WEST INDIAN TOBACCO

ANNUAL REPORT 2012

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Non
Governmental
Organisations
Partnership
Consumer/
Customer
Employee
Government
Shareholder

When it comes to the issue of smoking, there are many stakeholders involved. From regulators, to the control community, to the industry, distributors, retailers, employees and of course the consumers – there are different ideas, different priorities and different points of view. We believe that not only should all voices be heard but that the best way forward is the path of partnership and compromise. The alternative could be far worse – ceding control of smoking to the black marketers, who care little for rules or consumer satisfaction.

For this Annual Report we have chosen to focus on the benefits of control through cooperation. The cover depicts different brightly coloured speech bubbles, symbolising the various stakeholders engaged in dialogue. They converge at the central point, where consensus protects everyone's interests and keeps the stewardship of the tobacco industry out of unsavoury hands. The image is encapsulated in a circle, which represents the act of coming together for a common goal.

Contents

Our Mission

To sustain our market leadership in Trinidad and Tobago and to be the number one manufacturing centre in the Caribbean.

Business Principles

Three Principles guide our standards of conduct and aim to cover all the issues which we must balance across the business. These are supported by a number of Core Beliefs covering the key issues which we believe underpin corporate social responsibility for our Company.

The Principle of Mutual Benefit...

which is the basis on which we build relationships with our stakeholders. We are primarily in business to build long-term shareholder value and we believe the best way to do this is to seek to understand and take account of the needs of all our stakeholders.

The Principle of Good Corporate Conduct...

which is the basis on which all of our business should be managed. Business success brings with it an obligation for high standards of behaviour and integrity in everything we do and wherever we operate. These standards should not be compromised for the sake of results.

The Principle of Responsible Product Stewardship...

which is the basis on which we meet consumer demand for a legal product that is generally accepted as a cause of serious diseases. Therefore, our products and brands should be developed, manufactured and marketed in a responsible manner.

BOARD OF DIRECTORS

Anthony E Phillip, Chairman
Jean-Pierre S du Coudray, Managing Director
Amanda J Cavill de Zavaley
Danielle F Chow
Ranjit R Jeewan
Ingrid L-A Lashley
Nirala N Singh
Eduardo J Tagle

AUDIT COMMITTEE

Ingrid L-A Lashley, Chairman
Ranjit R Jeewan
Anthony E Phillip

CO SECRETARY AND REGISTERED OFFICE

Danielle F Chow

Corner Eastern Main Road &
Mount D'Or Road
Champs Fleurs
Republic of Trinidad and Tobago

REGISTRAR AND TRANSFER OFFICE

RBC Trust (Trinidad & Tobago) Limited
55 Independence Square
Port of Spain
Republic of Trinidad and Tobago

ATTORNEYS AT LAW & NOTARY PUBLIC

Fitzwilliam Stone Furness-Smith & Morgan
48-50 Sackville Street
Port of Spain
Republic of Trinidad and Tobago

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
11-13 Victoria Avenue
Port of Spain
Republic of Trinidad and Tobago

BANKERS

Citibank (Trinidad & Tobago) Limited
12 Queen's Park East
Port of Spain
Republic of Trinidad and Tobago

Republic Bank Limited
59 Independence Square
Port of Spain
Republic of Trinidad and Tobago

RBC Royal Bank (Trinidad & Tobago) Limited
55 Independence Square
Port of Spain
Republic of Trinidad and Tobago

Scotiabank Trinidad and Tobago Limited
56-58 Richmond Street
Port of Spain
Republic of Trinidad and Tobago

Notice of Meeting

Notice is hereby given that the ONE HUNDRED AND EIGHTH ANNUAL MEETING OF SHAREHOLDERS OF THE WEST INDIAN TOBACCO COMPANY LIMITED ("the Company") will be held at The Jade Conference Room, Hyatt Regency Trinidad, No. 1 Wrightson Road, Port of Spain, Trinidad, on Thursday 4 April 2013 at 10.30 a.m. for the following purposes:

A ORDINARY BUSINESS

1 To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon.

2 To declare a Final Dividend for the financial year ended 31 December 2012.

3 To re-elect Ms Ingrid L-A Lashley, who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5.

4 To re-elect Mrs Amanda Cavill de Zavaley, who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5.

5 To re-elect Mrs Danielle Chow, who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5

6 To re-elect Mr Anthony E Phillip, who retires in accordance with paragraph 4.7:2(g) of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:10 of Bye-Law No. 1 for a term from the date of his election until the close of the next Annual Meeting.

7 To re-elect Mr Ranjit R Jeewan, who retires in accordance with paragraph 4.7:2(g) of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:10 of Bye-Law No. 1 for a term from the date of his election until the close of the next Annual Meeting.

8 To elect Mr Oscar Morales as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No. 1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.

9 To reappoint Messrs PricewaterhouseCoopers as Auditors of the Company to hold office until the close of the next Annual Meeting.

B SPECIAL BUSINESS

10 To consider and if thought fit, to adopt the following ordinary resolution:

WHEREAS it is considered expedient and in the best interest of the Company to amend paragraph 13.4 of Bye-Law No.1 of the Company by deleting the following words at the beginning of the paragraph:

"printed, written or typewritten"

11 To consider and, if thought fit, to adopt the following ordinary resolution:

WHEREAS it is considered expedient and in the best interest of the Company to amend paragraph 16.8 of Bye-Law No.1 of the Company by adding the following sentence to the end of that paragraph as follows:

"Any dividend that is unclaimed after a period of twelve (12) years from the date of declaration of such dividend shall be forfeited and revert to the Company."

