

Results for the half year to 30 September 2025

BT Group plc
6 November 2025

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

“BT is delivering on its strategy in competitive markets. We’re building the UK’s digital backbone, connecting the country like no one else and accelerating our transformation. Openreach full fibre broadband now reaches more than 20 million homes and businesses and our award-winning EE network is live with 5G+ coverage for 66% of the population. Since the start of the year, we’ve driven customer growth across Consumer broadband, mobile and TV and we’re stabilising our UK-focused Business division. Outside the UK, we’ve completed strategic exits and we’re reshaping our International unit. BT’s transformation is delivering ahead of plan, as our UK focus and radical simplification and modernisation are helping to offset declines from our International and legacy businesses and higher labour-related costs since the start of this tax year.

“We remain on track to deliver our financial outlook for this year, our cash flow inflection to c.£2.0bn in FY27 and c.£3.0bn by the end of the decade, and we’re announcing an increased interim dividend to 2.45 pence per share.”

Delivering on our strategy in competitive markets

- **Record FTTP build of over 2.2m** in the 6 month period; FTTP footprint reached 20.3m premises, of which 5.5m in rural locations; on track to build up to 5m this fiscal year and reach our target of 25m by December 2026
- **Record demand for Openreach FTTP** with 1.1m net adds in H1; total premises connected grew to over 7.6m, again increasing our market-leading take-up rate, now 38%; Openreach broadband ARPU grew 4% year-on-year in H1 to £16.7, driven by CPI-linked price increases, higher FTTP take-up and speed mix
- **Openreach broadband lines** fell 242k in Q2, driven by losses to competitors and a weaker broadband market; our expectation for FY26 remains unchanged at twice the H2 FY25 run rate
- **UK's best mobile network** for a record-breaking twelfth consecutive year as awarded by RootMetrics, delivering the UK's best 5G experience; '5G+' standalone coverage up over 20ppts to 66% of the population and on track to deliver to 99% of the UK population by the end of FY30
- **Landmark agreement with Starlink** announced, increasing broadband choice in hard to reach areas
- **Record retail FTTP base growth** in H1 with Consumer up 476k to 3.7m and Business up 44k to 0.3m; **5G base** reached 13.9m, up 11% year-on-year
- **Consumer customer bases grew** for a third consecutive quarter in broadband and a second consecutive quarter in postpaid mobile, with growth also in TV; year-on-year Consumer broadband ARPU down 1.4% to £41.9 and Consumer postpaid mobile ARPU down 1.6% to £19.3 year-on-year; we continue to expect a return to year-on-year service revenue growth in H2; Consumer fixed and mobile convergence increased to 25.9% from 23.1% this time last year
- **Business unit now fully UK-focused**, with a stabilising performance
- **Transformation delivering ahead of plan** with £247m gross annualised cost savings during H1 FY26 and a cumulative total of £1.2bn realised in the first 18 months of our £3bn programme; year-on-year energy usage in our networks was down 5%, total labour resource was down 6% to 111k and Openreach repair volumes were down 13%; plans advanced to reshape International
- **BT Group NPS improved** to 30.5, up 5.2pts year-on-year, demonstrating further improving customer experience

Financial performance on track; full year guidance reconfirmed

- **Reported and adjusted¹ revenue** £9.8bn, down 3%, due to declines in legacy voice, lower mobile handset trading volumes and declines in International, offset by an improving FTTP mix in Openreach
- **Adjusted UK service revenue¹** £7.7bn, down 1%, due to declines in legacy voice and a competitive retail pricing environment, offset by an improving FTTP mix and price increases
- **Adjusted¹ EBITDA** £4.1bn, flat year-on-year, with strong cost transformation and cost control offsetting revenue flow through and higher National Insurance and National Living Wage costs
- **Reported profit before tax** £862m, down 11%, primarily driven by higher depreciation and amortisation from a higher asset base, and net finance expense driven by increased interest rates, offset by lower specific costs
- **Capital expenditure¹ ('capex')** £2.4bn, up 8%, reflecting increased FTTP provisioning and build activity
- **Net cash inflow from operating activities** £2.8bn; **normalised free cash flow¹** £0.4bn, down £0.3bn due to higher cash capex, the absence of a prior year tax refund and lower net cash flows from working capital programmes
- **Net debt** £20.9bn (31 March 2025: £19.8bn), increasing mainly due to scheduled pension contributions of £0.8bn and the payment of the full year dividend partially offset by cash from trading activities
- **Gross IAS 19 pension deficit** of £3.9bn, a decrease from £4.1bn at 31 March 2025, mainly due to scheduled contributions offset by a decrease in credit spreads
- **Interim dividend** of 2.45 pence per share (pps) up 2% from 2.40pps in H1 FY25 in line with our policy of paying 30% of prior year's full year dividend pps
- **FY26 Outlook reconfirmed:** Adjusted¹ group revenue c£20bn, adjusted UK service revenue¹ of £15.3-£15.6bn and EBITDA of £8.2-£8.3bn; capital expenditure¹ excluding spectrum c. £5.0bn; normalised free cash flow¹ c. £1.5bn
- **Mid-term guidance reconfirmed:** Adjusted¹ group revenue and adjusted UK service revenue¹ sustained growth from FY27 and EBITDA growth ahead of revenue, enhanced by cost transformation; capital expenditure¹ excluding spectrum reducing by more than £1bn from FY26 level; normalised free cash flow¹ of c. £2.0bn in FY27 and c. £3.0bn by the end of the decade

¹ See Glossary on page 9.

Half year to 30 September	2025	2024	Change
Reported measures	£m	£m	%
Revenue	9,810	10,117	(3)
Profit before tax	862	967	(11)
Profit after tax	651	755	(14)
Basic earnings per share	6.70p	7.80p	(14)
Net cash inflow from operating activities	2,765	3,009	(8)
Half year dividend	2.45p	2.40p	2
Capital expenditure ^{1,4}	2,443	2,269	8
Adjusted measures	£m	£m	%
Adjusted ¹ revenue	9,806	10,138	(3)
Adjusted UK service revenue ¹	7,726	7,827	(1)
Adjusted ¹ EBITDA	4,126	4,132	—
Adjusted ¹ basic earnings per share	9.30p	10.70p	(13)
Normalised free cash flow ¹	408	715	(43)
Capital expenditure ¹ excluding spectrum	2,442	2,269	8
Net debt ^{1,3}	20,853	20,267	3

Customer-facing unit updates

Half year to 30 September	Adjusted ¹ revenue			Adjusted UK service revenue ¹		
	2025	2024 re-presented ²	Change	2025	2024 re-presented ²	Change
	£m	£m	%	£m	£m	%
Consumer	4,684	4,836	(3)	3,932	3,989	(1)
Business	2,589	2,644	(2)	2,370	2,398	(1)
International	1,110	1,220	(9)	—	—	—
Openreach	3,131	3,118	—	3,131	3,118	—
Other	6	5	n/m	5	5	n/m
Intra-group items	(1,714)	(1,685)	2	(1,712)	(1,683)	2
Total	9,806	10,138	(3)	7,726	7,827	(1)

Half year to 30 September	Adjusted ¹ EBITDA			Normalised free cash flow ¹		
	2025	2024 re-presented ²	Change	2025	2024 re-presented ²	Change
	£m	£m	%	£m	£m	%
Consumer	1,274	1,330	(4)	540	817	(34)
Business	647	656	(1)	164	97	69
International	66	91	(27)	(149)	(109)	(37)
Openreach	2,148	2,059	4	296	355	(17)
Other	(9)	(4)	n/m	(443)	(445)	n/m
Total	4,126	4,132	—	408	715	(43)

Second quarter to 30 September	Adjusted ¹ revenue			Adjusted UK service revenue ¹			Adjusted ¹ EBITDA		
	2025	2024 re-presented ²	Change	2025	2024 re-presented ²	Change	2025	2024 re-presented ²	Change
	£m	£m	%	£m	£m	%	£m	£m	%
Consumer	2,352	2,437	(3)	1,970	1,998	(1)	638	671	(5)
Business	1,302	1,327	(2)	1,187	1,200	(1)	324	326	(1)
International	568	606	(6)	—	—	—	45	43	5
Openreach	1,565	1,560	—	1,565	1,560	—	1,080	1,038	4
Other	3	2	n/m	3	2	n/m	(11)	(7)	n/m
Intra-group	(863)	(846)	2	(862)	(844)	2	—	—	—
Total	4,927	5,086	(3)	3,863	3,916	(1)	2,076	2,071	—

Prior period comparatives

Throughout this release, comparative financial information for the half year to 30 September 2024 ('H1 FY25') has been re-presented to reflect the formation of the new International CFU and re-presentations of segmental revenue to reflect the nature of services and trading relationships between CFUs. Note 17 on page 27 and Additional Information on page 33 presents a bridge between financial information for the half year to 30 September 2024 as published on 7 November 2024, and the comparatives presented in this release. For further information see bt.com/about for a separate publication covering the formation of International.

¹ See Glossary on page 9.

² H1 and Q2 FY25 comparative information for the Business CFU has been re-presented to reflect the formation of the new International CFU and re-presentations of segmental revenue to reflect the nature of services and trading relationships between CFUs. Note 17 on page 27 presents a bridge between financial information for the half year to 30 September 2024 as published on 7 November 2024, and the comparatives presented in this release.

³ Net debt was £19,816 at 31 March 2025.

⁴ Includes spectrum investment of £1m.

n/m: comparison not meaningful

Overview of the half year to 30 September 2025

Progress against our strategic priorities

Our ambition is to become the UK's most trusted connector of people, business and society. By the end of the decade we aim to pass up to 30 million premises with full fibre, have over 30 million retail customer connections to our products and solutions, and generate £3bn of normalised free cash flow.

During H1 FY26, we made strong progress against our strategic targets for FY28-FY30:

- FTTP premises passed increased by 2.2m to over 20m; target of 25-30m
- Openreach take-up increased to 38% and retail take-up increased by 0.6m to 4.0m; targets of 40-55% and 6.5-8.5m respectively
- 5G UK population coverage increased to 89% and 5G retail connections increased by 0.7m to 13.9m; targets of 99% and 13.0m-14.5m respectively
- 5G+ population coverage increased to 66%; target of 99%
- Total labour resource decreased by 5k to 111k; target of 75-90k
- Group Net Promoter Score increased to 30.5, up 5.2pts year-on-year; target of 30-35

We are delivering ahead of our five-year £3bn cost reduction programme to FY29, with £247m gross annualised cost savings during H1 FY26 for a cumulative total of £1.2bn in the first 18 months. This was at a cost to achieve of £134m in H1 FY26, for a cumulative total of £581m, in line with our expectations.

We have now agreed or completed our targeted international disposals during FY26. We entered into an agreement to sell BT Radianz in September 2025. In addition, we completed the sale of our domestic operations in Ireland in September 2025 and the sale of both BT Italia and our datacentre business in Ireland during October 2025. These divestments align with the Group's strategy to focus on UK connectivity and reshape our International unit.

