



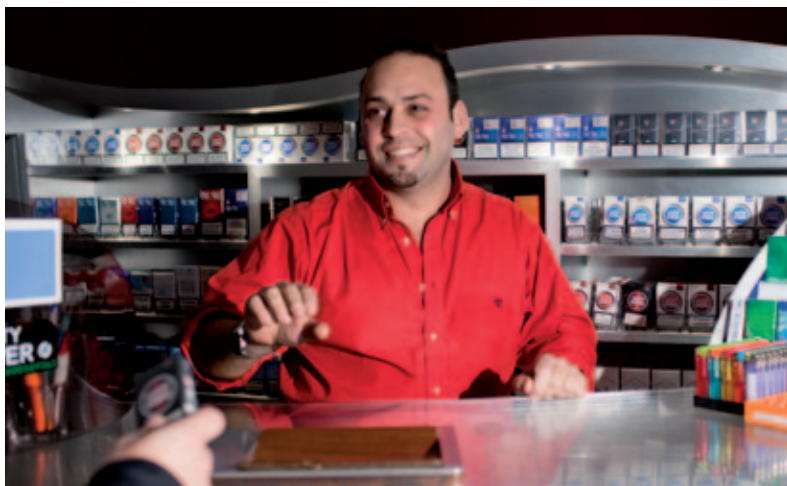
BRITISH AMERICAN
TOBACCO

2010 SUMMARY



DELIVERING GROWTH THROUGH INNOVATION

www.bat.com/annualreport



From the Chairman



“The inherent strength of your Company’s business, with its worldwide reach, its balanced portfolio of brands and its focus on innovation, continues to deliver sustained shareholder value.”

Richard Burrows
Chairman

2010 highlights

- Revenue rose to £14,883 million at current rates
- Adjusted profit from operations was £4,984 million at current rates
- Our Global Drive Brand volumes grew by 7 per cent
- Total dividend for the year was 114.2p, up 15 per cent on 2009

+15%

Adjusted diluted earnings per share growth for 2010

+14%

Compound growth rate over the last seven years, based on adjusted diluted earnings per share

Dear Shareholder

This has been a good year for your Company in spite of difficult trading conditions. The global economic climate has affected consumer spending in many parts of the world but the inherent strength of your Company’s business, with its worldwide reach to emerging and developed markets, its balanced portfolio of brands and its consistent focus on innovation, continues to deliver impressive results and sustained shareholder value.

Strong business performance

Reported revenue rose by 5 per cent to £14,883 million at current rates, while organic revenue rose by 3 per cent at constant rates of exchange. Adjusted profit from operations increased by 6 per cent at constant rates of exchange and by 12 per cent to £4,984 million at current rates. This resulted in adjusted diluted earnings per share growing by 15 per cent to 175.7p.

Our overall Global Drive Brand volumes grew by 7 per cent in the year and we increased our overall market share in our Top 40 markets.

Dividends

The Board has recommended a final dividend of 81.0p per share, which will be paid on 5 May 2011 to

shareholders on the register at 11 March 2011. This takes the total dividend for the year to 114.2p, an increase of 15 per cent, and maintains our target of paying out 65 per cent of sustainable earnings in dividends.

Share buy-back programme

In 2009, the Board decided to suspend the share buy-back programme that started in 2003, in order to preserve the Group’s financial flexibility during a period of economic uncertainty. As a result, no shares were bought back during 2009 and 2010. The Board has approved the resumption of the programme in 2011 with a value of up to £750 million.

Opportunities for growth

British American Tobacco remains in very good shape at the end of 2010. We have increased our competitiveness by growing our share in key markets and improving our cost base. There will be further global economic challenges ahead but we can see strong opportunities for growth too. That’s why I am confident we can continue to deliver superior shareholder returns in 2011 and beyond.

Richard Burrows
Chairman



Read more about our business performance in 2010 at:
www.bat.com/ar2010

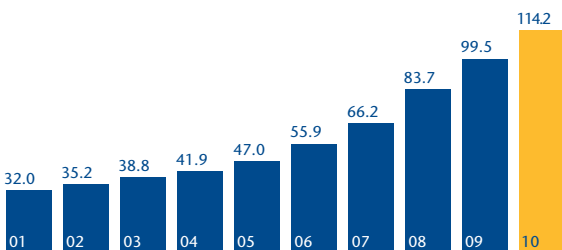
Results at a glance

Group results 2010

	£ million		Pence
Gross turnover (including duty, excise and other taxes)	43,855 +8%	Basic earnings per share	145.2 +6%
	£ million		Pence
Revenue	14,883 +5%	Adjusted diluted earnings per share ¹	175.7 +15%
	£ million		Pence
Organic revenue ² at constant exchange rates	13,814 +3%	Dividends per share	114.2 +15%
	£ million		£ million
Profit from operations	4,318 +5%	Free cash flow	3,240 +23%
	£ million		Billion
Adjusted profit from operations ¹	4,984 +12%	Group cigarette volumes, excluding associates	708 -2%

10 year dividend per share (pence)

1 January 2001 to 31 December 2010



Since 2001, the dividend per share returned to shareholders has increased from 32.0p to 114.2p.

Like to know more?

For more information about our performance, strategy and our financial results, please visit www.bat.com/annualreport



¹ Adjusted profit from operations is derived after excluding the adjusting items from the profit from operations. These adjusting items include restructuring and integration costs, amortisation and impairment of trademarks, goodwill impairment and gains on disposal of businesses or trademarks.

² Organic growth is the growth after adjusting for mergers and acquisitions and discontinued activities. Adjustments are made to current and prior year numbers, based on the 2010 Group position.

Who we are

Our vision

Our vision is to achieve leadership of the global tobacco industry in order to build shareholder value

We are the world's second largest quoted tobacco group by global market share, with more than 200 brands sold in over 180 markets. We have 45 cigarette factories in 39 countries and employ more than 60,000 people worldwide.

We have had a significant global presence for over 100 years, building a strong international reputation for high-quality brands that meet consumers' diverse preferences.

Because our products pose real and serious risks to health, responsibility is integral to the way we operate. We engage with our stakeholders to pursue our strategy in ways consistent with the changing expectations of a modern tobacco business.

References in this publication to 'British American Tobacco', 'we', 'us', and 'our' when denoting opinion refer to British American Tobacco p.l.c. and when denoting tobacco business activity refer to British American Tobacco Group operating companies, collectively or individually as the case may be.

Cautionary statement: this Performance Summary is extracted (without material adjustment) from, and should be read as an introduction to and in conjunction with, British American Tobacco p.l.c.'s 2010 Annual Report. The Performance Summary is provided for information only and is not intended to be a substitute for reading the Annual Report. In particular, the Performance Summary does not constitute summary financial statements and it does not contain sufficient information to allow for as full an understanding of the results of the Group and the state of affairs of the Group, and the principal risks and uncertainties facing the Group, as would be provided by the full Annual Report. Shareholders may view a copy of the Annual Report on www.bat.com or obtain a hard copy free of charge (see details on the back of this document). If you have sold or transferred all your shares in British American Tobacco p.l.c., you should send this document to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Our strategy



Our strategy is designed to deliver our vision and, as a result, build shareholder value. It is based on growth, funded by productivity and delivered by a winning organisation that acts responsibly at all times.

Our strategy for growth aims to increase our market share, with a focus on our Global Drive Brands, while our commitment to productivity provides the resource we need to invest in our brands and grow share in our key markets, helping us to increase profit.

Being a winning organisation ensures that we attract, develop and retain the people we need to deliver growth. Our companies and employees act responsibly at all times and we seek to reduce the harm caused by our products.

Our sustainability agenda

For us, sustainability is all about shared value – creating economic value in a way that also creates value for our stakeholders. Our sustainability agenda covers five areas: harm reduction, marketplace, supply chain, environment and people and culture.

In 2010, we were, for the ninth year running, included in the Dow Jones Sustainability World Index. We were also again included in the platinum sector of the UK's Business in the Community Corporate Responsibility Index.



