

**SUPPLEMENT DATED 19 AUGUST 2022 TO THE PROSPECTUS
DATED 17 JUNE 2022**



**BRITISH TELECOMMUNICATIONS
PUBLIC LIMITED COMPANY**

(incorporated with limited liability in England and Wales with Registered Number: 1800000)

€20,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

BT GROUP PLC

(incorporated with limited liability in England and Wales with Registered Number: 4190816)

This Supplement (the “**Supplement**”) to the Prospectus dated 17 June 2022 (the “**Prospectus**”) which comprises a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of United Kingdom (“**UK**”) domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the “**UK Prospectus Regulation**”), constitutes a supplement for the purposes of Article 23 of the UK Prospectus Regulation and is prepared in connection with the €20,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by British Telecommunications public limited company (the “**Issuer**” or “**BT**”) and unconditionally and irrevocably guaranteed by BT Group plc (the “**Guarantor**”).

The purpose of this Supplement is to (a) incorporate by reference the Guarantor’s trading update for the three months to 30 June 2022; and (b) update the Prospectus to reference certain recent developments.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus. Any statement contained in the Prospectus or in a document which is incorporated by reference in the Prospectus shall be deemed to be modified or superseded for the purpose of the Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference in the Prospectus by way of a supplement (including this Supplement) prepared in accordance with Article 23 of the UK Prospectus Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) and any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Prospectus. Terms defined in the Prospectus have the same meaning when used in this Supplement.

The Financial Conduct Authority (the “**FCA**”), as the competent authority under the UK Prospectus Regulation, has approved this Supplement. The FCA only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor or the quality of the Notes that are the subject of the Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and the Guarantor, the information

contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Except as disclosed in this Supplement, there has been no significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of Notes issued under the Programme since the publication of the Prospectus.

Neither the Dealers nor the Trustee has independently verified the information contained in this Supplement. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Supplement or the Prospectus or incorporated by reference in the Prospectus by this Supplement.

None of the Prospectus, this Supplement, any other supplements to the Prospectus, any Final Terms or any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

The distribution of the Prospectus, this Supplement, any other supplements to the Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession the Prospectus, this Supplement, any other supplements to the Prospectus or any Final Terms may come must inform themselves about, and observe, any such restrictions on the distribution of the Prospectus, this Supplement, any other supplements to the Prospectus or any Final Terms and the offering and sale of Notes. In particular, there are restrictions on the distribution of the Prospectus, this Supplement, any other supplements to the Prospectus, any Final Terms and the offer or sale of Notes in the United States, the EEA, Belgium, the UK, Japan and Singapore; see the “*Subscription and Sale*” section in the Prospectus.

Notes issued or to be issued under the Programme and the Deed of Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons; see the “*Subscription and Sale*” section in the Prospectus.

THE GUARANTOR’S TRADING UPDATE FOR THE THREE MONTHS TO 30 JUNE 2022

On 28 July 2022, the Guarantor published its Trading Update for the three months to 30 June 2022 (the “**First Quarter Trading Update**”). The First Quarter Trading Update has been published on the website of the London Stock Exchange (<https://www.londonstockexchange.com/news-article/BT.A/trading-update-for-the-3-months-to-30-june-2022/15559669>) and filed with the National Storage Mechanism.

By virtue of this Supplement, the First Quarter Trading Update (excluding all information incorporated by reference therein, either expressly or implicitly, and excluding with respect to, and under, the heading “Revenue and EBITDA growth, no change to full year outlook” of the First Quarter Trading Update, the words “no change to full year outlook” from that heading,

and the final bullet point under that heading referencing FY23 outlook), is incorporated by reference in, and forms part of, the Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in the Prospectus shall not form part of the Prospectus and any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Supplement or the Prospectus.

RECENT DEVELOPMENTS

BT SPORT REMAINS HOME OF UEFA RIGHTS UNTIL 2027

On 1 July 2022, the Guarantor announced that BT Sport will remain the home of top flight European football until 2027. BT have secured the rights to the majority of the Union of European Football Association (“UEFA”) Champions League (“UCL”) games, plus all the UEFA Europa League (“UEL”) and the UEFA Europa Conference League (“UECL”) exclusively live, for a further three seasons, including highlights and in-match clips. BT Sport will continue to make the finals available for all to watch.

