



**BRITISH AMERICAN
TOBACCO**

news release

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British American Tobacco signs cooperation agreement with European Union to tackle illicit trade in tobacco

British American Tobacco said today that it has entered into a cooperation agreement with the European Commission and the Member States of the European Union ("EU") to collectively tackle the problem of illicit trade in tobacco.

Under the agreement, British American Tobacco will be joining forces with and working alongside the European Commission and the law enforcement authorities of the Member States. The agreement will see cooperation in a number of areas for the purpose of tackling illicit trade in tobacco and includes the funding by British American Tobacco of \$200m (€134m) over the next 20 years.

Jack Bowles, Director of Western Europe for British American Tobacco commented: "This agreement marks a significant step in strengthening cooperation in the fight against tobacco crime throughout the EU.

"Along with the European Commission and the Member States, we are sending out a very strong message to the criminals who counterfeit our products and evade taxes by smuggling - their activities will not be tolerated. We are confident that by working alongside the European Commission and the Member States, we will make a serious impact on the levels of illicit trade in tobacco."

British American Tobacco sees illicit trade as a major threat to legitimate tobacco companies, so it initiated the discussions with the European Commission for an agreement to tackle the problem jointly. The total losses sustained by the EU and the Member States as a result of illicit tobacco have run into billions of Euros every year.

British American Tobacco supports and collaborates with governments to combat the problem through stronger international co-ordination and enforcement, since legitimate tobacco industry interests are damaged by illicit trade along with those of governments.

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- British American Tobacco is the world's second largest stockmarket-listed tobacco group by global market share, with brands sold in over 180 markets and employing over 60,000 people. Leading global brands include Dunhill, Kent, Pall Mall and Lucky Strike.
- There is more about the illicit tobacco trade and British American Tobacco's strong efforts to help tackle it at <http://www.bat.com/illicittrade>
- Photographs to accompany this announcement can be found at <http://www.newscast.co.uk>