

Welcome to our Annual Review



BT Shareholder
The photographic theme for our review is "Everyday People" – reflecting the great diversity of our own shareholder base.

BT is one of Europe's leading providers of communications services. We aim to help our customers make the most of the opportunities that communications technology brings.

As well as voice services, we are concentrating on newer areas where we have already established a strong position, such as mobile, internet and e-business services and solutions.

As the next stage in the transformation of BT, we plan to create two strong and separately quoted businesses, BT Wireless and Future BT.

Contents

- 2** *Our new Chairman, Sir Christopher Bland, reflects on the challenges facing BT in the year ahead.*
- 4** *Chief Executive, Sir Peter Bonfield, explains the thinking behind our decision to restructure the business and reports on a year of progress.*
- 7** *Message from Sir Iain Vallance.*
- 8** *The new BT structure explained in full, along with key details about each new business and a review of performance in 2001. BT Retail, BT Wholesale, BT Wireless, BT Ignite and BTOpenworld.*
- 23** *Your BT Board provides its statutory report on the year.*
- 27** *Our Auditors' statement.*
- 28** *Your BT Board.*
- 30** *Our Summary Financial Statement provides brief details of our financial performance.*
- 32** *Further information for shareholders, including main points of contact and details of other publications.*