Financial outlook

- All FY26 guidance and mid-term outlook reiterated
- From FY27 to FY30, we expect sustained adjusted¹ group revenue and adjusted UK service revenue¹ growth as legacy voice drags abate, and EBITDA growth ahead of revenue enhanced by cost transformation. Capital expenditure will reduce by more than £1bn from the FY26 level. We expect to deliver c. £2.0bn in normalised free cash flow in FY27 and c. £3.0bn by the end of the decade

	FY26 outlook	End of decade
Adjusted¹ group revenue	c. £20bn	Sustained growth from FY27
Adjusted UK service revenue¹	£15.3-£15.6bn	Sustained growth from FY27
Adjusted¹ EBITDA	£8.2-£8.3bn	Consistent and predictable growth ahead of revenue enhanced by cost transformation
Capital expenditure¹	c. £5.0bn	Reduces by >£1bn from FY26 level
Normalised free cash flow¹	c. £1.5bn	c. £2.0bn in FY27 c. £3.0bn by end of decade

Dividend

- In line with our policy, we are today declaring an interim dividend of 2.45 pence per share (pps), (H1 FY25: 2.40pps), which is 30% of last year's full dividend
- We reconfirm our progressive dividend policy which is to maintain or grow the dividend each year whilst taking into consideration a number of factors including underlying medium-term earnings expectations and the level of business reinvestment
- The Board expects to continue with this policy for future years, and to declare two dividends per year with the interim dividend being fixed at 30% of the prior year's full year dividend
- The dividend will be paid on 11 February 2026 to shareholders on the register of members on 30 December 2025. The ex-dividend date will be 29 December 2025

¹ See Glossary on page 9.

Group results for the half year to 30 September 2025

Income statement

- Reported revenue was £9,810m, down 3% mainly due to declines in legacy voice across the group, continued weaker handset trading in Consumer, and International. This was offset through the improvement of FTTP mix and price increases in Openreach
- Adjusted¹ UK service revenue for the year was £7,726m (H1 FY25: £7,827m). This is down 1% due to declines in legacy voice and softer retail pricing, offset by an improving FTTP mix and CPI-linked price increases in Openreach
- Reported operating costs were £8,329m, down 3% year-on-year due to continued cost transformation including lower total labour resource primarily in Openreach, lower mobile equipment volumes and the lower trading in International
- Adjusted¹ EBITDA of £4,126m, flat year-on-year with strong cost transformation and cost control offsetting revenue flow through and higher National Insurance and National Living Wage costs
- Reported profit before tax of £862m, down 11%, primarily driven by higher depreciation and amortisation from a higher asset base and increased interest, offset by lower specific costs

Specific items (Note 5 to the condensed consolidated financial statements)

- Specific items resulted in a net charge after tax of £259m (H1 FY25: £288m). The main components were restructuring charges of £134m (H1 FY25: £187m) and interest expense on retirement benefit obligation of £96m (H1 FY25: £99m). Specific operating costs were £232m (H1 FY25: £245m)

Tax

- The effective tax rate on reported profit was 24.5% (H1 FY25: 21.9%) and on adjusted¹ profit was 23.3% (H1 FY25: 21.7%). These are lower than the UK corporation tax rate of 25% primarily due to the UK patent box tax regime
- We made a net corporation tax payment of £28m (H1 FY25: £72m refund) driven by overseas tax payments
- We expect a large proportion of our capital expenditure to be eligible for full expensing which will reduce our current year UK tax liability

Capital expenditure

- Capital expenditure¹ was £2,443m, up 8% on H1 FY25 with higher FTTP build and provision volumes in Openreach, as we continue to accelerate our build
- Cash capital expenditure was £2,590m, up 5% with the difference to reported capital expenditure due to the timing of capital creditor spend and government grant funding repayments

Net cash inflow from operating activities and normalised free cash flow

- Net cash inflow from operating activities was £2,765m, down 8% driven by lower net cash flows from sale of receivables and the absence of a prior year tax refund, offset by timing of working capital
- Normalised free cash flow¹ was £408m, down 43% due to higher cash capex, the absence of a prior year tax refund and lower net cash flows from working capital programmes. A reconciliation of our working capital programmes is shown in Additional Information on page 34.
- Net cash cost of specific items adjusted from normalised free cash flow¹ was £242m (H1 FY25: £270m), primarily relating to restructuring payments

Net debt and liquidity

- Net debt¹ at 30 September 2025 was £20.9bn (31 March 2025: £19.8bn), 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 2025 was £16.4bn (31 March 2025: £15.2bn)
- BT Group holds cash and current investment balances of £2.0bn; the current portion of loans and other borrowings is £1.7bn
- Our £2.1bn undrawn committed borrowing facility, which matures no earlier than January 2030 with the option to extend for two further years, remains undrawn at 30 September 2025
- We remain committed to our credit rating target of BBB+/Baa1 and minimum rating of BBB/Baa2
- During H1 FY26 our credit ratings have remained unchanged at BBB or equivalent with stable outlook

Pensions (Note 6 to the condensed consolidated financial statements)

- The IAS 19 deficit has decreased to £3.9bn at 30 September 2025, net of tax £2.9bn (31 March 2025: £4.1bn, net of tax £3.2bn), primarily due to scheduled contributions offset by a decrease in credit spreads and higher real interest rates since year-end
- The 2023 BTPS funding valuation included a future funding commitment for BT to provide additional deficit contributions should the funding deficit be more than £1bn behind plan at two consecutive semi-annual assessment dates. At the 30 June 2025 assessment date, the funding position was within this limit

Principal risks and uncertainties

Details of the group's principal risks and uncertainties is provided in note 16

¹ See Glossary on page 9.

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 9](#).

Consumer: Winning customers in a competitive market, with accelerating fibre and converged households

	Second quarter to 30 September				Half year to 30 September			
	2025 £m	2024 £m	Change £m	%	2025 £m	2024 £m	Change £m	%
Revenue ¹	2,352	2,437	(85)	(3)	4,684	4,836	(152)	(3)
Of which UK service revenue ¹	1,970	1,998	(28)	(1)	3,932	3,989	(57)	(1)
Operating costs ¹	1,714	1,766	(52)	(3)	3,410	3,506	(96)	(3)
EBITDA ¹	638	671	(33)	(5)	1,274	1,330	(56)	(4)
Depreciation & amortisation ¹					849	873	(24)	(3)
Operating profit ¹					425	457	(32)	(7)
Capital expenditure ¹					567	570	(3)	(1)
Normalised free cash flow ¹					540	817	(277)	(34)

Financial metrics

- Revenue¹ decline of 3% was primarily driven by lower mobile handset trading volumes and a decline in service revenue in a competitive market
- UK service revenue declined by 1% and was broadly flat excluding legacy voice declines. While we grew our customer bases in broadband, postpaid mobile and TV and achieved a higher FTTP mix within broadband, this was more than offset by competitive pricing pressure in mobile and broadband, as well as ongoing declines in legacy voice
- EBITDA¹ declined by 4%. Revenue flow-through and higher input costs from Openreach were largely mitigated by disciplined cost control, but EBITDA was further impacted by two additional pressures: increases in National Insurance / National Living Wage and incremental drags as we move towards the closure of the PSTN network in January 2027
- Depreciation and amortisation¹ was down, driven by lower digital and network depreciation offset by increased customer premises equipment depreciation
- Capital expenditure¹ was down 1%
- Normalised free cash flow¹ declined, primarily due to adverse working capital timing, lower net cash inflows from working capital programmes, and lower collection days compared to the prior year

Operational metrics

- Postpaid mobile ARPU £19.3, down 1.6% year-on-year. Base at 13.9m with net adds of 61k during H1. Churn remains low at 1.0%
- Broadband ARPU £41.9, down 1.4% year-on-year. Base at 8.2m with net adds of 12k during H1. Churn has remained at 1.2% despite an increasingly competitive broadband market with Consumer adversely impacted in areas where we do not have FTTP. TV base up 36k during H1
- Record breaking growth in the FTTP base with an increase of 476k in H1; the FTTP base was 3.7m customers, up 32% year-on-year, now 45% of the total base. 5G Connected base continues to grow with 11.2m customers, up 7% year-on-year
- Our converged base continue to grow, up to 25.9% (H1 FY25: 23.1%) of all broadband and mobile customers now taking both services
- EE won the RootMetrics UK's Best Network award for the twelfth consecutive year, coming first in 127 of 128 categories, delivering the UK's best 5G experience and highest average download speed and won Retailer of the Year at the 2025 Mobile Industry Awards for the second consecutive year
- Consumer NPS slightly down, 0.3pts year-on-year, but up in the last 6 months

¹ Financials and commentary are based on adjusted measures; see [Glossary on page 9](#).

Business: Showing signs of stability, as transformation steps up

	Second quarter to 30 September				Half year to 30 September			
	2025	2024 re-presented ²	Change	2025	2024 re-presented ²	Change		
	£m	£m	£m	£m	£m	£m	%	%
Revenue ¹	1,302	1,327	(25)	(2)	2,589	2,644	(55)	(2)
Of which UK service revenue ¹	1,187	1,200	(13)	(1)	2,370	2,398	(28)	(1)
Operating costs ¹	978	1,001	(23)	(2)	1,942	1,988	(46)	(2)
EBITDA ¹	324	326	(2)	(1)	647	656	(9)	(1)
Depreciation & amortisation ¹					372	360	12	3
Operating profit ¹					275	296	(21)	(7)
Capital expenditure ¹					268	269	(1)	—
Normalised free cash flow ¹					164	97	67	69

Since 1 July Business is focused on serving customers based in the UK, with the separation of overseas activities into International; prior periods have been re-presented.

Financial metrics

- Revenue¹ down 2% driven by legacy voice decline and equipment trading, partially offset by growth in voice over IP
- UK service revenue¹ down 1% driven by legacy voice decline, partially offset by growth in voice over IP
- EBITDA¹ decline of 1%, mainly due to revenue flow-through, partially offset by cost transformation and a benefit of cost phasing across the year
- Depreciation and amortisation¹ growth driven by higher network, digital and customer equipment investment
- Capital expenditure¹ was flat, with continued investment in customer driven equipment and transformation
- Normalised free cash flow¹ was up 69% driven by favourable working capital timing

Operational metrics

- FTTP base increased 42% year-on-year to 275k. 5G base increased 33% year-on-year to 2.8m
- Q2 Corporate & Public Sector sales order value up 16% year-on-year, including new business in the industrials sector
- Simplified the product portfolio to 193, on the way to achieve the ambition to halve the number of products from more than 300 to 150; units on legacy networks decreased by 38% year-on-year
- NPS grew to 30.6, up 8.3pts year-on-year primarily driven by improvements in SMB channel

¹ Financials and commentary are based on adjusted measures; see Glossary on page 9.

² H1 and Q2 FY25 comparative information for the Business CFU has been re-presented to reflect the formation of the new International CFU and re-presentations of segmental revenue to reflect the nature of services and trading relationships between CFUs. Note 17 on page 27 and the Additional Information on page 33 present bridges between financial information for the half year to 30 September 2024 as published on 7 November 2024, and the comparatives presented in this release.

International: Plans advanced to reshape; divestment of non-core businesses

	Second quarter to 30 September				Half year to 30 September			
	2025		2024 re-presented ²		2025		2024 re-presented ²	
	£m	£m	£m	%	£m	£m	£m	%
Revenue ¹	568	606	(38)	(6)	1,110	1,220	(110)	(9)
Operating costs ¹	523	563	(40)	(7)	1,044	1,129	(85)	(8)
EBITDA ¹	45	43	2	5	66	91	(25)	(27)
Depreciation & amortisation ¹					102	117	(15)	(13)
Operating profit ¹					(36)	(26)	(10)	(38)
Capital expenditure ¹					53	59	(6)	(10)
Normalised free cash flow ¹					(149)	(109)	(40)	(37)

International was formed on 1 July 2025 to focus on serving multinational corporations. Its strategic ambition is to become the global leader in secure, multi-cloud connectivity, anchored by next-gen platforms Global Fabric and Global Voice; prior periods have been re-presented.

