

Final Terms

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

IMPERIAL BRANDS FINANCE PLC

Legal Entity Identifier: 2138008L3B3MCG1DFS50

issue of €750,000,000 2.125 per cent Notes due 12 February 2027
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 30 January 2019 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).

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| 1. | (i) | Issuer: | Imperial Brands Finance PLC |
| | (ii) | Guarantor: | Imperial Brands PLC |
| 2. | (i) | Series Number: | 38 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Notes will be consolidated and form a single | Not Applicable |

Series:

3. Specified Currency or Currencies: Euro (“€”)
4. Aggregate Nominal Amount:
- (i) Series: €750,000,000
- (ii) Tranche: €750,000,000
5. Issue Price: 99.210 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: 12 February 2019
- (ii) Interest Commencement Date: Issue Date
8. Maturity Date: 12 February 2027
9. Interest Basis: 2.125 per cent Fixed Rate (see paragraph 14 below)
10. Redemption 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
Issuer Make-Whole Call
Issuer Residual Call
Change of Control Investor Put
(see paragraph 18/19/20/22 below)
13. Date Board approval for issuance of Notes and Guarantee obtained. 10 December 2018 and 30 October 2014, respectively

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions Applicable
- (i) Rate(s) of Interest: 2.125 per cent per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): 12 February in each year from and including 12 February 2020, up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): €21.25 per Calculation Amount

(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction:	Actual/Actual (ICMA)
(vi)	Determination Dates:	12 February 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 Maximum period: 60 days
18.	Issuer Call	Applicable
	(i) Optional Redemption Date(s):	Any date from and including 12 November 2026 to but excluding 12 February 2027
	(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	€1,000 per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	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:	DBR 0.250 per cent 02/2027
	(b) Quotation Time:	10.00 am (Central European time)
	(c) Redemption Margin:	+0.350 per cent
	(d) If redeemable in part:	
	– Minimum Redemption Amount:	Not Applicable

	–	Maximum Redemption Amount:	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 12 February 2019
- (ii) Estimate of total expenses related to admission to trading: £4,560

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 the 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, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (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: €742,012,500.00

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: 2.234 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: XS1951313763
- (ii) Common Code: 195131376
- (iii) CFI Code: DTFXFB
- (iv) FISN: 20270212

- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): Not Applicable
- (vi) Delivery: Delivery against payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (viii) Name and address of Calculation Agent: Not Applicable
- (ix) 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. DISTRIBUTION

- (i) Method of distribution: Syndicated
- (ii) If syndicated, names of Managers: Banco Santander, S.A.
Crédit Agricole Corporate and Investment Bank
SMBC Nikko Capital Markets Limited
Société Générale
- (iii) Date of Subscription Agreement: 11 February 2019
- (iv) Stabilisation Manager(s) (if any): Société Générale
- (v) If non-syndicated, name of relevant Dealer: Not Applicable
- (vi) US Selling Restrictions: Reg S Compliance Category 2, TEFRA D
- (vii) Prohibition of Sales to EEA Retail Investors: Applicable