



BT AND FON LAUNCH THE WORLD'S LARGEST Wi-Fi COMMUNITY

London, U.K. / Madrid, Spain - October 4, 2007

BT and FON today promised to transform the UK's market for wireless broadband by launching BT FON, the world's largest Wi-Fi community.

BT's more than 3 million consumer Total Broadband customers will be invited to join the global community of people sharing their broadband.

At launch, new members will be part of an existing community of 500,000 members and will have access to more than 190,000 FON hotspots worldwide. Anyone joining in will be able to use those FON hotspots across the world and all the new BT FON hotspots free of charge.

The revolutionary idea for a massive Wi-Fi community, built by individual people and not a large corporate enterprise, marks BT's boldest step yet in building extensive broadband coverage outside of the home or office.

Every person who agrees to share a small portion of their home broadband connection, by opening up a separate, secure channel on their wireless router, will be able to share the connection of any other member. BT Total Broadband customers will also be able to use BT's premium existing hotspot network BT Openzone, including 12 Wireless Cities.

BT FON aims to build a huge community Wi-Fi network, covering hundreds of thousands of hotspots, in a short space of time, under the slogan "Wi-Fi for everyone, I'm in". The secure open Wi-Fi solution was developed by FON and BT's research labs. BT has invested in FON as part of the tie-in, joining the company's other investors, which include Google.

The BT FON deal will accelerate and complement the work BT has already done with BT Openzone in order to provide the largest possible Wi-Fi coverage across the UK and the rest of the world.

Gavin Patterson, BT Group managing director, Consumer, said: "This is the start of something very exciting for BT. Today we are launching a people's network of Wi-Fi, which could one day cover every street in Britain.

"We are giving our millions of broadband customers a choice and an opportunity. If they are prepared to securely share a little of their broadband, they can share the broadband connections of 190,000 others without paying a penny.



“We have built a public Wi-Fi network and 12 Wireless Cities already, but today we are saying to customers, let’s build a Wi-Fi community together, which covers everywhere and serves everyone.”

Martin Varsavsky, FON’s Founder and CEO, said of the strategic partnership: “BT is a fantastic addition to our roster of investors and highlights the on-going success of FON, the enormous support from ISPs and Telcos around the world and the strength of our vision to establish shared Wi-Fi access worldwide. From the beginning FON users believed in the concept of sharing and in the peoples’ ability to participate in building something important that would benefit everyone. With BT FON, those beliefs have proved to be well-founded.”

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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; higher-value 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 2007, BT Group plc’s revenue was £20,223 million with profit before taxation of £2,484 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

About FON

FON is the world’s largest WiFi community. FON’s mission is to stimulate the growth of WiFi around the world by creating a global community of “Foneros”. FON’s La Fonera routers have been designed to enable Foneros to share their home Internet access in a completely secure manner. Founded in February 2006 in Madrid, Spain, FON investors include Google, Skype, Index Ventures, Sequoia Capital and BT. Currently we have over 500,000 members in Europe, Asia and America and our Community is growing fast.

For more information, visit FON at www.fon.com