

DATED 16 APRIL

2003

BRITISH AMERICAN TOBACCO HOLDINGS (HUNGARIA) B.V.

- and -

BRITISH AMERICAN TOBACCO INVESTMENTS (CENTRAL & EASTERN
EUROPE) LIMITED

AGREEMENT
for the acquisition of shares in
BAT PECSI DOHANYGYAR KFT

WE HEREBY CERTIFY
THIS TO BE A TRUE AND
ACCURATE COPY OF
THE ORIGINAL

Herbert Smith
HERBERT SMITH
Exchange House
Primrose Street
London EC2A 4HS

Date 1 September 2003



Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS
Tel: 020 7374 8000
Fax: 020 7374 0888
Ref: 5041

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THIS AGREEMENT is made on

16 APRIL



BETWEEN:

1. **BRITISH AMERICAN TOBACCO HOLDINGS (HUNGARIA) B.V.**, a company with statutory seat and offices at De Boelelaan 32, Amsterdam, the Netherlands HJ and with registered number 33029401 (the "**Vendor**"); and
2. **BRITISH AMERICAN TOBACCO INVESTMENTS (CENTRAL & EASTERN EUROPE) LIMITED** a company incorporated in England and Wales with registered number 2898824 and whose registered office is at Globe House, 1 Water Street, London WC2R 3LA, England (the "**Purchaser**").

WHEREAS:

- (A) BAT Pecsí Dohánygyár Kft (the "**Company**") is incorporated in Hungary with registration number 02-09-0612 54.
- (B) The issued share capital of the Company is HUF 3,777,230,000 consisting of 1 share of HUF 3,531,490,000, representing 93.49% of the share capital (the "**Share**") and 1 share of HUF 245,740,000 (which is owned by BAT Magyarorszag Dohany Kereskedelmi Kft) representing 6.51% of the share capital.
- (C) The Vendor is the legal and beneficial owner of the Share.
- (D) The Vendor has agreed to sell and the Purchaser has agreed to purchase the Share upon the terms and conditions of this Agreement.

NOW IT IS AGREED as follows:

1. SALE AND PURCHASE

- 1.1 The Vendor shall sell with full title guarantee and the Purchaser shall purchase the Share for the consideration specified in clause 2.
- 1.2 The Share is sold free from any claim, option, charge, lien, equity, encumbrance, rights of pre-emption or any other third party rights and together with all rights attached to it at the date of this Agreement or subsequently becoming attached to it.

2. CONSIDERATION

- 2.1 The consideration for the sale of the Share shall be EUR 292,000,000 which shall be satisfied by the allotment to the Vendor, credited as fully paid, of 1 ordinary share of GBP 1 in the capital of the Purchaser.

3. COMPLETION

- 3.1 Completion shall take place forthwith upon the signing of this Agreement.
- 3.2 At Completion :
 - 3.2.1 the Vendor shall deliver or cause to be delivered to the Purchaser a duly executed resolution of the members of the Company waiving their pre-emption rights;

3.2.2 the Vendor shall deliver or cause to be delivered to the Purchaser a duly signed declaration confirming that it has transferred the share to the Purchaser; and

3.2.3 the Purchaser shall allot 1 ordinary share of GBP 1 in the capital of the Purchaser to the Vendor and enter such allotment in the register of members of the Purchaser, subject only to this agreement being subsequently presented duly stamped.

4. NO WARRANTY

4.1 Apart from clause 1.2 the Vendor gives no warranties or representations in relation to the Share and, save in the case of fraud, the Purchaser shall have no claim against the Vendor in respect of any express or implied representations or warranties in contract or tort (whether or not formulated in negligence), under statute or otherwise howsoever.

5. THIRD PARTY RIGHTS

5.1 No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

6. POST COMPLETION

6.1 The Vendor shall after Completion execute all such deeds and documents and do all such things as the Purchaser may reasonably require for perfecting the transactions intended to be effected under or pursuant to this Agreement and for vesting in the Purchaser the legal and beneficial title to the Share.

7. COUNTERPARTS

7.1 This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which when so executed shall be an original, but all the counterparts shall together constitute one and the same instrument.

8. GOVERNING LAW, JURISDICTION AND SERVICE OF PROCESS

8.1 This Agreement shall be governed by, and construed in accordance with, English law and each party irrevocably agrees that the Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning this Agreement and any matter arising therefrom.

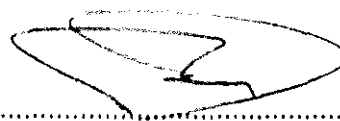
AS WITNESS the hands of the parties hereto the day and year first above written.

SIGNED by)
duly authorised for and on behalf of)
BRITISH AMERICAN TOBACCO)
HOLDINGS (HUNGARIA) B.V.)
in the presence of:)

.....
(Director)

SIGNED by
duly authorised for and on behalf of
BRITISH AMERICAN TOBACCO
INVESTMENTS (CENTRAL &
EASTERN EUROPE) LIMITED
in the presence of:

)
)
)
)
)



(Director)



LEE AMERIGO

HERBERT SMITH