BT delivered a strong first half, with further strategic momentum

Results for the half year to 30 September 2026
5 November 2026

Allison Kirkby, Chief Executive, commenting on the results, said:

"BT delivered a strong first half, with further strategic momentum in a competitive market, resulting in growth in revenue, EBITDA and customer satisfaction. We are building the UK's digital backbone, connecting and protecting the country like no-one else, while accelerating our transformation as we create a better BT for all of us.

"Openreach achieved record full fibre demand, with more than 10 million homes and businesses now connected and take-up reaching 41%. BT and EE have been recognised as the UK's best broadband and mobile networks, while more households are choosing our mobile and TV services together. And our growing order book in Business is supported by leadership in secure and sovereign connectivity solutions.

"Our UK-centric strategy and transformation is clearly delivering with £312 million of annualised savings achieved in the first half, as we continue to simplify and modernise. Our proposed international joint venture with Verizon is progressing at pace, and we've also stepped up for the country with the acquisition of TalkTalk, protecting millions of customers while creating value for all our stakeholders. We are reiterating our mid-term guidance, including normalised free cash flow of c.£3.0bn by the end of the decade. For this fiscal year, we are on track to deliver normalised free cash flow of c.£2.0bn, excluding the effects of the TalkTalk transaction. We're also announcing an increased interim dividend to 2.5 pence per share."

Consistently delivering against our strategic priorities in competitive markets

- **Record customer demand for Openreach FTTP** with over 1.1m net adds in H1; total premises connected 9.9m, now >50% of broadband and bringing our market-leading take-up rate to 41%; more than 10m connections reached in October; Openreach broadband ARPU of £17.8 grew 7% year on year, driven by CPI-linked price increases, higher FTTP take-up and speed mix
- **FTTP footprint increased to 24.1m**, with 1.2m premises passed in the six-month period; we now expect to reach our 25m build target in March
- **Openreach broadband line losses** were 175k in Q2 and 366k in the six-month period; we continue to expect losses of c.800k in the year
- **BT and EE network leadership recognised with historic double awards**, with RootMetrics recognising EE as the UK's Best Mobile Network for the 13th consecutive year, and Ookla recognising BT's Full Fibre network as the best in the UK; 5G+ population coverage rose to 81%, up from 73% in March
- **Record retail FTTP base growth** in H1 with Consumer up 574k to 4.7m and Business up 40k to 0.4m, taking FTTP to 54% of the broadband base
- **Consumer customer base up** 86k in postpaid mobile and 26k in TV, down 7k in broadband; churn remains stable year on year
- **Consumer ARPU** of £40.8 in broadband, down 3% year on year, reflecting lower voice revenue and a competitive market; £19.8 in postpaid mobile, up 3% year on year; Consumer fixed and mobile convergence increased to 27.1% from 25.9% a year ago
- **Business momentum built through the period**, with strong sales order growth including contracts with the Ministry of Justice, the Cabinet Office, Scottish Water and Royal Mail; Microsoft partnership deepened in security; brand consideration is building following our BT brand relaunch
- **Transformation programme remains on track** to deliver £3.5bn of gross annualised cost savings by FY30 on a continuing operations basis; in the six-month period £312m of savings were delivered taking cumulative total savings to £1.7bn at a cost to achieve of £0.8bn; operational efficiencies continued to improve year on year, with network energy usage down 7%, total labour resource down 11% to 90k, and Openreach repair volumes down 16%
- **BT Group NPS improved** to 33.4, up 5.6pts year on year, rebased for the exclusion of International; customer satisfaction increased across all retail brands, with the BT brand at its highest level in four years
- **Improved International EBITDA[1] and cash flow**; on track to complete joint venture with Verizon in the second half of calendar 2027
- **Acquired TalkTalk out of administration on 5 October**, protecting service continuity for 2.5m UK customers; awaiting conclusion of regulatory review

Financial performance on track; full year guidance reconfirmed

Following the announcement in June of our agreement with Verizon to create a combined global business, the International CFU is now reported as a discontinued operation. **The below metrics are reported on a continuing basis.**

- **Revenue** £8.8bn, up 1%, driven by higher handset revenues in Consumer, partially offset by declines in adjusted service revenue
- **Adjusted service revenue[2]** £7.7bn, down 1%, driven by a continued drag from voice of 1 percentage point
- **Adjusted[2] EBITDA** £4.1bn, up 1% year on year, driven by lower staff costs and wider cost transformation benefits, more than offsetting the voice decline
- **Reported profit before tax** £1.1bn, up 12%, driven by lower restructuring costs and EBITDA flow through
- **Capital expenditure[2]** £2.3bn, down 5%, reflecting lower build activity

1 On a like-for-like basis, excluding FY26 divestments.
2 Glossary on page 30

- **Cash generated from continuing operations** £2.6bn, down 10%; **normalised free cash flow**[1] £0.2bn, down 59% reflecting a higher cash outflow from working capital and working capital programmes
- **Net debt** £21.0bn (31 March 2026: £20.0bn), the increase was driven by scheduled pension contributions and full-year dividend payment, partially offset by cash generated from trading activities
- **Gross IAS 19 pension deficit** of £3.2bn, a decrease from £4.2bn at 31 March 2026, predominantly as a result of the payment of scheduled contributions over the period
- **Triennial pension agreement reached**, the BT Pension Scheme's (BTPS) funding position continues to improve, with the deficit reducing to £2.7bn at June 2026; scheduled contributions will be substantially replaced with zero-coupon bonds to be issued shortly; BT will provide additional funding of £0.3bn net present value to ensure the BTPS remains on track to be fully funded by 2030; measures will substantially reduce the funding deficit to around £0.3bn; wider package agreed, including enhanced dividend headroom; see separate release for full details
- **Interim dividend** of 2.50 pence per share (pps), up 2% from 2.45pps in H1 FY26 in line with our policy of paying 30% of the prior year's full-year dividend
- **FY27 outlook reconfirmed:** Adjusted[1] revenue £17.1-£17.6bn, adjusted service revenue[1] of £15.1-£15.4bn and adjusted[1] EBITDA growth to within the range of £8.1-£8.2bn; capital expenditure[1] excluding spectrum of £4.2-£4.3bn; normalised free cash flow[1] c.£2.0bn. Our FY27 outlook excludes the impact of the TalkTalk acquisition; BT will provide further details on the effects of the acquisition on revenue, EBITDA and capital expenditure following alignment of TalkTalk's financial reporting to BT's accounting policies and completion of acquisition accounting later this fiscal year
- **Mid-term guidance reconfirmed:** Sustained growth in adjusted[1] revenue and adjusted service revenue[1], sustained growth in adjusted[1] EBITDA ahead of service revenue, enhanced by cost transformation; capital expenditure[1] excluding spectrum reducing by more than £1bn from the FY26 level; normalised free cash flow[1] of c.£3.0bn by the end of the decade

Results for the half year to 30 September

Half year to 30 September	2026	2025	Change
Reported measures on a continuing basis	**£m**	£m	%
Revenue	**8,753**	8,700	1
Profit before tax	**1,071**	956	12
Profit after tax	**835**	734	14
Basic earnings per share	**8.5p**	7.5p	13
Cash generated from continuing operations	**2,567**	2,868	(10)
Capital expenditure[1,2]	**2,282**	2,390	(5)
Adjusted measures on a continuing basis	**£m**	£m	%
Adjusted[1] revenue	**8,750**	8,696	1
Adjusted service revenue[1]	**7,685**	7,726	(1)
Adjusted[1] EBITDA	**4,097**	4,060	1
Adjusted[1] basic earnings per share	**9.7p**	9.6p	1
Normalised free cash flow[1]	**236**	569	(59)
Net debt[1] (as at 30 September 2026 and 31 March 2026)	**21,006**	19,966	5
Group reported measures (including discontinued operations)			
Profit after tax	**809**	651	24
Basic earnings per share	**8.2p**	6.7p	22
Half year dividend	**2.50p**	2.45p	2

Customer-facing unit updates

Results for the half year to 30 September

Half year to 30 September	Adjusted[1] revenue 2026 £m	2025 re-presented[3] £m	Change %	Adjusted service revenue[1] 2026 £m	2025 re-presented[3] £m	Change %
Consumer	**4,783**	4,684	2	**3,939**	3,932	—
Business	**2,574**	2,589	(1)	**2,348**	2,370	(1)
Openreach	**3,160**	3,131	1	**3,160**	3,131	1
Other	**6**	6	n/m	**6**	5	n/m
Intra-group items	**(1,773)**	(1,714)	(3)	**(1,768)**	(1,712)	(3)
Total continuing operations	**8,750**	8,696	1	**7,685**	7,726	(1)

Half year to 30 September	Adjusted[1] EBITDA 2026 £m	2025 re-presented[3] £m	Change %	Normalised free cash flow[1] 2026 £m	2025 re-presented[3] £m	Change %
Consumer	**1,255**	1,274	(1)	**394**	540	(27)
Business	**601**	647	(7)	**(25)**	164	(115)
Openreach	**2,238**	2,148	4	**247**	296	(17)
Other	**3**	(9)	n/m	**(380)**	(431)	12
Total continuing operations	**4,097**	4,060	1	**236**	569	(59)

1 See Glossary on page 30
2 Includes spectrum investment of £1m in H1 FY26
3 H1 FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

Results for the second quarter to 30 September

Second quarter to 30 September	Adjusted[1] revenue 2026 £m	2025 re-presented[2] £m	Change %	Adjusted service revenue[1] 2026 £m	2025 re-presented[2] £m	Change %	Adjusted[1] EBITDA 2026 £m	2025 re-presented[2] £m	Change %
Consumer	**2,452**	2,352	4	**1,981**	1,970	1	**639**	638	—
Business	**1,281**	1,302	(2)	**1,162**	1,187	(2)	**299**	324	(8)
Openreach	**1,585**	1,565	1	**1,585**	1,565	1	**1,145**	1,080	6
Other	**2**	3	n/m	**2**	3	n/m	**1**	(11)	n/m
Intra-group	**(892)**	(863)	(3)	**(888)**	(862)	(3)	**—**	—	—
Total continuing operations	**4,428**	4,359	2	**3,842**	3,863	(1)	**2,084**	2,031	3

Discontinued operations

Following the announcement in June of our agreement with Verizon to create a combined global business, the International CFU is now reported as a discontinued operation. Throughout this interim announcement, comparative financial information for the half year to 30 September 2025 ('H1 FY26') has been re-presented to reflect the recognition of International as a discontinued operation. International adjusted revenue was £923m (H1 FY26: £1,110m; including £150m of revenue generated in H1 FY26 by the five businesses divested during FY26) and adjusted EBITDA was £60m (H1 FY26: £66m; including £30m of EBITDA generated in H1 FY26 by the five businesses divested during FY26).

1 See Glossary on page 30
2 H1 FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

Overview of the half year to 30 September 2026

Progress against our strategic priorities

Our ambition is to be the UK's most trusted connector of people, business and society. We will do this by building the best, most trusted digital networks, by connecting customers so they thrive as we grow in a digital world, and by accelerating our modernisation to restore leadership in everything we do. During H1 FY27 we made significant progress against our strategy.