Read more about who we are at:
www.bat.com/aboutus

Our brands

Our leading brands

As part of our portfolio of more than 200 brands we have four leading Global Drive Brands (GDBs) that make up 34 per cent of our total revenue. Collectively, our GDBs grew by 7 per cent in 2010, reflecting the successful launch of product innovations in key markets and brand migrations.

Dunhill offers a range of premium and super-premium cigarettes and cigars. Sold in more than 120 countries, its key markets include South Korea, Malaysia, Brazil, Taiwan, Saudi Arabia, South Africa and Australia.

Kent is our largest premium brand, sold in more than 70 countries. Key markets include Russia, Japan, Kazakhstan and Romania. The brand was also successfully launched in South Korea in 2010.

Lucky Strike was launched in 1871 and is now sold in more than 60 countries. Key markets include Germany, Spain, Japan, France, Italy, Argentina and Chile.

Pall Mall is our leading global value-for-money brand. Introduced in 1899, it now offers a range of cigarette and make-your-own products sold in more than 100 countries. Key markets include Germany, Russia, Uzbekistan, Mexico and Malaysia.

Other international brands

Other leading brands in our portfolio include **Vogue** and **Viceroy**. Vogue is a super premium brand sold in more than 55 countries. Key markets include Russia, South Korea, France, Italy and Romania. Viceroy is sold in more than 40 countries. Introduced in 1936, its key markets include Russia, Poland, Uzbekistan, Turkey and Argentina.

Other famous international brands include **Kool**, **Peter Stuyvesant**, **Rothmans**, **Benson & Hedges** and **State Express 555**.

Global Drive Brands



KENT

PALL MALL 

Dunhill
(cigarettes sold)

48 billion
(2009: 41 billion)

Kent
(cigarettes sold)

61 billion
(2009: 61 billion)

Lucky Strike
(cigarettes sold)

26 billion
(2009: 26 billion)

Pall Mall
(cigarettes sold)

73 billion
(2009: 68 billion)

Other international brands

Vogue VICEROY KOOL

Other international brands
(cigarettes sold)

150 billion
(2009: 147 billion)



Read more about our brand performance at:
www.bat.com/ar2010

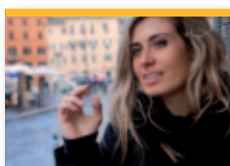
Our global operations

Ours is the world's most international tobacco group, with quality brands sold in more than 180 markets and a responsible approach to doing business from crop to consumer.



Group

Volume (bn)	708
Revenue (£m)	14,883
Adjusted profit (£m)	4,984
Employees	60,431



Western Europe

Volume (bn)	119
Revenue (£m)	3,419
Adjusted profit (£m)	1,054
Employees	14,476
Share of Group volume (%)	17



Eastern Europe

Volume (bn)	128
Revenue (£m)	1,686
Adjusted profit (£m)	358
Employees	6,828
Share of Group volume (%)	18



Americas

Volume (bn)	149
Revenue (£m)	3,498
Adjusted profit (£m)	1,382
Employees	16,423
Share of Group volume (%)	21



Africa & Middle East

Volume (bn)	124
Revenue (£m)	2,521
Adjusted profit (£m)	858
Employees	6,856
Share of Group volume (%)	17



Asia-Pacific

Volume (bn)	188
Revenue (£m)	3,759
Adjusted profit (£m)	1,332
Employees	15,848
Share of Group volume (%)	27



Read more about our regional performance at:
www.bat.com/ar2010

Creating sustainable value

2010 progress against our sustainability agenda

Harm reduction

We will strive to bring commercially viable, consumer acceptable reduced-risk products to market.



We believe we are making a significant contribution to the science needed to assess potentially reduced-exposure products. The results of our first clinical studies have been analysed and we have made good progress in developing laboratory models of how diseases progress and reinvigorated our biotechnology programme. We continue to both publish and present our scientific results whenever we can and engage with regulators.

Marketplace

We will take a lead in upholding high standards of corporate conduct within our marketplace.



We have continued to coordinate a consistent approach to key regulatory issues by our companies. Our global approach to youth smoking prevention was rolled out across the Group. We are also piloting a system to strengthen supply chain security and have entered into a cooperation agreement with the European Commission to tackle illicit trade in tobacco.

