

FINAL TERMS

Dated 15 November 2012

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

Issue of €750,000,000 2.375 per cent. Guaranteed Notes due 2023

Guaranteed by

**B.A.T. INTERNATIONAL FINANCE p.l.c.
BRITISH AMERICAN TOBACCO p.l.c.**

under the US\$16,000,000,000 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 9 December 2011 and the supplemental Prospectuses dated 23 February 2012, 30 March 2012 and 30 July 2012, respectively which together constitute a base prospectus for the purposes of Directive 2003/71/EC, as amended (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 as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplemental Prospectuses are 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.

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| 1. | (i) Issuer: | British American Tobacco Holdings (The Netherlands) B.V. |
| | (ii) Guarantors: | British American Tobacco p.l.c.
B.A.T. International Finance p.l.c. |
| 2. | (i) Series Number: | 40 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Euro (“€”) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | €750,000,000 |
| | (ii) Tranche: | €750,000,000 |
| 5. | Issue Price of Tranche: | 99.362 per cent. of the Aggregate Nominal Amount |

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| 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: | 19 November 2012 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 19 January 2023 |
| 9. | Interest Basis: | Fixed Rate
(Further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Not Applicable |
| 13. | (i) Status of the Notes: | Senior |
| | (ii) Status of the Guarantee: | Senior |
| 14. | Method of distribution: | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions | Applicable |
| | (i) Rate of Interest: | 2.375 per cent. per annum payable annually in arrear |
| | (ii) Interest Payment Date(s): | 19 January in each year (commencing on 19 January 2014) up to and including the Maturity Date.

There will be a long first coupon from, and including, the Interest Commencement Date to, but excluding, 19 January 2014 (the “ Long First Coupon ”). |
| | (iii) Fixed Coupon Amount: | €23.75 per Calculation Amount other than in respect of the Long First Coupon (as to which see paragraph 15(iv) below). |
| | (iv) Broken Amount(s): | In respect of the Long First Coupon, €27.71 per Calculation Amount, payable on the Interest Payment Date falling on 19 January 2014. |
| | (v) Day Count Fraction: | Actual/Actual (ICMA) |

(vi) Determination Dates:	19 January in each year
(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16. Floating Rate Note Provisions	Not Applicable
17. Zero Coupon Note Provisions	Not Applicable
18. Index Linked Interest Note Provisions	Not Applicable
19. Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call	Not Applicable
21. Investor Put	Not Applicable
22. Final Redemption Amount:	€1,000 per Calculation Amount
23. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)):	As set out in Condition 7(e)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. 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
25. Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
28. Details relating to Instalment Notes:	Not Applicable

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| 29. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 30. | Other final terms: | Not Applicable |
| 31. | Tax Jurisdiction of each Guarantor: | |
| | (i) British American Tobacco p.l.c. | England and Wales |
| | (ii) B.A.T. International Finance p.l.c. | England and Wales |

DISTRIBUTION

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| 32. | (i) If syndicated, names of Managers: | <p>Joint Lead Managers:</p> <p>Banco Santander, S.A.
BNP Paribas
Lloyds TSB Bank plc
Société Générale</p> <p>Co-Managers:</p> <p>ING Bank N.V. Belgian Branch
Scotiabank Europe plc
Standard Chartered Bank
UniCredit Bank AG</p> |
| | (ii) Stabilising Manager(s) (if any): | BNP Paribas |
| 33. | If non-syndicated, name of Dealer: | Not Applicable |
| 34. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D |
| 35. | Additional selling restrictions: | Not Applicable |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange plc's regulated market and admission to the Official List of the UK Listing Authority of the Notes described herein pursuant to the US\$16,000,000,000 Euro Medium Term Note Programme of B.A.T. International Finance p.l.c. and British American Tobacco Holdings (The Netherlands) B.V.

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in these Final Terms.

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

By:
Duly authorised

By:
Duly authorised

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

By:
Duly authorised

Signed on behalf of B.A.T. International Finance 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 London Stock Exchange plc's regulated market with effect from 19 November 2012
- (ii) Estimate of total expenses related to admission to trading: £3,650

2. RATINGS

Ratings: The Notes to be issued have been rated:

Fitch (as defined below): A-
Moody's (as defined below): Baa1
S&P (as defined below): A-

Each of Standard & Poor's Credit Market Services Europe Limited (**S&P**), Moody's Italia S.r.l. (**Moody's**) and Fitch Ratings Ltd (**Fitch**) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

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

Save as discussed in "*Subscription and Sale*" in the Base Prospectus dated 9 December 2011, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. YIELD

Indication of yield: 2.446 per cent.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0856014583
- (ii) Common Code: 085601458
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable

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| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of initial Paying Agent(s): | Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB |
| (vi) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (vii) | Intended to be held in a manner which would allow Eurosystem eligibility: | <p>Yes</p> <p>Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend on the ECB being satisfied that Eurosystem eligibility criteria have been met.</p> |