12 To consider and, if thought fit, to adopt the following ordinary resolution:

WHEREAS it is considered expedient and in the best interest of the Company to delete paragraph 19 of Bye Law No.1 of the Company and replace with the paragraph as set out in the Appendix to this Notice which is incorporated by reference herein.

C To transact any other business as may properly be brought before the meeting.

BY ORDER OF THE BOARD

Danielle F Chow
Secretary
Corner Eastern Main Road and Mount D'Or Road
Champs Fleurs
TRINIDAD

20 February 2013

NOTES:

1 No material service contracts were entered into between the Company and any of its Directors.

2 The Directors of the Company have not fixed a record date for the determination of shareholders who are entitled to receive notice of the Annual Meeting. In accordance with Section 111(a)(i) of the Companies Act, Ch. 81:01 the statutory record date applies. Only shareholders on record at the close of business on Tuesday 19 February 2013, the date immediately preceding the date on which the Notice is given, are therefore entitled to receive Notice of the Annual Meeting.

3 A shareholder entitled to attend and vote at the Annual Meeting is entitled to appoint a proxy or one or more alternate proxies to attend and act at the Meeting in the manner and to the extent authorised by the proxy and with the authority conferred by the proxy. A proxy need not be a shareholder. All Proxy Forms should be completed and deposited with the Secretary of the Company at the Registered Office of the Company at least 48 hours before the time appointed for the Annual Meeting.

4 A shareholder who is a body corporate may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or governing body to represent it at the Annual Meeting.

BYE-LAW NO.1 OF THE WEST INDIAN TOBACCO COMPANY LIMITED

19.1 **Method of giving notice**

Any notice, report, statement or other document required by the Act, the Regulations, the Securities Act, or any other law, the articles of the Company or this Bye-Law to be delivered or sent to any shareholder, debenture holder, director or auditor may be delivered or sent:

19.1.1 by pre-paid post addressed to, or personal delivery to—
- a. the shareholder at his latest address as shown in the records of the company or its transfer agent;
- b. the director at his latest address as shown in the records of the company or in the latest notice filed under section 71 or 79 of the Companies Act; and
- c. to the auditor or debenture holder at his business address; or

19.1.2 with the consent of the shareholder, debenture holder, director or auditor –
- a. in a compact diskette or other external memory device delivered or sent in the manner set out in paragraph 19.1.1 hereof; or
- b. by facsimile transmission (where permissible by law) or electronic mail in any electronic format to the facsimile number or latest electronic mail address as appropriate provided by the shareholder, debenture holder, director or auditor for the purpose of receiving notices or documents from the company as shown in the records of the company; or
- c. in any other agreed format.

19.2 **Waiver of notice**
Notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

19.3 **Undelivered notices**
If a notice, report, statement or other document is delivered or sent to a shareholder by prepaid post or by electronic mail in accordance with this Bye-Law and the notice report, statement or other document is:
- a. returned on three (3) consecutive occasions, in the case of pre-paid post;
- b. sent to the correct electronic mail address but returned undeliverable;

it shall not be necessary to send any further notices or documents to the shareholder until he informs the Company in writing of his new address or electronic address, as appropriate.

19.4 **Shares and debentures registered in more than one name**
All notices, reports, statements or other documents with respect to any shares or debentures registered in more than one name shall be given to whichever of such persons is named first in the records of the Company and any notice, report, statement or other document so given shall be sufficient notice of delivery to all the holders of such shares or debentures.

19.5 **Persons becoming entitled by operation of law**
Subject to Section 200 of the Companies Act, every person who by operation of law, transfer or by any other means whatsoever becomes entitled to any share is bound by every notice or other document in respect of such share that, previous to his name and address being entered in the records of the Company is duly given to the person from whom he derives his title to such share.

19.6 **Deceased shareholder**

Subject to Section 200 of the Companies Act, any notice, report, statement or other document delivered or sent in accordance with paragraph 19.1 shall, notwithstanding that such shareholder is deceased, and whether or not the Company has notice of his death, be deemed to have been duly served in respect of the shares held by him (whether held solely or with any other person) until some other person is entered in his stead in the records of the Company as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his personal representatives and on every person, if any, interested with him in such shares.

19.7 **Signatures to notices**

Subject to the Companies Act the signature of any director or officer of the Company to any notice or document to be given by the Company may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

19.8 **Computation of time**

Where a notice extending over a number of days or other period is required under any provisions of the articles or the Bye-Laws, the day of sending the notice shall, unless it is otherwise provided, be counted in such number of days or other period and the day for which the notice is given shall not be counted.

19.9 **Proof of Service**

Where a notice, report, statement or other document referred to in paragraph 19.1:-

19.9.1 is delivered personally to the person to whom it is addressed or delivered to his address as mentioned in paragraph 19.1 hereof, service shall be deemed to be effected at the time of delivery of such notice.

19.9.2 is sent by pre-paid post , service of such notice, report, statement or other document shall be deemed to be effected 2 calendar days after posting if the notice, report, statement or other document was properly addressed and posted by prepaid mail and it shall be sufficient to prove that the envelope or wrapper containing the notice, report, statement or other document was properly addressed and delivered to a post office or put into a post office letter box;

19.9.3 is sent by electronic mail or by facsimile transmission, service of such notice, report, statement or other document shall be deemed to be effected on the date of transmission unless the company has notice that the notice, report, statement or other document was not received by the party served;

19.9.4 a certificate of an officer of the Company holding office at the time of the making of the certificate or of any transfer agent of shares of any class of the Company as to the facts in relation to the delivery or sending of any notice, report, statement or other document shall, in the absence of evidence to the contrary, be conclusive evidence of those facts.

