



**BRITISH AMERICAN  
TOBACCO**

news release

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26 APRIL 2012

**BRITISH AMERICAN TOBACCO p.l.c.**

**INTERIM MANAGEMENT STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2012**

- **Good revenue growth of 6 per cent at constant rates of exchange**
- **Revenue growth of 4 per cent at current rates of exchange**
- **Volumes from subsidiaries increased by 1.3 per cent to 166 billion, organic volumes increased by 0.7 per cent**
- **Global Drive Brand volumes grew by 6 per cent**

Nicandro Durante, Chief Executive, commented "We have grown volumes and Global Drive Brands and have achieved good growth in revenue, with continued pricing momentum, although currency headwinds have adversely affected results. It is a strong start to another year of anticipated good earnings growth."

**SUMMARY OF PERFORMANCE**

**Trading update**

British American Tobacco performed well in the three months to the end of March 2012 with increased total volumes, as well as continued growth in revenue and Global Drive Brands. Group volumes were higher than last year despite industry volume decline. There are encouraging signs that the overall industry volume decline is moderating.

Group revenue for the three months, on an organic basis and at constant rates of exchange, grew by 6 per cent, driven by volume growth, improving mix and continued good pricing. At current exchange rates, organic revenue grew by 4%, as movements in some of the Group's trading currencies adversely impacted revenues.

Group volumes from subsidiaries were 166 billion, up 1.3 per cent including the acquisition of Protobacco in October 2011. Organic volumes increased by 0.7 per cent principally driven by growth in Brazil, GCC, Denmark, Bangladesh and Vietnam, partially offset by lower volumes in Italy and South Korea.

Innovations continued to drive the four Global Drive Brands' performance which led to a volume growth of 6 per cent. Kent was up 7 per cent, driven by Russia, Japan, Middle East, Ukraine and Azerbaijan. Dunhill was in line with last year, mainly as growth in Brazil, GCC, Malaysia, South Africa and Romania was offset by a decline in South Korea. Lucky Strike was up 26 per cent following strong growth in Germany, Spain, Poland, France and Chile. Pall Mall was up 4 per cent largely as a result of growth in Germany, Pakistan, Russia and Uzbekistan, partially offset by declines in Chile, Italy and Spain.

### Trading environment

Although there are indications that industry volume decline is moderating, the unsettled economic climate and currency headwinds continue to present a challenging trading environment.

### Cigarette volumes

The segmental analysis of the volumes of subsidiaries was as follows:

	<u>3 months to</u>		<u>Year to</u>
	<u>31.03.12</u>	31.03.11	31.12.11
	bns	bns	bns
Asia-Pacific	45	44	191
Americas	37	36	143
Western Europe	29	30	135
EEMEA	55	54	236
	<u>166</u>	<u>164</u>	<u>705</u>

### SHARE BUY-BACK PROGRAMME

The Group resumed an on-market share buy-back programme from the end of February 2012. During the three months to 31 March 2012, 5 million shares were bought at a total cost of £150 million excluding transaction costs.

### FINANCIAL POSITION

The Group has sufficient financing and facilities available for the foreseeable future.

There have been no material events, transactions or change in the financial position of the Group since the year end, other than as outlined in this statement. Further, the Board is not aware of any material events, transactions or change in the financial position of the Group which have occurred up to and including 25 April 2012, being the latest practicable date before the date of the publication of this Interim Management Statement.

### CHANGES TO BOARD COMMITTEES

In our Preliminary Announcement, we announced the resignation of Christine Morin-Postel as a member of the Audit Committee with effect from 21 February 2012 due to a personal conflict of interest. Since then, we have taken the opportunity to review the membership of all of our principal Board Committees, which subject to re-election of all Directors at the AGM, will all take effect immediately following the AGM on 26 April 2012:

Audit Committee: Ann Godbehere and Kieran Poynter have been appointed; and Sir Nicholas Scheele has resigned. CSR Committee: Christine Morin-Postel and Sir Nicholas Scheele have been appointed; and Ann Godbehere, Gerry Murphy and Kieran Poynter have resigned. Remuneration Committee: Gerry Murphy has been appointed to succeed Anthony Ruys as Chairman; no changes in membership. Nominations Committee: no changes in membership.

On behalf of the Board

**Nicola Snook**

Secretary

25 April 2012

## NOTES AND ADDITIONAL INFORMATION

British American Tobacco is the world's second largest quoted tobacco group by global market share, with brands sold in more than 180 markets. We have four Global Drive Brands – Dunhill, Kent, Lucky Strike and Pall Mall - and over 300 brands in our portfolio. We hold robust market positions in each of our regions and have leadership positions in more than 50 markets.