BT Sport will show the new format of the three European competitions from 2024, with 12 more teams, more matches than ever before, plus the introduction of an additional “knockout-playoff” round.

In each competition, 36 teams will play in a single league format, with those finishing 1-8 progressing to the round of 16, teams placed 9-24 contesting the additional knockout round, and the bottom 12 teams exiting the competition and no longer dropping down into the UEL and UECL respectively, introducing more jeopardy and must-win knock out matches.

The expanded qualification system opens up the possibility of a fifth English team in the UCL and guarantees Scottish participation in the UCL and UEL.

Last season the UCL, UEL and UECL were a huge success on BT Sport with a 37 per cent increase in UCL viewer hours, the final between Liverpool and Real Madrid available for all to watch in the UK, and a record breaking 12.6 million people tuning in across all platforms.

The costs of the rights awarded to BT Sport is around £305 million per annum. BT paid a deposit of around £61 million in July 2022. Following the move of BT Sport into the joint venture (“JV”) being created by the Guarantor and Warner Bros. Discovery, the JV would pay the rights costs of around £305 million per annum less the deposit. The planned JV is subject to customary closing conditions, including Competition and Markets Authority (“CMA”) approval (and as referenced below the CMA’s approval was announced by the Guarantor on 22 July 2022).

CMA’S INVESTIGATION OF BT SPORT AND OTHERS RELATING TO THE PURCHASE OF FREELANCE SERVICES IN THE PRODUCTION AND BROADCASTING OF SPORTS CONTENT

On 12 July 2022, the CMA issued a statement that it is investigating suspected breaches of competition law by the Guarantor and other companies involved in the production and broadcasting of sports content. The investigation relates to the purchase by the Guarantor and the other companies of freelance services which support the production and broadcasting of sports content in the UK.

The CMA has stated that it believes it has reasonable grounds to suspect one or more breaches of competition law. The CMA also stated that it has not reached a view as to whether there is sufficient evidence of an infringement of competition law for it to issue a statement of

objections to the Guarantor or any of the other companies. The CMA stated that not all cases result in the CMA issuing a statement of objections and no assumption should be made that competition law has been infringed.

BT Sport works with a wide range of partners and suppliers - many of them in an interim and freelance capacity, to support the season to season, match to match, production and broadcast of the many sports it operates within. They are an important part of BT Sport. BT is reviewing all the details of the CMA's investigation and co-operating fully with their team.

CMA APPROVES BT SPORT AND EUROSPORT UK JV

On 22 July 2022, the Guarantor announced that following submission to the CMA, the Guarantor and Warner Bros. Discovery welcomed the decision to approve the Guarantor's agreement with Warner Bros. Discovery, Inc. to form a 50:50 JV company that will create a new sports offering for the UK and Ireland.

The CMA's decision now allows BT and Warner Bros. Discovery to complete the creation of the JV in the coming weeks and for each of their assets to be transferred into the new company. BT Sport and Eurosport UK will be brought together to form a sports joint venture for customers, providing the JV with one of the most extensive portfolios of sports rights in the UK and Ireland. Both BT Sport and Eurosport UK will initially retain their separate brands and product propositions in the market before being brought together under a single brand in the future.

The Board of Directors of the JV will be equally represented between appointees of BT and Warner Bros. Discovery. The first Chairperson to be appointed, nominated by each shareholder on a rotating basis, will be Marc Allera, CEO of BT's Consumer division. The new management and delivery of the JV will be led by Andrew Georgiou, President and Managing Director, Warner Bros. Discovery Sports Europe, who will be a member of its board.

INDUSTRIAL ACTION

In June 2022 the Communication Workers Union ("CWU") held a ballot of their members in BT, EE and Openreach to take part in industrial action, when it was not possible to agree the £1,500 team member pay rise for 2022 with the CWU.

Out of total team member populations in BT and Openreach, 36 per cent and 60 per cent, respectively, voted in favour of industrial action. The CWU did not get enough of a turnout for strike action in EE.

Following notification by the CWU, two days of industrial action by BT and Openreach team members took place on 29 July and 1 August 2022. The CWU has notified BT that there will be two further days of industrial action by BT and Openreach team members on 30 and 31 August 2022.

BT has contingency plans in place to minimise disruption and keep customers connected during any strike action.