

FINAL TERMS

**PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Final Terms dated 21 June 2018

**British Telecommunications public limited company**  
**Legal Entity Identifier (LEI): 549300OWFMSO9NYV4H90**  
**Issue of GBP 330,000,000 3.883 per cent. Notes due 25 June 2039**  
**under the €20,000,000,000**  
**Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 15 June 2018 relating to the Issuer's Euro Medium Term Note Programme (the **Base Prospectus**) and incorporated by reference in the drawdown prospectus dated 21 June 2018, which constitutes a prospectus (the **Prospectus**) for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and any relevant implementing measure in the relevant Member State of the European Economic Area (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at the specified office of the Paying Agent for the time being in London and) on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

- |    |  |  |
|----|--|--|
| 1. | Issuer:  | British Telecommunications public limited company  |
| 2. | (a) Series Number:   | 20182  |
|    | (b) Tranche Number:  | 1  |
|    | (c) Date on which the Notes will be consolidated and form a single Series: | Not Applicable   |
| 3. | Specified Currency:  | Pounds Sterling ( <b>GBP</b> )   |
| 4. | Aggregate Nominal Amount:  |  |
|    | (a) Series:  | GBP 330,000,000  |
|    | (b) Tranche:   | GBP 330,000,000  |
| 5. | Issue Price:   | 100.00 per cent. of the Aggregate Nominal Amount   |
| 6. | (a) Specified Denominations:   | GBP 100,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP 199,000. Definitive Notes will not be issued in denominations in excess of GBP 199,000 |
|    | (b) Calculation Amount:  | GBP 1,000  |
| 7. | (a) Issue Date:  | 25 June 2018   |

	(b) Interest Commencement Date:	Issue Date
8.	Maturity Date:	25 June 2039
9.	Interest Basis:	3.883 per cent. Fixed Rate
10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at par
11.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Change of Control Investor Put Issuer Call Issuer Maturity Par Call
13.	Date Board approval for issuance of Notes obtained:	26 April 1994, 23 October 2001 and 14 June 2018
14.	Negative Pledge (Condition 3):	Applicable

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15.	Fixed Rate Note Provisions	Applicable
	(a) Rate of Interest:	3.883 per cent. per annum payable annually in arrear on each Interest Payment Date
	(b) Interest Payment Date(s) and Business Day Convention:	25 June in each year from and including 25 June 2019 up to and including the Maturity Date adjusted in accordance with the Following Business Day Convention, with no adjustment for period end dates
	(c) Fixed Coupon Amount(s):	GBP 38.83 per Calculation Amount (applicable to the Notes in definitive form) and GBP 12,813,900 per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on each Interest Payment Date
	(d) Broken Amount(s):	Not Applicable
	(e) Day Count Fraction:	Actual/Actual (ICMA)
	(f) Determination Date(s):	25 June in each year
	(g) Step Up Rating Change and/or Step Down Rating Change:	Not Applicable
	(h) Step Up Margin:	Not Applicable
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

18.	Issuer Call:	Applicable
	(a) Optional Redemption Date(s):	Any day prior to the Maturity Date
	(b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	Make Whole Amount
	(c) Reference Bond:	UKT 4.25% September 2039
	(d) Quotation Time:	11.00 a.m. London time
	(e) Redemption Margin:	0.35 per cent.
	(f) If redeemable in part:	Not Applicable
	(g) Notice periods (if other	Minimum period: 15 days

	than as set out in the Conditions):	Maximum period: 30 days
19.	Issuer Maturity Par Call:	Applicable
	Notice periods (if other than as set out in the Conditions):	Minimum period: 15 days Maximum period: 30 days
20.	General Investor Put:	Not Applicable
21.	Change of Control Investor Put:	Applicable
	(a) Optional Redemption Amount:	GBP 1,000 per Calculation Amount
	(b) Put Period (if other than as set out in the Conditions):	Minimum period: 30 days Maximum period: 45 days
22.	Final Redemption Amount:	GBP 1,000 per Calculation Amount
23.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6.6):	GBP 1,000 per Calculation Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
25.	New Global Note:	Yes
26.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	Not Applicable
27.	Talons for future Coupons to be attached to Definitive Notes:	No
28.	Relevant Benchmark:	Not Applicable

Signed on behalf of the Issuer:

By: LES WINNISTER

Les Winnister  
Treasurer BT Group

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. ADMISSION TO TRADING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and admitted to the Official List of the UK Listing Authority with effect from the Issue Date
- (ii) Estimate of total expenses related to admission to trading: GBP 4,500

### 2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- S&P Global Ratings, acting through Standard & Poor's Credit Market Services Europe Limited (**Standard and Poor's**): BBB
- Moody's Investors Service España, S.A. (**Moody's**): Baa2
- Fitch Ratings Limited (**Fitch**): BBB

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Britel Scotland II L.P. is an investment holding vehicle established for the purpose of holding certain investments for the BT Pension Scheme (the **Scheme**). The Issuer is the sponsor to the Scheme. Save as discussed in the risk factor titled "An active trading market for the Notes cannot be assured" in the Prospectus, so far as the Issuer is aware, no other person involved in the offer of the Notes has an interest that is material to the offer.

### 4. YIELD (*Fixed Rate Notes only*)

- Indication of yield: 3.883 per cent. per annum calculated on an annual basis

### 5. REASONS FOR THE OFFER

As set out in "Use of Proceeds" on page 57 of the Base Prospectus

### 6. OPERATIONAL INFORMATION

- (i) ISIN: XS1833075846
- (ii) Common Code: 183307584
- (iii) CFI Code: Not Applicable
- (iv) FISN: Not Applicable
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): Not Applicable
- (vi) Delivery: Delivery against payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: Yes
- Note that the designation "yes" means that the Notes are intended upon issue to be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

**7. DISTRIBUTION**

- (i) Method of distribution: Non-syndicated
- (ii) If syndicated: Not Applicable
- (iii) If non-syndicated, name of Dealer/Purchaser: Britel Scotland II L.P.
- (iv) U.S. Selling Restrictions/TEFRA Rules: Reg. S Compliance Category 2; TEFRA D