

Company B.A.T. International Finance p.l.c.
Headline B.A.T. International Finance p.l.c. Tender Offer for Notes

Press Release 17 June 2010

Tender Offer by B.A.T. International Finance p.l.c. for any and all of its €750,000,000 3.625 per cent. Notes due 2012

NOT FOR DISTRIBUTION TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OR ITALY (SEE FULL TENDER OFFER AND DISTRIBUTION RESTRICTIONS BELOW)

B.A.T. International Finance p.l.c. (the “**Company**”) has announced an invitation to holders (the “**Noteholders**”) of the €750,000,000 3.625 per cent. Notes due 2012 (ISIN: XS0223234823) (the “**Notes**”) issued by the Company and guaranteed by British American Tobacco p.l.c., B.A.T Capital Corporation and British American Tobacco Holdings (The Netherlands) B.V. to offer to sell their Notes to the Company for cash (the “**Offer**”), as more particularly described in a tender offer memorandum dated 17 June 2010 (the “**Tender Offer Memorandum**”).

Eligible Noteholders are advised to read carefully the Tender Offer Memorandum for full details of and information on the procedures for participating in the Offer. BNP Paribas, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities Ltd. and Lloyds TSB Bank plc are acting as Joint Dealer Managers. Lucid Issuer Services Limited is acting as Tender Agent. Capitalised terms used in this announcement shall have the meanings ascribed to them in the Tender Offer Memorandum, unless otherwise defined herein.

Requests for information in relation to the Offer should be directed to the Joint Dealer Managers:

<p>BNP PARIBAS 10 Harewood Avenue London NW1 6AA Attention: Liability Management Email: liability.management@bnpparibas.com Tel: +44 20 7595 8668</p>	<p>DEUTSCHE BANK AG, LONDON BRANCH Winchester House 1 Great Winchester Street London EC2N 2DB Attention: Liability Management Group Email: liability.management@db.com Tel: +44 20 7545 8011</p>
<p>HSBC BANK plc 8 Canada Square London E14 5HQ Attention: Liability Management Group - Andrew Montgomery Email: liability.management@hsbcib.com Tel: +44 20 7991 5874</p>	<p>J.P. MORGAN SECURITIES LTD. 125 London Wall London EC2Y 5AJ Attention: Liability Management Email: sebastien.m.bamsey@jpmorgan.com Tel: +44 20 7777 1333</p>
<p>LLOYDS TSB BANK plc 10 Gresham Street London EC2V 7AE Attention: Akis Psarris Email: akis.psarris@lloydsbanking.com Tel: +44 20 7158 3981</p>	

Requests for information in relation to the procedures for tendering Notes in the Offer and the submission of tender instructions should be directed to the Tender Agent:

Lucid Issuer Services Limited
Email: bat@lucid-is.com
Tel: +44 20 7704 0880
Fax: +44 20 7067 9098

The Tender Offer Memorandum is available for inspection at the Document Viewing Facility of the Financial Services Authority, 25 The North Colonnade, London E14 5HS.

Tender Offer and Distribution Restrictions

Neither this announcement nor the Tender Offer Memorandum constitutes an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law.

United States

The Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including without limitation, by custodians, nominees or trustees) in or into the United States and the Notes cannot be tendered in the Offer by any such use, means, instrumentality or facility or from within the United States. Any purported tender of Notes resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder of Notes participating in the Offer will represent that it is not located in the United States and is not participating in the Offer from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States. For the purposes of this and the above paragraph, United States means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

United Kingdom

The communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion)

Order 2005 (the Financial Promotion Order)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

Italy

The Offer is not being made, directly or indirectly, in Italy. The Offer, this announcement and the Tender Offer Memorandum have not been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (CONSOB) pursuant to Italian laws and regulations. Accordingly, none of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer or the Notes may be distributed or made available in Italy.

Belgium

None of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Belgian Banking, Finance and Insurance Commission (*Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurantiewezen*) and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Article 3 of the Belgian Law of 1 April 2007 on public takeover bids (as amended or replaced from time to time). Accordingly, the Offer may not be advertised and the Offer will not be extended, and none of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than “qualified investors” in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (as amended or replaced from time to time) (the “**Belgian Public Offer Law**”), acting on their own account. Insofar as Belgium is concerned, this announcement and the Tender Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this announcement and the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

France

The Offer is not being made, directly or indirectly, to the public in the Republic of France (“**France**”). None of this announcement, the Tender Offer Memorandum or any other document or material relating to the Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Code Monétaire et Financier, are eligible to participate in the Offer. Neither this announcement nor the Tender Offer Memorandum has been or will be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

General

Neither this announcement nor the Tender Offer Memorandum constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes for purchase pursuant to the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. If the securities, blue sky or other laws in any jurisdiction require that the Offer be made

by a licensed broker or dealer and any Joint Dealer Manager or any of their respective affiliates is such a licensed broker or dealer in that jurisdiction, the Offer shall be deemed to be made by such Joint Dealer Manager or affiliate, as the case may be, on behalf of the Company in such jurisdiction.

Enquiries

For further information:

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