

BT GROUP PLC
Form 6-K
May 27, 2009

Table of Contents

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Form 6-K
Report of Foreign Private Issuer**

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act 1934
Report on Form 6-K dated May 27, 2009

BT Group plc
(Translation of registrant's name into English)
BT Centre
81 Newgate Street
London EC1A 7AJ
England
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes No

Enclosure: Shareholder Magazine May 2009

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BT Group plc

By: /s/ Alan Scott

Name: Alan Scott

Title: Deputy Secretary

Date: May 27, 2009

Table of Contents

Bringing it all together

SHAREHOLDER MAGAZINE MAY 2009

Forward

BT FORWARD
Contents

**Volunteering for
London 2012**

The Games don't just inspire competing athletes.

Next generation broadband

By investing up to £1.5 billion, we will deliver speeds many times faster than currently available.

Priorities for the year ahead

Q&A with Ian Livingston.

**A centre of technical
innovation**

Pioneering R&D is at the heart of BT's business.

**Improving customer service
at Openreach**

Customer service at Openreach is now at its best ever level.

Wind farms to power BT

Doing good for the environment is also doing good for our business.

The benefits of conferencing

Companies can save money and help the environment.

Get connected

BT Total Broadband from just £7.78 a month, for the first 3 months, plus Welcome Cheque of up to £60.

Table of Contents

Chairman's
introduction
I am confident that
BT will emerge from
the current recession
a stronger company

The world looks a very different place than it did a year ago. Global trade has contracted for the first time in many decades. Financial markets have been in turmoil and trading conditions worldwide remain extremely challenging. Against this background, the importance of defending free trade and fighting for regulation that promotes investment and encourages competition has never been greater.

Three out of our four principal divisions (BT Retail, BT Wholesale and Openreach) are delivering well. Management's highest attention is now directed towards returning BT Global Services, our one under performing division, to profitable growth.

Of course the current downturn will end, and I am confident that BT will emerge from the recession a stronger company. We have in place a management team that not only understands the challenges we face, but also sees the opportunities that lie ahead for our business.

So we are continuing to innovate and look for opportunities to grow. This issue of Forward looks at some of the exciting things that we are doing.

Super-fast broadband promises to change all of our lives. On page 4, you can read about our plans to bring broadband speeds many times faster than currently available within the reach of 10 million UK homes by 2012.

BRINGING IT ALL TOGETHER FOR LONDON 2012 01

Table of Contents

BT FORWARD CHAIRMAN'S INTRODUCTION

Delivering excellent customer service is vital and so I am delighted to say that we continue to see improvements right across our business. For example, at Openreach, customer service is now at its best ever level and our engineers have played an important part in this success. You can read about an engineer's typical working day on page 14.

On page 10 we explain the vision for our main research and development (R&D) centre at Adastral Park. The development of the park will deliver a regenerated R&D facility and a new residential community, including educational and social facilities. Our plans will ensure that the park will continue to lead the way in communications technology and innovation long into the future.

We are committed to being a responsible and sustainable company and to having a positive impact on society. Our Wind for Change project is the UK's biggest corporate green energy project outside of the energy sector. On page 16 we explain how we plan to generate 25 per cent of our current energy needs from wind power.

Below you can read about our customised portable personal computers that are giving disabled students a voice. And as official communications services partner for the London 2012 Olympic and Paralympic Games we are encouraging our employees to get involved in volunteering in their local communities.

BT Conferencing is a real success story and is now the world's biggest provider of video conferencing. We show how conferencing can save time and money, as well as protecting the environment on page 20.

For these reasons and for many others I am very confident about the future for our business, our employees, our customers and for you, our shareholders.

Giving disabled students a voice

TA Wheeltop is a customized portable personal computer, similar to a laptop, which is mounted on a wheelchair. In April 2007, BT partnered with disability charity, Scope, to give disabled students access to Wheeltops. The computers provide a voice to students with communication and other impairments, as well as access to a range of communication technologies for education and social purposes. The three year partnership is called The Wheeltop Project. It's rooted in a shared belief that being able to communicate is a fundamental human right. The project, based at Scope's further education centre, Beaumont College in Lancaster, gives Wheeltop users access to applications like email, texts and the college network.