Financial metrics

- Revenue¹ declined by 9%; agreed or completed divestments accounted for 4ppts of this, adverse foreign exchange accounted for over 1ppt, with the remainder driven by declines in legacy products and managed contracts
- EBITDA¹ declined by 27%, due to revenue flow-through, inflationary cost pressures and increased investment in Global Fabric, partially offset by tight cost control and ongoing transformation initiatives
- Depreciation and amortisation¹ decreased, largely reflecting the reclassification of assets as held for sale in line with the completion of strategic business exits
- Capital expenditure¹ down 10%
- Normalised free cash flow¹ declined by £40m, mainly due to lower EBITDA and adverse working capital timing partially offset by lower capital expenditure

Operational metrics

- Cost transformation plan advanced within our £3bn transformation programme to reduce office locations and simplify the product portfolio
- During the period, we entered into two sale agreements for the remaining disposal groups classified as held for sale at 31 March 2025, the most significant of which was for the disposal of BT Radianz to Transaction Network Services which was entered into in September 2025. During September we completed on the sale of BT Communications Ireland Ltd and post period end we completed the sale of BT Italia and our datacentres business in Ireland
- NPS was up year-on-year with improved scores from key customers

¹ Financials and commentary are based on adjusted measures; see Glossary on page 9.

² H1 and Q2 FY25 comparative information for the Business CFU has been re-presented to reflect the formation of the new International CFU and re-presentations of segmental revenue to reflect the nature of services and trading relationships between CFUs. Note 17 on page 27 and the Additional Information on page 33 present bridges between financial information for the half year to 30 September 2024 as published on 7 November 2024, and the comparatives presented in this release.

Openreach: Record FTTP build and take-up; continued EBITDA growth

	Second quarter to 30 September				Half year to 30 September			
	2025	2024	Change		2025	2024	Change	
	£m	£m	£m	%	£m	£m	£m	%
Revenue ¹	1,565	1,560	5	—	3,131	3,118	13	—
Of which UK service revenue ¹	1,565	1,560	5	—	3,131	3,118	13	—
Operating costs ¹	485	522	(37)	(7)	983	1,059	(76)	(7)
EBITDA ¹	1,080	1,038	42	4	2,148	2,059	89	4
Depreciation & amortisation ¹					1,053	974	79	8
Operating profit ¹					1,095	1,085	10	1
Capital expenditure ¹					1,529	1,329	200	15
Normalised free cash flow ¹					296	355	(59)	(17)

Financial metrics

- Revenue¹ was flat year-on-year. CPI-linked price increases and an improved FTTP mix in broadband were offset by declines in the broadband and voice-only customer base
- EBITDA¹ increased by 4%, driven by ongoing cost transformation including the benefit of lower repair volumes, lower total labour resource and lower energy costs. These were partially offset by pay inflation
- Depreciation and amortisation¹ increased, reflecting continued investment in network build
- Capital expenditure¹ grew due to increased FTTP provisioning and build activity
- Normalised free cash flow¹ declined, primarily due to higher capital expenditure, partially offset by EBITDA growth and favourable working capital timing

Operational metrics

- Q2 saw record build with Openreach passing 1.2m premises with FTTP, at an average build rate of 90k per week in the quarter, reaching a footprint of over 20.3m, of which 5.5m are in more rural and less competitive areas (Area 3 as defined by Ofcom²)
- Total FTTP connected base surpassed 7.6m. Net adds of 550k in the quarter are 23% higher year-on-year, reaching a record 1.1m in the half year, increasing our market-leading take-up to 38% on a fast-growing footprint
- Openreach broadband lines fell by 242k, driven by higher losses to wholesale competitors, a weaker broadband market and 15k of dual line ceases; our full year estimate remains unchanged from that given in May
- Openreach broadband ARPU of £16.7 was up 4% on Q2 last year driven by the CPI linked price increase and greater FTTP take-up
- Openreach achieved 30/30 Ofcom Copper Quality of Service measures
- Openreach delivered a solid performance for on time FTTP provision of 89.5% in Q2
- End customer satisfaction was solid in Q2 with 92% of our independent customer survey responses scoring Openreach between 8 and 10 (out of 10), helping to maintain an 'Excellent' Trustpilot rating based on over 247k reviews, with 83% of reviews rated as '5 star'

¹ Financials and commentary are based on adjusted measures; see Glossary on page 9.

² Area 3: Postcode sectors where Ofcom determined there is not, and there is unlikely to be potential for, material and sustainable competition to BT in the commercial deployment of competing networks.

Glossary

Adjusted	Adjusted measures (including adjusted revenue, adjusted operating costs, adjusted operating profit, and adjusted basic earnings per share) are before specific items. Adjusted results are consistent with the way that financial performance is measured by management and assist in providing an additional analysis of the reporting trading results of the group.
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortisation, before specific items, share of post tax profits/losses of associates and joint ventures and net finance expense.
Free cash flow	Net cash inflow from operating activities after net capital expenditure.
Capital expenditure	Additions to property, plant and equipment and intangible assets in the period.
Normalised free cash flow	Free cash flow (net cash inflow from operating activities after net capital expenditure) after net interest paid, payment of lease liabilities, net cash flows from the sale of cash flows related to contract assets, monies received as prepayment for the sale of redundant copper, dividends received from non-current assets investments, associates and joint ventures, and net purchase or disposal of non-current asset investments, before pension deficit payments (including their cash tax benefit), payments relating to spectrum, and specific items. It excludes cash flows that are determined at a corporate level independently of ongoing trading operations such as dividends paid, share buybacks, acquisitions and disposals, repayment and raising of debt, cash flows relating to loans with joint ventures, and cash flows relating to the Building Digital UK demand deposit account which have already been accounted for within normalised free cash flow. For non-tax related items the adjustments are made on a pre-tax basis.
Net debt	Loans and other borrowings and lease liabilities (both current and non-current), less current asset investments and cash and cash equivalents, including 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. Currency denominated balances within net debt are translated into sterling at swapped rates where hedged. Fair value adjustments and accrued interest applied to reflect the effective interest method are removed.
Adjusted UK service revenue	Adjusted UK service revenue comprises all UK revenue less UK equipment revenue. Some revenue from equipment is included within adjusted UK service revenue where this is sold as part of a managed services contract or where that equipment cannot be practicably separated from the underlying service. UK revenue excludes International revenue.
Re-presented	<p>We have re-presented certain H1 FY25 comparatives to reflect changes in the Group's internal reporting structure. The International CFU was separated from Business forming a new CFU, effective from 1 July 2025.</p> <p>In addition, two re-presentations have been made to segmental revenue reporting, consistent with the information now provided to the Executive Committee, which is the key management committee and represents the 'chief operating decision maker' (CODM):</p> <ul style="list-style-type: none"> • Certain Openreach pass-through services previously reported as external revenue in Business have been reclassified to Openreach to reflect the customer relationship. As a result of this change the prior year comparatives have been re-presented to present revenue on a consistent basis resulting in a £46m reduction in Business segment revenue for the half year to 30 September 2024, with no impact on Openreach segmental revenue due to the intra-group nature of the transaction. • Following an update to the commercial terms governing a trading relationship between EE and BT Wholesale, BT Wholesale will now recognise services provided to EE as part of this trading relationship as intersegment revenue. Previously, these services were internally reported as cost recovery. This change results in the recognition of revenue within the Business segment. As a result of this change the prior year comparatives have been re-presented to present revenue and cost for the segment on a consistent basis. The effect of this change is to increase Business revenue by £42m, with a corresponding increase in cost.
Specific items	Items that in management's judgement need to be disclosed separately by virtue of their size, nature or incidence. In the current period these relate to our assessment of our provision for historic regulatory matters, impairment loss on remeasurement of held for sale items, increase in litigation provisions, restructuring charges, divestment-related items, Sports JV-related items and net interest expense on pensions. 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.

We assess the performance of the group using a variety of alternative performance measures. Reconciliations from the most directly comparable IFRS measures are in Additional Information on pages [33](#) to [35](#).

Condensed consolidated financial statements

Group income statement

Half year ended 30 September 2025	Note	Before	Specific	Total (Reported)
		specific items (Adjusted)	items (note 5)	
		£m	£m	£m
Revenue	2,3	9,806	4	9,810
Operating costs	4	(8,097)	(232)	(8,329)
<i>Of which net impairment losses on trade receivables and contract assets</i>		(80)	—	(80)
Operating profit (loss)		1,709	(228)	1,481
Finance expense		(592)	(96)	(688)
Finance income		78	—	78
Net finance expense		(514)	(96)	(610)
Share of post tax profit (loss) of associates and joint ventures		(9)	—	(9)
Profit (loss) before tax		1,186	(324)	862
Taxation		(276)	65	(211)
Profit (loss) for the period		910	(259)	651
Earnings per share				
- basic		9.3p	(2.6)p	6.7p
- diluted		9.2p	(2.6)p	6.6p

Half year ended 30 September 2024	Note	Before	Specific	Total (Reported)
		specific items (Adjusted)	items (note 5)	
		£m	£m	£m
Revenue	2,3	10,138	(21)	10,117
Operating costs	4	(8,354)	(245)	(8,599)
<i>Of which net impairment losses on trade receivables and contract assets</i>		(75)	—	(75)
Operating profit (loss)		1,784	(266)	1,518
Finance expense		(537)	(99)	(636)
Finance income		88	—	88
Net finance expense		(449)	(99)	(548)
Share of post tax profit (loss) of associates and joint ventures		(3)	—	(3)
Profit (loss) before tax		1,332	(365)	967
Taxation		(289)	77	(212)
Profit (loss) for the period		1,043	(288)	755
Earnings per share				
- basic		10.7p	(2.9)p	7.8p
- diluted		10.5p	(2.9)p	7.6p

Group statement of comprehensive income

	Half year ended 30 September	
	2025 £m	2024 £m
Profit for the period	651	755
Other comprehensive income (loss)		
Items that will not be reclassified to the income statement		
Remeasurements of the net pension obligation	(488)	(224)
Tax on pension remeasurements	122	56
Items that have been or may be reclassified subsequently to the income statement		
Exchange differences on translation of foreign operations	(36)	(97)
Fair value movements on assets at fair value through other comprehensive income	2	(6)
Movements in relation to cash flow hedges:		
– net fair value (losses) gains	20	(397)
– recognised in income and expense	(112)	533
Share of post tax other comprehensive income in associates and joint ventures	11	(4)
Tax on components of other comprehensive income that have been or may be reclassified	22	(35)
Other comprehensive income (loss) for the period, net of tax	(459)	(174)
Total comprehensive income (loss) for the period	192	581

Group balance sheet

	Note	30 September 2025	31 March 2025
		£m	£m
Non-current assets			
Goodwill	14	7,282	7,310
Other intangible assets		4,849	5,123
Property, plant and equipment		23,966	23,380
Right-of-use assets		3,177	3,328
Derivative financial instruments		871	904
Investments		20	17
Joint ventures and associates	12	224	252
Trade and other receivables		672	655
Preference shares in joint venture	12	157	234
Contract assets		295	306
Retirement benefit surplus	6	151	142
Deferred tax assets		1,073	959
		42,737	42,610
Current assets			
Inventories		360	331
Trade and other receivables		3,091	3,109
Preference shares in joint ventures	12	220	161
Contract assets		1,061	1,194
Assets classified as held for sale	13	338	245
Current tax receivable		355	355
Derivative financial instruments		169	130
Investments		1,631	2,631
Cash and cash equivalents		359	216
		7,584	8,372
Current liabilities			
Loans and other borrowings		1,689	2,092
Derivative financial instruments		99	106
Trade and other payables		5,423	5,955
Contract liabilities		881	899
Lease liabilities		754	705
Liabilities held for sale	13	135	188
Current tax liabilities		76	82
Provisions		240	258
		9,297	10,285
Total assets less current liabilities		41,024	40,697
Non-current liabilities			
Loans and other borrowings		17,822	16,670
Derivative financial instruments		317	391
Contract liabilities		265	257
Lease liabilities		3,596	3,866
Retirement benefit obligations	6	4,032	4,230
Other payables		167	276
Deferred tax liabilities		1,870	1,717
Provisions		359	382
		28,428	27,789
Equity			
Share capital		499	499
Share premium		1,051	1,051
Own shares		(210)	(378)
Merger reserve		998	998
Other reserves		726	828
Retained earnings		9,532	9,910
Total equity		12,596	12,908
		41,024	40,697

