

## Final Terms

## IMPERIAL BRANDS FINANCE PLC

issue of €500,000,000 0.500 per cent Notes due 27 July 2021  
 Guaranteed by Imperial Brands PLC  
 irrevocably and unconditionally  
 under the €15,000,000,000 Debt Issuance Programme

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 6 December 2016 which constitutes a base prospectus for the purposes of the Prospectus Directive (the "Prospectus"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published via the regulatory news service maintained by the London Stock Exchange ([www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)).

- |    |  |   |
|----|--|---|
| 1. | (i) Issuer:  | Imperial Brands Finance PLC   |
|    | (ii) Guarantor:  | Imperial Brands PLC   |
| 2. | (i) Series Number:   | 35  |
|    | (ii) Tranche Number:   | 1   |
|    | (iii) Date on which the Notes will be consolidated and form a single Series: | Not Applicable  |
| 3. | Specified Currency or Currencies:  | Euro ("€")  |
| 4. | Aggregate Nominal Amount:  |   |
|    | (i) Series:  | €500,000,000  |
|    | (ii) Tranche:  | €500,000,000  |
| 5. | Issue Price:   | 99.422 per cent of the Aggregate Nominal Amount   |
| 6. | (i) Specified Denominations:   | €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000 |
|    | (ii) Calculation Amount:   | €1,000  |
| 7. | (i) Issue Date:  | 27 January 2017   |
|    | (ii) Interest Commencement Date:   | Issue Date  |

- |   |  |
|---|--|
| 8. Maturity Date:   | 27 July 2021   |
| 9. Interest Basis:  | 0.500 per cent Fixed Rate (see paragraph 14 below)   |
| 10. Redemption/Payment Basis:   | Subject to any purchase or cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent of their nominal amount |
| 11. Change of Interest Basis:   | Step Up Ratings Change and Step Down Ratings Change apply to the Rate of Interest (see paragraph 14(vii) below)                                      |
| 12. Put/Call Options:   | Issuer Call<br>Issuer Make-Whole Call<br>Issuer Residual Call<br>Change of Control Investor Put<br>(see paragraph 18/19/20/22 below)                 |
| 13. Date Board approval for issuance of Notes and Guarantee obtained. | 29 January 2015 and 30 October 2014, respectively  |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |  |  |
|--|--|
| 14. Fixed Rate Note Provisions                             | Applicable   |
| (i) Rate(s) of Interest:                                   | 0.500 per cent per annum payable in arrear on each Interest Payment Date   |
| (ii) Interest Payment Date(s):                             | 27 July in each year up to and including the Maturity Date, provided that the first Interest Payment Date will be 27 July 2017 |
| (iii) Fixed Coupon Amount(s):                              | €5.00 per Calculation Amount   |
| (iv) Broken Amount(s):                                     | €2.48 per Calculation Amount, payable on the Interest Payment Date falling on 27 July 2017                                     |
| (v) Day Count Fraction:                                    | Actual/Actual (ICMA)   |
| (vi) Determination Dates:                                  | 27 July in each year   |
| (vii) Step Up Ratings Change and Step Down Ratings Change: | Applicable   |
| - Step Up Margin   | 1.250 per cent   |
| 15. Floating Rate Note Provisions                          | Not Applicable   |
| 16. Zero Coupon Note Provisions                            | Not Applicable   |

**PROVISIONS RELATING TO REDEMPTION**

- |  |  |
|--|--|
| 17. Notice periods for Condition 6(c) (Redemption for Taxation Reasons): | Minimum period: 30 days<br>Maximum period: 60 days |
|--|--|

18. Issuer Call	Applicable
(i) Optional Redemption Date(s):	Any date from and including 27 April 2021 to but excluding 27 July 2021
(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	€1,000 per Calculation Amount
(iii) If redeemable in part:	Not Applicable
(iv) Notice periods:	Minimum period: 15 days Maximum period: 30 days
19. Issuer Make-Whole Call	Applicable
(i) Sterling Make-Whole Redemption:	Not Applicable
(ii) Non-Sterling Make-Whole Redemption:	Applicable
(a) Reference Bond:	OBL 0% 04/2021
(b) Quotation Time:	10.00 am (Central European time)
(c) Redemption Margin:	+ 0.200 per cent
(d) If redeemable in part:	Not Applicable
(e) Notice Periods:	Minimum period: 15 days Maximum period: 30 days
20. Issuer Residual Call:	Applicable
Residual Call Early Redemption Amount:	€1,000 per Calculation Amount
21. General Investor Put	Not Applicable
22. Change of Control Investor Put	Applicable
Optional Redemption Amount:	€1,000 per Calculation Amount
23. Final Redemption Amount	€1,000 per Calculation Amount
24. Early Redemption Amount	
Early Redemption Amount payable on redemption for taxation reasons or on event of default:	€1,000 per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

25. Form of Notes:	Bearer Notes:
	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances

specified in the Permanent Global Note

26. New Global Notes: Yes

27. Additional Financial Centre(s): London

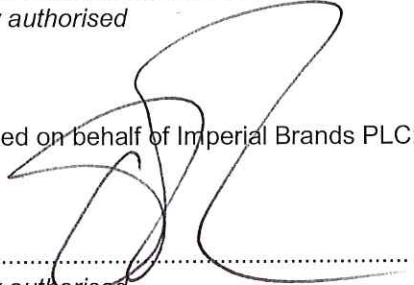
28. Talons for future Coupons to be attached to Definitive Notes: No

Signed on behalf of Imperial Brands Finance PLC:



By:.....  
*Duly authorised*

Signed on behalf of Imperial Brands PLC:



By:.....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the London Stock Exchange and to be listed on the Official List of the UK Listing Authority with effect from 27 January 2017
- (ii) Estimate of total expenses related to admission to trading: £3,650

### 2. RATINGS

Ratings: The Notes to be issued are expected to be rated Baa3 (stable) by Moody's Investors Service Ltd and BBB (stable) by Standard & Poor's Credit Market Services Europe Limited.

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, any may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.

### 4. REASONS FOR THE OFFER

- (i) Reasons for the offer: The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes.
- (ii) Estimated net proceeds: €495,865,000

### 5. YIELD (*Fixed Rate Notes only*)

Indication of yield: 0.631 per cent.

The yield is calculated as at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 6. OPERATIONAL INFORMATION

- (i) ISIN: XS1558013014
- (ii) Common Code: 155801301



- |       |  |   |
|-------|--|---|
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | Not Applicable  |
| (iv)  | Delivery:  | Delivery against payment  |
| (v)   | Names and addresses of additional Paying Agent(s) (if any):  | Not Applicable  |
| (vi)  | Intended to be held in a manner which would allow Eurosystem eligibility:  | Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

**7. US SELLING RESTRICTIONS**

US Selling Restrictions:	Reg S Compliance Category 2, TEFRA D
--------------------------	--------------------------------------