@ www.btplc.com/innovation/helpingsociety

02 BRINGING IT ALL TOGETHER FOR LONDON 2012

Table of Contents

Volunteering
for London
2012

The Games don't just inspire competing athletes. They motivate billions of people around the world to be the very best they can be

And it's not just competitors who will realise their ambitions. As the official communications services partner for the London 2012 Olympic and Paralympic Games, BT is helping our people to make their mark too. Suzi Williams, BT Group Marketing and Brand Director, says, "Although London 2012 is still three years away, we're already encouraging our people to volunteer to get involved in lots of different activities – things they wouldn't normally have the chance to do.

We've got five volunteering themes: arts and culture; coaching and mentoring; green and environment; sport and youth and education.

So a youth and education volunteer might find themselves going to a local school to teach communication skills using sporting analogies and the Olympic Values, to breathe life into the topic.

It's all about making sure we leave a lasting legacy. We're working with our local communities now, but we also hope our volunteers will continue to help in the future, long after the Games are over.

@ www.btplc.com/BTLondon2012

BRINGING IT ALL TOGETHER FOR LONDON 2012 03

Table of Contents

Table of Contents

Table of Contents

BT FORWARD **NEXT GENERATION BROADBAND**

Schools and colleges could pool resources and teach specialist subjects, which they wouldn't have been able to do before and allow parents greater participation in the education process.

And all of this cuts back on travel, which means lower carbon emissions too.

BT is already making super-fast broadband a reality for consumers and businesses in the UK. Ruth says, "We are installing fibre-optic, super-fast broadband in homes in Ebbsfleet Valley in Kent. People are already getting data speeds of up to 100 megabits per second – by far the fastest speed available to residential customers anywhere in the UK.

We are doing technical trials in other parts of the country too. For example, we have been running a trial in Foxhall in Suffolk since January 2009; in July 2009 we will begin trials covering around 30,000 premises in Muswell Hill in London and Whitchurch in South Glamorgan. By March 2010, we now aim to provide access to fibre-based, super-fast broadband to more than one million premises. The trials and early deployment will help us to learn more about the needs of different people in different geographic areas – both in cities and in more rural areas.

The introduction of super-fast broadband will be led by customer demand. Ruth explains, "We don't have a pre-determined rollout plan. We will introduce super-fast broadband where there's sufficient demand. This involves consulting with communication providers, regional development agencies and local and devolved government and introducing the new fibre-based products where people are ready to use them.

The UK is now one of the world's leading countries for broadband in terms of availability, affordability and take-up. The vast majority of people in the UK have access to broadband with nearly two thirds of the population actually subscribing to the service.

Ruth says, "There are already high levels of interest in super-fast broadband. We need to make sure that people are fully aware of its benefits and understand that it isn't just about high speed internet access. We believe that the launch of new services, interactive content and the sharing of information, which requires higher upload speeds, will increase demand.

@ www.bt.com/broadband

06 BRINGING IT ALL TOGETHER FOR LONDON 2012

Table of Contents

Priorities for
the year ahead

Even in the most difficult economic times, a diverse and agile business like ours will find opportunities to grow and improve the services we deliver to our customers

Q&A with Ian Livingston

Q. It has been a challenging first year in charge of BT – what have been the major features for you?

Ian Livingston: Let's start with the positives. Despite the difficult economic conditions, three of our principal divisions – BT Retail, BT Wholesale and Openreach – have all delivered ahead of expectations. Together they have recorded their best performance for more than five years. However, the performance of BT Global Services has been unacceptable and we have taken steps to fix this.

BRINGING IT ALL TOGETHER FOR LONDON 2012 07

Table of Contents

BT FORWARD PRIORITIES FOR THE YEAR AHEAD

Q&A with Ian Livingston

Another important milestone was committing to make the biggest ever investment in super-fast broadband in the UK. We will spend £1.5 billion making the service, delivered over fibre-optic cable, available to 40 per cent of the homes in Britain by 2012 providing that the regulatory conditions allow us to make a proper return. This will offer customers speeds of up to 100 Mb/s, allowing them to simultaneously run multiple bandwidth hungry applications like HD video. This is not just an important investment for BT, it is a significant development for the UK and its future as a knowledge-based economy.

Finally, I am really proud of the improvements we have made in the quality of our customer service. As an example the time it takes us to repair a network fault has been halved in the last three years. We know there is much more to do, but in a highly competitive market I am certain that being known for outstanding customer service can be a key differentiator for BT.