Group statement of changes in equity

	Share Capital	Share Premium	Own Shares	Merger Reserve	Other Reserves	Retained Earnings	Total Equity
	£m	£m	£m	£m	£m	£m	£m
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 (loss) income	—	—	—	—	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
At 1 April 2024	499	1,051	(311)	998	716	9,565	12,518
Profit for the period	—	—	—	—	—	755	755
Other comprehensive income (loss) before tax	—	—	—	—	(500)	(228)	(728)
Tax on other comprehensive (loss) income	—	—	—	—	(35)	56	21
Transferred to the income statement	—	—	—	—	533	—	533
Total comprehensive income (loss) for the period	—	—	—	—	(2)	583	581
Dividends to shareholders	—	—	—	—	—	(556)	(556)
Share-based payments	—	—	—	—	—	30	30
Net buyback of own shares	—	—	—	—	—	(50)	(50)
Other movements	—	—	—	—	1	3	4
At 30 September 2024	499	1,051	(311)	998	715	9,575	12,527

Group cash flow statement

	Half year to 30 September	
	2025 £m	2024 £m
Cash flow from operating activities		
Profit before taxation	862	967
Share of post tax loss (profit) of associates and joint ventures	9	3
Net finance expense	610	548
Operating profit	1,481	1,518
Other non-cash charges ¹	18	58
Impairment loss on remeasurement of disposal groups	27	—
(Profit) loss on disposal of property, plant and equipment and intangible assets	(31)	(4)
Depreciation and amortisation, including impairment charges	2,417	2,348
(Increase) decrease in inventories	(29)	49
(Increase) decrease in trade and other receivables	(78)	253
Decrease (increase) in contract assets	124	190
(Decrease) increase in trade and other payables	(302)	(573)
(Decrease) increase in contract liabilities	(12)	(48)
(Decrease) increase in other liabilities ²	(791)	(824)
(Decrease) increase in provisions	(31)	(30)
Cash generated from operations	2,793	2,937
Income taxes refunded (paid)	(28)	72
Net cash inflow from operating activities	2,765	3,009
Cash flow from investing activities		
Interest received	54	64
Dividends received from joint ventures, associates and investments	1	—
Proceeds on disposal of businesses	36	25
Proceeds on disposal of current financial assets ³	6,639	7,441
Purchases of current financial assets ³	(5,640)	(7,458)
Proceeds from investment in preference shares in joint venture	19	—
Proceeds on disposal of property, plant and equipment and intangible assets	34	5
Purchases of property, plant and equipment and intangible assets ⁴	(2,590)	(2,463)
Decrease (increase) in amounts owed by joint ventures	46	84
Settlement of minimum guarantee liability with sports joint venture	(118)	(103)
Net cash outflow from investing activities	(1,519)	(2,405)
Cash flow from financing activities		
Equity dividends paid	(566)	(556)
Interest paid	(441)	(476)
Repayment of borrowings ⁵	(874)	(1,346)
Proceeds from bank loans and bonds	1,056	1,833
Payment of lease liabilities	(380)	(383)
Cash flows from collateral received (paid)	281	301
Proceeds from exercise of employee share options	85	3
Repurchase of ordinary share capital	(126)	(79)
(Decrease) increase in amounts owed to joint ventures	16	(1)
Net cash outflow from financing activities	(949)	(704)
Net decrease in cash and cash equivalents	297	(100)
Opening cash and cash equivalents	214	356
Net decrease in cash and cash equivalents	297	(100)
Effect of exchange rate changes	(7)	(5)
Closing cash and cash equivalents⁶	504	251

¹ FY26 non cash items include £(1)m of fair value (gain) loss (H1 FY25: £44m) on A and C preference shares held in the sports JV and an impairment loss of £23m (H1 FY25: Nil) in respect of Group's equity interest in the sports JV.

² Includes pension deficit payments of £789m (H1 FY25: £791m).

³ Primarily consists of investment in and redemption of amounts held in liquidity funds.

⁴ Property, plant and equipment, engineering stores and software additions of £2,442m (H1 FY25: £2,269m), capital accruals movements of £83m (H1 FY25: £166m) and spectrum payment of £1m (H1 FY25: £nil). Purchases of property, plant and equipment is presented net of cash inflows from government grants of £64m (H1 FY25: £28m).

⁵ Repayment of borrowings includes the impact of hedging.

⁶ Net of bank overdrafts of £7m (H1 FY25: £58m). Cash and cash equivalents include £152m (H1 FY25: £nil) of cash held for sale as detailed in note 13. Assets and liabilities held for sale.

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 2025 and 2024 together with the balance sheet at 31 March 2025. The financial statements for the half year to 30 September 2025 have been reviewed by the auditors and their review opinion is on page [31](#). 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 2025 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 £1,713m at 30 September 2025 (£1,913m net current liabilities at 31 March 2025). 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 2025. When reaching this conclusion, the directors took into account:

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

At 30 September 2025, the group had cash and cash equivalents of £504m (net of bank overdrafts) and current asset investments of £1,631m. The group also had access to committed borrowing facilities of £2.1bn, which matures no earlier than January 2030 with the option to extend for two further years.

The information for the year ended 31 March 2025 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 2025.

A reference to a year expressed as FY26 is to the financial year to 31 March 2026.

Accounting policies changes and restatements

Other than as stated below, the financial statements have been prepared in accordance with the accounting policies as set out in the financial statements for the year to 31 March 2025 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.

Formation of the International segment and re-presentation of prior year comparatives

The International CFU was separated from Business forming a new CFU, effective from 1 July 2025. In line with the requirements of IFRS 8 Operating Segments, we have re-presented H1 FY25 comparatives to reflect the separate units.

In addition two re-presentations have been made to segmental revenue reporting, consistent with the information now provided to the Executive Committee, which is the key management committee and represents the 'chief operating decision maker' (CODM). The re-presentations reflect Openreach pass-through services previously reported in Business, and a reclassification of an EE and BT Wholesale trading relationship as revenue from costs.

The Group has revised its disaggregation of external revenue to better reflect the internal reporting provided to the Chief Operating Decision Maker (CODM). Revenue previously reported under "Equipment and Other Services" has been split into separate categories: "Equipment" and "Other Services." Additionally, lease revenue is now disclosed within our disaggregation of revenue. Segmental revenue includes internal revenue to more accurately reflect segment performance.

Note 17 and the Additional Information on page [35](#) present bridges between financial information for the half year to 30 September 2024 as published on 7 November 2024, and the comparatives presented in this release.

Re-presentation of goodwill and other intangible assets

From H1 FY26, we have disaggregated "Intangible Assets" into "Goodwill" and "Other Intangible Assets", presenting them as separate line items and in distinct disclosure notes. This updated presentation aims to provide users of the financial statements with a clearer view of our financial position.

New and amended accounting standards effective during the year

Lack of Exchangeability (Amendments to IAS 21) is the only amended standard effective during the year, which did not have a material impact on the financial statements of the group.

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 standards. 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 2025 have been assessed as having a significant impact on the group.

New and amended accounting standards that have been issued but are not yet effective

The IASB has issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements. BT is evaluating the impact of this new standard on its financial statements. It will be effective for BT for the first time for FY28.

We are currently assessing the impact of the standards below, but they are not expected to have a material impact on the consolidated financial statements:

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards - Volume 11
- Subsidiaries without Public Accountability: Disclosures (IFRS 19)

Effective dates will be subject to the UK endorsement process. We have not adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2 Climate-related Disclosures have been issued but not yet endorsed by the UK authorities. We will continue to monitor new disclosure requirements and update our disclosures as part of the TCFD reporting where relevant.

2. Operating results – by customer-facing unit

Half year to 30 September 2025						
	Consumer	Business	International	Openreach	Other	Total
	£m	£m	£m	£m	£m	£m
Segment revenue	4,684	2,589	1,110	3,131	6	11,520
Internal revenue	(20)	(108)	—	(1,586)	—	(1,714)
Adjusted¹ external revenue	4,664	2,481	1,110	1,545	6	9,806
Adjusted EBITDA ^{1,2}	1,274	647	66	2,148	(9)	4,126
Depreciation and amortisation	(849)	(372)	(102)	(1,053)	(41)	(2,417)
Adjusted¹ operating profit (loss)	425	275	(36)	1,095	(50)	1,709
Specific items (note 5)						(228)
Operating profit						1,481
Half year to 30 September 2024 (re-presented ³)						
Segment revenue	4,836	2,644	1,220	3,118	5	11,823
Internal revenue	(20)	(99)	—	(1,566)	—	(1,685)
Adjusted¹ external revenue	4,816	2,545	1,220	1,552	5	10,138
Adjusted EBITDA ^{1,2}	1,330	656	91	2,059	(4)	4,132
Depreciation and amortisation	(873)	(360)	(117)	(974)	(24)	(2,348)
Adjusted¹ operating profit (loss)	457	296	(26)	1,085	(28)	1,784
Specific items (note 5)						(266)
Operating profit						1,518

¹ See Glossary on page 9.

² For the reconciliation of adjusted EBITDA, see Additional Information on page 33.

³ H1 FY25 comparative information for the Business CFU has been re-presented to reflect the formation of the new International CFU and re-presentations of segmental revenue to reflect the nature of services and trading relationships between CFUs. Note 17 on page 27 and the Additional Information on page 33 present bridges between financial information for the half year to 30 September 2024 as published on 7 November 2024, and the comparatives presented in this release.

3. Operating results - disaggregation of revenue

Half year to 30 September 2025

	Consumer	Business	International	Openreach	Other	Internal Revenue	Total
	£m	£m	£m	£m	£m	£m	£m
ICT and managed networks	—	558	397	—	—	(5)	950
Fixed access subscriptions	2,042	1,021	500	—	—	(15)	3,548
Mobile subscriptions	1,774	419	15	—	—	(22)	2,186
Other services	9	371	48	107	6	(138)	403
Equipment revenue	751	216	145	—	—	(1)	1,111
Revenue from contracts with customers	4,576	2,585	1,105	107	6	(181)	8,198
Lease revenue ²	108	4	5	3,024	—	(1,533)	1,608
Total adjusted¹ revenue	4,684	2,589	1,110	3,131	6	(1,714)	9,806
Specific items (note 5)							4
Total revenue³							9,810

Half year to 30 September 2024 (re-presented⁴)

ICT and managed networks	—	575	440	—	—	(1)	1,014
Fixed access subscriptions	2,125	1,055	570	—	—	(21)	3,729
Mobile subscriptions	1,788	426	16	—	—	(23)	2,207
Other services	—	343	50	76	5	(103)	371
Equipment revenue	847	241	139	—	—	(1)	1,226
Revenue from contracts with customers	4,760	2,640	1,215	76	5	(149)	8,547
Lease revenue ²	76	4	5	3,042	—	(1,536)	1,591
Total adjusted¹ revenue	4,836	2,644	1,220	3,118	5	(1,685)	10,138
Specific items (note 5)							(21)
Total revenue³							10,117

¹ See Glossary on page 9.

