

**BRITISH AMERICAN TOBACCO ( MALAYSIA ) BERHAD**  
(Company No : 4372-M)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

For the 9 months ended 30 September 2011

|                                    | Note | 3 months ended |           | Financial period ended |             |
|------------------------------------|------|----------------|-----------|------------------------|-------------|
|                                    |      | 30.9.2011      | 30.9.2010 | 30.9.2011              | 30.9.2010   |
|                                    |      | RM'000         | RM'000    | RM'000                 | RM'000      |
| Revenue                            |      | 1,104,525      | 993,591   | 3,139,980              | 3,006,285   |
| Cost of sales                      |      | (717,145)      | (631,013) | (2,024,283)            | (1,867,641) |
| Gross profit                       |      | 387,380        | 362,578   | 1,115,697              | 1,138,644   |
| Other operating income             |      | 2,634          | 2,822     | 8,527                  | 8,007       |
| Operating expenses                 |      | (143,797)      | (135,915) | (376,294)              | (395,403)   |
| Profit from operations             |      | 246,217        | 229,485   | 747,930                | 751,248     |
| Finance cost                       |      | (6,907)        | (6,907)   | (20,494)               | (20,494)    |
| Profit before tax                  |      | 239,310        | 222,578   | 727,436                | 730,754     |
| Tax expense                        | 5    | (63,041)       | (51,924)  | (188,469)              | (182,365)   |
| Profit for the financial period    |      | 176,269        | 170,654   | 538,967                | 548,389     |
| Earnings per share - basic (sen)   | 23   | 61.7           | 59.8      | 188.8                  | 192.1       |
| Earnings per share - diluted (sen) | 23   | 61.7           | 59.8      | 188.8                  | 192.1       |
| Net dividends per share (sen)      |      |                |           |                        |             |
| - Interim 1 dividend               |      | -              | -         | 60.0                   | 113.0       |
| - Interim 2 dividend               |      | -              | 64.0      | 60.0                   | 64.0        |
| - Special interim dividend         |      | -              | -         | 30.0                   | -           |
| - Interim 3 dividend               |      | 60.0           | -         | 60.0                   | -           |
|                                    |      | 60.0           | 64.0      | 210.0                  | 177.0       |

**The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.**

**BRITISH AMERICAN TOBACCO ( MALAYSIA ) BERHAD**  
(Company No : 4372-M)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the 9 months ended 30 September 2011

|  | <b>3 months ended</b> |                  | <b>Financial period ended</b> |                  |
|--|-----------------------|------------------|-------------------------------|------------------|
|  | <b>30.9.2011</b>      | <b>30.9.2010</b> | <b>30.9.2011</b>              | <b>30.9.2010</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>    | <b>RM'000</b>                 | <b>RM'000</b>    |
| Profit for the financial period                                  | 176,269               | 170,654          | 538,967                       | 548,389          |
| Other comprehensive income:                                      |                       |                  |                               |                  |
| Change in fair value of cash flow hedges, net of tax             | 1,688                 | 1,753            | 3,629                         | (1,622)          |
| Deferred tax movement on other comprehensive income              |                       |                  |                               |                  |
| - deferred tax on revalued land and buildings                    | -                     | 30               | -                             | 90               |
| - deferred tax on fair value changes of cash flow hedges         | (422)                 | (438)            | (908)                         | 406              |
| <b>Total other comprehensive income for the financial period</b> | <b>1,266</b>          | <b>1,345</b>     | <b>2,721</b>                  | <b>(1,126)</b>   |
| <b>Total comprehensive income for the financial period</b>       | <b>177,535</b>        | <b>171,999</b>   | <b>541,688</b>                | <b>547,263</b>   |
| Attributable to:   |                       |                  |                               |                  |
| Shareholders' equity   | 177,535               | 171,999          | 541,688                       | 547,263          |