Environment

We will actively address the impacts of our business on the natural environment.



We made good progress in reducing our environmental impacts. We also held stakeholder dialogue, an independently facilitated session where we met with relevant stakeholders and our external assurance team, to develop our approach to water management. All our leaf-growing operations completed biodiversity risk and opportunity assessments and we have corrective plans in place where appropriate.

Supply chain

We will work for positive social, environmental and economic impacts in our supply chain.



We held a stakeholder dialogue session for suppliers and are developing an environmental scorecard together. Our Social Responsibility in Tobacco Production assessment now contains minimum thresholds. We are aiming for zero use of natural forest by our contracted farmers by 2015. We also developed a plan for reducing the use of natural resources at our factories and have piloted efficiency initiatives in our logistics network.

People and culture

We will work to ensure we have the right people and culture to meet our goals.



We held a stakeholder dialogue session to examine how the needs of business and the expectations of employees can be aligned to create a sustainable organisation. Ninety per cent of our employees responded to our biennial opinion survey. Our health and safety strategy was updated and we extended the human rights criteria we apply in our own operations to our business partners.

Our companies are making good progress against our sustainability agenda in many areas. Our successes include advances in the science of harm reduction, completing biodiversity risk and opportunity assessments in all our leaf-growing operations and developing a more integrated supply chain strategy.

Like to know more?

For more information about our sustainability agenda and how we are performing, please visit www.bat.com/sustainability



Shareholder information

Financial calendar 2011

28 April	Interim Management Statement
28 April	Annual General Meeting The Mermaid Conference & Events Centre, London EC4V 3DB
27 July	Half-Yearly Report
26 October	Interim Management Statement

Final dividend 2010 – dates in 2011

24 February	Dividend announced (including amount of dividend per share in both sterling and rand; applicable exchange rate and conversion date)
4 March	Last day to trade (JSE)
7-11 March	No transfers between UK main register and South African branch register; no shares may be dematerialised or rematerialised
7 March	Ex-dividend date (JSE)
9 March	Ex-dividend date (LSE)
11 March	Record date (LSE and JSE)
5 May	Payment date (sterling and rand)

Subject to shareholder approval the final dividend for 2010 will be 81.0p per ordinary share. Dividends are declared and payable in sterling except for those shareholders on the branch register in South Africa whose dividends are payable in rand. A rate of exchange of £:R = 11.54580 as at 22 February 2011 (the closing rate for that date as quoted on Bloomberg), results in an equivalent final dividend of 935.20980 SA cents per ordinary share.

Listings and shareholder services

Premium listing

London Stock Exchange (Share Code: BATS; ISIN: GB0002875804)

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZZ
tel: 0800 408 0094; +44 870 889 3159
share dealing tel: 0870 703 0084 (UK)
your account: www.computershare.com/uk/investor/bri
share dealing: www.computershare.com/dealing/uk
web-based enquiries: www.investorcentre.co.uk/contactus

Secondary listing

JSE (Share Code: BTI)

Shares are traded in electronic form only and transactions settled electronically through Strate.

South Africa Registrar

Computershare Investor Services (Pty) Ltd
PO Box 61051, Marshalltown 2107, South Africa
tel: 0861 100 925; +27 11 870 8222
email enquiries: web.queries@computershare.co.za

American Depository Receipts

NYSE Amex Equities (Symbol: BTI; CUSIP No. 110448107)

Citibank Shareholder Services
P.O. Box 43077, Providence, Rhode Island 02940-3077, USA
tel: 1-888 985-2055 (toll-free) or +1 781 575 4555
email enquiries: citibank@shareholders-online.com
website: www.citi.com/dr

Publications

British American Tobacco Publications
Unit 80, London Industrial Park, Roding Road, London E6 6LS
tel: +44 (0)20 7511 7797; facsimile: +44 (0)20 7540 4326
email: bat@team365.co.uk

Alternatively contact Computershare Investor Services (Pty) Ltd using the contact details shown above.

Like to know more?

For more information about our performance, sustainability and financial results, please visit www.bat.com