² Lease revenue includes income from Openreach's fixed access subscription services.

³ We have further disaggregated the revenue presented here to derive the UK adjusted service revenue of £7,726m (H1 FY25: £7,827m). Please refer to our adjusted UK service revenue reconciliation in Additional Information on page 33. Adjusted UK service revenue includes some portion of equipment revenue where that equipment is sold as part of a managed services contract, or where that equipment cannot be practically separated from the underlying service.

⁴ H1 FY25 comparative information for the Business CFU has been re-presented to reflect the formation of the new International CFU and re-presentations of segmental revenue to reflect the nature of services and trading relationships between units. Note 17 presents a bridge between financial information for the half year to 30 September 2024 as published on 7 November 2024, and the comparatives presented in this release.

4. Operating costs

	Half year to 30 September	
	2025 £m	2024 £m
Operating costs by nature		
Wages and salaries	1,907	2,017
Social security costs	239	216
Other pension costs	159	171
Share-based payment expense	24	30
Total staff costs	2,329	2,434
Capitalised direct labour	(696)	(710)
Net staff costs	1,633	1,724
Indirect labour costs	663	653
Capitalised indirect labour	(388)	(388)
Net indirect labour costs	275	265
Net labour costs	1,908	1,989
Product costs	1,526	1,551
External sales commissions	231	229
Payments to telecommunications operators	488	564
Property and energy costs	632	637
Network operating and IT costs	540	534
Provision and installation	172	170
Marketing and sales	120	168
Net impairment losses on trade receivables and contract assets	80	75
Other operating costs	138	208
Other operating income	(155)	(119)
Depreciation and amortisation, including impairment charges	2,417	2,348
Total operating costs before specific items	8,097	8,354
Specific items (note 5)	232	245
Total operating costs	8,329	8,599

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

	Half year to 30 September	
	2025 £m	2024 £m
Depreciation and amortisation before impairment charges		
Intangible assets	642	608
Property, plant and equipment	1,461	1,410
Right-of-use assets	305	324
Impairment charges		
Intangible assets	4	—
Property, plant and equipment	2	8
Right-of-use assets	3	(2)
Total depreciation and amortisation before specific items	2,417	2,348
Total operating costs	2,417	2,348

5. Specific items

Our income statement and segmental analysis separately identify trading results on an adjusted basis, 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 an additional analysis of our reported trading results. Specific items 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.

Examples of charges or credits meeting the above definition and which have been presented as specific items in the current and/or prior years include significant business restructuring programmes such as the current group-wide cost transformation and modernisation programme, disposals of businesses and investments, impairment loss on

remeasurement of held for sale items, charges or credits relating to retrospective regulatory matters, increases in litigation provisions, property rationalisation programmes, significant out of period contract settlements, net interest on our pension obligation, and the impact of remeasuring deferred tax balances. In the event that items meet the criteria, which are applied consistently from year to year, they are treated as specific items. Any releases to provisions originally booked as a specific item are also classified as specific. Conversely, when a reversal occurs in relation to a prior year item not classified as specific, the reversal is not classified as specific in the current year.

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. Refer to note 12 for further details.

	Half year to 30 September	
	2025 £m	2024 £m
Specific revenue		
Retrospective regulatory matters	(4)	21
Specific revenue	(4)	21
Specific operating costs		
Restructuring charges	134	187
– Previous Public Commitment (FY25)	—	187
– Portfolio simplification, and product and platform	85	—
– Openreach transformation following peak FTTP build	49	—
Sports JV-related items	22	44
Divestment-related items	19	3
Retrospective regulatory matters	—	11
Increase in litigation provisions	30	—
Impairment loss on remeasurement of held for sale items	27	—
Specific operating costs before depreciation and amortisation	232	245
Specific operating costs	232	245
Specific operating loss	228	266
Interest expense on retirement benefit obligation	96	99
Net specific items charge before tax	324	365
Tax charge (credit) on specific items	(65)	(77)
Net specific items charge after tax	259	288

Retrospective regulatory matters

We recognised a credit £(4)m (H1 FY25: charge of £21m) within revenue in relation to historical regulatory matters and £nil (H1 FY25: £11m charge) impact was recognised within operating costs. These items represent movements in provisions relating to various matters.

Restructuring charges

During the half year, we incurred charges of £134m (H1 FY25: £187m) relating to our group-wide cost transformation and modernisation programme. Of this amount, the portfolio simplification, and product and platform modernisation initiatives, accounted for £85m. Further charges of £49m were associated with the Openreach transformation following the peak FTTP build programme. The majority of these expenses comprise leaver costs and consultancy fees attributable to the programmes. As previously disclosed, in May 2024 a new transformation programme was announced which targeted £3bn gross annualised cost savings, with a total cost to achieve of £1bn which will run until the end of FY29. The benefits and costs of the final FY25 year of the previous May 2020 programme were absorbed into the new targets. As that programme has now finished, from FY26 we are disclosing each transformation programme separately.

Net cash outflows from restructuring activities amounted to £190m during the half year (H1 FY25: £198m).

In H1 FY26, the May 2024 programme delivered an estimated £247m in gross annualised cost savings at a cost to achieve of £134m.

Since the programme was announced we have achieved gross annualised cost savings of £1.2bn at a cost to achieve of £581m. The total expected cash costs to achieve until FY29 is £1bn, of this we have incurred £0.6bn.

We do not consider the estimated restructuring costs to achieve of £1bn referenced here to constitute a sufficiently-detailed formal announcement of a restructuring programme such that would trigger a provision under IAS 37. Costs are provided for when the IAS 37 recognition criteria are met.

Sports JV-related items

We have recorded a net fair value gain of £1m (H1 FY25: £44m loss) on the A and C preference shares in the Sports JV and an impairment loss of £23m on ordinary equity interest in the Sports JV. Refer to note 12 for further details.

Divestment-related items

We recognised a £19m charge (H1 FY25: £3m charge) relating to costs associated with ongoing divestment activities as we progress towards becoming fully UK focused.

Increase in litigation provisions

We have increased our litigation provision by £30m. BT is currently engaged in litigation activity as the defendant. This has been recognised as specific due to the size and incidence of this adjustment.

Impairment loss on remeasurement of held for sale items

We recognised an impairment charge of £27m for the remeasurement of held for sale related items. Assets classified as held for sale under IFRS 5 are measured at the lower of their carrying amount and fair value less costs to sell, resulting in an impairment loss.

Interest expense on retirement benefit obligation

We incurred £96m (H1 FY25: £99m) of interest costs in relation to our defined benefit pension obligations.

Tax on specific items

A tax credit of £65m was recognised in relation to specific items (H1 FY25: £77m).

6. Pensions

	30 September 2025	31 March 2025
	£bn	£bn
IAS 19 liabilities – BTPS	(35.3)	(35.7)
Assets – BTPS	31.5	31.7
Other schemes	(0.1)	(0.1)
Total IAS 19 deficit, gross of tax¹	(3.9)	(4.1)
Total IAS 19 deficit, net of tax	(2.9)	(3.2)
Discount rate (nominal)	5.70 %	5.75 %
Future inflation – average increase in RPI (p.a.)	2.95 %	3.10 %
Future inflation – average increase in CPI (p.a.)	2.50 %	2.60 %

¹ Of which £(4.0)bn relates to schemes in deficit (31 March 2025: £(4.2)bn) and £0.1bn relates to schemes in surplus (31 March 2025: £0.1bn).

The IAS 19 deficit decreased to £3.9bn at 30 September 2025 from £4.1bn at 31 March 2025 due to scheduled contributions. This was offset by a decrease in credit spreads and higher real interest rates since year-end. Changes in credit spreads and real interest rates impact the IAS 19 position, but have limited impact on the funding position.

The 2023 BTPS funding valuation included a future funding commitment for BT to provide additional deficit contributions of £150m - £300m p.a. should the funding deficit be more than £1bn behind plan at two consecutive semi-annual assessment dates.

At the 30 June 2025 assessment date, the funding position was within this limit.

7. Financial instruments and risk management

Fair value of financial assets and liabilities measured at amortised cost

At 30 September 2025, the fair value of listed bonds was £18,877m (31 March 2025: £18,132m) and the carrying value was £19,083m (31 March 2025: £18,568m). The increase was primarily attributable to £1,056m of newly issued bonds, partially offset by £807m of bond redemptions and repayments.

The fair value of the following financial assets and liabilities approximate to their carrying amount:

- Cash and cash equivalents
- Lease liabilities
- Trade and other receivables
- Trade and other payables
- Investments held at amortised cost
- Other short-term borrowings
- Contract assets
- Contract liabilities

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); credit risk; and liquidity risk. There have been no changes to the risk management policies which cover these risks since 31 March 2025.

Current trade and other payables balance of £5,423m includes (31 March 2025: £5,955m):

- £189m (31 March 2025: £nil) 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.

- £234m (31 March 2025: £223m) 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

Fair values of financial instruments are analysed by three levels of valuation methodology which are:

1. Level 1 – uses quoted prices in active markets for identical assets or liabilities.
2. Level 2 – uses inputs for the asset or liability other than quoted prices that are observable either directly or indirectly.
3. Level 3 – uses inputs for the asset or liability that are not based on observable market data, such as internal models or other valuation methods.

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 and 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 the latest forward energy curves at the balance sheet date.

	Level 1	Level 2	Level 3	Total held at fair value
30 September 2025	£m	£m	£m	£m
Preference shares in joint venture				
Fair value through profit and loss	—	—	377	377
Investments				
Fair value through other comprehensive income	—	—	20	20
Fair value through profit and loss	—	—	—	—
Derivative assets				
Designated in a cash flow hedge	—	936	6	942
Designated in a fair value hedge	—	24	—	24
Fair value through profit and loss	—	74	—	74
Total assets	—	1,034	403	1,437
Derivative liabilities				
Designated in a cash flow hedge	—	278	65	343
Designated in a fair value hedge	—	17	—	17
Fair value through profit and loss	—	45	11	56
Total liabilities	—	340	76	416

	Level 1	Level 2	Level 3	Total held at fair value
31 March 2025	£m	£m	£m	£m
Preference shares in joint venture				
Fair value through profit and loss	—	—	395	395
Investments				
Fair value through other comprehensive income	—	—	17	17
Fair value through profit and loss	—	—	—	—
Derivative assets				
Designated in a cash flow hedge	—	943	4	947
Designated in a fair value hedge	—	1	—	1
Fair value through profit and loss	—	86	—	86
Total assets	—	1,030	416	1,446
Derivative liabilities				
Designated in a cash flow hedge	—	356	64	420
Designated in a fair value hedge	—	—	—	—
Fair value through profit and loss	—	66	11	77
Total liabilities	—	422	75	497

Net loss of £40m and 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 year ended 30 September 2025. Of the £40m loss recognised in the income statement £22m loss is in respect of recycling from cash flow hedge reserve. There were no significant changes to the valuation methods or transfers between the levels of fair value hierarchy during the period.

8. Share capital

In the half year to 30 September 2025, 135m shares (H1 FY25: 32m) at a total cost of £217m (H1 FY25: £53m), 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 £85m (H1 FY25: £3m) in respect of share options exercised.

Own shares of £49m (H1 FY25: £53m) were purchased during the half year.

9. Financial commitments

Financial commitments as at 30 September 2025 include capital commitments of £1,049m (31 March 2025: £985m).

10. Dividends

In line with the group's dividend policy, the Board has approved an interim dividend of 2.45p per share (H1 FY25: 2.40p per share) which will be paid on 11 February 2026. The ex-dividend date is 29 December 2025.