19.10 Notwithstanding the provisions of this Bye-Law in the case of the pre-emptive rights granted to shareholders by Section 38 of the Companies Act the provisions for notices set out in subsections (3) to (7) inclusive of that section shall take effect.

The Company, in 2012, has operated within a challenging environment which was further constrained by legislation. Proactive management, high quality products and adherence to the Company's Guiding Principles have, however, resulted in Profit before Tax of $476 million, a growth of 18 percent over the previous year, and Profit for the year of $350 million. The Board of Directors has already approved the payment of three interim dividends totalling $2.60 per share which, together with the proposed final dividend of $1.22 per share, will bring the total dividends payable for 2012 to $3.82 per ordinary share, 20 percent above that of the prior year.

During the year, global economic recovery continued led by the emerging and developing Asian economies and with a moderate recovery in the United States. Growth, however, continued to be impacted by the European Sovereign Debt crisis and, generally, remained weak in Europe. While the Caribbean appeared to be gradually recovering from the economic upheavals, it still faces low growth and high debt with projections of an overall growth rate of 3 percent in 2012.

In this regional economic climate, Trinidad and Tobago's economy continued to show resilience. Against the backdrop of a 2.6 percent decline in 2011, marginal growth is expected to be reported for 2012. This recovery was fostered by improvements in the non-oil sector but was driven by the services sector, in particular. Headline inflation rose to 10.8 percent in the first seven months of the year, however, industrial action, demonstrations and the persistent challenge of crime also impacted on the economy.

West Indian Tobacco places major importance on its partnership with Key Stakeholders and this core business philosophy informs the theme of this Annual Report. We recognise that there are several stakeholders with concerns and views of the tobacco industry; many voices that at times disagree on the future path for the industry. However, there are stakeholders who recognise the positions of the Industry and acknowledge its right to engage transparently on issues affecting its business of manufacturing and selling a legal, highly regulated product that many adults choose to use. We seek to engage with all our stakeholders.

The Company continues to work with the regulators, and independently, to ensure that our products are only available to informed adult consumers. We partner with industry players to invest in a Youth Prevention Programme aimed at discouraging underage smoking. We also work with trade partners to support them in adhering to the legislation while providing accessibility to secure, comfortable spaces and convenient points of sale for those adult consumers of our products.

The Company also recognises shareholders as vital stakeholders and will continue to pursue a consistent strategy to build shareholder value for institutional and individual investors alike. I wish to thank all shareholders for their loyalty and support to the Company.

Of significant importance is our partnership with our employees whose meaningful and confident contributions are essential to the success of the Company. I would like to express my gratitude for the contributions made by the Management and Staff to West Indian Tobacco's continued success and to the Directors for their strategic focus and contribution to the business vision. Also, I record my appreciation for the contribution of former Director, Mr Eduardo Tagle, who resigned from the Board of Directors following his transfer to another British American Tobacco affiliate. At the same time, I am very pleased to welcome to the Board, Mr. Oscar Morales, the Head of Operations for British American Tobacco's interests in the Caribbean and Central America.

On behalf of the Board of Directors, I thank our Managing Director and Management Team for their effective leadership and programme implementation during this challenging period. The underlying business continues to perform well and I am convinced that these factors underpin the success of this Company, which I am confident will continue in the future.

ANTHONY E PHILLIP
Chairman
20 February 2013

The constantly changing global environment continues to stretch our collective capacity as an organisation, energising and shaping the way we transform our business to ensure sustainable long-term success.

The continued challenges in the economic environment locally, coupled with the dynamic legislative and competitive environment also force us to be innovative in the way we redefine the Company's strategy to manufacture and market our products. It is this desire to succeed, despite these challenges, that has allowed us to continue to deliver a solid performance in 2012 and to take the lead to become the undisputed number one in satisfying consumer moments in tobacco in Trinidad and Tobago.

At the centre of it all, the Company remained committed to engaging with all its stakeholders to ensure a mutually beneficial relationship. Undoubtedly, the consumer remains at the heart of our business, and appealing to their needs by providing a relevant, product-focused portfolio has allowed us to continue to grow and create value within the market.

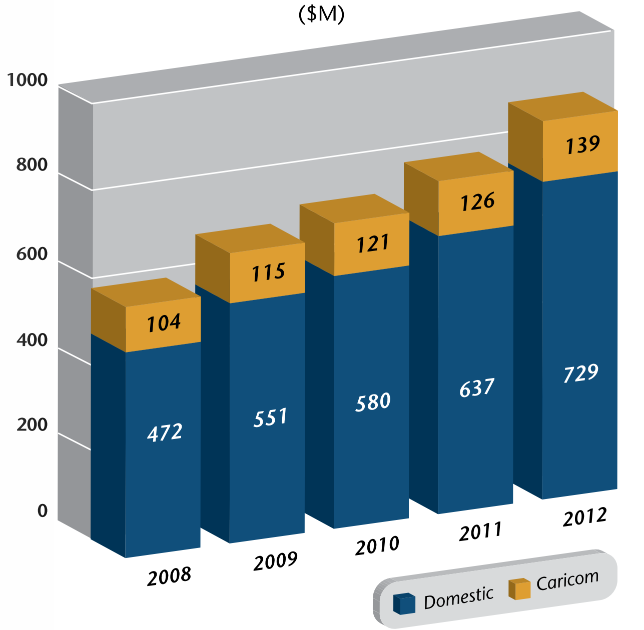
PERFORMANCE AND STRATEGY

We seek to deliver on our vision of leadership by maintaining market excellence within Trinidad and Tobago, and at the same time being the number one manufacturing centre of tobacco products in the Caribbean Community (CARICOM). We are, however, seeking to achieve leadership not just in volume and value, but also in the quality of our business. We recognise that to be industry leaders we must continue to demonstrate that we are a responsible tobacco company with great people, relevant brands and superior products.

