

FINAL TERMS

Dated 25 June 2010

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

Issue of £275,000,000 5.75 per cent. Guaranteed Notes due 2040

**guaranteed by
BRITISH AMERICAN TOBACCO p.l.c.
B.A.T CAPITAL CORPORATION
BRITISH AMERICAN TOBACCO HOLDINGS (THE NETHERLANDS) B.V.**

under the U.S.\$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 set forth in the Base Prospectus dated 1 December 2009 and the supplemental Prospectuses dated 2 March 2010 and 7 May 2010, which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (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 the Document Viewing Facility, 25 The North Colonnade, Canary Wharf, London E14 5HS and <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html> and copies may also 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: | B.A.T. International Finance p.l.c. |
| | (ii) | Guarantors: | British American Tobacco p.l.c.
B.A.T Capital Corporation
British American Tobacco Holdings (The Netherlands) B.V. |
| 2. | (i) | Series Number: | 38 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Sterling (£) |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | £275,000,000 |
| | (ii) | Tranche: | £275,000,000 |
| 5. | | Issue Price of Tranche: | 98.599 per cent. of the Aggregate Nominal Amount |

6.	(i)	Specified Denominations:	£50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. No Notes in definitive form will be issued with a denomination above £99,000.
	(ii)	Calculation Amount:	£1,000
7.	(i)	Issue Date:	5 July 2010
	(ii)	Interest Commencement Date:	Issue Date
8.		Maturity Date:	5 July 2040
9.		Interest Basis:	5.75 per cent. 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

15.		Fixed Rate Note Provisions:	Applicable
	(i)	Rate of Interest:	5.75 per cent. per annum payable annually in arrear
	(ii)	Interest Payment Date(s):	5 July in each year, commencing on 5 July 2011, up to and including the Maturity Date
	(iii)	Fixed Coupon Amount:	£57.50 per Calculation Amount
	(iv)	Broken Amount(s):	Not Applicable
	(v)	Day Count Fraction:	Actual/Actual (ICMA)
	(vi)	Determination Dates:	5 July in each year
	(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

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| 18. | Index Linked Interest Note Provisions: | Not Applicable |
| 19. | Dual Currency Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 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

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| 24. | Form of Notes: | Bearer Notes: |
| | (i) Form: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| | (ii) New Global Note: | Yes |
| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Not Applicable |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Yes, if Definitive Notes are issued before 5 July 2013. Such Talon will entitle Couponholders to the Coupons in respect of the Interest Payment Dates falling on and after the 26th Interest Payment Date after issue of the Definitive Notes |
| 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 |
| 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 Capital Corporation: State of Delaware
 - (iii) British American Tobacco Holdings (The Netherlands) B.V.: The Netherlands

DISTRIBUTION

32. (i) If syndicated, names of Managers:
- BNP Paribas
 - Deutsche Bank AG, London Branch
 - HSBC Bank plc
 - J.P. Morgan Securities Ltd.
 - Lloyds TSB Bank plc
 - Banco Bilbao Vizcaya Argentaria, S.A.
 - Barclays Bank PLC
 - Commerzbank Aktiengesellschaft
- (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:
- Republic of Italy:** the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus dated 1 December 2009, or of the supplements to the Base Prospectus dated 2 March 2010 and 7 May 2010, or of any other document relating to the Notes be distributed in the Republic of Italy, except:
- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
 - (b) in other circumstances which are exempted

from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus, the supplements to the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

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 U.S.\$16,000,000,000 Euro Medium Term Note Programme of B.A.T. International Finance p.l.c., B.A.T Capital Corporation 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 B.A.T. International Finance p.l.c.

By:

Duly authorised

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

By:

Duly authorised

Signed on behalf of B.A.T Capital Corporation

By:

Duly authorised

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

By:

Duly authorised

By:

Duly authorised

PART B - OTHER INFORMATION

1. LISTING

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| (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 5 July 2010 |
| (ii) | Estimate of total expenses related to admission to trading: | £3,700 |

2. RATINGS

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| Ratings: | The Notes to be issued have been rated: |
| | S & P: BBB+ |
| | Moody's: Baa1 |
| | Fitch: BBB+ |

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

Save as discussed in "*Subscription and Sale*", 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

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| Indication of yield: | 5.85 per cent. per annum |
| | 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

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| (i) | ISIN Code: | XS0522408599 |
| (ii) | Common Code: | 052240859 |
| (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 |
| (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: Yes

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.