

press release

26 October 2011

British American Tobacco exceed analyst expectations despite global market challenges

- Organic revenue grew by 7%
- Weaker economy sees sales volumes decline
- The company continues to show defensive characteristics

As tobacco giant British American Tobacco (BATS) reports its Q3 results Sheridan Admans, investment research manager at The Share Centre, explains what they mean for investors.

“Despite challenging global market conditions BATS continues to demonstrate defensive qualities through a diverse portfolio of brands sold worldwide. The company’s Q3 results were better than analysts’ expectations with organic revenue increasing by 7%, despite a decrease in sales volume caused by a weaker global economy.

“BATS’ growth prospects look stable as the South African government has agreed reforms that allowed the company to be fully listed on its JSE exchange, classing the stock as a “domestic asset”. BATS has also acquired 100% of a privately owned Columbian cigarette company, providing further diversification.

“Investors will be pleased to see the group has maintained its share buy back programme over the past nine months and continues to address costs and system standardisations to improve savings and operating margins.”

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