004.

Lines will be open from 8.30 am to 5.30 pm, Monday to Friday.

You should read the Conditions of the Telephone Service carefully before calling.

3.1 Information needed for the Telephone Service:

- your Reference Number – the 24-digit number printed below your name and address on the **Admission Card/Form of Proxy**;
- your Card ID and Account Numbers – printed alongside your Reference Number on the **Admission Card/Form of Proxy**;
- the name of the person you wish to appoint as your proxy, if not the Chairman; and
- your instructions on how you wish to vote on each resolution at the AGM.

3.2 Conditions of the Telephone Service

The use of the Telephone Service by the Company's shareholders, and participants in the BT Employee Share Ownership Scheme and BT Group EasyShare, is governed by Lloyds TSB Registrars' conditions of use of the service.

These conditions are legally binding and should be read carefully before using the Telephone Service.

3.3 Confirmations

Use of the Reference Number will be treated as confirming that the user:

- is registering to use the Telephone Service;
- has the right to vote their shares and/or give instructions; and
- has read, understood and agreed to be bound by these conditions of use.

3.4 Reference Number and security

Your Reference Number should be disclosed to someone else only if you want that person to access the Telephone Service on your behalf, and you have given that person power of attorney to do so. Corporate shareholders should note that revealing their Reference Number to a client may enable that client to use the Telephone Service in respect of the entire position.

3.5 Authority given by use of the Reference Number

Lloyds TSB Registrars and/or Lloyds TSB Registrars Corporate Nominee Limited and/or BT Employee Shares Trustees Limited and/or the Company ("Recipient Companies") will be entitled to act on instructions received via the Telephone Service by the use of a Reference Number without obtaining any further written or other confirmation, even if those instructions are not actually given or authorised by the shareholder, participant or duly authorised attorney. However, written confirmation of appointments may be insisted upon and additional security checks may be made where it is reasonably believed they are justified.

3.6 Availability of Telephone Service

Lloyds TSB Registrars will make all reasonable efforts to ensure that the Telephone Service is available during the times specified in the voting documentation, but circumstances beyond their control may mean that this is not possible.

3.7 Limitation of liability

None of the Recipient Companies is liable for any direct loss or damage resulting from making the Telephone Service available, unless directly caused by its negligence, fraud or deliberate default. Each of the Recipient Companies' liability for consequential and indirect losses is excluded (except in the case of fraud). None of the Recipient Companies will have any liability for instructions accepted via the Telephone Service in good faith.

3.8 Record keeping

Lloyds TSB Registrars may record all telephone conversations in connection with the Telephone Service and will keep all records of proxy appointments and other instructions given via the Telephone Service for up to one year.

3.9 Law

English law will govern these conditions of use and users of the service submit to the jurisdiction of the English Courts in connection with any dispute.

4. CREST Electronic Proxy Appointment

CREST members wishing to appoint a proxy using the CREST electronic proxy appointment service may do so by using the procedures set out in the CREST manual. If you are a CREST personal member, a CREST sponsored member, or a CREST member who has appointed a voting service provider (collectively known as “appointor members”), you should refer to your CREST sponsor or voting service provider(s), who can take the appropriate action for you.

So that a CREST proxy appointment or instruction to a proxy can be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in compliance with CRESTCo’s specifications and must contain the necessary information, described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so that Lloyds TSB Registrars (ID 7RA01) receive it by 10.30 am on 12 July 2004. The time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by asking CREST in the way CREST require.

CRESTCo does not make available special procedures in CREST for any particular messages, so normal system timings and limitations apply to the input of CREST Proxy Instructions. CREST members (or appointor members) are responsible for taking (or arranging for their CREST sponsor or voting service provider(s) to take) any necessary action to ensure that a message is transmitted by means of the CREST system by any particular time. There are practical limitations of the CREST system and timings which you and your CREST sponsors or voting service provider(s) need to consider.

The Company can treat as invalid a CREST Proxy Instruction in the circumstances permitted by legislation (Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001).

BT Employee Share Ownership Scheme (“ESOS”) participants

You do not have the right to attend the AGM, but may instruct the ESOS Trustees how to vote the shares they hold on your behalf by placing a cross in the relevant box on the enclosed **Voting Instruction Card**. If you do not wish the Trustees to vote on a particular resolution please leave the relevant boxes blank. You should then sign and date the card and return it to the Trustees (see posting details at 1.6 above) to be received by the Trustees no later than 10.30 am on 12 July 2004.

You may also give your voting instructions to the Trustees over the internet, by telephone or by fax (see above).

ESOS participants who are also shareholders

Where possible, you have been sent a **Form of Proxy/Admission Card** and a **Voting Instruction Card** together with only one copy of the **BT Annual Review** and this Notice.

You may have received separate sets of documents as it was not possible to combine your records e.g. as different dividend payment instructions apply.

To avoid additional mailings please contact Lloyds TSB Registrars to combine your records.

BT Group EasyShare (“EasyShare”) participants

You have been sent a separate **Form of Proxy/Admission Card**. You are able to attend the AGM and speak and vote your shares at the meeting. Because these shares are held through Lloyds TSB Registrars Corporate Nominee Limited (“NomineeCo”), it has been agreed that you may attend the AGM as NomineeCo’s corporate representative. Attendance at the meeting will be taken as acceptance of this arrangement. This also applies to joint holders, who may attend and speak at the meeting in the same capacity.

If you are not attending the meeting, you (or any other person named jointly with you on the **Form of Proxy**) may use the **Form of Proxy** to instruct NomineeCo to appoint the proxy of your choice to attend the meeting and vote on your behalf.

You may give your voting instructions over the internet, by telephone or fax, and can register your intention to attend over the internet or by telephone (see above).

BT Group Employee Share Investment Plan participants (allshare and directshare)

You do not have the right to attend the AGM, but may instruct the Trustee of the Plan, Halifax Corporate Trustees Limited, to vote shares held on your behalf. Halifax Corporate Trustees Limited have advised participants separately how they may give instructions for their shares to be voted.

AGM Venue

Venue arrangements

Admission

For security reasons and to speed up admission, it would be helpful if you did not bring suitcases or large bags, a camera, laptop computer or tape recorder. You may otherwise be required to deposit them in a secure property store for collection after the meeting.

Language

The proceedings of the meeting will be conducted in English. However, translation facilities will be available for those shareholders who wish to participate in Welsh. In addition, Welsh speaking personnel will be available to provide assistance.

Smoking

Smoking will not be permitted in the auditorium.

Mobile phones

Please ensure mobile phones or pagers are switched off for the duration of the meeting.

Refreshments

Tea and coffee will be available in the reception area before the meeting. Light refreshments will be served after the meeting.

Shareholders with disabilities

The following facilities will be available:

- sound amplification
- induction loop
- sign language interpretation, and
- wheelchair facilities.

Anyone accompanying a shareholder in need of assistance will be admitted to the meeting.

How to get there

The Cardiff International Arena (CIA) is located at Mary Ann Street, Cardiff CF10 2EQ.

If you travel by train

Cardiff Central railway station is 4 minutes' walk.

For further information please contact **National Rail Enquiries** on 08457 48 49 50 or visit www.thetrainline.com.

If you travel by bus or coach

Cardiff Bus and Coach Station, where most local buses start and terminate their journeys, is 4 minutes' walk.

If you travel by car

Directions for approaching the CIA

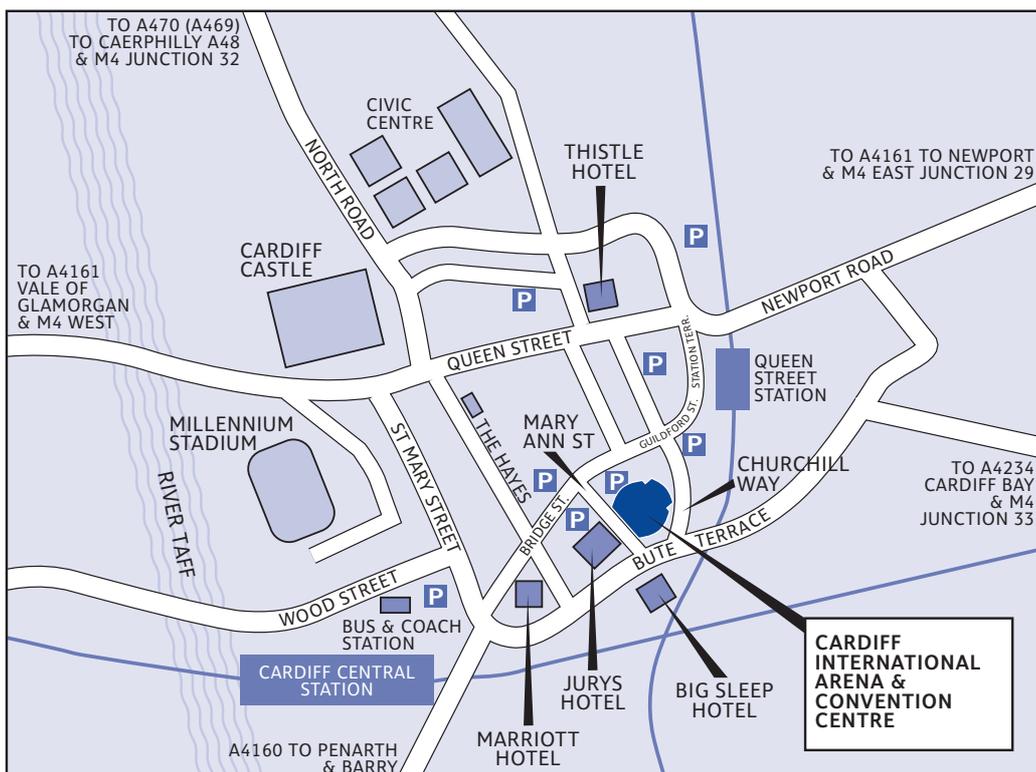
From the east: M4 junction 29, A48 (M), A4232, A4161, Newport Road, Station Terrace, Guildford Street, Bridge Street, Mary Ann Street.