Build

- **The best FTTP everywhere in the UK.** 10m full fibre connections; record H1 net adds of 1.1m; 25m build target in March
- **The best, most resilient mobile network.** 5G+ population coverage now at 81%, up from 73% in March
- **The best network that differentiates us from competition**. BT and EE win historic double broadband and mobile awards
- **Leadership in network innovation for the country.** Launched the UK's first commercial 5G+ network slicing service for consumers and businesses

Connect

- **The most loved and trusted brands.** Behind Brilliant Things brand relaunch of BT, supported by new mobile, TV and security products; Plusnet brand refreshed in October
- **The best connectivity products for life and work.** Launches include AI Receptionist and Mission Boost in Business, EE One Up in Consumer and Fast Lane across both
- **The most effortless, personalised experiences.** NPS up 5.6pts to 33.4pts, improving across all retail brands
- **The best partners for solutions beyond connectivity.** Launched new cybersecurity proposition with Microsoft; first non-US partner for Anthropic's Project Glasswing; only EE offers iPhone Handoff

Accelerate

- **One team with a customer-first delivery culture.** Colleague engagement continues to improve, reaching its highest level since 2023
- **A radically simpler portfolio, products and platforms.** Preparation continues for International JV with Verizon; transformation accelerating, legacy units down 69%[1], TLR down 11%
- **IT, enabled by data and AI, as a real competitive advantage.** Scaled AI adoption and upskilling; AI Ops programme to enhance customer experience via ServiceNow platform
- **Trusted leader for digital inclusion, resilience and sustainability.** Acquired TalkTalk, protecting service continuity for 2.5m customers; awaiting conclusion of regulatory review

FY27 outlook and mid-term guidance reiterated

- In FY27 we expect adjusted[2] revenue of £17.1-17.6bn and adjusted service revenue[2] of between £15.1-£15.4bn which includes a c.£150-200m headwind from voice as we move towards PSTN switchover, with adjusted[2] EBITDA growth to within the range of £8.1-£8.2bn. Capital expenditure[2] excluding spectrum is expected to be £4.2-£4.3bn, with normalised free cash flow[2] of c.£2.0bn. Our FY27 outlook excludes the impact of the TalkTalk acquisition; BT will provide further details on the effects of the acquisition on revenue, EBITDA and capital expenditure following alignment of TalkTalk's financial reporting to BT's accounting policies and completion of acquisition accounting later this fiscal year
- In the mid-term, over FY28-FY30, we expect sustained growth in adjusted[2] group revenue and adjusted service revenue[2] as the voice drag abates, and sustained growth in adjusted[2] EBITDA ahead of service revenue, enhanced by cost transformation. By the end of the decade capital expenditure[2] excluding spectrum will reduce by more than £1bn from the FY26 level and we expect to deliver c.£3.0bn in normalised free cash flow[2]
- The transformation programme has been re-presented for continuing operations, targeting gross annualised cost savings of £3.5bn at a cost to achieve of £1.2bn, compared with £3.7bn and £1.4bn respectively including International; FY30 headcount target now 65–70k, excluding International

Dividend

- In line with our policy, we are today declaring an interim dividend of 2.50 pence per share (pps) (H1 FY26: 2.45pps), which is 30% of last year's full dividend
- We reconfirm our dividend policy to grow the dividend by low to mid single digit percent per annum in FY27 and onwards until metrics consistent with a BBB+ credit rating are reached; thereafter residual cash flow will be available for enhanced distributions to shareholders
- The Board expects to continue to declare two dividends per year with the interim dividend being fixed at 30% of the prior year's full year dividend
- The interim dividend will be paid on 10 February 2027 to shareholders on the register of members on 29 December 2026. The ex-dividend date will be 24 December 2026

	FY27 outlook[3]	Mid-term guidance
Adjusted[2] group revenue	£17.1-£17.6bn	Sustained growth
Adjusted service revenue[2]	£15.1-£15.4bn	Sustained growth
Adjusted[2] EBITDA	Growth, £8.1-£8.2bn	Sustained growth ahead of service revenue, enhanced by cost transformation
Capital expenditure[2] excluding spectrum	£4.2-£4.3bn	Reduces by >£1bn from FY26 level
Normalised free cash flow[2]	c.£2.0bn	c.£3.0bn by end of decade
Dividend	Low to mid-single digit growth	Low to mid-single digit growth until metrics consistent with BBB+ are reached; thereafter residual cash flow will be available for enhanced distributions

1 Includes International units
2 See Glossary on page 30
3 Excluding the impact of the TalkTalk acquisition

Group results for the half year to 30 September 2026

Income statement

Revenue

- Reported revenue was £8,753m, up 1%, driven by higher handset revenues in Consumer, partially offset by declines in adjusted service[1] revenue
- Adjusted service[1] revenue for the period was £7,685m (H1 FY26: £7,726m), down 1%, driven by a continued drag from voice of one percentage point

Operating costs

- Reported operating costs were £7,037m, down 1% year on year due to lower restructuring costs and continued cost transformation including lower total labour resource, primarily in Openreach, and lower energy costs. These benefits more than offset higher handset costs in Consumer
- Specific items within operating costs were £69m (H1 FY26: £177m), down 61% due to lower restructuring charges of £85m (H1 FY26: £121m), fair value gains on preference shares in the Sports JV and lower litigation charges
- Adjusted operating costs were £6,968m (H1 FY26: £6,951m), flat year on year

Operating profit

- Reported operating profit was £1,716m, up 9% year on year driven by revenue growth, strong cost transformation and lower specific items in H1 FY27 compared to H1 FY26

Adjusted EBITDA

- Adjusted[1] EBITDA of £4,097m, up 1% year on year, driven by direct labour efficiencies and other cost transformation benefits, more than offsetting voice decline

Net finance expense

- Net finance expense was £645m, up 6% year on year primarily driven by lower investment income and higher handset finance and pension expense
- Specific items within finance expense related to interest expense on retirement benefit obligations of £100m (H1 FY26: £93m). On an adjusted basis, net finance expense was £545m, up 6% year on year

Share of post-tax profit (loss) of associates and joint ventures

- Our share of post-tax losses from our joint ventures and associates was £nil (H1 FY26: £9m loss)

Profit before tax

- Reported profit before tax of £1,071m, up 12% reflecting higher reported operating profit. On an adjusted basis profit before tax was £1,237m, up 1% year on year

Taxation

- The effective tax rate on reported profit was 22.0% (H1 FY26: 23.2%) which is below the UK corporation tax rate of 25%, primarily due to the benefit of the UK patent box tax regime
- The effective tax rate on adjusted profit was 22.8% (H1 FY26: 23.2%) primarily due to the UK patent box regime
- We made net corporate income tax payments of £13m (H1 FY26: £15m) comprising overseas tax payments
- We expect a large proportion of our UK capital expenditure to be eligible for full expensing which will reduce our current year UK tax liability

Earnings per share

- Reported earnings per share was 8.5p, up 13%, while adjusted earnings per share was 9.7p, up 1%. The increase in reported earnings per share is driven by higher reported profit before tax and a lower effective tax rate. Adjusted earnings per share increased, driven by higher adjusted profit before tax

Profit (loss) for the period from discontinued operations

- Reported loss from discontinued operations was £26m (H1 FY26: £83m)
- Adjusted profit from discontinued operations was £14m (H1 FY26: £29m loss), reflecting disciplined cost management and ongoing transformation initiatives. H1 FY26 loss included £30m of operating profit from divestments which completed in FY26

1 See Glossary on page 30

Cash flow, net debt and liquidity

Cash generated from continuing operations and normalised free cash flow

- Cash generated from continuing operations was £2,567m, down 10%. Normalised free cash flow[1] was £236m, down 59% reflecting a higher cash outflow from working capital and working capital programmes. A description of our working capital programmes is shown in Additional Information on page 29
- The net cash cost of specific items excluded from normalised free cash flow[1] was £157m (H1 FY26: £210m), primarily relating to restructuring payments

Capital expenditure

- Capital expenditure[1] was £2,282m, down 5% on H1 FY26 mainly driven by lower build activity
- Cash capital expenditure was £2,518m, down 1% with the difference to reported capital expenditure reflecting capital creditors and government grants

Net debt

- Net debt[1] at 30 September 2026 was £21.0bn (31 March 2026: £20.0bn), increasing mainly due to scheduled pension contributions of £0.8bn and the payment of the full year dividend partially offset by cash from trading
- Net financial debt (which excludes lease liabilities) at 30 September 2026 was £17.2bn (31 March 2026: £15.8bn)
- BT Group holds cash and current investment balances of £1.4bn and cash and cash equivalents held for sale of £0.1bn; the current portion of loans and other borrowings is £1.7bn at 30 September 2026
- Our £2.1bn undrawn committed borrowing facility, which matures no earlier than January 2031 with the option to extend for one further year, remains undrawn at 30 September 2026
- We remain committed to our credit rating target of BBB+/Baa1 and minimum rating of BBB/Baa2. During H1 FY27 our credit ratings remained unchanged at BBB or equivalent with stable outlook

Pensions (Note 6 to the condensed consolidated financial statements)

- The IAS 19 pension deficit has decreased to £3.2bn at 30 September 2026, net of tax £2.1bn (31 March 2026: £4.2bn, net of tax £3.1bn). The decrease predominantly reflects the payment of scheduled contributions over the period

Balance sheet

- Non-current assets at 30 September 2026 were £40,526m (FY26: £41,788m), a decrease of £1,262m, mainly reflecting the classification of BT's International operations as held for sale
- Current assets at 30 September 2026 were £7,721m (FY26: £7,115m), of which £2,455m relates to trade and other receivables (FY26: £3,116m). The increase of £606m was mainly driven by assets classified as held for sale, partly offset by reductions in trade and other receivables, investments and preference shares in joint ventures
- Current liabilities at 30 September 2026 were £9,093m (FY26: £8,409m), of which £4,461m relates to trade and other payables (FY26: £5,895m). The increase of £684m was primarily a result of the increase of £1,278m in loans and other borrowings, reflecting higher current borrowings and liabilities classified as held for sale, partially offset by lower trade and other payables and contract liabilities
- Non-current liabilities of £26,363m at 30 September 2026 (FY26: £27,930m) decreased by £1,567m. The decrease was primarily driven by lower retirement benefit obligations, loans and other borrowings, lease liabilities and the recognition of International as held for sale, partially offset by an increase in derivative financial instruments
- Total equity increased by £227m to £12,791m (FY26: £12,564m) reflecting profits of £809m in the period and actuarial gains on retirement benefit obligations, partially offset by dividends paid to shareholders of £580m and adverse cash flow hedge reserve movements

Principal risks and uncertainties

Risk management is integral to our business and to achieving our strategic priorities. Our risk management framework gives us a simple, consistent way of looking at the challenges we face when delivering our strategy. It gives us the processes and structure we need to manage and oversee risk consistently and effectively, helping us make informed decisions against our risk appetite.

We continue to face a broad range of internal and external risks and uncertainties. During the period, our risk landscape has continued to evolve, reflecting developments in artificial intelligence, cyber security, geopolitics, regulation and global supply chains, as well as the acquisition of TalkTalk. While these developments have contributed to the emergence of new areas of uncertainty, they have not fundamentally altered the Group's principal risks and uncertainties. Managing these while continuing to transform our business and deliver our strategic priorities remains a key focus.

The principal risks and uncertainties facing the group at 31 March 2026 are set out in detail within the strategic report section of the BT Group plc Annual Report 2026, which was published on 11 June 2026.