**The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.**

**BRITISH AMERICAN TOBACCO ( MALAYSIA ) BERHAD**  
(Company No : 4372-M)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the 9 months ended 30 September 2011

|   | Issued and fully paid<br>ordinary shares of<br>50 sen each |                  | Non-<br>distributable      | Distributable        | Attributable to<br>Shareholders'<br>Equity |
|---|--|------------------|----------------------------|----------------------|--|
|   | Number<br>of shares  | Nominal<br>value | Cash flow<br>hedge reserve | Retained<br>earnings | Total                                      |
|   | '000   | RM'000           | RM'000                     | RM'000               | RM'000                                     |
| At 1 January 2011   | 285,530  | 142,765          | (1,374)                    | 349,035              | 490,426                                    |
| Profit for the financial period                             |  |                  |                            | 538,967              | 538,967                                    |
| Other comprehensive income<br>for the financial period      |  |                  |                            |                      |  |
| - changes in fair value of cash flow hedges,<br>net of tax  | -  | -                | 3,629                      | -                    | 3,629                                      |
| - deferred tax on fair value changes on<br>cash flow hedges | -  | -                | (908)                      | -                    | (908)                                      |
| <b>Total comprehensive income</b>                           | <b>285,530</b>   | <b>142,765</b>   | <b>1,347</b>               | <b>888,002</b>       | <b>1,032,114</b>                           |
| Dividends for financial year<br>ended 31 December 2010      |  |                  |                            |                      |  |
| - Interim 3   |  |                  |                            | (179,884)            | (179,884)                                  |
| Dividends for financial year<br>ended 31 December 2011      |  |                  |                            |                      |  |
| - Interim 1   |  |                  |                            | (171,318)            | (171,318)                                  |
| - Interim 2   | -  | -                | -                          | (171,318)            | (171,318)                                  |
| - Special interim dividend                                  | -  | -                | -                          | (85,659)             | (85,659)                                   |
| <b>At 30 September 2011</b>                                 | <b>285,530</b>   | <b>142,765</b>   | <b>1,347</b>               | <b>279,823</b>       | <b>423,935</b>                             |
| At 1 January 2010   | 285,530  | 142,765          | -                          | 296,520              | 439,285                                    |
| Profit for the financial period                             | -  | -                | -                          | 548,389              | 548,389                                    |
| Other comprehensive income<br>for the financial period      |  |                  |                            |                      |  |
| - changes in fair value of cash flow hedges,<br>net of tax  |  |                  | (1,622)                    |                      | (1,622)                                    |
| - deferred tax on fair value changes on<br>cash flow hedges |  |                  | 406                        |                      | 406  |
| - deferred tax on revalued land<br>and buildings            |  |                  | 90                         |                      | 90   |
| <b>Total comprehensive income</b>                           | <b>285,530</b>   | <b>142,765</b>   | <b>(1,126)</b>             | <b>844,909</b>       | <b>986,548</b>                             |
| Dividends for financial year<br>ended 31 December 2009      |  |                  |                            |                      |  |
| - Final   | -  | -                | -                          | (177,029)            | (177,029)                                  |
| Dividends for financial year<br>ended 31 December 2010      |  |                  |                            |                      |  |
| - Interim 1   | -  | -                | -                          | (322,649)            | (322,649)                                  |
| <b>At 30 September 2010</b>                                 | <b>285,530</b>   | <b>142,765</b>   | <b>(1,126)</b>             | <b>345,231</b>       | <b>486,870</b>                             |