Q. Have the problems in BT Global Services been resolved?

IL: First of all, I want to be clear that the issues in BT Global Services are not principally to do with the recession or a lack of demand for our services. The problem has been a failure to control costs properly. The scale of the issue only became clear during the course of the year, but we acted quickly to take the tough decisions that will turn the business around. These include, putting a new management team in place, urgently addressing our cost base and lowering the expected financial value of some key contracts. As a result of our actions, I believe the division is now in a position to return to profitable growth.

BT Global Services has a very healthy order book, and during tough economic times our ability to help customers reduce their own costs makes our proposition compelling. At the same time, we continue to improve the quality of the services we deliver. The independent research group, Telemark, recently rated BT Global Services the best operator in the world in its Customer Satisfaction Index with the highest score ever awarded.

08 BRINGING IT ALL TOGETHER FOR LONDON 2012

Table of Contents

Q. What are the major opportunities for the business?

IL: Even in the most difficult economic times, a diverse and agile business like ours will find opportunities to grow and improve the services we deliver to our customers. For example, we aim to build on the success of BT Conferencing, which is strongly growing both revenue and profits and is now the world's biggest provider of video conferencing.

Another example is our Business One Plan service, which is the UK's first triple play of landline, mobile and broadband for small and medium-sized businesses. It launched three years ago and in 2009 added free calls within an organisation – even between offices and mobile workers – a significant saving. Over a million business lines are now using this service and more than 2,500 new customers sign up each week.

Our ability to provide world-class, networked IT services for multi-national organisations remains an important part of our portfolio, while the roll out of super-fast broadband in the UK will carry with it a host of exciting new possibilities.

Q. Managing BT's costs is clearly important. Tell us about the right first time initiative.

IL: It is vital we manage our costs. When we focus on customer service and get things right first time, we not only make our customers happy, we reduce our costs as well. That's why our goal is to get our service right first time. When we do this the number of people contacting our call centres falls and so does the number of engineers we need to send out to fix things. This is just as true for our biggest corporate customer as it is for a family buying broadband for their home. We have made real progress in the past twelve months. Service levels are the best they have ever been on a number of measures, and there's much more we can achieve in the year ahead.

Q. How important is it for BT to be an international business?

IL: We are a global business and we serve global customers – we service 170 countries and employ around 20,000 people outside of the UK. We need to be wherever our customers want us to be, delivering a consistent service regardless of location. We also want to pick the world's best brains. Our main research and development centre based in Adastral Park is home to highly skilled researchers and academics from all over the world. We have research teams based in Malaysia and in China, as well as links to 30 world-leading universities including MIT/ Cambridge and University College London.

Q. How important is innovation and developing the technology of the future to BT?

IL: Pioneering innovation and research and development are vital to us. Last year we spent £1.25 billion, the third highest spend of any British company. This is an investment in our future as it helps us to reduce costs, develop new products and improve customer service.

Q. What are your top priorities going forward?

IL: When I took over as CEO I said I had three priorities, and I am sticking with them. They are to provide excellent customer service; to continue investing in networks, systems and services including super-fast broadband; and to make BT a more agile company so that we can deliver faster, better, great value services to all our customers – from major global organisations, through the small business sector, to the millions of families who we are proud to serve every day. My aim is for BT to be a better business with a better future.

Table of Contents

Table of Contents

Table of Contents

BT FORWARD A CENTRE OF TECHNICAL INNOVATION

This is appropriate as Dr Ivan Boyd, Head of Research Operations, BT Group, explains: We've deliberately set out to create a very open community that allows the best brains from different organisations from all over the world to meet and this helps ideas to spark.

The work we do here covers everything from advanced business software for predicting faults on networks before they happen, to developing energy saving systems for the homes of the future.

But it's not just the responsibility of the people at Adastral Park to be innovative, a culture of innovation exists right across BT. For example, our New Ideas Scheme allows any employee to suggest an idea that might improve products or customer experience or help us work more effectively.

Since the scheme's launch, a number of suggestions from employees have either generated income, cut costs or improved the working environment at BT. Ideas include a website that provides a simple way to identify and reuse stopped lines and a system that reduces the failure of critical tasks.

To ensure that Adastral Park continues to lead communications technology and innovation, BT has unveiled a vision for its future. This will create a sustainable environment that supports a regenerated R&D facility and a new residential community of up to 2,000 homes, including additional educational and social facilities.

Graham Murchie, Strategy Director, Adastral Park Development, says, We've been here for 40 years and a significant number of the buildings were constructed in the 1970s and 1980s. While the park is still a world-class R&D facility, it would be short-sighted if we did not put a plan in place now that ensured Adastral Park retained and built on this status for many years to come.

12 BRINGING IT ALL TOGETHER FOR LONDON 2012

Table of Contents

**Predicting
the future**

A small group of people at Adastral Park spend their time mapping the future. Jonathan Mitchener, one of BT's Futurologists, explains, "My job is to look ahead and see how technology will develop in the future. I work with many of BT's biggest customers to help them see what's coming. For example, I am currently helping people in the health sector to understand how technology can assist with patient care taking into account future characteristics and population trends. I also work with companies to identify the next disruptive technologies – technology such as the internet which has turned the business world on its head. Our customers really value this insight as it helps them to plan more effectively.

I work in a team of four and combine scientific disciplines such as nanotechnology and biotechnology with demographic data and scenario planning to develop my research.

I need to be very open minded and interested in everything. I also spend a lot of time meeting people to make sure I am constantly building my knowledge and sharing insights with others.

One area that I'm really excited about is the potential of the virtual world. It's still early days, but big companies are already experimenting with it for things like trialing new products and for training their staff. In future, I believe most companies will operate in both the real and virtual worlds.

Adastral Park is already an integral and important part of the regional economy, contributing £850 million annually. The development plans for the site will ensure that this remains the case long into the future. Graham explains, "Our plans include the creation of more than 2,000 information communications technology (ICT) related jobs over the next 10 years. Also, InnovationMartlesham, our partnership with the East of England Development Agency, provides a home and facilities for start-up companies. In the past year alone, 11 companies have moved onto the site to develop their businesses alongside BT.

But it's not only about creating a sustainable supply of jobs. We will continue to create and encourage the scientists of the future by bringing school children to the park to learn about ICT and by expanding the university presence here. We don't want young people moving away to study, we want them to develop ICT skills here – the skills that businesses need now and will need in future.

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Table of Contents

Improving customer service at Openreach

Table of Contents

Table of Contents

Wind farms to power BT

Table of Contents

Table of Contents

BT FORWARD WIND FARMS TO POWER BT

A project of this scope and ambition needs a huge amount of planning and preparation. BT has already assessed over 5,000 of its UK sites, looking at factors such as wind speed, land conditions and how near they are to residential areas or places of natural beauty. Richard says, 'We have narrowed our search to approximately 20 sites whose potential for development we are now actively scoping.'

This means we've asked every BT employee to follow five simple energy saving tips like switching-off appliances from stand-by, closing windows when the air-conditioning is on and printing paper on both sides. These might seem like small gestures but, when you employ more than 100,000 people, in combination they will make a huge difference to our overall energy consumption.

The UK's biggest corporate green energy project outside the energy sector

This involves undertaking detailed environmental impact assessments and installing met masts to measure wind speeds. Once we are satisfied that a site meets our criteria, we submit a planning application. We already have two in progress with more to follow soon.

In the future, we may produce more than 25 per cent of our energy. So we are looking beyond the UK to places like India, the USA and a number of European countries to explore the potential for generating renewable energy in these countries too.

The Wind for Change initiative is not an isolated project but is part of BT's wider strategy designed to conserve energy. Richard says, 'It wouldn't make any sense for us to put all this effort into generating our own power if as a business we wasted energy. So we have launched an energy saving campaign to run in parallel to our Wind for Change project.'

And it's not just BT's employees that are doing their bit. We have fitted smart meters at 98 per cent of BT's sites to record energy use every 30 minutes and installed solar panels and micro wind turbines at some buildings. In addition, we have audited 50 of our biggest buildings to see how we can improve energy use.

Richard says, 'Over three years we expect our energy saving campaign to prevent the emission of 75,000 tonnes of CO₂, save BT £15 million. Proving that doing good for the environment is also doing good for our business.'

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@ www.btplc.com/climatechange

@ www.btplc.com/societyandenvironment/magazine

18 BRINGING IT ALL TOGETHER FOR LONDON 2012

Table of Contents

BRINGING IT ALL TOGETHER FOR LONDON 2012 **19**

Table of Contents

BT FORWARD

The benefits of conferencing

Companies can save money and help the environment

Over the last five years, BT's own use of audio, web and video conferencing has stopped nearly 300,000 tonnes of CO₂ being pumped into the atmosphere.

These services also save us money and time. For example, on average we save £256 every time we replace a face-to-face meeting with conferencing. In a company as big as ours, that means we can save lots of money every year. And we cut unproductive time spent traveling to meetings too.

