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Capgemini Transfers a Substantial Portion of European Network Services Unit to BT

Shift of Network Infrastructure Services Expands Footprint and Deepens Resources

Paris, (October 24, 2006) – Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, is transferring a substantial portion of the company's European Networking Infrastructure Services (NIS) operations.

The European NIS operations will be transferred to BT, a leading provider of communications solutions and services in 170 countries, specializing in networked IT services, national and international telecommunications, and higher-value broadband and internet products and services. BT will engage approximately 250 of Capgemini's NIS employees in Europe, including the UK and Spain. The company will provide NIS services to Capgemini customers, supplementing transferred Capgemini employees with BT staff.

"We made the decision to transfer a substantial portion of the European NIS to improve the overall value for our clients. This will also enable Capgemini to focus its own capabilities more on high-value, strategic and innovative work." said Paul Spence, CEO of Global Outsourcing Services for Capgemini.

"Infrastructure Management is critical to our clients, and a key part of our service portfolio. But we believe world-class networking infrastructure services can be more cost-effectively delivered by BT. This transfer is part of our commitment to deliver innovative solutions to meet the needs of our clients – either through our internal expertise or by leveraging best-in-class expertise of companies like BT.

"Customers will continue to be served not only by the Capgemini specialists, who will become BT employees, but also by BT's globally acclaimed communications services specialists" Spence said. "BT benefits because our experts will significantly deepen the company's enterprise knowledge, creating new opportunities. And NIS employees benefit from the new opportunities created by BT's focus on the networked IT services space."

Andy Green, CEO, BT Global Services, said: "We are delighted to have agreed this transformational deal with Capgemini. The two companies have an exceptionally good working relationship and we are excited by the growth potential of this new deal. We have a great record of taking on people in outsource deals. The people transferring to BT bring world class skills in serving the complex needs of large business and government customers."

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About Capgemini

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, which it calls the Collaborative Business Experience. Through commitment to mutual success and the achievement of tangible value, Capgemini helps businesses implement growth strategies, leverage technology, and thrive through the power of collaboration. Capgemini employs approximately 61,000 people worldwide and reported 2005 global revenues of 6,954 million euros. www.capgemini.com

About BT

BT is one of the world's leading providers of communications solutions and services operating in 170 countries. Its principal activities include networked IT services, local, national and international telecommunications services, and higher-value broadband and internet 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 2006, BT Group's revenue was £19,514 million with profit before taxation of £2,040 million. British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on stock exchanges in London and New York. For more information, visit www.bt.com/aboutbt

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