Our strategy for building shareholder value is based on focusing our efforts on the fundamentals of growth, productivity, responsibility and building a winning organisation. It adds value to all aspects of our business and sets us apart from the competition, ensuring our long-term business sustainability. It drives our operations and is supported at all times by good corporate governance.

We recognise that our business starts with our consumers and our brands. It's not about encouraging people to start smoking or to smoke more, but about meeting the preferences of adults who have chosen to consume tobacco, and differentiating our brands from our competitors'.

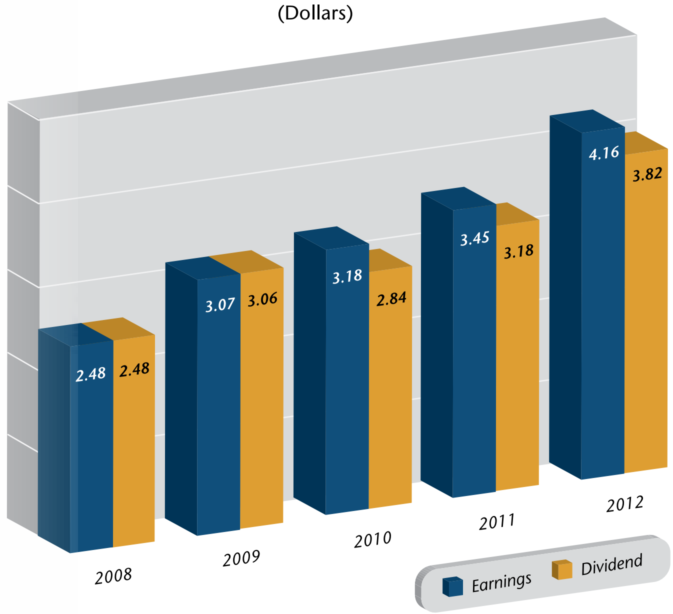
REVENUE
($M)



REVENUES

In 2012, the Company recorded revenue of $868 million, representing growth of 13.7 percent over 2011. This was largely driven by the successful performance of our key brands–Dunhill, du Maurier and Broadway, which have proven to be relevant to our consumer needs. This has been the key driver behind the strong financial results.

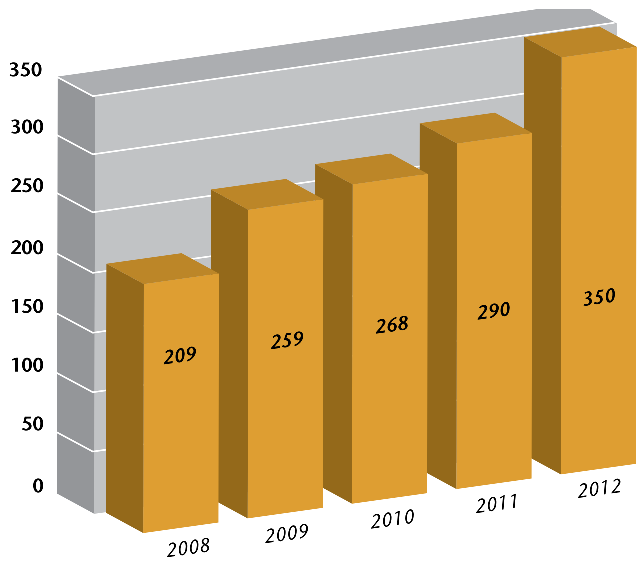
EARNINGS/DIVIDEND PER ORDINARY SHARE
(Dollars)



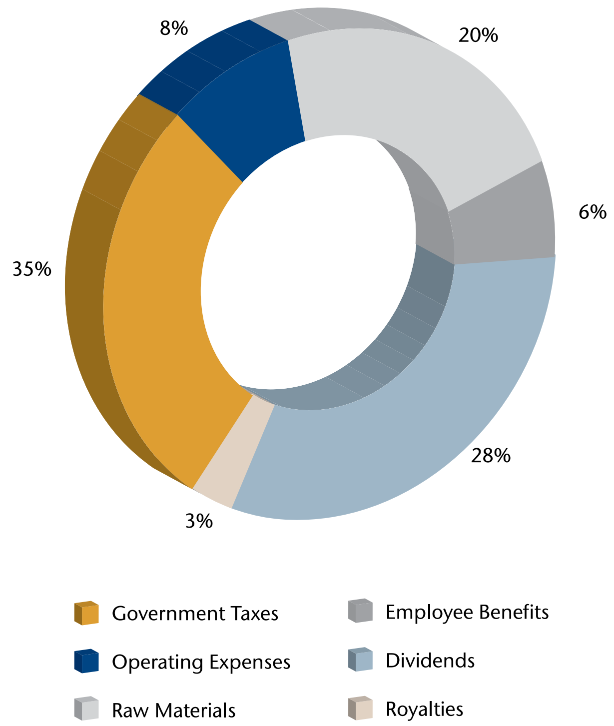
COST OF SALES AND OVERHEADS

Cost of Sales increased by 11.2 percent to $246.9 million, primarily driven by higher raw material prices on the international market. Total overheads amounted to $144.9 million, which was an increase of 4 percent over the prior year and reflected an increase in distribution and administration costs which were driven primarily by inflationary pressures. Notwithstanding the challenges of constantly increasing costs, all cost areas were monitored during 2012, with the objective of maintaining only core business expenditure, and to control costs to within the levels of inflation. This strategy and approach has proven especially successful in the management of overhead costs.