### Disclaimers

This Interim Management Statement (IMS) relates to the three months ended 31 March 2012 and contains information that covers the first quarter and the period since the quarter end to 25 April 2012, being the latest practicable date before the date of the publication of this IMS.

This announcement does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any British American Tobacco p.l.c. shares or other securities.

This IMS contains certain forward looking statements which are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates. It is believed that the expectations reflected in this announcement are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

### Distribution of this Interim Management Statement (IMS)

The IMS is released to the London Stock Exchange and the JSE Limited. It may be viewed and downloaded from our website, [www.bat.com](http://www.bat.com)

Copies of the IMS may also be obtained during normal business hours from: (1) the Company's registered office; (2) the Company's representative office in South Africa; and (3) British American Tobacco Publications, details of which are given below.

### FINANCIAL CALENDAR 2012

Thursday 3 May	Payment date of 2011 final dividend
Wednesday 25 July	Half-Yearly Report
Wednesday 24 October	Interim Management Statement

### HALF-YEARLY REPORT AND INTERIM DIVIDEND

With particular reference to the Company's obligations in respect of the secondary listing of its ordinary shares on the JSE, the proposed dates in respect of the Half-Yearly Report and the interim dividend for the year ending 31 December 2012 are currently scheduled as follows:

#### 2012

Wednesday 25 July	Half-Yearly Report (to include announcement of declaration of interim dividend: amount of dividend per share in both sterling and rand; applicable exchange rate and conversion date – 23 July 2012; plus additional applicable information as required in respect of South African dividend tax).
Wednesday 25 July to Friday 17 August	From the commencement of trading on Wednesday 25 July 2012 to Friday 17 August 2012, no removal requests in either direction between the UK main register and the South African branch register will be permitted.
Friday 10 August	Last Day to Trade or LDT (JSE)

Monday 13 August to Friday 17 August	No transfers between the UK main register and the South African branch register will be permitted; no shares may be dematerialised or rematerialised between these inclusive dates.
Monday 13 August	Ex-dividend date (JSE)
Wednesday 15 August	Ex-dividend date (LSE)
Friday 17 August	Record date (LSE and JSE)
Wednesday 26 September	Payment date (sterling and rand)

**Note:** Any changes to the dates set out above will be announced. This timetable will be included in the Half-Yearly Report scheduled for release on Wednesday 25 July 2012.

## **CORPORATE INFORMATION**

### **Premium listing**

London Stock Exchange (Share Code: BATS; ISIN: GB0002875804)  
 Computershare Investor Services PLC  
 The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, UK  
 tel: 0800 408 0094; +44 (0)870 889 3159  
 Share dealing tel: 0870 703 0084 (UK only)  
 Your account: [www.computershare.com/uk/investor/bri](http://www.computershare.com/uk/investor/bri)  
 Share dealing: [www.computershare.com/dealing/uk](http://www.computershare.com/dealing/uk)  
 Web-based enquiries: [www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus)

### **Secondary listing**

JSE (Share Code: BTI)  
 Shares are traded in electronic form only and transactions settled electronically through Strate.  
 Computershare Investor Services (Pty) Ltd  
 PO Box 61051, Marshalltown 2107, South Africa  
 tel: 0861 100 925; +27 11 870 8222  
 e-mail enquiries: [web.queries@computershare.co.za](mailto:web.queries@computershare.co.za)

### **American Depositary Receipts (ADRs)**

NYSE Amex Equities (Symbol: BTI; CUSIP Number: 110448107)  
 Sponsored ADR programme; each ADR represents two ordinary shares of British American Tobacco p.l.c.  
 Citibank Shareholder Services  
 PO Box 43077  
 Providence, Rhode Island 02940-3077, USA  
 tel: 1-888-985-2055 (toll-free) or +1 781 575 4555  
 e-mail enquiries: [Citibank@shareholders-online.com](mailto:Citibank@shareholders-online.com)  
 website: [www.citi.com/dr](http://www.citi.com/dr)

### **Publications**

British American Tobacco Publications  
 Unit 80, London Industrial Park, Roding Road, London E6 6LS, UK  
 tel: +44 (0)20 7511 7797; facsimile: +44 (0)20 7540 4326  
 e-mail enquiries: [bat@team365.co.uk](mailto:bat@team365.co.uk) or  
 Computershare Investor Services (Pty) Ltd in South Africa using the contact details shown above.

### **British American Tobacco p.l.c.**

#### **Registered office**

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British American Tobacco p.l.c. is a public limited company which is listed on the London Stock Exchange and the JSE Limited in South Africa. British American Tobacco p.l.c. is incorporated in England and Wales (No.3407696) and domiciled in the UK.

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