

SUPPLEMENTARY PROSPECTUS DATED 7 MAY 2010



B.A.T. INTERNATIONAL FINANCE p.l.c.
(incorporated with limited liability in England and Wales)

B.A.T CAPITAL CORPORATION
(incorporated with limited liability in the State of Delaware, United States of America)

BRITISH AMERICAN TOBACCO HOLDINGS (THE NETHERLANDS) B.V.
(incorporated with limited liability in The Netherlands)

U.S.\$16,000,000,000 Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed by

BRITISH AMERICAN TOBACCO p.l.c.
(incorporated with limited liability in England and Wales)

and each of the Issuers (except where it is the relevant Issuer)

This Supplement (the “**Supplement**”) to the Base Prospectus (the “**Base Prospectus**”) dated 1 December 2009 (as supplemented by the supplementary prospectus dated 2 March 2010) which comprises a base prospectus, constitutes a supplementary base prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 and is prepared in connection with the U.S.\$16,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by B.A.T. International Finance p.l.c. (“**BATIF**”), B.A.T Capital Corporation (“**BATCAP**”) and British American Tobacco Holdings (The Netherlands) B.V. (“**BATHTN**”) (each, in their capacities as issuers under the Programme, an “**Issuer**” and together referred to as the “**Issuers**”) and unconditionally and irrevocably guaranteed by British American Tobacco p.l.c. (“**BAT**”) and each of BATIF, BATCAP and BATHTN except where it is the relevant Issuer. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus issued by the Issuers.

Each of BAT, BATIF, BATCAP and BATHTN accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of BAT, BATIF, BATCAP and BATHTN, each of the foregoing declares (each having taken all reasonable care to ensure that such is the case) that the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Annual Financial Statements

Each of BAT, BATIF, BATCAP and BATHTN has published its audited annual financial statements for the financial year ended 31 December 2009. Copies of all documents have been filed with the Financial Services Authority and, by virtue of this Supplement, are incorporated in, and form part of, the Base Prospectus, save that, in the case of BAT, only pages 108 to 190 of its Annual Report 2009 shall be incorporated by reference for these purposes.

TAXATION – The Netherlands – Gift and Inheritance Taxes

The section in the Base Prospectus entitled "Taxation – the Netherlands" contains a summarised description of certain material Dutch tax consequences of the purchase, holding and disposition of the Notes. The part of that section entitled "(C) Gift and Inheritance Taxes" on page 104 of the Base Prospectus is no longer valid as of the date of this Supplement due to a change in law since the date of the Base Prospectus and shall be replaced by the text below. The text below provides a general description of certain Dutch gift, estate and inheritance tax consequences of the acquisition, holding or disposal of the Notes issued by BATHTN. This summary provides general information only and is restricted to the matters of Dutch gift, estate and inheritance taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Dutch tax considerations that may be relevant to a decision to acquire, to hold, or to dispose of the Notes. This summary does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as investment institutions, pension funds and dealers in securities) may be subject to special rules.

The summary provided below is based on the Dutch tax laws as generally interpreted and applied by the Dutch courts at the date of this Supplement, without prejudice to any changes in law or the interpretation or application thereof, which changes may be implemented with or without retroactive effect.

The section entitled "TAXATION – The Netherlands – (C) Gift and Inheritance Taxes" on page 104 of the Base Prospectus shall therefore be deleted and replaced with the following wording:

"No Dutch gift, estate or inheritance taxes will be levied on the transfer of Notes by way of gift by or on the death of a Noteholder, who is neither a resident nor deemed to be a resident of The Netherlands for the purpose of the relevant provisions, unless:

- (i) such transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of The Netherlands for the purpose of the relevant provisions; or
- (ii) such Noteholder dies, while being a resident or deemed resident of The Netherlands, within 180 days after the date of a gift of the Notes.

For purposes of Dutch gift, estate and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of The Netherlands if he has been a resident in The Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be resident of The Netherlands if he has been a resident in The Netherlands at any time during the 12 months preceding the date of the gift."

No Significant or Material Change

Paragraph 5 of the section "General Information" on page 111 of the Base Prospectus shall be deleted and replaced with the following wording:

"Save as disclosed in this Base Prospectus (pages 28 to 29 inclusive (see "BAT and the Group – *Changes in the Group*")) there has been no significant change in the financial or trading position of BAT, BATCAP, BATHTN or BATIF and their respective subsidiaries taken as a whole since 31 December 2009, nor has there been any material adverse change in the prospects of BAT, BATCAP, BATHTN or BATIF and their respective subsidiaries taken as a whole since 31 December 2009."

Copies of all documents incorporated by reference in the Base Prospectus can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html and can be obtained from the principal office in England of the Principal Paying Agent and BAT, as described on pages 1 and 114, respectively, of the Base Prospectus.

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

If documents which are incorporated by reference into this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive (Directive 2003/71/EC) except where such information or other documents are specifically incorporated by reference into the Supplement.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

An investor should be aware of its rights arising pursuant to Section 87Q(4) of the FSMA.