There is a toll charge for vehicles travelling Westbound on the M4 at the Severn Bridge.

From the west: M4 junction 33, A4234, Bute Terrace, Mary Ann Street.

Car parking

There are a number of NCP car parks within walking distance.



Calendar of Key Dates

14 July 2004

Annual General Meeting. Details are in this Notice.

29 July 2004

First quarter results announced.*

6 September 2004

Proposed final dividend of 5.3 pence per share paid to shareholders who are on the register on 6 August 2004.*

11 November 2004

Second quarter and half year results announced.*

February 2005

Third quarter and nine months results announced.*
Payment of 2005 interim dividend.*

May 2005

Fourth quarter and full year results announced.*

June 2005

2005 annual report and accounts published.*

*Dates are based on present expectations.

The results announcements and financial highlights will all be available on our website at www.bt.com/sharesandperformance.

Recorded highlights of each results announcement will be featured on **Shareline** on Lo-call 0845 701 0707.

When you use one of BT's Lo-call numbers from anywhere within the UK, you pay only the price of a local call. Different rates may apply to calls from non-BT networks.

Electronic communication

Internet

There's a wealth of constantly updated information about the Company at www.bt.com/aboutbt.

Our Services for Shareholders pages at www.bt.com/sharesandperformance provide services of particular interest to our shareholders.

Shareholders can receive all BT shareholder communications electronically by using the BT e-communication service.

ShareholderPlus

ShareholderPlus is an exclusive range of online shareholder offers on products and services from BT and partner companies. It is available to BT shareholders who choose to receive shareholder communications using the BT e-communication service, and also have dividends paid directly to a bank or building society or join the BT Dividend investment plan.

Shareview

ShareholderPlus is provided to the Company's shareholders in association with the Lloyds TSB Registrars' **Shareview** service.

Shareview enables you to:

- access your shareholdings and view any recent sales, purchases or transfers
- build and manage a full portfolio of your shares online
- see all your dividend information including electronic tax vouchers
- update address and/or bank details online
- appoint a proxy to represent you at company meetings.

If you want to take advantage of ShareholderPlus offers and **Shareview** services, please go to www.bt.com/signup and follow the on-screen instructions (to take advantage of **Shareview** services only, you can go to www.shareview.co.uk), or call Freephone 0808 100 4141 (+44 121 433 4404 from outside the UK) and talk to one of our helpline operators.

Registration for ShareholderPlus and Shareview is free.

You will need your unique 8-character shareholder account number, (printed below your name on the accompanying **Admission Card/Form of Proxy**). You will be asked to choose a secret PIN, and once you have registered you will be sent a User ID by post. You can then use your User ID and PIN to get secure access to ShareholderPlus and/or **Shareview** whenever you like.

Shareholder Information

Report and accounts

The Company publishes two reports annually:

- **Annual Report and Form 20-F ("annual report")** – the Company's full report and accounts; and
- **Annual Review ("annual review")** – a shorter report, including a summary financial statement, designed to meet the needs of our private shareholders.

You will be sent only the annual review unless you notify us that you wish to receive the annual report.

The annual report for 2004 is also available on our website at www.bt.com/sharesandperformance.

Alternatively, you can request a printed copy of the annual report for 2004 and/or future years, free of charge, by calling the Shareholder Helpline or contacting Lloyds TSB Registrars (see "Enquiries" below).

Enquiries

Lloyds TSB Registrars maintain the Company's share register and, separately, the registers for the BT Employee Share Ownership Scheme (ESOS) and BT Group EasyShare. They also provide a telephone helpline service.

If you have any enquiries about the AGM, or about your BT Group shareholding, please contact Lloyds TSB Registrars:

By telephone to the BT Group Shareholder Helpline

Freephone: 0808 100 4141

Fax: 01903 833371

Textphone: Freephone 0800 169 6907

Email: bt@lloydtsb-registrars.co.uk

From outside the UK

Tel: +44 121 433 4404

Fax: +44 1903 833371

Textphone: +44 121 415 7004

Or in writing, remembering to include a daytime telephone number, to:

Lloyds TSB Registrars (2450)

The Causeway

Worthing

West Sussex BN99 6DA.

Data Protection Statement

Your personal data include all data provided by you, or on your behalf, which relates to you as an individual shareholder or as a participant in ESOS or EasyShare or other "participant", including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company (all references to the Company include BT Group plc and British Telecommunications plc)). The Company determines the purposes for which, and the manner in which, your personal data are to be processed. The Company and any third party to which it discloses the data (including Lloyds TSB Registrars) may process your personal data for the purposes of compiling and updating the Company records, fulfilling the Company's legal obligations and processing the shareholder rights you exercise.



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