11. Contingent liabilities and legal proceedings

In the ordinary course of business, we are periodically notified of actual or threatened litigation, and regulatory and compliance matters and investigations. We have disclosed below a number of such matters including any matters where we believe a material adverse impact on the operations or financial condition of the group is possible and the likelihood of a material outflow of resources is more than remote.

Where the outflow of resources is considered probable, and a reasonable estimate can be made of the amount of that obligation, a provision is recognised for these amounts. Where an outflow is not probable but is possible, or a reasonable estimate of the obligation cannot be made, a contingent liability exists.

In respect of each of the claims below, the nature and progression of such proceedings and investigations can make it difficult to predict the impact they will have on the group. There are many reasons why we cannot make these assessments with certainty, including, among others, that they are in early stages, no damages or remedies have been specified, and/or the often slow pace of litigation.

Class action claim – combined mobile and handset services

In November 2023, Justin Gutmann, represented by law firm Charles Lyndon applied to the Competition Appeal Tribunal to bring a proposed class action claim for damages estimated at £1.1bn (inclusive of simple interest) on behalf of customers who purchased combined handset and airtime contracts who are outside their minimum contract terms but who continue to pay the same price as during their minimum contract terms. The claim alleges this approach was an anti-competitive abuse of a dominant position. Similar claims have also been brought against Vodafone, Three and O2 with the total damages claimed £3.285bn (inclusive of simple interest). Class actions must be certified by the Competition Appeal Tribunal at a Collective Proceedings Order (CPO) hearing before proceeding to a substantive trial. A certification hearing took place in early April 2025 at which BT and the other proposed defendants contested certifications and applied to limit the time period of the claim. If the class action is certified the substantive trial will not conclude during FY26. BT intends to defend itself vigorously. At the reporting date we are not aware of any evidence to indicate that a present obligation exists such that any amount should be provided for.

Italian business

Milan Public Prosecutor prosecutions: In FY20 proceedings were initiated against BT Italia for certain potential offences, namely the charge of having adopted, from 2011 to 2016, an inadequate management and control organisation model for the purposes of Articles 5 and 25 of Legislative Decree 231/2001. BT Italia disputed this and maintained in a defence brief filed in April 2019 that: (a) BT Italia did not gain any interest or benefit from the conduct in question; and (b) in any event, it had a sufficient organisational, management and audit model that was circumvented/overridden by individuals acting in their own self-interest. The trial commenced on 26 January 2021. On 23 April 2021, the Court allowed some parties to be joined to the criminal proceedings as civil parties ('parte civile') – a procedural feature of the Italian criminal law system. These claims were directed at certain individual defendants (which include former BT / BT Italia employees). Those parties successfully joined BT Italia as a respondent to their civil claims ('responsabile civile') on the basis that it is vicariously responsible for the individuals' wrongdoing.

The first instance phase of the trial has now concluded with the Court handing down its decision on 25 January 2024. The Court convicted certain individuals (including certain former BT Italia employees) for manipulation of BT Italia's financial statements for the financial year ending 31 March 2016 and for fraud against an Italian company, Sed Multitel S.r.l. The Court dismissed all charges that had been brought against BT Italia but ordered that BT Italia indemnify certain individual minority shareholders in the company and Sed Multitel for their losses. The Court has not quantified the indemnification amount, such that the indemnified parties must now seek to recover these amounts

from BT Italia by agreement or separate civil proceedings. The quantum of those claims, if they are pursued successfully, is not anticipated to be material.

Accounting misstatement claims: a law firm acting on behalf of a group of investors has made claims under s.90A of the Financial Services & Markets Act 2000, alleging that untrue or misleading statements were made in relation to the historical irregular accounting practices in BT's Italian business (which have been the subject of previous disclosures). The claim does not specify a value, but we anticipate the claimants may seek material damages. The matter is in the early stages. As mentioned in our earlier reports, the accounting issues in Italy have previously been the subject of class actions in the US that were dismissed by the US courts.

Class action claim – landline only services

In January 2021, Justin Le Patourel, represented by law firm Mishcon de Reya applied to the Competition Appeal Tribunal to bring a proposed class action claim for damages they estimated at £608m (inclusive of compound interest) or £589m (inclusive of simple interest) alleging anti-competitive behaviour through excessive pricing by BT to customers with certain residential landline services, so-called "stand-alone fixed voice services". Following certification of the claim to proceed to trial as an opt-out claim, Justin Le Patourel amended his claim seeking £1,307m (inclusive of compound interest) or £1,278m (inclusive of simple interest). A hearing took place between January and March 2024. In December 2024, the Competition Appeal Tribunal dismissed the claim, finding that there was no abuse of a dominance position because BT's prices were not unfair. In January 2025, Justin Le Patourel applied to the Competition Appeal Tribunal for permission to appeal the judgment. In February 2025 the Competition Appeal Tribunal refused permission to appeal. In March 2025 Justin Le Patourel applied to the Court of Appeal for permission to appeal the judgment. In August 2025, the Court of Appeal refused permission to appeal the Competition Appeal Tribunal's judgement. We now consider this matter to be brought to a resolution and no longer recognise a contingent liability in relation to this class action claim.

Phones 4U

Since 2015 the administrators of Phones 4U Limited have made allegations that EE and other mobile network operators colluded to procure Phones 4U's insolvency. Legal proceedings for an unquantified amount were issued in December 2018 by the administrators. The trial on the question of liability/breach ran from May to July 2022. In November 2023 the High Court dismissed Phones 4U's claim in its entirety. Phones 4U subsequently appealed that judgment to the Court of Appeal and a hearing was held in May 2025 where Phone4U's appeal was rejected. We now consider this matter to be brought to a resolution and no longer recognise a contingent liability in relation to this claim.

12. Joint ventures and associates

	30 September 2025	31 March 2025
	£m	£m
Interest in joint ventures	218	240
Interest in associates	6	12
Closing balance	224	252

Share of post tax loss of associates and joint ventures included in the income statement of £9m (H1 FY25: £3m loss) includes £9m loss (H1 FY25: £4m loss) relating to our sports joint venture (Sports JV) with Warner Bros. Discovery (WBD) and net £nil profit (H1 FY25: £1m profit) relating to our other associates and joint ventures. Share of post tax other comprehensive income in associates and joint ventures amounted to £11m (H1 FY25: £4m loss), solely relating to the Sports JV, resulting in a net £2m share of total comprehensive profit for the period. The Sports JV is the only material equity-accounted investment held by the group, see below for further details.

Sports JV

In FY23, the group formed a sports joint venture with WBD, known externally as TNT Sports, which combined BT Sport and WBD's Eurosport UK business. As part of the transaction, the group's wholly owned subsidiary, British Telecommunications plc (BT plc or BT) and WBD each contributed, sub-licensed or delivered the benefit of their respective sports rights and distribution businesses for the UK & Ireland to the Sports JV. Both parties each hold a 50% interest and equal voting rights in the Sports JV.

WBD have the option to acquire BT plc's 50% interest in the Sports JV at specified points during the first four years of the Sports JV (Call Option) from FY23. The price payable under the Call Option will be 50% of the fair market value of the Sports JV to be determined at the time of the exercise, plus any unpaid fixed consideration and remaining earn-out as described below. If the Call Option is not exercised, BT plc will have the ability to exit its shareholding in the Sports JV either through a sale or IPO after the initial four-year period.

The group holds both ordinary equity shares and preference shares in the Sports JV entity, details on these are provided below. In addition, the Group has several other instruments associated with our interest in the Sports JV including, a net loan payable due to the Sports JV (£27m) and a minimum guarantee liability (£173m).

Ordinary equity shares

Our retained ordinary equity interest in the Sports JV is held under the equity method of accounting, consistent with our accounting policy on joint ventures and associates.

	2025
	£m
Carrying amount at 1 April	238
Share of total comprehensive profit for the period	2
Dividends during the period	(1)
Impairment loss for the period	(23)
Carrying amount at 30 September	216

An impairment loss was recognised as at 30 September 2025 in respect of the Group's equity interest in the Sports JV. The impairment arose following a fair value assessment which indicated that the recoverable amount of the investment was lower than its carrying amount. The impairment reflects revised expectations of the joint venture's future underlying performance and market conditions, driving a reduction in the fair value. Changes in key assumptions relating to future performance and market conditions, could result in further impairment losses or reversals in future periods. In particular, the outcome of the renewal of TNT Sports' UEFA men's club competition rights, which were released for tender in October 2025, could have a significant impact on the future prospects and long-term viability of the business, and therefore a material impact on the value of BT's equity shareholding.

Preference shares

In addition to BT's ordinary shareholding, BT held the following investments in preference shares in the Sports JV that have not been included within the equity-accounted interest above.

	30 September 2025	31 March 2025
	£m	£m
Investment in A preference shares	220	242
Investment in C preference shares	157	153
Total	377	395

A net £(18)m movement has been recorded in the group's preference share investments largely driven by a £19m earn-out payment received from the Sports JV and recorded as a repayment of our investment in A preference shares; and a net £1m fair value gain, see below for further details.

- **A preference shares** – a £3m fair value loss has been recognised through specific items (see note 5), primarily driven by a reduction in EBITDA, leading to lower cash available for distribution under BT's earn-out entitlement.
- **C preference shares** – BT's return on the shares is driven by changes in the Sports JV's sports rights portfolio which in turn is dependent on changes in the wider sports rights market and the Sports JV's financial performance and are therefore held as a financial asset at FVTPL under IFRS 9. A £4m fair value gain has been recognised through specific items (see note 5) largely driven by the effect of discounting.

13. Divestment 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 highly probable when management is committed to a plan to sell and completion is expected within one year. We measure non-current assets or disposal groups classified as held for sale at the lower of 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.

During FY25, the group announced its intention to fully focus on UK connectivity and initiated a programme to explore options to optimise its non-core or global business. At 31 March 2025, management was committed to a plan to sell five separate businesses within our non-core or global business. The sales were considered to be highly probable and expected to complete within one year. Accordingly, the associated assets and liabilities were presented as held for sale at 31 March 2025.

One of these disposal groups, BT Communications Ireland Ltd, was disposed of during the period with no gain or loss on disposal recognised. The remaining four disposal groups continue to be classified as held for sale at 30 September 2025.

During the period, we entered into two sale agreements for the remaining disposal groups classified as held for sale. The most significant of which was for the disposal of BT Radianz to Transaction Network Services which was entered into in September 2025. The disposals are expected to complete in FY26, subject to customary closing conditions which include regulatory approvals. During the fiscal year 2024/25 the Radianz unit generated revenues of approx. £142 million.

Impairment on remeasurement of disposal groups held for sale

In accordance with IFRS 5, disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. During the period, a remeasurement of certain disposal groups resulted in the recognition of an impairment loss of £27 million (H1 FY25: £nil). This has been presented as a specific item in the income statement (see Note 5). The impairment has been allocated to reduce the carrying values of intangible assets, property, plant and equipment, and right-of-use assets within the affected disposal groups.

The disposal groups held for sale comprised the following assets and liabilities:

	30 September 2025	31 March 2025
	£m	£m
Assets		
Intangible assets	93	94
Property, plant and equipment	20	40
Right-of-use assets	25	33
Trade and other receivables	48	78
Cash and cash equivalents ¹	152	—
Assets held for sale	338	245
Liabilities		
Trade and other payables	62	100
Current lease liabilities	68	81
Current tax liability	2	4
Provisions	3	3
Liabilities held for sale	135	188

¹ Included within cash and cash equivalents of £152 million is the Group's contribution to Retelit S.p.A. in connection with the disposal of its domestic operations in Italy. Under the terms of the sale agreement, Retelit S.p.A. will acquire the Italian business in exchange for a contribution from BT, determined with reference to the agreed enterprise value.

