

**FINAL TERMS**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Final Terms dated 17 November 2017

**British Telecommunications public limited company**  
**Issue of EUR 1,100,000,000 1.000 per cent. Notes due 21 November 2024**  
**under the U.S.\$15,000,000,000**  
**Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 16 June 2017 and the supplement to it dated 13 November 2017, including all documents incorporated by reference, which together constitute a base prospectus for the purposes of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU and includes any relevant implementing measure in a relevant Member State of the European Economic Area) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. The Prospectus and the supplement are available for viewing at the specified office of the Paying Agent for the time being in London and) on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

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| 1. | Issuer:  | British Telecommunications public limited company  |
| 2. | (a) Series Number:   | 20174  |
|    | (b) Tranche Number:  | 1  |
|    | (c) Date on which the Notes will be consolidated and form a single Series: | Not Applicable   |
| 3. | Specified Currency:  | Euro ( <b>EUR</b> )  |
| 4. | Aggregate Nominal Amount:  |  |
|    | (a) Series:  | EUR 1,100,000,000  |
|    | (b) Tranche:   | EUR 1,100,000,000  |
| 5. | Issue Price:   | 99.263 per cent. of the Aggregate Nominal Amount   |
| 6. | (a) Specified Denominations:   | EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. Definitive Notes will not be issued in denominations in excess of EUR 199,000 |
|    | (b) Calculation Amount:  | EUR 1,000  |
| 7. | (a) Issue Date:  | 21 November 2017   |
|    | (b) Interest Commencement  | Issue Date   |

Date:

- |     |   |  |
|-----|---|--|
| 8.  | Maturity Date:  | 21 November 2024   |
| 9.  | Interest Basis:                                       | 1.000 per cent. Fixed Rate   |
| 10. | Redemption/Payment Basis:                             | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at par |
| 11. | Change of Interest Basis or Redemption/Payment Basis: | Not Applicable   |
| 12. | Put/Call Options:                                     | Change of Control Investor Put<br>Issuer Call<br>Issuer Maturity Par Call  |
| 13. | Date Board approval for issuance of Notes obtained:   | 26 April 1994 and 23 October 2001  |
| 14. | Negative Pledge (Condition 3):                        | Applicable   |

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

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|-----|---|---|
| 15. | Fixed Rate Note Provisions                            | Applicable  |
| (a) | Rate of Interest:                                     | 1.000 per cent. per annum payable annually in arrear on each Interest Payment Date  |
| (b) | Interest Payment Date(s) and Business Day Convention: | 21 November in each year from and including 21 November 2018 up to and including the Maturity Date adjusted in accordance with the Following Business Day Convention, with no adjustment for period end dates           |
| (c) | Fixed Coupon Amount(s):                               | EUR 10 per Calculation Amount (applicable to the Notes in definitive form) and EUR 11,000,000 per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on each Interest Payment Date |
| (d) | Broken Amount(s):                                     | Not Applicable  |
| (e) | Day Count Fraction:                                   | Actual/Actual (ICMA)  |
| (f) | Determination Date(s):                                | 21 November in each year  |
| (g) | Step Up Rating Change and/or Step Down Rating Change: | Not Applicable  |
| (h) | Step Up Margin:                                       | Not Applicable  |
| 16. | Floating Rate Note Provisions                         | Not Applicable  |
| 17. | Zero Coupon Note Provisions                           | Not Applicable  |

#### **PROVISIONS RELATING TO REDEMPTION**

- |     |   |                                    |
|-----|---|------------------------------------|
| 18. | Issuer Call:  | Applicable                         |
| (a) | Optional Redemption Date(s):  | Any day prior to the Maturity Date |
| (b) | Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): | Make Whole Amount                  |
| (c) | Reference Bond:   | DBR 1.0% August 2024               |
| (d) | Quotation Time:   | 11.00 a.m. Central European time   |
| (e) | Redemption Margin:  | 0.200 per cent.                    |

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

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

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

Signed on behalf of the Issuer:

By: LES WINNISTER

Les Winnister  
Treasurer BT Group

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. ADMISSION TO TRADING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and admitted to the Official List of the UK Listing Authority with effect from 21 November 2017.
- (ii) Estimate of total expenses related to admission to trading: £3,650

### 2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- Standard & Poor's Credit Market Services Europe Limited (**Standard and Poor's**): BBB+
- Moody's Investors Service España, S.A. (**Moody's**): Baa1
- Fitch Ratings Limited (**Fitch**): BBB+

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

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

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

- Indication of yield: 1.110 per cent. per annum calculated on an annual basis

### 5. REASONS FOR THE OFFER

See "Use of Proceeds" wording in the Prospectus

### 6. OPERATIONAL INFORMATION

- (i) ISIN: XS1720922175
- (ii) Common Code: 172092217
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: Yes
- Note that the designation "yes" means that the Notes are intended upon issue to be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. (the **ICSDs**) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

**7. DISTRIBUTION**

- (i) Method of distribution: Syndicated
- (ii) If syndicated:
  - (A) Names of Managers: Banco Santander, S.A.  
Barclays Bank PLC  
BNP Paribas  
Citigroup Global Markets Limited  
HSBC Bank plc  
J.P. Morgan Securities plc  
Lloyds Bank plc  
Merrill Lynch International  
Mizuho International plc  
MUFG Securities EMEA plc  
Skandinaviska Enskilda Banken AB (publ)  
SMBC Nikko Capital Markets Limited  
Société Générale  
The Royal Bank of Scotland plc (trading as NatWest Markets)
  - (B) Stabilising Manager(s) (if any): Not Applicable
- (iii) If non-syndicated, name of Dealer: Not Applicable
- (iv) U.S. Selling Restrictions/TEFRA Rules: Reg. S Compliance Category 2; TEFRA D