

News Release

Preliminary announcement - year ended 31 December 2013

27 February 2014

ANOTHER STRONG PERFORMANCE

Key financials

	2013 Current rates	2013 Constant rates	2012 Restated**	Change Current rates	Change Constant rates
Revenue	£15,260m	£15,822m	£15,190m	+0%	+4%
Adjusted profit from operations*	£5,820m	£6,041m	£5,641m	+3%	+7%
Profit from operations	£5,526m	£5,747m	£5,372m	+3%	+7%
Adjusted diluted earnings per share*	216.6p	224.7p	205.2p	+6%	+10%
Basic earnings per share	205.4p	-	195.8p	+5%	-
Dividends per share	142.4p	-	134.9p	+6%	-

*The non-GAAP measures, including adjusting items and constant currencies, are set out on page 18 of the full announcement.

**The 2012 comparatives have been restated to take account of the revised IAS 19 Employee Benefits (see page 17 of the full announcement).

Full year highlights

- Group revenue was up by 4% at constant rates of exchange, mainly as a result of continued good pricing. Reported revenue was slightly higher due to exchange rate movements which adversely impacted three of the Group's four regions.
- Adjusted Group profit from operations increased by 3% and by 7% at constant rates of exchange.
- Reported profit from operations was 3% higher at £5,526 million.
- Operating margin grew strongly by 100 basis points to 38.1%.
- Basic earnings per share were up by 5% at 205.4p.
- At constant rates of exchange, adjusted diluted earnings per share were up by 10%, principally as a result of the growth in profit from operations. At current rates of exchange, it was 6% higher at 216.6p.
- The Board has recommended a final dividend of 97.4p, taking the 2013 total dividend to 142.4p per share, an increase of 6%.
- Group cigarette volume was 676 billion, a decline of 2.7%. Total tobacco volume was 2.6% lower.
- International brands grew volume by 2.1%, of which Global Drive Brands grew by 1.9%. The Group's cigarette market share continued to increase in its key markets.
- 44 million shares were bought back at a cost of £1.5 billion, excluding transaction costs. The Board agreed a £1.5 billion share buy-back programme for 2014.

Richard Burrows, Chairman, commenting on the year ended 31 December 2013

“British American Tobacco continued to perform strongly in 2013, with another year of excellent earnings growth and cash flow, partially offset by currency headwinds. The Group’s Global Drive Brands also achieved outstanding growth in market share and volume. Difficult trading conditions persist in some parts of the world, notably southern Europe, but these results demonstrate that the Group’s strategy continues to deliver robust profit and dividend growth.”

[Preliminary results for the year ended 31 December 2013 - full announcement \(1 mb\)](#) 

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