14. Goodwill

An impairment review has been carried out across all the cash-generating units (CGUs) to which goodwill is allocated, in accordance with IAS 36 Impairment of Assets. As at 30 September 2025, no indicators of impairment have been identified that would necessitate a full impairment test (H1 FY25: nil).

15. 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 (see note 12). Sales of services to the Sports JV during H1 FY26 were £2m (31 March 2025: £9m) and purchases from the Sports JV were £160m (31 March 2025: £305m) excluding £118m (31 March 2025: £187m) additional payments made to settle the minimum guarantee liability. The amount receivable from the Sports JV as at 30 September 2025 was £nil (31 March 2025: £nil) and the amount payable to the Sports JV was £71m (31 March 2025: £97m).

As part of the FY23 BT Sport transaction, the group has committed to providing the Sports JV with a sterling Revolving Credit Facility (RCF), up to a maximum for £200m, (31 March 2025: £200m) for short-term liquidity required by the Sports JV to fund its working capital and commitments to sports rights holders. Amounts drawn down by the Sports JV under the RCF accrue interest at a market reference rate, consistent with the group's external short-term borrowings. The outstanding balance under the RCF of £nil (31 March 2025: £46m) is treated as a loan receivable and held at amortised cost. There is also a loan payable to the Sports JV of £27m (31 March 2025: £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 £11m (31 March 2025: £36m) derivative liability in respect of forward contracts provided to the Sports JV.

From 15 September 2025, Bharti Enterprises and its related subsidiaries are considered related parties for the purposes of BT Group's financial reporting. There were net purchases during the period to 30th September from Bharti Enterprises of £0.2m.

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

	30 September 2025	31 March 2025
	£m	£m
Sales of services to associates and joint ventures	11	12
Purchases from associates and joint ventures	172	348
Amounts receivable from associates and joint ventures	1	2
Amounts payable to associates and joint ventures	72	99

16. Principal risks and uncertainties

We maintain robust processes for identifying, evaluating and managing our risks. Whilst individual risks continue to evolve, overall we do not consider that there has been a material change to any of our principal risks and uncertainties as presented on pages 56 to 61 of the Annual Report 2025. We split our risk landscape into Group Risk Categories ('GRCs'). These are summarised below and have the potential to have an adverse impact on our profit, assets, liquidity, capital resources and reputation.

Strategic

Strategy, technology and competition - To deliver value to our stakeholders and achieve our strategy, we must carefully manage risks around economic uncertainty, intensifying competition and rapidly changing customer and technology trends. Equally, to stay competitive and create long-term sustainable value, we must manage risks around designing and effectively implementing the right strategy – and incorporating it into our business plans.

Transformation delivery - We're speeding up our transformation to make us simpler, more efficient and dynamic. This includes building brilliant sales and service journeys to connect customers to future products on modern IT and then retiring old infrastructure. This will improve customer and colleague experience and save money. To succeed, we have to manage risks around transformation delivery and whether we'll realise the associated benefits. Not managing these risks could make us less efficient, damaging our financial performance, and customer experience.

Financial

Financing - We carefully manage risks which might result in us not being able to meet our payment commitments. They could come from not generating enough cash, being unable to refinance existing debt or paying increased pension scheme contributions. We also manage risks around defining and executing the right insurance strategy.

Financial control - Our financial controls help us prevent fraud and report accurately. If these failed we could lose money or materially misrepresent our financial position. We might fail to apply the correct accounting principles and treatment or pay our taxes. That could lead to financial misstatement, fines, legal disputes and reputational damage.

Compliance

Legal and regulatory compliance - We focus on communications regulation, competition law, anti-bribery and corruption measures, international trade controls, financial services compliance and corporate governance responsibilities, and managing risks in those areas. Other relevant laws and regulations are covered in other GRCs.

Data and AI - We must follow today's global data and AI regulations while anticipating and preparing for tomorrow's. That means actively managing risks like privacy, data architecture, processing and retention. Our data and AI strategy aims to deliver value and efficiency – while giving us a framework to manage compliance risks related to data and AI regulations.

Operational

Operational resilience - We want to deliver best-in-class performance for our customers, across our fixed and mobile networks and IT. That means being operationally resilient and managing any risk that could disrupt our services. Service disruptions could be caused by external events, like bad weather, as well as poorly maintained assets. Some service disruption might depend on suppliers' and partners' reliability – making it important to carefully manage the risks.

Cyber security - A cyber-attack (external or internal) could disrupt customers and the country – and compromise data. We manage security risks that might lead to our assets or services losing their confidentiality, integrity or availability. These include applicable regulatory or contractual obligations. A poorly managed cyber security event might cost us money, damage our reputation and affect our market share. The regulator might also impose fines or penalties.

People - Our colleagues are key to delivering our ambition. Our people strategy is to create a culture where everyone can perform and be their best. That means us managing risks around our talent management lifecycle, skills and capabilities, engagement, culture, wellbeing and inclusion.

Health, safety and environment - We have diverse operations and working environments in various locations. Some of them pose risks to health, safety and the environment (HSE). We must make sure colleagues and partners are safe and healthy and can perform at their best while managing risk effectively.

We're committed to maintaining and continually improving the right HSE management systems. They make sure our business is safe and compliant, while protecting the environment and those who we might affect.

Major customer contracts - In a dynamic, highly competitive environment, we want to win and keep major private and public sector contracts. We do that while navigating customer relationships and risk in complex agreements – delivering highly sensitive, critical or essential services globally. Customer contractual terms can be onerous and challenging to meet, leading to delays, penalties and disputes. Delivery or service failures against obligations and commitments could damage our brand and reputation, particularly for critical infrastructure contracts or security and data protection services.

Supply management - We have lots of suppliers. Successfully selecting, bringing on board and managing them is essential for us to deliver quality products and services. We must make decisions about suppliers on concentration, capability, resilience, security, sustainability, cost and broader issues that could affect our business and reputation.

17. Adjustments to prior period published financial information: Formation of International CFU and segmental re-presentations

We have re-presented certain H1 FY25 comparatives to reflect changes in the Group's internal reporting structure. The International CFU was separated from Business forming a new CFU, effective from 1 July 2025.

In addition, two re-presentations have been made to segmental revenue reporting, consistent with the information now provided to the Executive Committee, which is the key management committee and represents the 'chief operating decision maker' (CODM):

- Certain Openreach pass-through services previously reported as external revenue in Business have been reclassified to Openreach to reflect the customer relationship. As a result of this change the prior year comparatives have been re-presented to present revenue on a consistent basis resulting in a £46m reduction in Business segment revenue for the half year to 30 September 2024, with no impact on Openreach segmental revenue due to the intra-group nature of the transaction.
- Following an update to the commercial terms governing a trading relationship between EE and BT Wholesale, BT Wholesale will now recognise services provided to EE as part of this trading relationship as intersegment revenue. Previously, these services were internally reported as cost recovery. This change results in the recognition of revenue within the Business segment. As a result of this change the prior year comparatives have been re-presented to present revenue and cost for the segment on a consistent basis. The effect of this change is to increase Business revenue by £42m, with a corresponding increase in cost.

Further to the re-presentations made during the period, we have revised the presentation of the disaggregation of external revenue. This change reflects the internal reporting structure provided to the CODM. Revenue previously reported under "Equipment and Other Services" has now been split into two separate categories: "Equipment" and "Other Services", to provide greater clarity on the nature of the revenue streams. In addition, lease revenue has been separately disclosed to reflect its distinct contractual characteristics. Disaggregation of revenue now includes internal revenue to better reflect the performance of each segment, consistent with the information reviewed by the CODM for decision-making purposes. Finally, as part of our ongoing improvement of finance systems, we now have access to more granular information with which to better align revenue categories. Accordingly, we have re-presented the disaggregated revenue in note 3 to reflect this enhanced reporting.

As explained in note 1 to the condensed consolidated financial statements (page 15) the H1 FY25 comparatives have been re-presented to reflect these changes in line with IFRS accounting requirements. These adjustments are reflected in the operating review section of the release and the condensed consolidated financial statements.

The tables below presents a bridge between the results presented in the Results for the half year to 30 September 2024 (published on 7 November 2024) and the re-presented H1 FY25 comparatives presented within this release.

2. Operating results - by customer facing unit

	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Total £m
Half year to 30 September 2024: published						
Segment revenue	4,836	3,865	—	3,118	5	11,824
Internal revenue	(20)	(54)	—	(1,612)	—	(1,686)
Adjusted external revenue	4,816	3,811	—	1,506	5	10,138
Adjusted EBITDA	1,330	747	—	2,059	(4)	4,132
Depreciation and amortisation	(873)	(477)	—	(974)	(24)	(2,348)
Adjusted operating profit (loss)	457	270	—	1,085	(28)	1,784
Specific items (note 5)						(266)
Operating profit						1,518

	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Total £m
Half year to 30 September 2024: adjustments for re-presentation						
Segment revenue	—	(1,221)	1,220	—	—	(1)
Internal revenue	—	(45)	—	46	—	1
Adjusted external revenue	—	(1,266)	1,220	46	—	—
Adjusted EBITDA	—	(91)	91	—	—	—
Depreciation and amortisation	—	117	(117)	—	—	—
Adjusted operating profit (loss)	—	26	(26)	—	—	—
Specific items (note 5)						—
Operating profit						—

	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Total £m
Half year to 30 September 2024: re-presented						
Segment revenue	4,836	2,644	1,220	3,118	5	11,823
Internal revenue	(20)	(99)	—	(1,566)	—	(1,685)
Adjusted external revenue	4,816	2,545	1,220	1,552	5	10,138
Adjusted EBITDA	1,330	656	91	2,059	(4)	4,132
Depreciation and amortisation	(873)	(360)	(117)	(974)	(24)	(2,348)
Adjusted operating profit (loss)	457	296	(26)	1,085	(28)	1,784
Specific items (note 5)						(266)
Operating profit						1,518

3. Operating results - disaggregation of revenue

	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Internal Revenue £m	Total £m
Half year to 30 September 2024: published							
ICT and managed networks	—	1,633	—	—	—	—	1,633
Fixed access subscriptions	2,164	1,026	—	1,461	—	—	4,651
Mobile subscriptions	1,813	609	—	—	—	—	2,422
Equipment and other services	839	543	—	45	5	—	1,432
Total adjusted revenue	4,816	3,811	—	1,506	5	—	10,138
Specific items (note 5)							(21)
Total revenue							10,117

	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Internal Revenue £m	Total £m
Half year to 30 September 2024: adjustments for re-presentation							
ICT and managed networks	—	(1,058)	440	—	—	(1)	(619)
Fixed access subscriptions	(39)	29	570	(1,461)	—	(21)	(922)
Mobile subscriptions	(25)	(183)	16	—	—	(23)	(215)
Other service	(839)	(200)	50	31	—	(103)	(1,061)
Equipment revenue	847	241	139	—	—	(1)	1,226
Revenue from contracts with customers	(56)	(1,171)	1,215	(1,430)	—	(149)	(1,591)
Lease revenue	76	4	5	3,042	—	(1,536)	1,591
Revenue before specific items	20	(1,167)	1,220	1,612	—	(1,685)	—

	Consumer	Business	International	Openreach	Other	Internal Revenue	Total
	£m	£m	£m	£m	£m	£m	£m
Half year to 30 September 2024: re-presented							
ICT and managed networks	—	575	440	—	—	(1)	1,014
Fixed access subscriptions	2,125	1,055	570	—	—	(21)	3,729
Mobile subscriptions	1,788	426	16	—	—	(23)	2,207
Other service	—	343	50	76	5	(103)	371
Equipment revenue	847	241	139	—	—	(1)	1,226
Revenue from contracts with customers	4,760	2,640	1,215	76	5	(149)	8,547
Lease revenue	76	4	5	3,042	—	(1,536)	1,591
Revenue before specific items	4,836	2,644	1,220	3,118	5	(1,685)	10,138
Specific items (note 5)						(21)	
Total revenue							10,117

18. Post balance sheet events

We have completed the sale of our domestic operations in Italy in October 2025. The assets and liabilities were classified as held for sale at 30 September 2025. At initial classification as held for sale, the carrying amount of the non-current assets within the disposal group were remeasured to nil and an impairment was recognised. A net loss of approximately £87 million is expected to be recognised in H2.

