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Driving growth in China

Subsidiaries of Imperial Brands PLC and China Tobacco (CNTC) have established a dynamic long-term Joint Venture (JV) business which will look to develop a variety of growth opportunities in China and international markets.

Global Horizon Ventures Limited (GHVL) is initially focused on:

- leveraging the expertise of China's largest tobacco company, Yunnan Tobacco, to drive the sustainable growth of Imperial's Growth Brands West and Davidoff in China; and
- maximising the potential of two Yunnan brands, Jadé and Horizon, in markets outside of China.

As a result, Jadé joins Imperial's portfolio of Specialist Brands.

The partnership has the potential to deliver additional meaningful Growth Brand volumes in the JV's first five years. Further tobacco and next generation product launches, as well as potential M&A opportunities, will also be evaluated by GHVL in due course.

Imperial Brands Chief Executive Alison Cooper and STMA Chief Commissioner Ling Cheng Xin formally endorsed the JV during a signing ceremony in Beijing.

Alison Cooper said: "We're excited by the growth potential offered by this new business opportunity and look forward to seeing our co-operation with our Chinese partners flourish for many years to come."

GHVL, based in Hong Kong, has been jointly founded by ITL Pacific HK Limited, a subsidiary of Imperial Brands, and Yunnan Tobacco International Company Limited and Tian Li International Company Limited, both units of CNTC, the operational arm of the STMA.

The JV builds on a track record of co-operation which began in 2003 between Imperial and Yunnan Tobacco, China's number one tobacco company with a market share of over 20 per cent.

China is the largest tobacco market in the world with annual volumes of close to 2.5 trillion cigarettes.

Imperial was assisted in the transaction by Vermilion Partners and Allen & Overy.

ENDS

Notes to editors

Imperial Brands, a FTSE 100 company headquartered in Bristol in the UK, is the parent company of a dynamic international business specialising in tobacco and non-tobacco brands. Its five distinct entities are Imperial Tobacco, Tabacalera, ITG Brands, Fontem Ventures and Logista.

Yunnan Tobacco International Company Limited is a subsidiary of Yunnan Tobacco Industrial Corporation, in turn a subsidiary of China National Tobacco Corporation (CNTC).

Tian Li International Company Limited is a subsidiary of China Tobacco International Inc, in turn a subsidiary of CNTC.

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