PROFIT AFTER TAXATION
($M)



INCOME DISTRIBUTION



PROFIT AND TOTAL COMPREHENSIVE INCOME

Profit before Taxation ended at $476.2 million, which represented an increase of 18.5 percent over the corresponding period in 2011. This strong result was driven by a redefinition of our marketing strategy over the last three years which has allowed the portfolio to remain relevant to a more sophisticated and informed consumer with changing needs.

The net impact of these strategies has resulted in a Profit for the Year of $350 million, an increase of 20.6 percent over the prior year and a Total Comprehensive Income for the Year of $339.5 million. As a result of this solid performance, there was a net growth in Earnings per Share of 20.6 percent over the prior year. Dividends per Share for 2012, once the Final Dividend is approved at the Annual Meeting, will be $3.82, representing a 20.1 percent growth over 2011.

CASH FLOWS

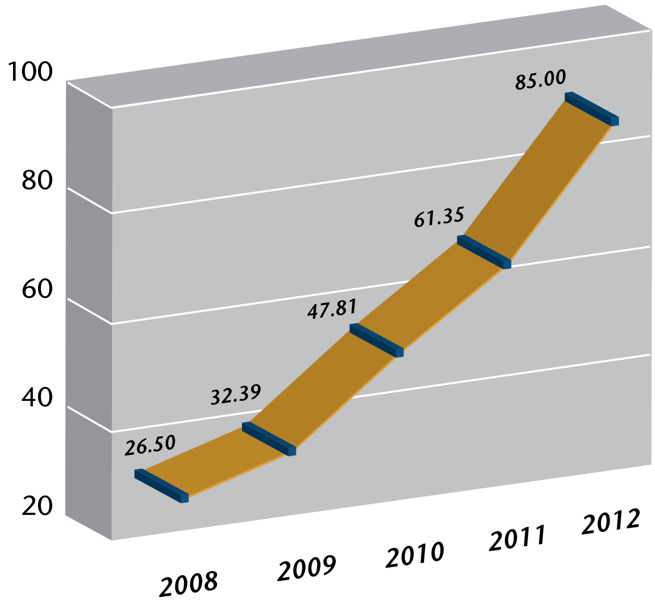
Cash Flows generated from operations increased by $63.1 million to end the year at $345 million. Changes in working capital movements remained relatively stable compared to 2011. The net cash position also increased by $34 million, largely driven by increased profitability, as well as increased focus behind management of working capital and in particular, trade payables and accruals.

GROWTH

Our strategy to deliver our vision begins with growth and our aim to maintain our leadership position in the market, with a focus on our key Brands and other international offers.

We operate in a context of challenging economic conditions, stringent controls and regulations as well as evolving consumer behaviours. As a result, we maintain an unwavering focus on the

SHARE PRICE
($)



sustainable growth of the business. Our strategic focus on value creation for our consumer base, innovation in our portfolio as well as in our marketing orientation, and the prioritisation of responsibility in our actions continue to yield positive results for the business.

Our success in 2012 was grounded by the cohesive alignment of our marketing strategies with the objectives of the business, and it was driven by our ability to anticipate and respond to consumer needs, our understanding of the unique marketing dynamics within which we operate, and our focus on efficiency, high performance and value creation in all of our activities.

The premium segment continued its trend of growth, with strong performances by both Dunhill King Size and Dunhill Fine Cut, as consumers continued to respond favourably to the brand. du Maurier remained fairly stable and is the key volume and profit driver. Broadway also provides share stability in the portfolio.

Guided by tobacco control measures and our own voluntary Marketing Principles, we have implemented initiatives which facilitate some measure of growth, volume maintenance and market development. We continue to partner with outlet owners to provide suitable accommodation for smokers in public places and support the business through approved mechanisms.

Continued emphasis on refining our route-to-market strategy has shown an optimisation of our distribution systems and trade partnerships, thus maintaining our position as supplier of choice in the market while effectively executing our portfolio strategy at the point of sale.

PRODUCTIVITY

We target continuous improvements in our cost base that will provide resources to invest in our brands, helping us to maintain our market share and achieve higher returns for shareholders.

Productivity remains one of the hallmark pillars in the business. This is reflected especially so in the factory operations where it is becoming increasingly challenging in this environment. There is a need to continuously increase the factory's agility, as the dynamics of the marketing landscape continue to change at an accelerated pace. Our resources have been able to adapt in an almost instantaneous manner to support the commercial demands of the business.

In 2012, maintenance and key investments were part of a critical strategy in the factory to improve machinery reliability and product quality and support productivity levels. As a result there was an excellent improvement in quality levels, a significant reduction in Customer and Consumer complaints, and reduction in the inefficiencies of waste.

In an effort to reinforce the Environmental, Health and Safety System in 2012, additional focus was given to Safety Training and Communications to increase the awareness of all employees.

WINNING ORGANISATION

By being a winning organisation we can ensure that we attract, develop and retain the best people we need to deliver our strategy for growth.

Our approach is focused on driving high performance, encouraging greater productivity, building on the excellence of our people to increase our competitive advantage and strengthening our culture and values.

Looking after the fundamentals like providing a safe workplace and listening to their views is equally important. Employee engagement also remained a primary focus for us as a key input in the deliverance of the kind of organisation which we are striving for this year. We conducted our biennial Employee Opinion Survey as it is one of the ways our employees can candidly voice their views on the Company. Employee participation was exceptionally high, exceeding 95 percent and we are in the process of analysing the results for appropriate action as it will in part guide the 2013-14 Human Resources Agenda.

The industrial relations climate continues to remain stable and collaborative due largely to the key partnership with our employees' Union, the Seamen & Waterfront Workers' Trade Union (SWWTU).

