British American Tobacco Finalizes Exit From Russia

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The central London headquarters of British American Tobacco. **Isabel Infantes / AFP**

British American Tobacco will complete its exit from Russia by selling its assets to a consortium of local management members over the next month, the multinational company said Thursday.

The maker of Kent and Rothmans cigarettes said the deal would keep its estimated 3,000 Russian and Belarusian employees afloat for at least two years.

"BAT has now formally entered into an agreement to sell its Russian and Belarusian businesses in compliance with local and international laws," the company said in a statement.

"We anticipate that the transaction will [be] complete within the next month, once certain conditions have been satisfied," it added.

Since December, the Kremlin has forced foreign companies leaving the country to sell their assets to Russian buyers at a 50% discount and charged them an exit fee of at least 10% of the

transaction value.

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London-based British American Tobacco did not disclose the financial terms of the deal.

It said the Russian-owned tobacco company will be known as the ITMS Group.

"Upon completion, BAT will no longer have a presence in Russia or Belarus and will receive no financial gain from ongoing sales in these markets."

British American Tobacco is among thousands of Western companies to announce their withdrawal from Russia over Moscow's February 2022 invasion of Ukraine.

The company controlled under one-quarter of Russia's tobacco market around the start of the mass business exodus, [according](#) to Reuters.

Like other European businesses that [cut](#) their Russian operations, British American Tobacco [lost](#) $1.2 billion from the transfer of its Russian business in July 2022.

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