**The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.**

**BRITISH AMERICAN TOBACCO ( MALAYSIA ) BERHAD**  
(Company No : 4372-M)

**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 30 September 2011

|                                     | <b>Note</b> | <b>As at<br/>30.9.2011<br/>RM'000</b> | <b>As at<br/>31.12.2010<br/>RM'000</b> |
|-------------------------------------|-------------|---------------------------------------|--|
| <b>Non-current assets</b>           |             |                                       |  |
| Property, plant and equipment       | 6           | 395,942                               | 405,826                                |
| Investment property                 |             | 1,636                                 | 1,636                                  |
| Goodwill                            |             | 411,618                               | 411,618                                |
| Computer software                   |             | 2,394                                 | 4,336                                  |
| Deferred tax assets                 |             | 5,529                                 | 15,158                                 |
|                                     |             | <u>817,119</u>                        | <u>838,574</u>                         |
| <b>Current assets</b>               |             |                                       |  |
| Assets held for sale                |             | 888                                   | 888                                    |
| Inventories                         |             | 197,759                               | 193,572                                |
| Receivables                         |             | 206,384                               | 179,489                                |
| Derivative financial instruments    | 15          | 1,796                                 | -                                      |
| Deposits, cash and bank balances    |             | 318,547                               | 356,623                                |
|                                     |             | <u>725,374</u>                        | <u>730,572</u>                         |
| <b>Current liabilities</b>          |             |                                       |  |
| Payables                            |             | 347,399                               | 314,208                                |
| Borrowings (interest bearing)       | 12          | 400,000                               | -                                      |
| Current tax liabilities             |             | 74,304                                | 66,758                                 |
| Derivative financial instruments    | 15          | -                                     | 1,832                                  |
|                                     |             | <u>821,703</u>                        | <u>382,798</u>                         |
| <b>Net current assets</b>           |             |                                       |  |
|                                     |             | (96,329)                              | 347,774                                |
|                                     |             | <u>720,790</u>                        | <u>1,186,348</u>                       |
| <b>Capital and reserves</b>         |             |                                       |  |
| Share capital                       | 11          | 142,765                               | 142,765                                |
| Cash flow hedge reserve             |             | 1,347                                 | (1,374)                                |
| Retained earnings                   |             | 279,823                               | 349,035                                |
| <b>Shareholders' funds</b>          |             | <u>423,935</u>                        | <u>490,426</u>                         |
| <b>Non-current liabilities</b>      |             |                                       |  |
| Borrowings (interest bearing)       | 12          | 250,000                               | 650,000                                |
| Post employment benefit obligations |             | 5,091                                 | 4,117                                  |
| Deferred tax liabilities            |             | 41,764                                | 41,805                                 |
|                                     |             | <u>720,790</u>                        | <u>1,186,348</u>                       |
| Net Assets per share (RM)           |             | 1.48                                  | 1.72                                   |

**The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.**

**BRITISH AMERICAN TOBACCO ( MALAYSIA ) BERHAD**  
(Company No : 4372-M)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For the 9 months ended 30 September 2011

|  | <b>9 months<br/>ended<br/>30.9.2011</b> | <b>9 months<br/>ended<br/>30.9.2010</b> |
|--|---|---|
|  | <b>RM'000</b>                           | <b>RM'000</b>                           |
| <b>Operating activities</b>                              |   |   |
| Cash receipts from customers                             | 3,024,725                               | 2,940,285                               |
| Cash paid to suppliers and employees                     | (2,254,859)                             | (2,061,467)                             |
| Cash from operations                                     | 769,866                                 | 878,818                                 |
| Income taxes paid  | (172,242)                               | (184,483)                               |
| Net cash flow from operating activities                  | 597,624                                 | 694,335                                 |
| <b>Investing activities</b>                              |   |   |
| Property, plant and equipment                            |   |   |
| - additions  | (26,204)                                | (31,082)                                |
| - disposals  | 14,766                                  | 24,464                                  |
| Additions of computer software                           | -                                       | (859)                                   |
| Interest income received                                 | 8,123                                   | 6,713                                   |
| Net cash flow from investing activities                  | (3,315)                                 | (764)                                   |
| <b>Financing activities</b>                              |   |   |
| Dividends paid to shareholders                           | (608,179)                               | (499,677)                               |
| Interest expense paid                                    | (24,206)                                | (25,419)                                |
| Net cash flow used in financing activities               | (632,385)                               | (525,096)                               |
| <b>Increase/ (Decrease) in cash and cash equivalents</b> | (38,076)                                | 168,475                                 |
| <b>Cash and cash equivalents as at 1 January</b>         | 356,623                                 | 168,686                                 |
| <b>Cash and cash equivalents as at 30 September</b>      | 318,547                                 | 337,161                                 |

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.**