RESPONSIBILITY

The Company and its people are required to act responsibly at all times and at the same time, we are seeking to reduce our environmental footprint.

A central part of being a sustainable business has been operating with integrity and responsibility and this the Company has sought to do. At the same time, the continuous engagement with our stakeholders has helped us to understand their concerns and therefore to respond to them appropriately. It gives us valuable feedback on our policies, procedures and ways of working, so that we can continually improve them. It provides us with opportunities to put our views across, helping our stakeholders understand our positions that will allow the Company to maintain a balance between consumer preferences and the interest of society, enabling our business to continue to compete commercially.

At the foundation of this all is effective governance. It is critical that the Company lives up to its principles and standards in order to deliver on its sustainability agenda. Our Business Principles and our Standards of Business Conduct set out what we require of the Company and our employees in terms of responsible corporate behaviour and personal integrity. In 2012, amendments were made in these areas to include and expand the requirements for employee actions and behaviours in situations relating to Bribery and Corruption, Entertainment and Gifts, Political Contributions and Competition and Anti-trust laws.

The Company continues to promote responsible action towards the environment as part of its Thinking Green Programme but has now expanded this to focus on Thinking Safe and Green activities. This has meant a new focus on improving employee safety, awareness of health and safety issues and the participation at all levels in the organisation. This has not distracted from the targets for the Company's key environmental goals, including long-term reduction targets for our carbon dioxide emissions through reduced energy use, water consumption, waste to landfill and business travel as well as the use of solar panels and LED illumination in offices.

We recognise the role of the Company as a corporate citizen and have long supported local community and charitable projects. In fact, the Company approaches corporate social investment as an end in itself, rather than as a way to promote ourselves. The Company has always been closely identified with the communities where it operates and has focused on community development through the national instrument and the empowerment of adults.

LOOKING AHEAD

My appreciation and thanks to those who made 2012 a memorable year. Looking to 2013 and beyond, our vision of maintaining leadership of our industry remains as relevant as ever. We still have much to do to make it a reality but our strategy for growth means we are well placed to succeed. We have the brands, people and the will to do it; we will continue to partner with stakeholders to make it happen.

JEAN-PIERRE S DU COUDRAY
Managing Director

The Directors have pleasure in submitting their report and the Audited Financial Statements for the year ended 31 December 2012.

FINANCIAL HIGHLIGHTS

		2012
	$'000	**$'000**
Gross Turnover (including excise)		**1,107,575**
Revenue		868,022
Cost Of Sales		(246,893)
Gross Profit		**621,129**
Distribution Costs		(20,024)
Administrative Expenses		(96,490)
Other Operating Expenses		(31,387)
Other Income		2,992
Operating Profit		476,220
Interest Income		16
Profit Before Taxation		**476,236**
Taxation		(126,197)
Profit for the Year		**350,039**
Other Comprehensive Income		
Actuarial gains/(losses) on Pension and Other Post-Retirement Benefits		(10,524)
Total Comprehensive Income for the Year		**$339,515**
Dividends		
Interim - 1st- $0.68 per ordinary share paid on 10 May 2012	57,283,200	
Interim - 2nd- $0.94 per ordinary share paid on 9 August 2012	79,185,600	
Interim - 3rd- $0.98 per ordinary share paid on 9 November 2012	82,555,200	
Proposed Final- $1.22 per ordinary share to be paid on 26 April 2013	102,772,800	
		(321,797)
Retained Earnings transferred to Revenue Reserves		17,718

DIRECTORS, SENIOR OFFICERS, CONNECTED PERSONS AND SUBSTANTIAL INTERESTS/LARGEST HOLDERS

In accordance with the requirements of our Listing agreement with The Trinidad and Tobago Stock Exchange Limited ("the TTSE") and Rule 601 of the Rules of the TTSE, we record hereunder details of the beneficial interest of each Director and Senior Officer, together with their connected persons, in the share capital of the Company as at the end of the Company's financial year 31 December 2012.

DIRECTORS	ORDINARY SHARES	NO. OF SHARES HELD BY CONNECTED PERSONS
Mr Anthony E Phillip	NIL	NIL
Mr Jean-Pierre S du Coudray	14,219	NIL
Mrs Amanda J Cavill de Zavaley	NIL	NIL
Mrs Danielle F Chow	NIL	NIL
Mr Ranjit R Jeewan	28,000	NIL
Ms Ingrid L-A Lashley	NIL	NIL
Mrs Nirala N Singh	NIL	NIL

There are no other interests held by the Directors. There has been no change in the interests of Directors or connected persons of Directors between the end of the Company's financial year and January 31, 2013, the latter being a date not more than one (1) month prior to the date of the notice convening the Company's Annual Meeting.

SENIOR OFFICERS	ORDINARY SHARES	NO. OF SHARES HELD BY CONNECTED PERSONS
Mr Jean-Pierre S du Coudray	14,219	NIL
Mrs Danielle F Chow	NIL	NIL
Mrs Cassandra Patrovani-Sylvester	NIL	NIL
Mrs Nirala N Singh	NIL	NIL
Mr Javier Zubillaga	NIL	NIL

SUBSTANTIAL INTEREST/LARGEST HOLDERS

In accordance with the requirements of our Listing agreement with the TTSE and Rule 601 of the Rules of the TTSE, we list below those persons holding the ten (10) largest block of shares in the Company as at 31 January 2013.

The Trinidad and Tobago Central Depository holds the legal interest in shares for and on behalf of the several beneficial owners totalling 35,469,876 as at 31 January 2013.