1 See Glossary on page 30

Operating review

Measures discussed in the operating review are on an adjusted basis and unless otherwise stated commentary is on half year results. For a definition of adjusted, see Glossary on page 30.

Consumer: Winning with customers, resilient financial performance

	Second quarter to 30 September				Half year to 30 September			
	2026	2025		Change	**2026**	2025		Change
	£m	£m	£m	%	**£m**	£m	£m	%
Revenue[1]	**2,452**	2,352	100	4	**4,783**	4,684	99	2
Of which service revenue[1]	**1,981**	1,970	11	1	**3,939**	3,932	7	—
Operating costs[1]	**1,813**	1,714	99	6	**3,528**	3,410	118	3
EBITDA[1]	**639**	638	1	—	**1,255**	1,274	(19)	(1)
Depreciation & amortisation[1]					**752**	849	(97)	(11)
Operating profit[1]					**503**	425	78	18
Capital expenditure[1]					**509**	567	(58)	(10)
Normalised free cash flow[1]					**394**	540	(146)	(27)

Financial metrics

- Revenue[1] up 2% driven by higher handset revenues; equipment revenue up 12%
- Service revenue[1] flat year on year, including a 1 percentage point drag from voice
- EBITDA[1] down 1% driven by lower voice revenue, incremental PSTN switchover costs, higher Openreach costs and investment in the BT brand refresh, partially offset by revenue flow-through. We continue to expect lower sports content costs in H2
- Depreciation and amortisation[1] down, primarily reflecting the full amortisation of EE customer relationship intangibles
- Capital expenditure[1] down driven by lower system and IT spend to run our core operations
- Normalised free cash flow[1] down reflecting a higher net cash outflow from movements in working capital and working capital programmes

Operational metrics

- Postpaid mobile net adds of 86k in H1, growing the base to 14.1m, with churn remaining low at 1.0%. Postpaid ARPU was £19.8, up 3% year on year
- Broadband base declined by 7k in H1, driven by the introduction of an activation fee. The base remained above 8.2m, with churn at 1.2%. Broadband ARPU was £40.8, down 3% year on year, reflecting lower voice revenue and a competitive market
- TV customer growth continued, with 26k net adds in H1, supported by two industry awards recognising EE TV's smarter, more personalised experience
- FTTP adoption saw record growth, with the base increasing in H1 by 574k to 4.7m customers, up 29% year on year and now representing 58% of the total broadband base
- 5G+ coverage continued to expand, now reaching 81% of the population
- Our converged product base continued to grow, with 27.1% (H1 FY26: 25.9%) of all broadband and mobile customers now taking both services. Growth was supported by the launch of EE One Up, our new rewards programme and the relaunch of BT Mobile and BT TV
- Our network leadership was reinforced through a historic double award win, with RootMetrics® recognising EE as the UK's Best Mobile Network for the 13th consecutive year and Ookla recognising BT Group's Full Fibre network, serving BT, EE and Plusnet customers, as the UK's Best Broadband Network. EE also strengthened its innovation leadership through the launch of Fast Lane, the UK's first consumer network slicing proposition, and EE was the first and only UK operator to launch iPhone Handoff
- Customer experience improved across all three brands, with NPS increasing by 5.3pts year on year

1 Financials and commentary are based on adjusted measures; see Glossary on page 30

Business: Strong customer momentum, foundations for growth

	Second quarter to 30 September				Half year to 30 September			
	2026	2025		Change	**2026**	2025		Change
	£m	£m	£m	%	**£m**	£m	£m	%
Revenue[1]	**1,281**	1,302	(21)	(2)	**2,574**	2,589	(15)	(1)
Of which service revenue[1]	**1,162**	1,187	(25)	(2)	**2,348**	2,370	(22)	(1)
Operating costs[1]	**982**	978	4	—	**1,973**	1,942	31	2
EBITDA[1]	**299**	324	(25)	(8)	**601**	647	(46)	(7)
Depreciation & amortisation[1]					**401**	372	29	8
Operating profit[1]					**200**	275	(75)	(27)
Capital expenditure[1]					**318**	268	50	19
Normalised free cash flow[1]					**(25)**	164	(189)	(115)

Financial metrics

- Revenue[1] and service revenue[1] down 1%, both up 1% before the voice drag, with improving FTTP mix and mobile growth
- EBITDA[1] down 7%, due to the impact of migration from legacy products, expected higher marketing costs, higher input costs and low-margin kit sales, with improvements expected in H2
- Depreciation and amortisation[1] up driven by higher network, digital and customer equipment investment
- Capital expenditure[1] up driven by higher customer capital expenditure and digital investment to support new customer wins and transformation
- Normalised free cash flow[1] down driven by lower EBITDA[1], higher capital expenditure and adverse working capital timing

Operational metrics

- FTTP base increased 29% year on year to 356k
- Units on legacy networks down by 53% year on year from 821k to 384k
- Strong commercial momentum, with high double-digit order growth year on year, including contracts with Scottish Water, Royal Mail, the Ministry of Justice and the Cabinet Office, reflecting BT's trusted brand, differentiated capabilities and improved sales execution
- Expanded our AI-enabled capabilities, including the launch of AI from BT, a new portfolio of practical and secure AI solutions, with AI Receptionist as its first customer offering
- Enabled the UK's first routine use of Beyond Visual Line of Sight (BVLOS) drones in day-to-day policing with British Transport Police
- Launched Fast Lane for businesses to support activities that depend on reliable mobile connectivity, including taking card payments, joining video calls while travelling and accessing digital services on the move
- Deepened the strategic partnership with Microsoft to help protect UK businesses and public sector organisations by combining BT's scale, security operations and network insight with Microsoft's leading security technology
- Continued NPS growth, up 5.2pts year on year, driven by improvements in corporate and public sector, and wholesale

1 Financials and commentary are based on adjusted measures; see Glossary on page 30

Openreach: Record FTTP connections, strong EBITDA growth

	Second quarter to 30 September				Half year to 30 September			
	2026	2025		Change	**2026**	2025		Change
	£m	£m	£m	%	**£m**	£m	£m	%
Revenue[1]	**1,585**	1,565	20	1	**3,160**	3,131	29	1
Of which service revenue[1]	**1,585**	1,565	20	1	**3,160**	3,131	29	1
Operating costs[1]	**440**	485	(45)	(9)	**922**	983	(61)	(6)
EBITDA[1]	**1,145**	1,080	65	6	**2,238**	2,148	90	4
Depreciation & amortisation[1]					**1,112**	1,053	59	6
Operating profit[1]					**1,126**	1,095	31	3
Capital expenditure[1]					**1,419**	1,529	(110)	(7)
Normalised free cash flow[1]					**247**	296	(49)	(17)

Financial metrics

- Revenue[1] up 1% driven by price increases across the portfolio and higher ARPU from the improved FTTP mix in broadband, partially offset by declines in the customer base of non-FTTP broadband and voice-only
- EBITDA[1] up 4% driven by ongoing cost transformation, including the benefit of lower repair volumes and lower total labour resource, plus revenue flow-through, partially offset by pay inflation
- Depreciation and amortisation[1] up reflecting investment in the network
- Capital expenditure[1] down driven by lower FTTP build activity and lower Ethernet provisioning volumes, partially offset by higher FTTP provisioning volumes. We expect capital expenditure in H2 to be down by around 30% year on year due to lower build volumes
- Normalised free cash flow[1] down driven by the timing of working capital (including the impact of changes to certain rebate arrangements with customers as a result of Ofcom's Telecoms Access Review), partially offset by lower capital expenditure and EBITDA growth

Operational metrics

- FTTP connected base grew by a record 1.1m lines in H1, reaching a total of 9.9m and reaching 10m connections in October. Our take-up rate has increased to 41%, maintaining our market-leading position amongst major fibre providers
- FTTP footprint reached 24.1m, an increase of 1.2m in H1
- Openreach broadband lines fell by 175k in Q2; we continue to expect losses of c.800k in the year
- Openreach broadband ARPU was £17.8, up 7% year on year, driven by CPI-linked price increases, higher FTTP take-up and speed mix
- Year to date, Openreach achieved all Ofcom Quality of Service standards for FTTP, Copper and Ethernet
- Openreach delivered a solid performance for on-time FTTP provision of 90.5%
- End customer satisfaction was maintained, with 92% of our independent customer survey responses scoring Openreach between 8 and 10 (out of 10), helping to maintain an 'Excellent' Trustpilot rating

1 Financials and commentary are based on adjusted measures; see Glossary on page 30

Condensed consolidated financial statements

Group income statement

Half year to 30 September 2026	Note	Before specific items (Adjusted) £m	Specific items (note 5) £m	Total (Reported) £m
Revenue	2,3	8,750	3	**8,753**
Operating costs	4	(6,968)	(69)	**(7,037)**
Of which net impairment losses on trade receivables and contract assets		(77)	—	**(77)**
Operating profit (loss)		1,782	(66)	**1,716**
Finance expense		(579)	(100)	**(679)**
Finance income		34	—	**34**
Net finance expense		(545)	(100)	**(645)**
Share of post-tax profit (loss) of associates and joint ventures	12	—	—	**—**
Profit (loss) before tax		1,237	(166)	**1,071**
Taxation		(282)	46	**(236)**
Profit (loss) for the period from continuing operations		955	(120)	**835**
Profit (loss) for the period from discontinued operations	13	14	(40)	**(26)**
Profit (loss) for the period		969	(160)	**809**
Earnings per share from continuing operations	10			
- basic		9.7p	(1.2)p	**8.5p**
- diluted		9.6p	(1.2)p	**8.4p**
Earnings per share from continuing and discontinued operations	10			
- basic		9.8p	(1.6)p	**8.2p**
- diluted		9.7p	(1.6)p	**8.1p**

Half year ended 30 September 2025, re-presented[1]	Note	Before specific items (Adjusted) £m	Specific items (note 5) £m	Total (Reported) £m
Revenue	2,3	8,696	4	**8,700**
Operating costs	4	(6,951)	(177)	**(7,128)**
Of which net impairment losses on trade receivables and contract assets		(80)	—	**(80)**
Operating profit (loss)		1,745	(173)	**1,572**
Finance expense		(589)	(93)	**(682)**
Finance income		75	—	**75**
Net finance expense		(514)	(93)	**(607)**
Share of post-tax profit (loss) of associates and joint ventures	12	(9)	—	**(9)**
Profit (loss) before tax		1,222	(266)	**956**
Taxation		(283)	61	**(222)**
Profit (loss) for the period from continuing operations		939	(205)	**734**
Profit (loss) for the period from discontinued operations	13	(29)	(54)	**(83)**
Profit (loss) for the period		910	(259)	**651**
Earnings per share from continuing operations	10			
- basic		9.6p	(2.1)p	**7.5p**
- diluted		9.5p	(2.1)p	**7.4p**
Earnings per share from continuing and discontinued operations	10			
- basic		9.3p	(2.6)p	**6.7p**
- diluted		9.2p	(2.6)p	**6.6p**

