

SUPPLEMENTARY PROSPECTUS DATED 20 MARCH 2017



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

(incorporated with limited liability in England and Wales)

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

(incorporated with limited liability in The Netherlands)

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

(incorporated with limited liability in The Netherlands)

**£15,000,000,000 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 20 May 2016 (as supplemented by the supplementary prospectuses dated 28 July 2016 and 3 March 2017) 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 £15,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by B.A.T. International Finance p.l.c. (“**BATIF**”), British American Tobacco Holdings (The Netherlands) B.V. (“**BATHTN**”) and B.A.T. Netherlands Finance B.V. (“**BATNF**”) (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, BATHTN and BATNF 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 and any other supplements to the Base Prospectus issued by the Issuers.

Each of BAT, BATIF, BATHTN and BATNF accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of BAT, BATIF, BATHTN and BATNF, 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.

Purpose of this Supplement

The purpose of this Supplement is to:

- A.** incorporate by reference in the Base Prospectus BAT’s consolidated audited annual financial information as at and for the year ended 31 December 2016, together with the audit report thereon (the “**BAT 2016 Results**”) which can be found in BAT’s annual report 2016 (the “**BAT Annual Report 2016**”); and

- B. update the no significant or material change paragraph contained in the section headed “General Information” in the Base Prospectus.

BAT’s Annual Financial Statements

BAT has published its consolidated audited annual financial statements as at and for the financial year ended 31 December 2016. A copy of the BAT Annual Report 2016 has been filed with the Financial Conduct Authority and, by virtue of this Supplement, the BAT 2016 Results set out on pages 84 to 152 of the BAT Annual Report 2016 are incorporated by reference in, and form part of, the Base Prospectus.

Any information included in the BAT Annual Report 2016, but not forming part of the BAT 2016 Results, does not form part of the Base Prospectus as it is either not relevant for prospective investors in the Notes or is covered elsewhere in the Base Prospectus.

No Significant or Material Adverse Change

The following statement updates paragraph 5 on page 90 of the Base Prospectus:

Save as disclosed in the first and second paragraphs of the section headed “30 Post balance sheet announcement” on page 152 of the BAT 2016 Results, there has been no significant change in the financial or trading position of BAT and its subsidiaries taken as a whole since 31 December 2016, nor has there been any material adverse change in the prospects of BAT and its subsidiaries taken as a whole since 31 December 2016.

Other Information

Copies of all documents incorporated by reference in the Base Prospectus can be viewed on the website of the RNS at <http://www.londonstockexchange.com/exchange/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 7 and 91-92, 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, as amended) except where such information or other documents are specifically incorporated by reference into this 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.