	As at 31 January 2013
British American Tobacco (Investments) Limited	42,227,652
Home Mortgage Bank	6,455,461
Republic Bank Limited	5,867,792
RBTT Trust Limited	5,505,327
Colonial Life Insurance Co. (Trinidad) Limited	4,548,712
Trintrust Limited	2,188,430
First Citizens Trust and Asset Management	2,186,919
Tatil Life Assurance	1,698,865
National Insurance Board	1,009,906
T Geddes Grant	780,000

DISCLOSURE OF INTEREST OF DIRECTORS AND OFFICERS IN ANY MATERIAL CONTRACT (pursuant to Section 93(1)(a) of the Companies Act Ch 81:01)

At no time during the current financial year has any Director or Officer been a party to a material contract with the Company, or was materially interested in a contract or in a party to a material contract which was significant in relation to the Company's business.

DISCLOSURE OF DIRECTORS OR OFFICERS WHO ARE DIRECTORS OR OFFICERS OF COMPANIES THAT ARE A PARTY TO MATERIAL CONTRACTS WITH THE COMPANY (pursuant to Section 93(1)(b) of the Companies Act Ch 81:01)

Mrs Amanda J Cavill de Zavaley, Non-executive Director, is a Director of our affiliated Companies, Carisma Marketing Services Limited in St Lucia, Demarara Tobacco Company Limited in Guyana, Carreras Limited in Jamaica and British American Tobacco Caribbean S.A. in Panama.

Directors' Report

DIRECTORS

In accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, Ms Ingrid L-A Lashley, Mrs Amanda Cavill de Zavaley, and Mrs Danielle Chow retire from the Board of Directors and, being eligible, offer themselves for re-election.

In accordance with paragraph 4.7:2(g) of Bye-Law No. 1 of the Company, Messrs Anthony E Phillip and Ranjit R Jeewan retire from the Board of Directors and, being eligible, under paragraph 4.7:10 of Bye-Law No. I, offer themselves for re-election.

In accordance with the Companies Act, Chapter 81:01 Section 74, Mr Eduardo J Tagle resigned from the Board of Directors with effect from 20 February 2013.

In light of the casual vacancy caused by the resignation of Mr Eduardo J Tagle, Mr Oscar Morales was appointed to the Board on 20 February 2013 until the expiration of the term of his predecessor. In accordance with paragraph 4.7:5 of the Bye-Law No.1 of the Company Mr Oscar Morales retires from the Board of Directors and, being eligible, offers himself for election.

AUDITORS

The Auditors, Messrs PricewaterhouseCoopers, retire and have expressed their willingness to be re-appointed. Messrs PricewaterhouseCoopers are practising members of the Institute of Chartered Accountants of Trinidad and Tobago and are eligible for appointment as auditors of the Company under the rules of the said Institute.

FINANCIAL CALENDAR

REPORTS	
Interim Report for First Quarter ending 31 March 2013	May 2013
Interim Report for Second Quarter ending 30 June 2013	August 2013
Interim Report for Third Quarter ending 30 September 2013	November 2013
Preliminary Announcement for the year to 31 December 2013	February 2014
Annual Financial Statements for the period ending 31 December 2013	March 2014

PROPOSED DIVIDEND PAYMENTS

(in accordance with paragraph 16 of Bye-Law No. 1)

Final 2012	April 2013
First Interim 2013	May 2013
Second Interim 2013	August 2013
Third Interim 2013	November 2013
Final 2013	April 2014

BY ORDER OF THE BOARD

Danielle F Chow
Secretary
20 February 2013

Directors' Profiles

Anthony Phillip – Chairman

Anthony Phillip joined West Indian Tobacco in 1973 as a manager in its Production Department and became the Production Manager/Director in 1984 after completing a period of secondment to British American Tobacco, Kenya. He was appointed Managing Director in 1998 and following his retirement in 2006, became Chairman in 2007. He was also Chairman and Managing Director of British American Tobacco (Malawi) Limited from 1994 to 1998. Mr Phillip, who began his career as an Industrial Chemist, holds an Executive Masters in Business Administration from The University of the West Indies.

Jean-Pierre du Coudray – Managing Director

Jean-Pierre du Coudray was appointed Managing Director of West Indian Tobacco in October 2006. He has been in the tobacco industry since 2001 and has led the Company's Trade Marketing & Distribution Department before going on assignment to lead the trade marketing services of British American Tobacco (BAT) Group's interests in the Caribbean. Mr du Coudray holds a Bachelor of Arts Degree in Economics from the University of Western Ontario, Canada.

Amanda Cavill de Zavaley

Amanda Cavill de Zavaley was appointed a Director in February 2011. She has worked within the BAT Group in Venezuela, Bangladesh, Chile, Trinidad and Tobago, Malawi and Spain before assuming the position of Head of Finance of BAT Group's operations in the Caribbean and Central America. Mrs Cavill de Zavaley, a Chartered Management Accountant, holds a Bachelor of Science Degree in Management Science and is a member of the Chartered Institute of Management Accountants, UK.

Danielle Chow

Danielle Chow was appointed the Company's first female Director in July 2004 and also assumed the role of Company Secretary in 2007. Mrs Chow has been in the tobacco industry since 1999 and has led the Legal, Corporate Affairs, Security and Human Resource functions both locally and within the BAT Group's interest in the Caribbean. Mrs Chow, an Attorney at Law, holds a Bachelor of Laws from The University of the West Indies and was admitted to the local Bar in 1985.

Ranjit Jeewan

Ranjit Jeewan was appointed a Director in November 1986 and has been a member of the Board's Audit Committee since 1990. Mr Jeewan has worked in the tobacco industry since 1968 and headed the Finance function of West Indian Tobacco for 16 years until his retirement in 2002. During this period, he was seconded on overseas assignments within the BAT Group to United Kingdom and Singapore.