1 HI FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

Group statement of comprehensive income

	Half year ended 30 September	
	2026	2025
	£m	£m
Profit for the period	**809**	651
Other comprehensive income (loss)		
Items that will not be reclassified to the income statement		
Remeasurements of the net pension obligation	176	(488)
Tax on pension remeasurements	(45)	122
Items that have been or may be reclassified subsequently to the income statement		
Exchange differences on translation of foreign operations	(10)	(36)
Fair value movements on assets at fair value through other comprehensive income	—	2
Movements in relation to cash flow hedges:		
– net fair value (losses)	(345)	20
– recognised in income and expense	205	(112)
Share of post-tax other comprehensive income in associates and joint ventures	—	11
Tax on components of other comprehensive income (loss) that have been or may be reclassified	33	22
Other comprehensive income (loss) for the period, net of tax	**14**	(459)
Total comprehensive income for the period	**823**	192
Total comprehensive income (loss) for the period arising from:		
Continuing operations	851	286
Discontinued operations	(28)	(94)

Group balance sheet

	Note	30 September 2026	31 March 2026 Re-presented
		£m	£m
Non-current assets			
Goodwill		6,838	7,305
Other intangible assets		4,375	4,663
Property, plant and equipment		24,881	24,650
Right-of-use assets		2,675	3,032
Derivative financial instruments		634	830
Investments		19	20
Joint ventures and associates	12	3	4
Trade and other receivables		602	681
Contract assets		312	382
Retirement benefit surplus	6	170	170
Deferred tax assets[1]		17	51
Total non-current assets		**40,526**	41,788
Current assets			
Inventories		349	366
Trade and other receivables		2,455	3,116
Preference shares in joint ventures	12	184	282
Contract assets		938	1,009
Assets classified as held for sale	13	1,907	—
Current tax receivable		423	433
Derivative financial instruments		75	68
Investments		1,074	1,482
Cash and cash equivalents		316	359
Total current assets		**7,721**	7,115
Total assets		**48,247**	48,903
Current liabilities			
Loans and other borrowings		1,698	420
Derivative financial instruments		180	85
Trade and other payables		4,461	5,895
Contract liabilities		735	963
Lease liabilities		711	779
Liabilities classified as held for sale	13	1,103	—
Current tax liabilities		55	66
Provisions		150	201
Total current liabilities		**9,093**	8,409
Non-current liabilities			
Loans and other borrowings		17,592	18,116
Derivative financial instruments		492	313
Contract liabilities		258	274
Lease liabilities		3,004	3,405
Retirement benefit obligations	6	3,339	4,379
Other payables		238	177
Deferred tax liabilities[1]		1,139	896
Provisions		301	370
Total non-current liabilities		**26,363**	27,930
Total liabilities		**35,456**	36,339
Net assets		**12,791**	12,564
Equity			
Share capital		499	499
Share premium		1,055	1,051
Own shares		(160)	(188)
Merger reserve		998	998
Other reserves		533	650
Retained earnings		9,866	9,554
Total equity		**12,791**	12,564

1 We have re-presented the balance sheet at 31 March 2026 to offset the £1,073m deferred tax asset relating to our retirement benefit obligations within the deferred tax liability. This re-presentation has no impact on net assets, profit or cash flows. See note 1 'Basis of preparation and accounting policies' for further information

Group statement of changes in equity

	Share Capital	Share Premium[1]	Own Shares	Merger Reserve	Other Reserves	Retained Earnings	Total Equity
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2026	**499**	**1,051**	**(188)**	**998**	**650**	**9,554**	**12,564**
Profit for the period	—	—	—	—	—	809	809
Other comprehensive income (loss) before tax	—	—	—	—	(355)	176	(179)
Tax on other comprehensive income (loss)	—	—	—	—	33	(45)	(12)
Transferred to the income statement	—	—	—	—	205	—	205
Total comprehensive income (loss) for the period	—	—	—	—	(117)	940	823
Dividends to shareholders	—	—	—	—	—	(580)	(580)
Share-based payments	—	—	—	—	—	23	23
Net buyback of own shares	—	—	28	—	—	(71)	(43)
Other movements	—	4	—	—	—	—	4
At 30 September 2026	**499**	**1,055**	**(160)**	**998**	**533**	**9,866**	**12,791**

At 1 April 2025	499	1,051	(378)	998	828	9,910	12,908
Profit for the period	—	—	—	—	—	651	651
Other comprehensive income (loss) before tax	—	—	—	—	(14)	(477)	(491)
Tax on other comprehensive income (loss)	—	—	—	—	22	122	144
Transferred to the income statement	—	—	—	—	(112)	—	(112)
Total comprehensive income (loss) for the period	—	—	—	—	(104)	296	192
Dividends to shareholders	—	—	—	—	—	(566)	(566)
Share-based payments	—	—	—	—	—	24	24
Net buyback of own shares	—	—	168	—	—	(132)	36
Other movements	—	—	—	—	2	—	2
At 30 September 2025	499	1,051	(210)	998	726	9,532	12,596

1 During the half year, the Group recognised £4m in share premium relating to proceeds from the sale of shares associated with untraced shareholders, in line with the Company's Articles of Association

Group cash flow statement

	Half year to 30 September	
	2026	2025 (Re-presented)
	£m	£m
Cash flow from operating activities		
Profit before taxation from continuing operations	**1,071**	**956**
Share of post-tax loss of associates and joint ventures	—	9
Net finance expense	645	607
Operating profit	**1,716**	**1,572**
Other non-cash charges[1]	(61)	20
Impairment loss on remeasurement of disposal groups	—	5
Profit on disposal of property, plant and equipment and intangible assets	(11)	(31)
Depreciation and amortisation, including impairment charges	2,316	2,315
Decrease (increase) in inventories	12	(28)
Increase in trade and other receivables	(238)	(180)
Decrease in contract assets	74	65
Decrease in trade and other payables	(443)	(83)
(Decrease) increase in contract liabilities	(27)	28
Decrease in other liabilities[2]	(725)	(785)
Decrease in provisions	(46)	(30)
Cash generated from continuing operations	**2,567**	**2,868**
Income taxes paid	(13)	(15)
Cash outflows from discontinued operations	(45)	(88)
Net cash inflow from operating activities	**2,509**	**2,765**
Cash flow from investing activities		
Interest received	31	54
Dividends received from joint ventures, associates and investments	3	1
Proceeds on disposal of businesses	—	29
Proceeds on disposal of current financial assets[3]	5,884	6,639
Purchases of current financial assets[3]	(5,483)	(5,640)
Proceeds from investment in preference shares in joint venture	119	19
Proceeds on disposal of property, plant and equipment and intangible assets	11	33
Purchases of property, plant and equipment and intangible assets[4]	(2,518)	(2,533)
Decrease (increase) in amounts owed by joint ventures	92	46
Settlement of minimum guarantee liability with Sports joint venture	(102)	(118)
Cash outflows from discontinued operations	(42)	(49)
Net cash outflow from investing activities	**(2,005)**	**(1,519)**
Cash flow from financing activities		
Equity dividends paid	(580)	(566)
Interest paid	(385)	(437)
Repayment of borrowings[5]	(37)	(874)
Proceeds from bank loans and bonds	734	1,056
Payment of lease liabilities	(352)	(335)
Cash flows from collateral received[6]	222	281
Proceeds from exercise of employee share options	—	85
Repurchase of ordinary share capital	(43)	(126)
(Decrease) increase in amounts owed to joint ventures	(12)	16
Cash outflows from discontinued operations	(35)	(49)
Net cash outflow from financing activities	**(488)**	**(949)**
Net increase in cash and cash equivalents	**16**	**297**
Opening cash and cash equivalents	356	214
Net increase in cash and cash equivalents	16	297
Effect of exchange rate changes	(2)	(7)
Closing cash and cash equivalents[7]	**370**	**504**

1 Non-cash items include a £(25)m gain on lease termination (HI FY26: £nil), a £(21)m fair value gain on A and C preference shares held in the Sports JV (HI FY26: £(1)m) and no impairment of the Group's equity interest in the Sports JV (HI FY26: £23m impairment).
2 Other liabilities include pension deficit payments of £780m (HI FY26: £789m).
3 Financial assets primarily comprise investments in and redemptions of liquidity funds.
4 Purchase of property plant and equipment and intangible assets includes £2,282m of additions to property, plant and equipment, engineering stores and software (HI FY26: £2,389m), £nil of spectrum additions (HI FY26: £1m) and £236m of capital accrual movements (HI FY26: £143m). Purchases of property, plant and equipment are presented net of £76m of cash flows from government grants (HI FY26: £64m).
5 Repayment of borrowings includes the impact of hedging.
6 Cash flows in relation to collateral received relate to cash collateral held in respect of derivative financial assets with certain counterparties.
7 Cash and cash equivalents are presented net of bank overdrafts of £10m (HI FY26: £7m) and include £64m of cash held for sale (HI FY26: £152m).

Notes to the condensed consolidated financial statements

1. Basis of preparation and accounting policies

Basis of preparation

These unaudited condensed consolidated financial statements (the "financial statements") comprise the financial results of BT Group plc for the half years to 30 September 2026 and 2025 together with the balance sheet at 31 March 2026. The financial statements for the half year to 30 September 2026 have been reviewed by the auditors and their review opinion is on page 27. The financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook (DTR) of the Financial Conduct Authority and with UK-adopted IAS 34 'Interim Financial Reporting'. The financial statements should be read in conjunction with the Annual Report 2026 which was prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS).

Management have produced forecasts which confirm the group has adequate resources to continue in operation for a period of at least twelve months from the date of approval of this report, notwithstanding the net current liabilities position of £1,372m at 30 September 2026 (£1,294m net current liabilities at 31 March 2026). Consequently, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements for the half year to 30 September 2026. When reaching this conclusion, the directors took into account:

- The group's overall financial position (including trading during the half year and ability to repay term debt as it matures without recourse to refinancing);
- Exposure to our principal risks and uncertainties; and
- The financial effect of a severe but plausible downside scenario

At 30 September 2026, the group had cash and cash equivalents of £370m (net of bank overdrafts) and current asset investments of £1,074m. The group also had access to committed borrowing facilities of £2.1bn (FY26: £2.1bn), which mature no earlier than January 2031, with an option to extend for one further year.

The information for the year ended 31 March 2026 does not constitute the group's statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor has reported on those accounts; their report (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for the year to 31 March 2026.

A reference to a year expressed as FY27 is to the financial year to 31 March 2027.

Accounting policy changes and restatements

Except for the adoption of new and amended standards described below, the financial statements have been prepared in accordance with the accounting policies as set out in the Group's financial statements for the year to 31 March 2026 and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value.

New and amended accounting standards effective during the year

The following are the amendments to IFRS standards effective during the year. None of them have a material impact on the financial statements of the group.

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity; and
- Annual Improvements to IFRS Accounting Standards – Volume 11

IFRS Interpretations Committee agenda decisions

The IFRS Interpretations Committee (IFRIC) periodically issues agenda decisions which explain and clarify how to apply the principles and requirements of IFRS. Agenda decisions are authoritative and may require the group to revise accounting policies or practice to align with the interpretations set out in the decision.

We regularly review IFRIC updates and assess the impact of agenda decisions. No agenda decisions finalised in the half year to 30 September 2026 have been assessed as having a material impact on the group.

New and amended accounting standards issued but not yet effective

The IASB issued IFRS 20 Regulatory Assets and Regulatory Liabilities in May 2026. The standard establishes comprehensive principles for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense arising from qualifying regulatory agreements. It will be effective for BT for the period beginning 1 April 2029, subject to the UK endorsement process. The group is currently assessing the impact of the new standard.

