

FINAL TERMS

Dated 4 July 2016

B.A.T. INTERNATIONAL FINANCE p.l.c.

Issue of £500,000,000 1.750 per cent. Guaranteed Notes due 2021

Guaranteed by

BRITISH AMERICAN TOBACCO HOLDINGS (THE NETHERLANDS) B.V.

B.A.T. NETHERLANDS FINANCE B.V.

BRITISH AMERICAN TOBACCO p.l.c.

under the £15,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 20 May 2016 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and copies may be obtained from British American Tobacco p.l.c., Globe House, 4 Temple Place, London WC2R 2PG or Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

- | | | |
|---|-----------------------------------|--|
| 1 | (i) Issuer: | B.A.T. International Finance p.l.c. |
| | (ii) Guarantors: | British American Tobacco Holdings (The Netherlands) B.V.
B.A.T. Netherlands Finance B.V.
British American Tobacco p.l.c. |
| 2 | (i) Series Number: | 55 |
| | (ii) Tranche Number: | 1 |
| 3 | Specified Currency or Currencies: | Pounds Sterling (“£”) |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | £500,000,000 |
| | (ii) Tranche: | £500,000,000 |
| 5 | Issue Price of Tranche: | 99.868 per cent. of the Aggregate Nominal Amount |
| 6 | (i) Specified Denominations: | £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Notes in definitive form will be issued with a denomination above £199,000. |
| | (ii) Calculation Amount: | £1,000 |
| 7 | (i) Issue Date: | 5 July 2016 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8 | Maturity Date: | 5 July 2021 |

9	Interest Basis:	Fixed Rate (Further particulars specified below in paragraph 14)
10	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11	Change of Interest:	Not Applicable
12	Put/Call Options:	Issuer Call (Further particulars specified below in paragraph 18)
13	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	1.750 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	5 July in each year, commencing on 5 July 2017, up to and including the Maturity Date
	(iii) Fixed Coupon Amount:	£17.50 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Determination Dates:	5 July in each year
15	Floating Rate Note Provisions	Not Applicable
16	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17	Notice periods for Condition 6(b):	Minimum period: 15 days Maximum period: 30 days
18	Issuer Call	Applicable
	(i) Optional Redemption Date(s):	Any Business Day (as defined in Condition 4) from, and including, 5 June 2021 to, but excluding, the Maturity Date
	(ii) Optional Redemption Amount(s):	£1,000 per Calculation Amount
	(iii) If redeemable in part:	Not Applicable
	(iv) Notice periods:	Minimum period: 15 days Maximum period: 30 days
19	Investor Put	Not Applicable
20	Final Redemption Amount:	£1,000 per Calculation Amount
21	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption:	As set out in Condition 6(e)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22	Form of Notes:	Bearer Notes
	(i) Form:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event.

	(ii) New Global Note:	Yes
23	Additional Financial Centre(s):	Not Applicable
24	Talons for future Coupons to be attached to Definitive Notes:	No
25	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA D

Signed on behalf of B.A.T. International Finance p.l.c.:

By:
Duly authorised

Signed on behalf of British American Tobacco Holdings (The Netherlands) B.V.:

By:
Duly authorised

By:
Duly authorised

Signed on behalf of B.A.T. Netherlands Finance B.V.:

By:
Duly authorised

By:
Duly authorised

Signed on behalf of British American Tobacco p.l.c.:

By:
Duly authorised

PART B - OTHER INFORMATION

1 LISTING

- | | | |
|------|---|---|
| (i) | Admission to trading: | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange plc with effect from 5 July 2016. |
| (ii) | Estimate of total expenses related to admission to trading: | £3,650 |

2 RATINGS

- | | |
|----------|---|
| Ratings: | The Notes to be issued have been rated: |
| | Moody's: A3 |
| | Standard & Poor's: A- |

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale" in the Base Prospectus dated 20 May 2016, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, and may perform other services for the Issuer and its affiliates in the ordinary course of business.

4 YIELD

- | | |
|----------------------|---------------------------|
| Indication of yield: | 1.778 per cent. per annum |
|----------------------|---------------------------|

5 OPERATIONAL INFORMATION

- | | | |
|-------|---|----------------|
| (i) | ISIN: | XS1441635833 |
| (ii) | Common Code: | 144163583 |
| (iii) | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | Not Applicable |
| (iv) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |