



From the Minister of State
for Industry and Information Technology

File
cc of Questions
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GEOFFREY PATTIE MP

Charles Marshall
Lord Privy Seal's Office
House of Commons
London SW1A 0AA

3 December 1984

Dear Charles

BRITISH TELECOM

I attach a draft of the statement which Mr Pattie will be making in the House at around 3.30 this afternoon. As the Lord Privy Seal requested, this has been made as short and as uncontroversial as possible.

I am copying this to Andrew Turnbull(Nol0), Margaret O'Mara (Treasury), Helen Goodman (Financial Secretary's office), Murdo Maclean(Chief Whip's office), Mike Bailey(DoE), Janet Lewis-Jones(Lord President's Office) and Richard Hatfield.

Yours

Neil

NEIL McMILLAN
Private Secretary

NO5/NO5AAR



BRITISH TELECOM

With permission, Mr Speaker, I wish to make a Statement to the House about the allocation of shares in British Telecommunications plc.

First, employees and pensioners. Approximately 184,000 employees out of an eligible total of just over 230,000 responded to the "Matching Offer" by putting their own money into the company. Of these more than 62,000 employees together with 25,000 BT pensioners applied for shares over and above the Matching Offer. I welcome this impressive commitment to BT's future by its own workforce. Including those employees who have taken up the free offer alone some 222,000 of all BT's employees - over 96 per cent of those eligible - have become shareholders in the company.

Secondly, the general public. We received more than two million applications for the one thousand million shares available. Almost half of these applications were for 200 shares or 400 shares. The Government has decided to give priority to smaller applications, and all applications for 200 and 400 shares are therefore being met in full.



Applicants for 800 and 1200 shares will receive 500 and 600 shares respectively. Applicants for higher numbers up to a maximum of 100,000 shares will receive 800 shares. No allocation will be made to applicants for over 100,000 shares. As a result of these arrangements, BT commences its role as a publicly-quoted company with very substantially more shareholders than any company in this country.

The arrangements for institutional priority applicants and overseas markets are as I indicated to the House on 16 November. The offers of BT shares in Canada, Japan and the United States are now taking place.

Mr Speaker, British Telecom has now been successfully privatised. I am sure that Members on all sides of the House will wish success to Sir George Jefferson, to BT's management and to its employees, who have shown by their commitment to the company their confidence in its future success.