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. The Group has not early adopted IFRS 18 and is currently assessing the new requirements, with the main impacts expected on the presentation of the consolidated income statement and the disclosure of management-defined performance measures. The Group is progressing implementation activities ahead of applying IFRS 18 in its interim financial statements for the six months ending 30 September 2027 and its annual financial statements for the year ending 31 March 2028.

Re-presentation of balance sheet and operating costs

Following a review of balance sheet presentation, the Group has revised the presentation of certain subtotals in the balance sheet. The subtotal 'Total assets less current liabilities' has been removed and replaced with a new subtotal, 'Net assets'. Additional subtotals, including 'Total assets' and 'Total liabilities', have been introduced to provide a clearer and more structured presentation of the balance sheet.

As part of this review, the Group has also revised the presentation of certain deferred tax balances. Deferred tax related to pension obligations, which was previously presented within deferred tax assets, is now presented net of deferred tax liabilities where the relevant offsetting criteria under IAS 12 are met.

These changes affect presentation only and have no impact on the Group's net assets, profit for the period or cash flows. Comparative amounts have been re-presented on a consistent basis.

Comparative operating costs have been re-presented to reflect revised classifications between operating cost categories, with no impact on total operating costs, adjusted EBITDA or operating profit.

International joint venture

In June 2026, BT and Verizon Communications Inc. ("Verizon") entered into an agreement to combine their respective international enterprise operations into a 50:50 joint venture. BT will contribute the Group's International unit to the joint venture. The transaction is consistent with the Group's strategy to fully focus on UK connectivity and follows the active programme initiated in 2025 to optimise its non-core global operations.

The Group classified the remaining operations of the Group's International unit as held for sale at 30 June 2026, when management concluded that the carrying amount of the business would be recovered principally through the transaction rather than through continuing use and that completion of the transaction was highly probable.

As the International unit represents a major separate line of business, its results have been presented as discontinued operations for all periods presented in the consolidated income statement and statement of comprehensive income. Cash flows attributable to discontinued operations have also been presented separately in the cash flow statement. Earnings per share (EPS) has been presented separately for continuing and discontinued operations. Further details are provided in note 13.

2. Operating results – by customer-facing unit

Half year to 30 September 2026

	Consumer	Business	Openreach	Other	Total continuing operations
	£m	£m	£m	£m	£m
Segment revenue	4,783	2,574	3,160	6	10,523
Internal revenue	(20)	(113)	(1,640)	—	(1,773)
Adjusted[1] revenue from external customers	**4,763**	**2,461**	**1,520**	**6**	**8,750**
Adjusted EBITDA[1,2]	1,255	601	2,238	3	4,097
Depreciation and amortisation	(752)	(401)	(1,112)	(50)	(2,315)
Adjusted[1] operating profit (loss)	**503**	**200**	**1,126**	**(47)**	**1,782**
Specific items (note 5)					(66)
Operating profit					**1,716**

Half year to 30 September 2025 (re-presented[3])

Segment revenue	4,684	2,589	3,131	6	10,410
Internal revenue	(20)	(108)	(1,586)	—	(1,714)
Adjusted[1] revenue from external customers	**4,664**	**2,481**	**1,545**	**6**	**8,696**
Adjusted EBITDA[1,2]	1,274	647	2,148	(9)	4,060
Depreciation and amortisation	(849)	(372)	(1,053)	(41)	(2,315)
Adjusted[1] operating profit (loss)	**425**	**275**	**1,095**	**(50)**	**1,745**
Specific items (note 5)					(173)
Operating profit					**1,572**

1 See Glossary on page 30
2 See Additional Information on page 28 for the reconciliation of adjusted EBITDA
3 H1 FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

3. Operating results - disaggregation of revenue

Half year to 30 September 2026

	Consumer £m	Business £m	Openreach £m	Other £m	Internal Revenue £m	Total £m
ICT and managed networks	**—**	**553**	**—**	**—**	**(13)**	**540**
Fixed access subscriptions	**1,981**	**999**	**—**	**—**	**(14)**	**2,966**
Mobile subscriptions	**1,831**	**424**	**—**	**—**	**(11)**	**2,244**
Other services	**18**	**371**	**107**	**6**	**(130)**	**372**
Equipment revenue	**844**	**226**	**—**	**—**	**(6)**	**1,064**
Revenue from contracts with customers	**4,674**	**2,573**	**107**	**6**	**(174)**	**7,186**
Lease revenue[2]	**109**	**1**	**3,053**	**—**	**(1,599)**	**1,564**
Revenue before specific items[1]	**4,783**	**2,574**	**3,160**	**6**	**(1,773)**	**8,750**
Specific items (note 5)						**3**
Total revenue from continuing operations[3]						**8,753**

Half year to 30 September 2025 (re-presented[4])

ICT and managed networks	—	558	—	—	(5)	553
Fixed access subscriptions	2,042	1,021	—	—	(15)	3,048
Mobile subscriptions	1,774	419	—	—	(22)	2,171
Other services	9	371	107	6	(137)	356
Equipment revenue	751	216	—	—	(2)	965
Revenue from contracts with customers	4,576	2,585	107	6	(181)	7,093
Lease revenue[2]	108	4	3,024	—	(1,533)	1,603
Revenue before specific items[1]	4,684	2,589	3,131	6	(1,714)	8,696
Specific items (note 5)						4
Total revenue from continuing operations[3]						8,700

1 See Glossary on page 30
2 Lease revenue includes income from Openreach's fixed access subscription services
3 We have further disaggregated the revenue presented here to derive the adjusted service revenue of £7,685m (HI FY26: £7,726m). See our adjusted service revenue reconciliation in Additional Information on page 28
4 HI FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

4. Operating costs

	Half year to 30 September	
	2026	2025 (Re-presented[1,2])
	£m	£m
Operating costs by nature		
Wages and salaries	1,603	1,677
Social security costs	197	215
Other pension costs	136	143
Share-based payment expense	20	20
Total staff costs	**1,956**	2,055
Capitalised direct labour[2]	(672)	(700)
Net staff costs	**1,284**	1,355
Indirect labour costs[2]	588	597
Capitalised indirect labour[2]	(390)	(407)
Net indirect labour costs	**198**	190
Net labour costs	**1,482**	1,545
Product costs	1,317	1,224
External sales commissions	224	225
Payments to telecommunications operators	232	267
Property and energy costs	604	601
Network operating and IT costs[2]	450	453
Provision and installation	76	79
Marketing and sales	154	118
Net impairment losses on trade receivables and contract assets	77	80
Other operating costs[2]	208	196
Other operating income	(171)	(152)
Depreciation and amortisation, including impairment charges	2,315	2,315
Total continuing operating costs before specific items	**6,968**	6,951
Specific items (note 5)	69	177
Total continuing operating costs	**7,037**	7,128

Depreciation and amortisation, which includes impairment charges, is analysed as follows:

	Half year to 30 September	
	2026	2025 (Re-presented[1])
	£m	£m
Depreciation and amortisation before impairment charges		
Intangible assets	574	621
Property, plant and equipment	1,465	1,415
Right-of-use assets	273	271
Impairment charges		
Intangible assets	1	3
Property, plant and equipment	—	2
Right-of-use assets	2	3
Total continuing depreciation and amortisation before specific items	**2,315**	2,315
Impairment charges classified as specific items (note 5)		
Intangible assets	—	—
Property, plant and equipment	—	—
Right-of-use assets	1	—
Total continuing depreciation and amortisation	**2,316**	2,315

1 H1 FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

2 Comparative amounts have also been re-presented to revise the classification of certain operating costs and to provide a basis of presentation consistent with the current period. Before the separate re-presentation for discontinued operations, the classification adjustments comprised £12m from capitalised direct labour, £31m from indirect labour costs, £30m from capitalised indirect labour and £22m from network operating and IT costs, with a corresponding £95m increase in other operating costs. These changes are within operating costs and have no impact on total operating costs, adjusted EBITDA or operating profit

5. Specific items

The following charges and credits in H1 FY27 and H1 FY26 were recognised as specific items: significant business restructuring programmes including the current group-wide cost transformation and modernisation programme, disposals of businesses and investments, charges or credits relating to retrospective regulatory matters, litigation matters, impairment on remeasurement of disposal groups to be held for sale, asset impairment charges, net interest on our pension obligation, and the impact of remeasuring deferred tax balances. Movements relating to the sports joint venture (Sports JV) with Warner Bros. Discovery (WBD), such as fair value gains or losses on the A and C preference shares or impairment charges on the equity-accounted investment are classified as specific items, refer to note 12.

		Half year to 30 September	
		2026	2025 (re-presented[1])
	Ref.	£m	£m
Revenue			
Retrospective regulatory matters	**A**	**(3)**	(4)
Specific revenue		**(3)**	(4)
Operating costs			
Restructuring charges	**B**	**85**	121
Sports JV – related items	**C**	**(17)**	22
Divestment-related items	**F**	**—**	(1)
Litigation matters	**F**	**—**	30
Impairment loss on remeasurement of disposal groups	**F**	**—**	5
Specific operating costs before depreciation and amortisation		**68**	177
Asset impairment charges	**F**	**1**	—
Specific operating costs		**69**	177
Impact on operating profit		**66**	173
Net finance expense			
Interest expense on retirement benefit obligation	**D**	**100**	93
Specific net finance expense		**100**	93
Net specific items charge before tax		**166**	266
Tax credit on specific items above	**E**	**(46)**	(61)
Net specific items charge after tax from continuing operations		**120**	205
Net specific items after tax from discontinued operations	**G**	**40**	54
Net specific items after tax		**160**	259

1 H1 FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

A. Retrospective regulatory matters

We recognised a £3m net credit in relation to historical regulatory matters (H1 FY26: net credit of £4m). These items represent movements in provisions relating to various matters.

B. Restructuring charges

Following the announcement in June of our agreement with Verizon to create a combined global business, the International CFU is now reported as a discontinued operation. The continuing Group's transformation programme targets £3.5bn of gross annualised cost savings at a total cost to achieve of £1.2bn compared with £3.7bn and £1.4bn respectively including International, covering the period from programme launch in May 2024 to the end of FY30. The continuing Group's transformation programme incorporated the benefits and costs of the final FY25 year of the previous May 2020 programme.

In H1 FY27, the programme for the continuing group delivered estimated gross annualised cost savings of £312m with a cost to achieve of £85m (H1 FY26: £121m), these restructuring charges mainly comprised leaver, third-party and property-related costs. Net restructuring cash outflows were £148m (H1 FY26: £182m). Since launch, excluding International, it has delivered £1.7bn of gross annualised cost savings at a cost to achieve of £0.8bn. The expected cash cost to achieve until FY30 is £1.2bn, of which £0.8bn has been incurred to date, including £0.1bn in H1 FY27.

We do not consider the remaining estimated restructuring costs of £0.4bn, included within the £1.2bn referenced here, to constitute a sufficiently detailed formal announcement of a restructuring programme that would trigger a provision under IAS 37. Costs are provided for when the IAS 37 recognition criteria are met.

C. Sports JV – related items

We have recorded a net gain of £17m (H1 FY26: net charge of £22m), comprising a fair value gain of £21m (H1 FY26: £1m) on the A and C preference shares in the Sports JV and other transaction-related costs of £4m (H1 FY26: £nil). In H1 FY26 we recognised an impairment loss of £23m on the ordinary equity interest in the Sports JV. Refer to note 12 for further details.

