

*BT is one of Europe's leading communications companies, offering high quality innovative voice, broadband, data, internet and wireless services. We aim to help our customers make the most of the unprecedented opportunities that are arising as communications technologies advance and develop.*

*We have announced our intention of forming two strong and separately listed companies, BT Wireless and Future BT, with the objective of further increasing our ability to build shareholder value.*

British Telecommunications plc is a public limited company registered in England, with listings on the London, New York and Tokyo stock exchanges.

This is the annual report for the year ended 31 March 2001. It complies with UK regulations and is the annual report on Form 20-F for the Securities and Exchange Commission to meet US regulations.

This annual report has been sent to shareholders who have elected to receive a copy. A separate annual review and summary financial statement for the year ended 31 March 2001 has been issued to all shareholders.