We provide three types of conferencing. Audio conferencing lets people use their phone - either landline or mobile - to talk to several colleagues at once. Web conferencing lets people talk to colleagues, while using the Internet, to share papers and presentations. And video conferencing lets people see who they're meeting and have nearly the same experience as they would from meeting in person.

Customers can choose just one of our conferencing services or combine more than one in a package that best suits their business. For example, web conferencing is a perfect partner for audio conferencing.

Aaron McCormack, CEO of BT Conferencing, says, "New technology means we are always improving our conferencing services. Video conferencing is now so much better than it was. We offer what we call an "immersive experience" where everyone on the call feels like they are in the same room, with life-size video images allowing people to make eye contact and read body language.

Using audio, web or video conferencing will reduce annual spend on travel by cutting unnecessary journeys. Other costs associated with meeting face-to-face, like accommodation, are also cut. We estimate that using conferencing to cut travel spend has saved us over £192 million in the last 12 months alone.

Aaron says, "Some of our biggest clients, like Unilever and Philips, have made major savings on their annual travel budgets since choosing BT Conferencing. We are confident that all of our customers will get a return on their investment within a year of starting to use our services. In today's economic environment, this makes good business sense.

So being greener and saving time and money can go hand-in-hand.

Conferencing also helps people to balance their work and personal lives. Aaron explains, "Cutting out millions of journeys every year means people no longer have to spend time traveling to and from meetings. And if they have to travel to these meetings outside of their working hours, this can really benefit their personal lives too.

The market for conferencing is still in its infancy, but is likely to grow rapidly in the next three to five years. Aaron says, "Only two per cent of European workers, who could use conferencing to replace real meetings, actually do. We plan to invest in our conferencing so that we deliver the best audio, web and video services and get more people using them.

@ www.conferencing.bt.com

Table of Contents

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With around 1.2 million shareholders, BT sends out a lot of paper each year. Being an e-shareholder enables you to receive your shareholder communications electronically, reducing our combined impact on the environment. You can build, view and manage a full share portfolio online. What's more, e-communications helps BT manage costs, which is good news for you as a shareholder. Visit www.shareview.com/online today!

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Table of Contents

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Sign-up now for BT Total Broadband and be eligible for up to £60 Welcome Cheque²

Option 1: £25 cheque

Option 2: £40 cheque

Option 3: £60 cheque

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www.bt.com/shareholders/broadband

or call **0800 055 6258** and quote Shareholders

New broadband sales only (Sales line open

Monday Friday 8.30am 7.00pm only)

Please call **0800 800 150** for all other matters.

Step two: claim your Welcome Cheque

Claim your Welcome Cheque at

www.btshareholder.onlinerebates.com

BT Group plc

Registered office: 81 Newgate Street, London EC1A 7AJ.

Registered in England and Wales No. 4190816.

Printed in England by Pindar Graphics

Printed on Revive 50:50 Silk, which is produced using 50% recovered waste fibre and 50% virgin wood fibre.

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Claims for a Welcome Cheque must be submitted within 28 days of your broadband being activated

Please supply all the details and remember to press submit. Failure to supply all the requested information may invalidate your claim. You will need to supply:

1. The telephone number of your broadband line
2. Your order reference number
3. Your shareholder reference number.

If all the correct information is supplied and your claim is validated, then you will receive your Welcome Cheque within 28 days of activation.

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1. Introductory price achieved via one-off credit on your first bill. Option 1, £15.65 a month from month four with £23.58 bill credit. Option 2 £13.69 a month for first three months then £20.54 a month, £20.55 bill credit. Option 3 £18.59 a month for first three months then £24.46 a month, £17.61 bill credit. 18 month minimum term. New customers only. Excludes upgrades/regrades. New BT Home Hub included. Excludes customers BT has already provided with this Hub. Conditions apply. Featured handset £39.14. BT line/similar and payment by Direct Debit required. BT Total Broadband is subject to availability and conditions apply. See www.bt.com/broadband for details.

2. To claim your Welcome Cheque go to <http://www.btshareholder.onlinerebates.com> and register your BT Broadband order details. Welcome cheque depends on option chosen, Option 3: £60; Option 2: £40 and Option 1: £25.

Your claim **MUST** be made within 14 days of activation. New orders only. Payment by Direct Debit required. Your broadband must be ordered before 30th September 2009 and you must claim your Welcome Cheque by 31st October 2009. Terms and conditions apply.

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