D. Interest expense on retirement benefit obligation

During the half year we incurred £100m (H1 FY26: £93m) of interest costs in relation to our defined benefit pension obligations.

E. Tax on specific items

A tax credit of £46m was recognised in relation to specific items (H1 FY26: £61m).

F. Other specific items

In H1 FY27 we recognised the following within specifics:

- £1m impairment charge in relation to property rationalisation programmes, part of our group-wide cost transformation and modernisation programme

In H1 FY26 we recognised the following within specifics:

- £1m credit relating to divestment-related activity associated with the continuing group
- £30m charge associated with litigation claims brought against the group
- £5m impairment charge for the remeasurement of disposal groups. Assets classified as held for sale under IFRS 5 are measured at the lower of their carrying amount and fair value less costs of disposal, resulting in an impairment loss

G. Specific items after tax relating to discontinued operations

In relation to International, we incurred £19m of divestment-related costs (H1 FY26: £20m), £17m of restructuring charges (H1 FY26: £13m) and £4m of interest costs in relation to our defined benefit pension obligations (H1 FY26: £3m) during the half year. In H1 FY26 we recognised an impairment loss on remeasurement of disposal groups of £22m. Tax of £nil (H1 FY26: £4m credit) has been recognised in relation to the discontinued specific items.

6. Pensions

	30 September 2026	31 March 2026
	£bn	£bn
IAS 19 liabilities – BTPS	**(33.4)**	(35.1)
Assets – BTPS	**30.1**	30.9
Other schemes	**0.1**	—
Total IAS 19 deficit, gross of tax[1,2]	**(3.2)**	(4.2)
Total IAS 19 deficit, net of tax	**(2.1)**	(3.1)
Discount rate (nominal)	**6.50 %**	6.00 %
Future inflation – average increase in RPI (p.a.)	**3.25 %**	3.25 %
Future inflation – average increase in CPI (p.a.)	**2.90 %**	2.90 %

1 Of which £(3.3)bn relates to schemes in deficit (FY26: £(4.4)bn) and £0.1bn relates to schemes in surplus (FY26: £0.2bn)

2 The 31 March 2026 deficit figure includes £0.2bn of IAS 19 pension deficit that as at 30 September 2026 has been included within liabilities held for sale. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

The IAS 19 pension deficit decreased to £3.2bn at 30 September 2026 from £4.2bn at 31 March 2026 predominantly as a result of the payment of scheduled contributions over the period.

7. Financial instruments and risk management

Fair value of financial assets and liabilities measured at amortised cost

At 30 September 2026, the fair value of listed bonds was £17,958m (31 March 2026: £17,778m) and the carrying value was £18,865m (31 March 2026: £18,303m). The increase was primarily attributable to newly issued bonds, partially offset by favourable foreign exchange movements.

The fair value of all other financial assets and liabilities continued to approximate their carrying amounts.

The group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and energy price risk); liquidity risk; and credit risk. There have been no changes to the risk management policies which cover these risks since 31 March 2026.

Current trade and other payables balance of £4,461m (31 March 2026: £5,895m) includes:

- £215m (31 March 2026: £271m) of trade payables in a supply chain financing programme used with a limited number of suppliers to extend short payment terms to a more typical payment term; and
- £237m (31 March 2026: £257m) of trade payables in a separate supply chain financing programme that allows suppliers the opportunity to receive funding earlier than the invoice due date. Financial institutions are used to support this programme, but we continue to recognise the underlying payables as we continue to cash settle the supplier invoices in accordance with their terms

Fair value estimation

Financial instruments measured at fair value are classified within a three-level fair value hierarchy, which remained unchanged since year-end.

Level 2 balances are the fair values of the group's outstanding derivative financial assets and liabilities which were estimated using discounted cash flow models and market rates of interest and foreign exchange at the balance sheet date.

Level 3 balances comprise the following financial instruments classified as fair value through profit or loss and fair value through other comprehensive income:

- A and C preference shares in the Sports JV, see note 12 for more details
- Investments in a number of private companies. If specific market data is not available, these investments are held at cost, adjusted as necessary for impairments, which approximates to fair value
- Derivative energy contracts, estimated using discounted cash flow models and a mix of assumptions some of which are not observable in the market. The key inputs used in the internal valuation model are the developer's P90 generation volume forecast (where the output is forecasted to be exceeded 90% of the time over the contract's lifetime), publicly available electricity price data, inflation rates, and the group's weighted average cost of capital. A 10% increase or decrease in the significant non-observable inputs would increase or decrease the fair value of the contracts by approximately £0.3m. During the period, no new energy contracts were signed or terminated, the fair value movement was driven by monthly settlements and market movements

30 September 2026	Level 1 £m	Level 2 £m	Level 3 £m	Total held at fair value £m
Preference shares in joint venture				
Fair value through profit or loss	—	—	184	**184**
Investments				
Fair value through other comprehensive income	—	—	19	**19**
Derivative assets				
Designated in a cash flow hedge	—	618	21	**639**
Designated in a fair value hedge	—	3	—	**3**
Fair value through profit or loss	—	67	—	**67**
Total assets	**—**	**688**	**224**	**912**
Derivative liabilities				
Designated in a cash flow hedge	—	451	14	**465**
Designated in a fair value hedge	—	151	—	**151**
Fair value through profit or loss	—	43	13	**56**
Total liabilities	**—**	**645**	**27**	**672**

31 March 2026	Level 1 £m	Level 2 £m	Level 3 £m	Total held at fair value £m
Preference shares in joint venture				
Fair value through profit or loss	—	—	282	**282**
Investments				
Fair value through other comprehensive income	—	—	20	**20**
Derivative assets				
Designated in a cash flow hedge	—	835	8	**843**
Designated in a fair value hedge	—	5	—	**5**
Fair value through profit or loss	—	50	—	**50**
Total assets	**—**	**890**	**310**	**1,200**
Derivative liabilities				
Designated in a cash flow hedge	—	290	36	**326**
Designated in a fair value hedge	—	22	—	**22**
Fair value through profit or loss	—	37	13	**50**
Total liabilities	**—**	**349**	**49**	**398**

A net loss of £98m (H1 FY26: net loss of £40m) and a net gain of £34m (H1 FY26: net gain of £26m) have been recognised in the income statement and other comprehensive income respectively in respect of fair value movements on level 3 instruments during the half year ended 30 September 2026. Of the £98m net loss (H1 FY26: £40m net loss) recognised in the income statement, £nil (H1 FY26: £22m net loss) is in respect of recycling from the cash flow hedge reserve. There were no significant changes in the measurement and valuation techniques, or transfers between the levels of the fair value hierarchy during the period.

8. Share capital

In the half year to 30 September 2026, 44m shares (H1 FY26: 135m) at a total cost of £71m (H1 FY26: £217m), calculated at a weighted average cost per share, were transferred from own shares (comprising Treasury shares and shares held under the BT Group Employee Share Ownership Trust) to satisfy obligations under all-employee and executive share plans. We received cash proceeds of £nil (H1 FY26: £85m) in respect of share options exercised.

Own shares of £43m (H1 FY26: £49m) were purchased during the half year.

9. Financial commitments

Financial commitments as at 30 September 2026 include capital commitments of £987m (31 March 2026: £1,025m).

10. Earnings per share

Basic earnings per share is calculated by dividing the profit after tax attributable to equity shareholders by the weighted average number of shares in issue after deducting the own shares held by employee share ownership trusts and treasury shares. In calculating the diluted earnings per share, share options outstanding and other potential shares have been taken into account where the impact of these is dilutive.

Half year ended			30 September 2026			30 September 2025 (re-presented)[1]
Profit (loss) (£m)	**Before specific items (Adjusted)**	**Specific items (note 5)**	**Total (Reported)**	**Before specific items (Adjusted)**	**Specific items (note 5)**	**Total (Reported)**
Continuing operations	955	(120)	**835**	939	(205)	**734**
Discontinued operations	14	(40)	**(26)**	(29)	(54)	**(83)**
Total	969	(160)	**809**	910	(259)	**651**
In millions of shares						
Basic weighted average number of shares			**9,867**			**9,789**
Dilutive shares from share options			—			8
Dilutive shares from share awards			99			122
Diluted weighted average number of shares			**9,966**			**9,919**
Basic earnings per share						
Continuing operations	9.7 p	(1.2) p	**8.5 p**	9.6 p	(2.1) p	**7.5 p**
Discontinued operations	0.1 p	(0.4) p	**(0.3) p**	(0.3) p	(0.5) p	**(0.8) p**
Total	9.8 p	(1.6) p	**8.2 p**	9.3 p	(2.6) p	**6.7 p**
Diluted earnings per share						
Continuing operations	9.6 p	(1.2) p	**8.4 p**	9.5 p	(2.1) p	**7.4 p**
Discontinued operations	0.1 p	(0.4) p	**(0.3) p**	(0.3) p	(0.5) p	**(0.8) p**
Total	9.7 p	(1.6) p	**8.1 p**	9.2 p	(2.6) p	**6.6 p**

1 H1 FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

The earnings per share calculations are based on profit after tax attributable to equity shareholders of the parent company which excludes non-controlling interests. Profit attributable to non-controlling interests is not presented separately in the financial statements as it is not material.

11. Dividends

In line with the group's dividend policy, the Board has approved an interim dividend of 2.50p per share (H1 FY26: 2.45p per share) which will be paid on 10 February 2027. The ex-dividend date is 24 December 2026.

12. Joint ventures and associates

	30 September 2026	31 March 2026
	£m	£m
Interest in joint ventures	**2**	2
Interest in associates	**1**	2
Total	**3**	4

No share of post-tax profit or loss or other comprehensive income from associates and joint ventures was recognised in the half year to 30 September 2026.

Sports JV

Ordinary equity shares

The carrying amount of our equity-accounted interest in the Sports JV remained at nil at 30 September 2026 (31 March 2026: nil). Accordingly, no further share of loss was recognised during the period. Our unrecognised share of the Sports JV's total comprehensive losses, which is tracked off-balance sheet, was £24m at 30 September 2026 (31 March 2026: £23m).

Under the terms of the joint venture arrangements, WBD continues to have a call option in respect of BT's 50% equity interest in the Sports JV. The contractual processes associated with that option remain ongoing and the option therefore remains capable of exercise in accordance with its terms.

The Sports JV has been classified as a joint venture since completion of the transaction with WBD in FY23. Determining whether the call option provides WBD with a substantive right to unilaterally control the key decisions requires judgement and consideration of a variety of factors, including whether there are any barriers to WBD completing the acquisition. Having considered all relevant facts and circumstances, we concluded that BT retained joint control of the Sports JV as at 30 September 2026 and that classification as a joint venture remained appropriate.

Preference shares

During the half year to 30 September 2026, BT's earn-out entitlement ended and the economic interests of BT and WBD in the Sports JV were realigned to 50:50. Following the settlement of the final earn-out payment, the carrying amount of the A preference shares reduced to £nil at 30 September 2026 (31 March 2026: £107m). The C preference shares had a carrying amount of £184m (31 March 2026: £175m), reflecting the present value of the amount expected to be received by BT on completion of the economic realignment. Settlement is expected during the second half of FY27. Overall, a net £21m fair value gain was recognised on the A and C preference shares during the period (H1 FY26: net £1m fair value gain).

