



PRESS RELEASE

Date: 19 July 2010

BT and partners propose secure long-range radio for national smart meter rollout

BT today announced it is joining forces with Arqiva and Detica to offer a dedicated and secure long-range radio communications solution for the Government's proposed smart metering initiative. Due to cover 28 million homes and small business properties by 2020 or sooner, this multi billion pound initiative is designed to reduce energy costs and lower Great Britain's carbon dioxide emissions by 2.6 million tonnes per year when the rollout is complete. Long-range radio has already proved successful in North America and offers substantial benefits in Great Britain.

BT is backing long-range radio after spending 18 months analysing the various communications options available to meet the needs of the smart metering initiative. Unlike mobile, it can provide truly nationwide coverage and dependable reception indoors. The fact it operates on dedicated licensed spectrum is also important as it is ideal in ensuring the security of supply and protection of consumer data while meeting the needs of the Energy Industry.

The envisaged solution will create a dedicated network specifically for the smart metering programme and use Arqiva's radio spectrum and extensive radio infrastructure, with BT providing its expertise in delivering complex national IT and telecommunications projects and Detica providing robust information and infrastructure security services. The partners will be supported by Sensus who specialise in enabling smart meters and smart grids and they will be providing their long-range radio technology, FlexNetTM. Their technology is already widely proven in other countries and this experience will ensure that the companies benefit from lessons learnt elsewhere.

The Government will soon publish a prospectus that will provide details about the project and the possible commercial opportunities. The partners will review this document and will then formally launch their proposal in September. Their aim will be to offer a universal,

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dedicated, secure and resilient nationwide communications network to underpin the Government's plans for smart meters and subsequent smart grid applications.

Olivia Garfield, BT Group Strategy Director, said: "Smart meters will use telecommunications to deliver important environmental benefits and so BT is determined to be at the heart of the project. It is vital that any solution is designed for ubiquitous coverage of homes and is thoroughly secure and resilient. We believe that long-range radio is the only technology to offer nationwide coverage and we will release more detail in a series of events in September."

"A communications network designed to meet the unique needs of all of Britain's utilities - electricity, gas and water - must be able to deliver universal connectivity and long-term resilience. And the only way to achieve this is through a dedicated network based on long-range radio. The collaboration of three of Britain's leading communications and security organisations provides further weight to this argument and provides the most effective way of delivering the government's target of rolling out smart meters to all homes in the shortest time possible," added John Cronin, Managing Director for Arqiva Wireless Access.

"The smart meter initiative will represent a significant addition to our critical national infrastructure and, as such, security and privacy must be key considerations in its design. We are working with the group to develop safeguards to ensure protection of the data, processes, communications networks and operational sites from risk and to demonstrate how the new infrastructure can be secured effectively," said Martin Sutherland, Managing Director, Detica.

This partnership between three of the UK's leading communications network and IT services providers brings together a leading combination of design and operational experience in the delivery of national, large-scale, communications and IT infrastructure projects to meet the smart meter challenge.

- Ends -

Notes to editors:

Smart meters will enable commercial and residential customers to monitor the gas and electricity being delivered to their properties. The Government believes that smart meters will play an important role in improving energy efficiency, reducing consumption and helping to meet national and international environmental targets. Smart meters will also help utility companies improve the efficiency and control of their networks, as well as provide the ability to offer tailored pricing packages based on customer usage patterns.

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As part of the EU's energy market liberalisation, 2020 has been set as the deadline for the deployment of smart energy meters across the majority of European homes and small businesses. The collaboration comes as the UK energy regulator, Ofgem, prepares to launch a prospectus outlining its vision for the introduction of smart meters later this month.

About BT

BT is one of the world's leading providers of communications solutions and services operating in more than 170 countries. Its principal activities include the provision of networked IT services globally; local, national and international telecommunications services to our customers for use at home, at work and on the move; broadband and internet products and services and converged fixed/mobile 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 2010, BT Group's revenue was £20,911 million.

British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group plc 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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About Arqiva

Arqiva, the communications infrastructure and media services company, operates at the heart of the broadcast, satellite and mobile communications markets. The company is at the forefront of network solutions and services in the digital world. Arqiva provides much of the infrastructure behind television, radio, satellite and wireless communications in the UK and has a significant presence in Ireland, mainland Europe and the USA. There are three business units:

Wireless Access provides cellular, wireless broadband, voice and data solutions for the mobile communications, public safety, local government, and commercial markets. Arqiva is the largest independent provider of radio sites in the UK and Ireland. With its own spectrum, the company can provide complete mobile communications networks including backhaul links.

Terrestrial Broadcast provides transmission for all UK terrestrial TV broadcasters, including the new networks being built for the Digital Switch Over. Transmission is also provided for BBC Radio and most commercial radio stations, both analogue and DAB. The company owns and operates two of the six UK digital terrestrial TV multiplexes, enabling major media companies to bring their TV and radio services to Freeview.

Satellite & Media provides global communication platforms to enterprise, government and broadcast customers around the world. It owns and operates teleports at key locations including Los Angeles, Washington, London and Paris, as well as comprehensive satellite capacity, an international terrestrial fibre network and extensive media facilities. These enable Arqiva to provide world leading organisations with a comprehensive range of services to deliver their data, broadcasts and media across the globe.

Arqiva has its headquarters near Winchester, with other major UK offices in London, Warwick, Buckinghamshire and Yorkshire and international offices in the USA, France and Italy. Customers include major broadcasters such as the BBC, ITV, BSkyB and the independent radio groups, major telco providers including the UK's five mobile network operators, and the emergency services.

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