In addition, the sale of our datacentre business in Ireland also completed in October 2025. The assets and liabilities were classified as held for sale at 30 September 2025 and a gain on disposal of £15 million is expected to be recognised in H2.

The divestments align with the Group's strategy to focus on UK connectivity and streamline its international footprint.

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 IAS 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 month 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

Group Chief Executive

5 November 2025

Simon Lowth

Group Chief Financial Officer

5 November 2025

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 2025 which comprises Group Income Statement, Group statement of comprehensive income, Group balance sheet, Group statement of changes in equity, Group cashflow 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 2025 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.

Jonathan Mills
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square, London, E14 5GL
5 November 2025

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 four customer-facing units: Consumer serves individuals and families in the UK; Business covers companies and public services in the UK; International serves multinational organisations headquartered outside the UK and overseas public sector customers; Openreach is an independently governed, wholly owned subsidiary wholesaling fixed access infrastructure services to its customers - over 700 communication providers across the UK.

British Telecommunications plc 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

Enquiries

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We will hold the second quarter and half year FY25 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 FY26 on 5 February 2026.

Forward-looking statements – caution advised

Certain information included in this announcement is forward looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward looking statements. Forward looking statements cover 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. Forward looking 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 announcement are not guarantees of future performance. All forward looking statements in this announcement are based upon information known to the Company on the date of this 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 announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

Additional Information

Notes

Our commentary focuses on the trading results on an adjusted basis, which is a non-GAAP measure, 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 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 trading results of the group. 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 are the equivalent unadjusted or statutory measures. Reconciliations of reported to adjusted revenue, operating costs, operating profit, profit before tax and EPS are set out in the group income statement. Reconciliations of adjusted UK 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 UK service revenue

Adjusted UK service revenue is one of the group's key performance indicators by which our financial performance is measured. Adjusted UK service revenue comprises all UK revenue less UK equipment revenue. Some revenue from equipment is included within adjusted UK service revenue where that equipment is sold as part of a managed services contract, or where that equipment cannot be practicably separated from the underlying service. We consider adjusted UK service revenue to be an important indicator of the successful delivery of our refreshed corporate strategy because it measures the predictable and recurring revenue from our core UK business. A reconciliation of reported revenue, the most directly comparable IFRS measure, to adjusted UK service revenue, is set out below.

	Half year to 30 September	
	2025 £m	2024 £m
Reported revenue	9,810	10,117
Specific revenue	(4)	21
Adjusted revenue	9,806	10,138
Of which International ¹ revenue	(1,110)	(1,220)
Adjusted UK revenue	8,696	8,918
Equipment revenue (excluding International) ²	(970)	(1,091)
Adjusted UK service revenue	7,726	7,827

¹ UK revenue excludes revenue generated from our International CFU

² UK Equipment revenue includes £4m (H1 FY25: £4m) 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 the group profit or loss 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, the most directly comparable IFRS measure, to adjusted EBITDA, is set out below.

	Half year to 30 September	
	2025 £m	2024 £m
Reported profit for the period	651	755
Tax	211	212
Reported profit before tax	862	967
Net finance expense	610	548
Depreciation and amortisation	2,417	2,348
Specific revenue	(4)	21
Specific operating costs before depreciation and amortisation	232	245
Share of post tax (profits) losses of associates and joint ventures	9	3
EBITDA	4,126	4,132

See Glossary on page 9.

Normalised free cash flow

Normalised free cash flow is one of the group's key performance indicators by which our financial performance is measured. It is primarily a liquidity measure. However, we also believe it is an important indicator of our overall operational performance as it reflects the cash we generate from operations after capital expenditure and financing costs, both of which are significant ongoing cash outflows associated with investing in our infrastructure and financing our operations.

Normalised free cash flow is defined as free cash flow (net cash inflow from operating activities after net capital expenditure) after net interest paid, payment of lease liabilities, net cash flows from the sale of cash flows related to 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), payments relating to spectrum, and specific items. It excludes cash flows that are determined at a corporate level independently of ongoing trading operations such as dividends paid, share buybacks, acquisitions and disposals, repayment and raising of debt, cash flows relating to loans with joint ventures, and cash flows relating to the Building Digital UK demand deposit account which have already been accounted for within normalised free cash flow. For non-tax related items the adjustments are made on a pre-tax basis.

Normalised free cash flow is not a measure of the funds that are available for distribution to shareholders.

A reconciliation from cash inflow from operating activities, the most directly comparable IFRS measure, to free cash flow and normalised free cash flow, is set out below.

	Half year to 30 September	
	2025 £m	2024 £m
Cash generated from operations	2,793	2,937
Tax refunded (paid)	(28)	72
Net cash inflows from operating activities	2,765	3,009
Net purchase of property, plant and equipment and intangible assets	(2,556)	(2,458)
Free cash flow	209	551
Interest received	54	64
Interest paid	(441)	(476)
Payment of lease liabilities	(380)	(383)
Dividends received from joint ventures, associates and investments	1	—
Add back pension deficit payments	789	791
Add back net cash flow from specific items	242	270
Cash flows relating to the BDUK demand deposit account	—	16
Add back payment in respect of spectrum licence auction	1	—
Net cashflows from sale of contract assets related to mobile handsets	(67)	(118)
Normalised free cash flow	408	715

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

	Half year to 30 September		
	2025 £m	2024 £m	Movement £m
Bills of exchange ¹	189	123	66
Supply chain programmes²	189	123	66
Net cashflows from sale of contract assets related to handsets ³	(67)	(118)	51
Sale of receivables ⁴	53	298	(245)
Handset programmes	(14)	180	(194)
Copper forward sales⁵	—	—	—
Net working capital programmes	175	303	(128)

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.

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. Used to better align the timing of cash receipts with the payments to equipment manufacturers.

⁴ Accelerates cash collection from handset sales on split contracts. Used to better align the timing of cash receipts with the payments to equipment manufacturers.

⁵ Forward sale of redundant copper to hedge copper sales and use the legacy copper asset to intensify our full fibre rollout.

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 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 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. A reconciliation from loans and other borrowings, lease liabilities, cash and cash equivalents, and current asset investments, the most directly comparable IFRS measures to net debt and net financial debt, is set out below.

	30 September 2025	31 March 2025
	£m	£m
Loans and other borrowings	19,511	18,762
Lease liabilities	4,350	4,571
Lease liabilities classified as held for sale	68	81
Less:		
Cash and cash equivalents	(359)	(216)
Cash and cash equivalents classified as held for sale	(152)	—
Current asset investments	(1,631)	(2,631)
	21,787	20,567
Adjustments:		
To retranslate debt balances at swap rates where hedged by currency swaps ¹	(470)	(288)
To remove fair value adjustments and accrued interest applied to reflect the effective interest method	(330)	(273)
Loans with joint ventures	(27)	(10)
Loans related to forward sale of redundant copper	(85)	(93)
Loans related to sale of contract assets	(22)	(87)
Net debt	20,853	19,816
Lease liabilities	(4,350)	(4,571)
Lease liabilities classified as held for sale	(68)	(81)
Net financial debt	16,435	15,164

¹ The translation difference between spot rate and hedged rate of loans and borrowings denominated in foreign currency.

Adjustments to prior period published financial information: formation of International CFU and segmental re-presentations

We have re-presented certain H1 FY25 comparatives to reflect changes in the Group's internal reporting structure. The International CFU was separated from Business forming a new CFU, effective from 1 July 2025.

In addition, two re-presentations have been made to segmental revenue reporting, consistent with the information now provided to the Executive Committee, which is the key management committee and represents the 'chief operating decision maker' (CODM):

- Certain Openreach pass-through services previously reported as external revenue in Business have been reclassified to Openreach to reflect the customer relationship. As a result of this change the prior year comparatives have been re-presented to present revenue on a consistent basis resulting in a £46m reduction in Business segment revenue for the half year to 30 September 2024, with no impact on Openreach segmental revenue due to the intra-group nature of the transaction.

- Following an update to the commercial terms governing a trading relationship between EE and BT Wholesale, BT Wholesale will now recognise services provided to EE as part of this trading relationship as intersegment revenue. Previously, these services were internally reported as cost recovery. This change results in the recognition of revenue within the Business segment. As a result of this change the prior year comparatives have been re-presented to present revenue and cost for the segment on a consistent basis.

The effect of this change is to increase Business revenue by £42m, with a corresponding increase in cost.

The tables below present a bridge between the results presented in the *Results for the half year to 30 September 2024* (published on 7 November 2024) and the re-presented H1 FY25 comparatives presented within this release. Re-presentation of the notes to the consolidated financial statements have been detailed in note 17.

Half year to 30 September 2024	Reported	Re-presentation	Re-presented
		adjustment	
	£m	£m	£m
Adjusted UK service revenue			
Consumer	3,989	—	3,989
Business	2,410	(12)	2,398
International	—	—	—
Openreach	3,118	—	3,118
Other	5	—	5
Intra-group items	(1,686)	3	(1,683)
Total Group	7,836	(9)	7,827
Adjusted operating costs			
Consumer	3,506	—	3,506
Business	3,118	(1,130)	1,988
International	—	1,129	1,129
Openreach	1,059	—	1,059
Other	9	—	9
Intra-group items	(1,686)	1	(1,685)
Total Group	6,006	—	6,006
Capital expenditure			
Consumer	570	—	570
Business	328	(59)	269
International	—	59	59
Openreach	1,329	—	1,329
Other	42	—	42
Total Group	2,269	—	2,269
Normalised free cash flow			
Consumer	817	—	817
Business	(12)	109	97
International	—	(109)	(109)
Openreach	355	—	355
Other	(445)	—	(445)
Total Group	715	—	715

Second quarter to 30 September 2024	Reported	Re-presentation adjustment	Re-presented
	£m	£m	£m
Adjusted revenue			
Consumer	2,437	—	2,437
Business	1,932	(605)	1,327
International	—	606	606
Openreach	1,560	—	1,560
Other	2	—	2
Intra-group items	(845)	(1)	(846)
Total Group	5,086	—	5,086
Adjusted UK Service Revenue			
Consumer	1,998	—	1,998
Business	1,204	(4)	1,200
International	—	—	—
Openreach	1,560	—	1,560
Other	2	—	2
Intra-group items	(845)	1	(844)
Total Group	3,919	(3)	3,916
Adjusted EBITDA			
Consumer	671	—	671
Business	369	(43)	326
International	—	43	43
Openreach	1,038	—	1,038
Other	(7)	—	(7)
Total Group	2,071	—	2,071
Adjusted operating costs			
Consumer	1,766	—	1,766
Business	1,563	(562)	1,001
International	—	563	563
Openreach	522	—	522
Other	9	—	9
Intra-group items	(845)	(1)	(846)
Total Group	3,015	—	3,015