13. Discontinued operations and assets and liabilities classified as held for sale

We classify non-current assets or a group of assets and associated liabilities, together forming a disposal group, as 'held for sale' when their carrying amount will be recovered principally through disposal rather than continuing use and the sale is highly probable. A sale is considered to be highly probable when management are committed to a plan to sell the asset or disposal group and completion is expected within one year. We measure non-current assets or disposal groups classified as held for sale at the lower of their carrying amount and fair value less costs of disposal. Intangible assets, property, plant and equipment and right-of-use assets classified as held for sale are not depreciated or amortised.

Upon completion of a divestment, we recognise a profit or loss on disposal calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest less costs incurred in disposing of the asset or disposal group, and (ii) the carrying amount of the asset or disposal group (including goodwill). The profit or loss on disposal is recognised as a specific item, see note 5.

Where non-current assets or disposal groups held for sale represent a separate major line of business or geographical area of operations, or form part of a single coordinated plan to dispose of one, the Group classifies the disposal group as a discontinued operation and re-presents comparative periods on the same basis.

The post-tax results of discontinued operations are presented separately from continuing operations as a single amount in the consolidated income statement. The cash flows of discontinued operations are presented separately from continuing operations in the consolidated cash flow statement. Discontinued operations are also excluded from segment reporting. Unless otherwise stated, all other notes to the consolidated financial statements include only continuing operations, except for comparative balance sheet information.

Transactions between continuing and discontinued operations are eliminated in full in the consolidated income statement. However, where the Group expects commercial relationships with the discontinued operation to continue after disposal, the effects of those transactions are reflected in continuing operations, with an equal and opposite charge or credit recognised in discontinued operations. As a result, there is no net impact on the Group's profit for the period.

International unit

In June 2026, BT and Verizon Communications Inc. ("Verizon") entered into an agreement to combine their respective international enterprise operations into a 50:50 joint venture. BT will contribute the remaining operations of the Group's International unit to the joint venture. The transaction is consistent with the Group's strategy to focus fully on UK connectivity and follows the active programme initiated in 2025 to optimise its non-core International activities.

Management has concluded that the remaining international operations met the criteria to be classified as held for sale at 30 June 2026 and that the international unit as a whole met the criteria to be presented as a discontinued operation. Accordingly, the results of the International unit are presented as a discontinued operation and comparative periods have been re-presented on the same basis. The associated assets and liabilities have been presented as held for sale.

The discontinued operations comparative information includes five businesses that previously formed part of the International unit which were classified as held for sale in the prior year and were subsequently disposed of during FY26. Those disposals, together with the proposed contribution of the remaining International operations to the joint venture, form part of a single coordinated plan to dispose of the Group's non-core International activities.

Impairment on remeasurement of disposal groups held for sale

On classification of the disposal groups as held for sale, we remeasured the disposal groups to the lower of their carrying amount and fair value less costs of disposal. This measurement is reassessed at each reporting date while the disposal groups remain classified as held for sale, with further impairment recognised where applicable. No impairment has been recognised during the half year to 30 September 2026 in respect of the International operations to be contributed to the joint venture. During H1 FY26 an impairment of £22m was recognised in respect of the previously disposed International businesses described above. The prior period impairment was recognised as a specific item and applied to reduce the carrying amounts of intangible assets, property, plant and equipment and right-of-use assets within the affected disposal groups (see note 5).

Analysis of discontinued operations

The results of the International unit are presented separately from continuing operations for all periods presented in the consolidated income statement and statement of comprehensive income. Earnings per share is presented for continuing operations and for continuing and discontinued operations combined in the Group income statement, with further detail provided in note 10.

The summary income statements for the half years ended 30 September 2026 and 30 September 2025 are set out below.

	Before specific items ('Adjusted')		Specific items		Total (Reported)	
	2026	2025[1]	**2026**	2025[1]	**2026**	2025[1]
	£m	£m	**£m**	£m	**£m**	£m
Revenue	923	1,110	—	—	923	1,110
Internal revenue	(1)	—	—	—	(1)	—
Revenue from external customers	922	1,110	—	—	922	1,110
Operating costs	(905)	(1,146)	(36)	(55)	(941)	(1,201)
Operating profit (loss)	17	(36)	(36)	(55)	(19)	(91)
Finance expense	(1)	(3)	(4)	(3)	(5)	(6)
Finance income	4	3	—	—	4	3
Net finance income (expense)	3	—	(4)	(3)	(1)	(3)
Share of post-tax profit (loss) of associates and joint ventures	—	—	—	—	—	—
Profit (loss) before tax	20	(36)	(40)	(58)	(20)	(94)
Taxation	(6)	7	—	4	(6)	11
Profit (loss) for the period from discontinued operations	14	(29)	(40)	(54)	(26)	(83)

1 Revenue of £150m and operating profit of £30m relating to disposals completed during FY26, which formed part of the International business, have been re-presented within discontinued operations in the FY26 comparatives

Assets and liabilities held for sale

The assets and liabilities classified as held for sale at the balance sheet date relate to the international operations to be contributed to the joint venture with Verizon and comprise the following:

	30 September 2026
	£m
Assets	
Goodwill and other intangible assets	607
Property, plant and equipment	140
Right-of-use assets	123
Trade and other receivables	904
Deferred tax assets	69
Cash and cash equivalents	64
Assets held for sale	**1,907**
Liabilities	
Trade and other payables	770
Lease liabilities	114
Retirement benefit obligations	173
Provisions	46
Liabilities held for sale	**1,103**

There were no assets and liabilities held for sale at 31 March 2026.

Divestments

There were no disposals during H1 FY27. In H1 FY26, BT Communications Ireland Ltd was disposed with no gain or loss recognised on disposal.

14. Related party transactions

BT Group related parties include joint ventures, associates, investments and key management personnel.

Key management personnel comprise Executive and Non-Executive Directors and members of the Executive Committee.

Associates and joint ventures related parties include the Sports JV with Warner Bros Discovery (see note 12). Sales of services to the Sports JV during H1 FY27 were £1m (H1 FY26: £2m) and purchases from the Sports JV were £155m (H1 FY26: £160m) excluding £102m (H1 FY26: £118m) additional payments made to settle the minimum guarantee liability. The amount receivable from the Sports JV as at 30 September 2026 was £nil (31 March 2026: £nil) and the amount payable to the Sports JV was £49m (31 March 2026: £94m).

Following the economic realignment, the previous £200m Revolving Credit Facility (RCF) provided by the group was replaced by a revised £200m facility provided equally by the group and Warner Bros. Discovery, with each shareholder providing £100m. Amounts drawn under the facility accrue interest at a market reference rate. At 30 September 2026, the amount outstanding under the group's share of the facility was £nil (31 March 2026: £91m under the previous RCF). The previous cash pooling arrangement with the Sports JV also ceased following the economic realignment and consequently there is no loan payable to the Sports JV at 30 September 2026 (31 March 2026: £10m).

The Sports JV has a foreign exchange hedging arrangement with the group to secure euros required to meet its commitments to certain sports rights holders; the group has external forward contracts in place to purchase the euros at an agreed sterling rate in order to mitigate its exposure to exchange risk. The group holds a £9m (31 March 2026: £9m) derivative liability in respect of forward contracts provided to the Sports JV.

Transactions from commercial trading arrangements with associates and joint ventures, including the Sports JV, are shown below:

	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
Sales of services to associates and joint ventures	**5**	11
Purchases from associates and joint ventures	**180**	172

	30 September 2026	31 March 2026
	£m	£m
Amounts receivable from associates and joint ventures	**3**	9
Amounts payable to associates and joint ventures	**52**	107

Bharti Enterprises and its subsidiaries are a related party of BT Group and own approximately 24.5% of BT's share capital and have nominated two non-executive directors to the Board. There were net purchases during the period to 30 September 2026 from Bharti Enterprises of £2m (H1 FY26: £0.2m) and net payables of £2m (31 March 2026: £1m).

15. Contingent liabilities and legal proceedings

There have been no material changes in contingent liabilities, legal proceedings or regulatory matters since those reported in our Annual Report 2026.

16. Post balance sheet events

Acquisition of TalkTalk

On 5 October 2026, the Group acquired 100% of the equity interests in TalkTalk Telecommunications Limited and PlatformX Communications Limited, ("TalkTalk businesses"), which operate TalkTalk's consumer and wholesale businesses, respectively. The businesses were acquired out of administration on a debt-free basis.

Following the acquisition, the Competition and Markets Authority imposed a Pre-emptive Action Order ("PAO") requiring the TalkTalk businesses to remain operationally separate from the remainder of BT and to be independently managed while the regulatory review is completed. These restrictions mean that the Group does not currently control the acquired TalkTalk businesses. The equity interests in the TalkTalk businesses will therefore be accounted for as financial assets and the TalkTalk businesses will not be consolidated while the PAO restrictions remain in place.

The estimated total cash impact of the transaction in FY27 is approximately £400 million, comprising both consideration and other cash impacts, including funding that the Group has committed to provide to the TalkTalk businesses together with transaction and administration costs and other related cash impacts.

The acquisition of the TalkTalk businesses occurred after 30 September 2026 and is a non-adjusting post balance sheet event. Accordingly, no amounts relating to this transaction have been recognised in these condensed consolidated financial statements.

The Group will consolidate TalkTalk Telecommunications Limited and PlatformX Communications Limited only if control is obtained. The timing and financial effect of any future consolidation cannot currently be determined while the regulatory review is ongoing.

Pensions triennial agreement

The triennial pension agreement has been reached, with the issuance of zero-coupon bonds to substantially close the funding deficit and reduce the IAS 19 deficit. See separate release for full details.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with UK-adopted International Accounting Standard 34 'Interim Financial Reporting';
- the interim management report includes a fair review of the information required by DTR 4.2.7R (the indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

Allison Kirkby	Patricia Cobian
Group Chief Executive	Group Chief Financial Officer
4 November 2026	4 November 2026

INDEPENDENT REVIEW REPORT TO BT GROUP PLC

Conclusion

We have been engaged by BT Group Plc ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2026 which comprises Group Income Statement, Group Statement of Comprehensive Income, Group Balance sheet, Group Statement of changes in equity, Group Cash Flow Statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2026 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Mark Flanagan
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square, London, E14 5GL
5 November 2026

Additional Information

Notes

Our commentary includes discussion of our trading results on an adjusted basis, which are alternative performance measures (APMs), being before specific items. The directors believe that presentation of the group's results in this way is relevant to an understanding of the group's financial performance, as specific items are those that in management's judgement need to be disclosed by virtue of their size, nature or incidence. This presentation is consistent with the way that financial performance is measured by management and reported to the Board and the Executive Committee and assists in providing a meaningful analysis of the group's trading results. Adjusted measures may not be comparable to similarly titled measures used by other companies. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. Reported revenue, reported operating profit, reported profit before tax, reported net finance expense and reported EPS, presented on a continuing and discontinued basis, are the equivalent statutory measures. Reconciliations of reported to adjusted revenue, operating costs, operating profit, profit before tax, finance expense, net finance expense and EPS are set out in the group income statement. Reconciliations of adjusted service revenue, adjusted earnings before interest, tax, depreciation and amortisation, net debt and free cash flow from the nearest measures prepared in accordance with IFRS are provided in this Additional Information.

