

18 June 2013

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Dear Deborah,

Thank you for your letter of 28th May. Although I believe we have already answered the majority of your questions, I am happy to provide further clarity. Please see our responses below. (Your new questions are in bold type.)

- 1. What specific activities which BAT has funded or is currently funding as part of its campaign against standard packs in Australia and what is the amount of that funding broken down by activity since the Government announced that it would be implementing plain packaging in 2010. In particular could you confirm whether you have provided any funding or support, either direct or indirect, to lobbying and campaigning activities by third parties including the Institute of Public Affairs.**

British American Tobacco Australia is a corporate member of a number of business organisations in Australia, including the Institute of Public Affairs. As I wrote in my letter to you on 20th May 2013, only the Alliance of Australian Retailers received dedicated funding to support activities against plain packaging.

There is no current campaign funding in Australia against plain packaging. Plain packaging in Australia came into force on 1st December 2012.

- 2. You state that in the UK BAT has spent £2 million on corporate and regulatory issues since April 2012. Is this the annual amount for the financial year 2012/13? If not, what period is it for? What is the amount budgeted for the financial year 2013/14? What is the breakdown between funding for third party organisations, how much is advertising, how much is funding of PR or public affairs companies and which ones in particular?**

In the UK, British American Tobacco has spent a total of £2 million for the period April 2012 to April 2013 on corporate and regulatory issues, which incorporates a wide range of engagement activities in the UK covering a number of regulatory issues including plain packaging and the issues raised by the proposed revision of the European Union Tobacco Products Directive.

As I wrote in my letter to you on 20th May we have listed the organisations that we have supported in the campaign against plain packaging in the UK. Our support is openly acknowledged for all to see on either their websites or campaign materials.

3. How much funding has BAT budgeted for the IEA for 2013? Is any funding budgeted for the Adam Smith Institute in 2013.

As I have already said, British American Tobacco is supporting the Institute of Economic Affairs through payment of the annual membership fee. We are planning to increase our contribution in 2013 and 2014, although the amount has not been formally agreed. I have already given you the 2012 corporate subscription fee.

British American Tobacco is not a corporate member of the Adam Smith Institute. There are no current plans to join.

4. How much funding has BAT provided to FOREST for the HOOPS campaign, the Common Sense Alliance, the Rural Shops Alliance, the Scottish Wholesalers Alliance and the TMA for each of the years from 2010 to 2012 and how much is budgeted for 2013? What percentage of the total funding does this amount to in each case?

British American Tobacco is happy to support those who believe in the same things we do. Our support may be financial or resource in-kind. As noted in my letter of 20th May, we have provided financial assistance in the UK to FOREST, the Common Sense Alliance, the Rural Shops Alliance, the Scottish Wholesalers Alliance and the Tobacco Manufacturers' Association.

Our support is openly acknowledged for all to see on either their websites or campaign materials.

If you would like to meet me to discuss any of the issues addressed in this letter, or any other topics, I would be more than happy to arrange a suitable time and place.

Yours sincerely,

A handwritten signature in black ink that reads "S. M. Millson". The signature is written in a cursive, flowing style.

Simon Millson
Group Head of Corporate Affairs