

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

(Company No : 4372-M)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the financial period ended 31 March 2014

| | | 3 months ended/ financial period ended | |
|---|------|---|-------------------|
| | Note | 31.03.2014 | 31.03.2013 |
| | | RM'000 | RM'000 |
| Revenue | | 1,154,310 | 1,095,739 |
| Cost of sales | | (747,263) | (740,777) |
| Gross profit | | 407,047 | 354,962 |
| Other operating income | | 514 | 585 |
| Operating expenses | | (103,132) | (76,922) |
| Profit from operations | | 304,429 | 278,625 |
| Finance cost | | (3,243) | (4,628) |
| Profit before tax | | 301,186 | 273,997 |
| Tax expense | 5 | (75,792) | (69,793) |
| Profit for the financial period | | 225,394 | 204,204 |
| Earnings per share - basic (sen) | 21 | 78.9 | 71.5 |
| Earnings per share - diluted (sen) | 21 | 78.9 | 71.5 |
| Net dividend per share (sen) - Interim 1 | 22 | 75.0 | 68.0 |

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 2013.

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

(Company No : 4372-M)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 31 March 2014

| | 3 months ended/ financial period ended | |
|---|---|-------------------|
| | 31.03.2014 | 31.03.2013 |
| | RM'000 | RM'000 |
| Profit for the financial period | 225,394 | 204,204 |
| Other comprehensive income: | | |
| Items that may be subsequently reclassified to profit or loss | | |
| - Change in fair value of cash flow hedges | (1,108) | (2,195) |
| - Deferred tax on fair value changes of cash flow hedges | 277 | 549 |
| Total other comprehensive income for the financial period | (831) | (1,646) |
| Total comprehensive income for the financial period | 224,563 | 202,558 |
| Total comprehensive income for the financial period | | |
| Attributable to: | | |
| Shareholders' equity | 224,563 | 202,558 |

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2013.

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

(Company No : 4372-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 31 March 2014

| | Issued and fully paid ordinary shares of 50 sen each | | Non- distributable | Distributable | Attributable to Shareholders' Equity |
|---|--|------------------|----------------------------|----------------------|--|
| | Number of shares | Nominal value | Cash flow hedge reserve | Retained earnings | Total |
| | '000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2014 | 285,530 | 142,765 | 1,506 | 364,061 | 508,332 |
| Profit for the financial year | - | - | - | 225,394 | 225,394 |
| Other comprehensive income for the financial period: | | | | | |
| - changes in fair value of cash flow hedges | - | - | (1,108) | - | (1,108) |
| - deferred tax on fair value changes on cash flow hedges | - | - | 277 | - | 277 |
| | <u>285,530</u> | <u>142,765</u> | <u>675</u> | <u>589,455</u> | <u>732,895</u> |
| Transaction with owners: | | | | | |
| Dividend for financial year ended 31 December 2013 | | | | | |
| - Interim 4 | - | - | - | (222,713) | (222,713) |
| At 31 March 2014 | <u>285,530</u> | <u>142,765</u> | <u>675</u> | <u>366,742</u> | <u>510,182</u> |
| At 1 January 2013 | 285,530 | 142,765 | 525 | 341,606 | 484,896 |
| Profit for the financial year | - | - | - | 204,204 | 204,204 |
| Other comprehensive income for the financial period: | | | | | |
| - changes in fair value of cash flow hedges | - | - | (2,195) | - | (2,195) |
| - deferred tax on fair value changes on cash flow hedges | - | - | 549 | - | 549 |
| | <u>285,530</u> | <u>142,765</u> | <u>(1,121)</u> | <u>545,810</u> | <u>687,454</u> |
| Transaction with owners: | | | | | |
| Dividend for financial year ended 31 December 2012 | | | | | |
| - Interim 4 | - | - | - | (219,858) | (219,858) |
| At 31 March 2013 | <u>285,530</u> | <u>142,765</u> | <u>(1,121)</u> | <u>325,952</u> | <u>467,596</u> |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2013.

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

(Company No : 4372-M)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 March 2014

| | Note | As at 31.3.2014 | As at 31.12.2013 |
|---|-------------|----------------------------|-----------------------------|
| | | RM'000 | RM'000 |
| Non-current assets | | | |
| Property, plant and equipment | | 368,182 | 380,736 |
| Computer software | | 1,732 | 1,970 |
| Goodwill | | 411,618 | 411,618 |
| Deferred tax assets | | 24,001 | 10,806 |
| | | <u>805,533</u> | <u>805,130</u> |
| Current assets | | | |
| Asset held for sale | | 4,605 | 4,605 |
| Inventories | | 305,634 | 293,979 |
| Receivables | | 264,715 | 200,469 |
| Derivative financial instruments | | 3,958 | 7,286 |
| Deposits, cash and bank balances | | 50,529 | 59,596 |
| | | <u>629,441</u> | <u>565,935</u> |
| Current liabilities | | | |
| Payables | | 290,986 | 232,172 |
| Deferred income | | 3,304 | 3,304 |
| Derivative financial instruments | | 1,946 | 3,622 |
| Current tax liabilities | | 114,631 | 69,849 |
| Borrowings | 10 | 470,000 | 510,000 |
| | | <u>880,867</u> | <u>818,947</u> |
| Net current (liabilities) / assets | | (251,426) | (253,012) |
| | | <u>554,107</u> | <u>552,118</u> |
| Capital and reserves | | | |
| Share capital | 9 | 142,765 | 142,765 |
| Cash flow hedge reserve | | 675 | 1,506 |
| Retained earnings | | 366,742 | 364,061 |
| Shareholders' funds | | <u>510,182</u> | <u>508,332</u> |
| Non-current liabilities | | | |
| Deferred income | | 5,498 | 6,324 |
| Deferred tax liabilities | | 38,427 | 37,462 |
| | | <u>554,107</u> | <u>552,118</u> |
| Net assets per share (RM) | | 1.79 | 1.78 |

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 2013.

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

(Company No : 4372-M)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the financial period ended 31 March 2014

| | Financial period ended 31.03.2014 | Financial period ended 31.03.2013 |
|--|---|---|
| | RM'000 | RM'000 |
| Operating activities | | |
| Cash receipts from customers | 1,090,064 | 1,046,043 |
| Cash paid to suppliers and employees | (788,741) | (860,923) |
| Cash from operations | 301,323 | 185,120 |
| Income taxes paid | (42,717) | (62,512) |
| Net cash flow from operating activities | 258,606 | 122,608 |
| Investing activities | | |
| Property, plant and equipment | | |
| - additions | (2,695) | (150) |
| - disposals | 1,185 | 286 |
| Additions of computer software | (4) | - |
| Interest income received | 371 | 445 |
| Net cash flow from investing activities | (1,143) | 581 |
| Financing activities | | |
| Dividends paid to shareholders | (222,713) | (219,858) |
| Interest expense paid | (3,817) | (7,354) |
| (Repayment)/Proceeds from revolving credit | (40,000) | 60,000 |
| Net cash flow used in financing activities | (266,530) | (167,212) |
| Decrease in cash and cash equivalents | (9,067) | (44,023) |
| Cash and cash equivalents as at 1 January | 59,596 | 78,391 |
| Cash and cash equivalents as at 31 March | 50,529 | 34,368 |

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2013.