Adjusted service revenue

Adjusted service revenue comprises all revenue less equipment revenue. Revenue from equipment is included where the equipment is sold as part of a managed services contract, or where that equipment cannot be practicably separated from the underlying service. A reconciliation of reported revenue, the most directly comparable IFRS measure, is set out below.

	Half year to 30 September	
	2026	2025 (Re-presented[1])
	£m	£m
Reported revenue	**8,753**	8,700
Specific revenue	**(3)**	(4)
Adjusted revenue	**8,750**	8,696
Equipment revenue[2]	**(1,065)**	(970)
Adjusted service revenue	**7,685**	7,726

1 HI FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

2 Equipment revenue includes £1m (HI FY26: £5m) of equipment revenue recognised as lease revenue in note 3

Reconciliation of adjusted earnings before interest, tax, depreciation and amortisation

In addition to measuring financial performance of the group and customer-facing units based on adjusted operating profit, we also measure performance based on adjusted EBITDA. Adjusted EBITDA is defined as profit or loss from continuing operations before specific items, net finance expense, taxation, depreciation and amortisation and share of post-tax profits or losses of associates and joint ventures.

We consider adjusted EBITDA to be a useful measure of our operating performance because it approximates the underlying operating cash flow by eliminating depreciation and amortisation. Adjusted EBITDA is not a direct measure of our liquidity, which is shown by our cash flow statement, and needs to be considered in the context of our financial commitments.

A reconciliation of reported profit for the period from continuing operations, the most directly comparable IFRS measure, to adjusted EBITDA, is set out below.

	Half year to 30 September	
	2026	2025 (Re-presented[1])
	£m	£m
Reported profit for the period from continuing operations	**835**	734
Tax	**236**	222
Profit before tax	**1,071**	956
Net finance expense	**645**	607
Depreciation and amortisation	**2,316**	2,315
Specific revenue	**(3)**	(4)
Specific operating costs before depreciation and amortisation	**68**	177
Share of post-tax (profits) losses of associates and joint ventures	**—**	9
Adjusted EBITDA	**4,097**	4,060

1 HI FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note 13 'Discontinued operations and assets and liabilities classified as held for sale' for further information

Normalised free cash flow

Normalised free cash flow is an alternative performance measure. It comprises free cash flow (continuing net cash inflow from operations after net capital expenditure) after net interest paid, payment of lease liabilities, net cash flows from the sale of cash flows of contract assets, monies received as prepayment for the sale of redundant copper, dividends received from non-current

asset investments, associates and joint ventures, and net purchase or disposal of non-current asset investments, before pension deficit payments (including their cash tax benefit), spectrum payments, and specific items.

Cash generated from continuing operations is the most directly comparable IFRS measure. A reconciliation from cash generated from continuing operations to free cash flow and normalised free cash flow is set out below.

	Half year to 30 September	
	2026	2025 (Re-presented[1])
	£m	£m
Cash generated from continuing operations	**2,567**	2,868
Tax paid	**(13)**	(15)
Continuing net cash inflows from operating activities	**2,554**	2,853
Net purchase of property, plant and equipment and intangible assets	**(2,507)**	(2,500)
Free cash flow	**47**	353
Interest received	**31**	54
Interest paid	**(385)**	(437)
Payment of lease liabilities	**(352)**	(335)
Dividends received from joint ventures, associates and investments	**3**	1
Add back pension deficit payments	**780**	789
Remove cash tax benefit of pension deficit payments	**(8)**	—
Add back net cash flow from specific items	**157**	210
Add back payment in respect of spectrum licence auction	**—**	1
Net cash flows from sale of contract assets related to mobile handsets	**(37)**	(67)
Normalised free cash flow	**236**	569

1 HI FY26 comparative information is re-presented on a continuing basis following announcement of our agreement with Verizon to create a combined global business. See note I3 'Discontinued operations and assets and liabilities classified as held for sale' for further information

The net impact of working capital programmes on normalised free cash flow is set out below.

	Half year to 30 September		
	2026	2025	Movement
	£m	£m	£m
Bills of exchange[1]	**(56)**	189	(245)
Supply chain programmes[2]	**(56)**	189	(245)
Net cash flows from sale of contract assets related to handsets[3]	**(37)**	(67)	30
Sale of receivables[4]	**127**	53	74
Handset and other receivables programmes	**90**	(14)	104
Net working capital programmes	**34**	175	(141)

1 This supply chain financing programme is used with a limited number of suppliers with short payment terms to extend them to a more typical payment term, supporting working capital efficiency
2 There is an additional separate supply chain financing programme, this allows suppliers opportunity to receive funding earlier than the invoice due date to assist the supplier with their cash flows. This has no impact on normalised free cash flow
3 Accelerates cash collection from handset sales on bundled contracts to better align the timing of customer cash receipts with payments to equipment manufacturers
4 Accelerates cash collection from handset sales on split contracts and other selected trade receivables to better align the timing of customer cash receipts with payments to equipment manufacturers

Working capital programmes are used to manage the timing of cash flows and support investment. Bills of exchange are used to normalise supplier payment terms and improve working capital efficiency. Handset-related programmes reflect the structural shift from 24-month to 36-month customer contracts, aligning cash receipts with revenue recognition.

Re-presentation of Group NFCF

Half year to 30 September 2025	**Previously reported**	**Reallocation of Other to International**	**Re-presentation adjustment**	**Re-presented**
	£m		**£m**	**£m**
Normalised free cash flow				
Consumer	540	—	—	540
Business	164	—	—	164
International	(149)	(12)	161	—
Openreach	296	—	—	296
Other	(443)	12	—	(431)
Total Group	**408**	**—**	**161**	**569**

We have re-presented Group HI FY26 NFCF to exclude International NFCF and £12m of International-related cash flows previously reported within Other, principally tax payments. Other includes interest paid, working capital movements and capital expenditure incurred in our corporate functions unit, and tax paid.

Net debt and net financial debt

Net debt consists of loans and other borrowings, lease liabilities (both current and non-current) less current asset investments and cash and cash equivalents, including such items which have been classified as held for sale on the balance sheet.

Amounts due to joint ventures, loans and borrowings recognised in relation to monies received from the sale of cash flows of contract assets and as prepayment for the forward sale of redundant copper are excluded, in line with the ROCE definition and consistently with the treatment of related cash flows in normalised free cash flow. These liabilities do not reflect the group's indebtedness, as amounts due to joint ventures are more than offset by the asset balances due from the JVs, while the remaining liabilities will either be extinguished upon the transfer of ringfenced operational cash flows from end customers which management are confident will be received, or settled by the physical delivery of copper rather than cash or any other financial asset.

Currency-denominated balances within net debt are translated to sterling at swap rates where hedged. Fair value adjustments and accrued interest applied to reflect the effective interest method are removed.

Net debt is a measure of the group's net indebtedness that provides an indicator of overall balance sheet strength. It is a key indicator used by management to assess both the group's cash position and its indebtedness. The use of the term 'net debt' does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure.

Net financial debt is net debt excluding lease liabilities. It allows for the comparison to net debt measures reported before the introduction of IFRS 16 on 1 April 2019, and reflects a view that lease liabilities are operational debt in substance, rather than financing transactions.

Net debt and net financial debt are considered to be alternative performance measures as they are not defined in IFRS. The most directly comparable IFRS measure is the aggregate of loans and other borrowings, lease liabilities (both current and non-current), current asset investments and cash and cash equivalents. A reconciliation from these to net debt and net financial debt is given below.

	30 September 2026	31 March 2026
	£m	£m
Loans and other borrowings[1]	**19,290**	18,536
Lease liabilities	**3,715**	4,184
Lease liabilities classified as held for sale	**114**	—
Less:		
Cash and cash equivalents	**(316)**	(359)
Cash and cash equivalents classified as held for sale	**(64)**	—
Current asset investments	**(1,074)**	(1,482)
	21,665	20,879
Adjustments:		
To retranslate debt balances at swap rates where hedged by currency swaps[2]	**(246)**	(444)
To remove fair value adjustments and accrued interest applied to reflect the effective interest method	**(250)**	(240)
Loans with joint ventures	**—**	(10)
Loans related to forward sale of redundant copper	**(155)**	(177)
Loans related to sale of contract assets	**(8)**	(42)
Net debt	**21,006**	19,966
Lease liabilities	**(3,715)**	(4,184)
Lease liabilities classified as held for sale	**(114)**	—
Net financial debt	**17,177**	15,782

1 Includes overdrafts of £10m (31 March 2026: £3m)
2 The translation difference between spot rate and hedged rate of loans and borrowings denominated in foreign currency

Glossary

ARPU	Average Revenue Per User	**FTTP**	Fibre To The Premises
CFU	Customer-Facing Unit	**NPS**	Net Promoter Score
CPS	Corporate & Public Sector	**TLC**	Total Labour Cost

Alternative performance measures (APMs)	Alternative performance measures, including adjusted measures which are before specific items - such as Adjusted service revenue, Adjusted EBITDA, Normalised free cash flow, Net debt and net financial debt. Definitions and reconciliation to nearest IFRS measures are detailed in the Additional information section on page 28 to 30
Free cash flow	Net cash inflow from continuing operating activities after net capital expenditure
Capital expenditure	Additions to property, plant and equipment and intangible assets in the period
Re-presented	We have re-presented certain FY26 comparatives to reflect the results of the International division now presented as discontinued operations, changes to our operating cost classification and changes to the presentation of certain balance sheet items, including subtotals and deferred tax balances. Further details are provided in note 1 on page 15, note 4 on page 18 and note 13 on page 23
Consumer fixed and mobile convergence	Total households served by Consumer which have both a BT Group (any brand) fixed broadband and postpaid mobile connection present divided by total number of Consumer households, excluding voice fixed line
Specific items	Items that in management's judgement should be disclosed separately by virtue of their size, nature or incidence. Details can be found in note 5 on page 19

About BT Group

BT Group is the UK's leading provider of fixed and mobile telecommunications and related secure digital products, solutions and services.

BT Group consists of three customer-facing units: Consumer serves individuals and families in the UK; Business covers companies and public services in the UK; and Openreach is an independently governed, wholly owned subsidiary wholesaling fixed access infrastructure services to its customers – over 700 communications providers across the UK.

BT has announced that International, which serves multinational organisations headquartered outside the UK and overseas public sector customers, will be contributed into a new joint venture, expected to complete in the second half of 2027.

British Telecommunications Limited 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 the London Stock Exchange.

For more information, visit www.bt.com/about

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We will hold the second quarter and half year FY27 results presentation for analysts and investors in London at 10am today and a simultaneous webcast will be available at www.bt.com/results

We are scheduled to release our third quarter trading statement for FY27 on 4 February 2027.

Cautionary statement regarding forward-looking statements

Certain information included in this interim results announcement is forward-looking in nature and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.

Forward-looking statements relate to all matters which are not historical facts and include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations. These statements can be identified by the use of forward-looking terminology, including terms such as 'believes', 'estimates', 'anticipates', 'expects', 'forecasts', 'intends', 'plans', 'projects', 'goal', 'target', 'aim', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology.

Forward-looking statements in this interim results announcement are not guarantees of future performance. All forward-looking statements in this interim results announcement are based upon information known to the Company on the date of this interim results announcement. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward-looking statements, which speak only at their respective dates. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Nothing in this interim results announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

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