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EXTERNAL ANNOUNCEMENT

6 November 1995

TOBACCO BUSINESS REORGANISATION

With effect from January 1996, B.A.T Industries' global tobacco business is to be managed as a single entity by a new company, British-American Tobacco (Holdings) Limited, which will be headquartered in the UK. Its Board members will largely be drawn from B.A.T Industries' existing tobacco subsidiaries. The five regional directors and seven functional directors will all report to the Managing Director, Mr. Ulrich Herter. The appointments to the Board are:

Managing Director: Ulrich Herter

Mr. Herter joined BAT in Germany in 1984. Currently Group Managing Director, Tobacco, B.A.T Industries, a role he retains. Age 53.

Regional Director, Asia-Pacific: Paul Adams

Mr. Adams joined BAT in 1991 from Pepsi Cola. Currently BATCo Regional Director, Asia Pacific. Age 42.

Regional Director, America-Pacific: Nick Brookes

Mr. Brookes joined BAT in 1978. Currently Chief Executive Officer, Brown & Williamson. Age 45.

Regional Director, Latin America & the Caribbean: Antonio Monteiro de Castro

Mr. de Castro joined BAT in Brazil from Alcoa in 1989. Currently President of Souza Cruz. Age 50.

Regional Director, Africa, the Middle East, Southern and Central Asia (AMESCA): Tony Johnston

Mr. Johnston joined Wiggins Teape, subsequently part of BAT, in 1966. Currently BATCo Regional Director, Central Asia, Russia, Middle East, Sub-Continent (CARMESCO). Age 48.

Regional Director, Europe: Bernd Schweitzer

Dr. Schweitzer joined BAT in Germany in 1972. Currently Chairman of British-American Tobacco (Germany). Age 52.

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Finance Director: Keith Dunt

Mr. Dunt joined BAT in 1975. Currently BATCo Regional Director for Central & South America & the Caribbean. Age 47.

Business Development Director: Edouard Ettedgui

Mr. Ettedgui joined BAT in 1990 from Philips. Currently Director, New Business Development & Group Finance Controller, Tobacco, B.A.T Industries. Age 43.

Operations Director: Earl Kohnhorst

Mr. Kohnhorst joined BAT in the US in 1971. Currently Executive Vice President & Chief Operating Officer, Brown & Williamson. Age 48.

Legal Director & General Counsel: Mick McGraw (Acting)

Mr. McGraw joined BAT in the US in 1988 from Kentucky Fried Chicken. Currently Senior Vice President, Law, Human Resources & Public Affairs, Brown & Williamson. Age 49.

Marketing Director: Jimmi Rembiszewski

Mr. Rembiszewski joined BAT in 1991 from Jacobs Suchard. Currently BATCo Director responsible for Marketing and BATCo Europe. Age 44.

Human Resources Director: David Stevens

Mr. Stevens joined BAT in 1979. He is currently Group Management Development Adviser, B.A.T Industries. Age 53.

Consumer & Regulatory Affairs Director: External appointment

The reorganisation reflects the world tobacco industry's increasingly international nature and focus on exports. It emphasises the importance of international brands to BAT, while recognising that both local and regional brands continue to make a major contribution. BAT's key international brands are: *Lucky Strike, Kent, Pall Mall, Viceroy, Hollywood, State Express 555, John Player Gold Leaf, Benson & Hedges* and *Silk Cut*.

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Although B.A.T Industries expects financial benefits to arise in due course, there are no restructuring charges because the reorganisation is not a cost reduction exercise.

Mr. Martin Broughton, Group Chief Executive at B.A.T Industries, said: "Now that tobacco is a growth business for BAT once again, our managers around the world are fully committed to the need for change. This more cohesive structure should enable us to achieve faster growth and take better advantage of the opportunities in tobacco. Together with the prospects in financial services, they offer shareholders a sound international spread of risk and reward."

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