Ingrid Lashley

Ingrid Lashley was appointed a Director in August 2008 and the Chairman of the Audit Committee in March 2009. Ms Lashley is a Chartered Accountant and a Certified Management Accountant. She holds an undergraduate degree and also pursued an MBA at the McGill University in Montreal, Canada.

Nirala Singh

Nirala Singh was appointed a Director in August 2010. She has held several roles within the Finance function over the last 12 years both locally and in the BAT Group's operations in the Caribbean and Central America. Mrs Singh is a Chartered Accountant and also holds a Master of Business Administration from Andrews University, Michigan, USA.

Eduardo Tagle

Eduardo Jose Tagle was appointed a Director in February 2012. He has worked in various areas of tobacco production since 1993 and has been on assignments in South America, Dubai, Uzbekistan, Caribbean and Central America. Mr Tagle is currently the Operations Director for BAT Mexico. Mr Tagle is a qualified Agronomical Engineer and also attained his Master of Business Administration.

Oscar Morales

Oscar Morales was appointed a Director in February 2013. Mr Morales has worked in the tobacco industry for 21 years in the Operations function and led the manufacturing departments in Chile, Mexico, and Poland. He has also led the BAT Group's Other Tobacco Product sector for Western Europe before taking up the position of Head of Operations for the BAT Group's operations in the Caribbean and Central America. Mr Morales is a qualified electrical engineer.

Board of Directors

Anthony E Phillip
Chairman

Jean-Pierre S du Coudray
Managing Director

Ranjit R Jeewan

Nirala N Singh

Danielle F Chow Ingrid L-A Lashley Eduardo J Tagle Amanda J Cavill de Zavaley

MARKETING

From left to right:

Arun Singh (Trade Marketing and Distribution)
Kevin Lewis (Trade Marketing and Distribution)
Melissa Edwards (Brand Marketing)
Carla Boodoo (Brand Marketing)
Allister James (Trade Marketing and Distribution)
Jason Fournillier (Trade Marketing and Distribution)
Vijay Singh (Trade Marketing and Distribution)

MANUFACTURING

From left to right:

Marlon Rattan (Secondary Manufacturing)

Javier Zubillaga (Production)

Dwight Pierre (Secondary Manufacturing)

Taran Persad (Secondary Manufacturing/
Primary Manufacturing)

Joseph Chin Cheong (Engineering and
Environmental Health and Safety)

Hector Martinez (Secondary Manufacturing)

CORPORATE SERVICES

From left to right:

Colin Harris (Security and Anti-illicit Trade)
Nirala Singh (Finance)
Tricia Maraj (Finance)
Danielle Chow (Corporate and Legal Affairs)
Allison Manwarring (Procurement)
Rowan Brathwaite (Legal Affairs)
Charmaine Mohamed (Corporate Affairs)
Jerome Singh (Human Resources)

OPERATIONS SUPPORT

From left to right:

Ian Bahadoorsingh (Customer Relations)
Gina Ferguson Spencer (Logistics)
Daniel Cockburn (Information Technology)
Shalini Singh (Logistics)
Solmer Thom (Quality Assurance)
Isha Reuben Theodore (Finance)
Siti Jones Gordon (Human Resources)

Partnership

A winning formula for all

Working together, we can ensure that the tobacco industry is well regulated, responsive to the needs of its consumers and customers, a sound investment for shareholders, and able to make a positive contribution to society and sustainability. This is the philosophy of our stakeholder engagement and partnership building. We value our partnerships in the society in which we operate and by engaging, it helps us to understand and respond to concerns, gives us valuable feedback to make improvements in the way we work, provides us with opportunities to help our stakeholders understand our positions, support our partners and is a way of sharing expertise.

As a Company we recognise our stakeholders to include investors, Government, Non Governmental Organisations, regulators, suppliers, the scientific and public health communities, consumers, employees, local communities, customers (retailers and distributors) and sustainability opinion leaders – anyone who is impacted by, or can impact upon, our business operations. They are all important to our business. We have been criticised for not engaging with those stakeholders who are most critical of the tobacco industry and this is an area we have tried to address. We have been open to discussions with these stakeholders but their willingness to participate remains a challenge. We continue to remain open to meeting our critics and engaging in constructive discussion.

Working together to control the industry

Given the potential health impacts of tobacco, we agree that the industry should be appropriately regulated. We believe that regulation should be shaped in collaboration with all stakeholders, including the tobacco industry, and based on robust evidence. As an alternative, real danger exists that disproportionately harsh regulation can encourage the rise of the black market in tobacco products. It is then possible that rules to prevent sales to children are undermined by the illicit sales trade and products of questionable quality and manufacture can fall into the hands of consumers.

For this reason, our trade partners are an important part of our business, requiring the management of business-to-business relationships with the distributors, wholesalers and retailers. We place as strong an emphasis on being a high quality supplier to the trade as we do on working to ensure high standards amongst our own suppliers. We aim to become the benchmark partner to the trade in the strategic channels where we do business and work to operate in the most efficient and effective way. We also work to fully support activities to eliminate illicit trade and provide a sound business platform for all trade partners. This allows retailers to offer the products our consumers want to buy, where they want them, when they want them, at the right quality, price and quantity.

For our part, we ensure that our business practices are directed at supporting only the legitimate trade in products, and are committed to doing everything we reasonably can to minimise the risk of products being diverted into illicit trade channels.

Factory process supports manufacture of quality product

Trade partnership

Responsive marketing approach

We are committed to working with stakeholders in public health and tobacco control who want to prevent under age smoking and protect those adults who have no interest in our products from being impacted by them. Apart from the requirements laid out in the Tobacco Control Act, we have taken the initiative to develop our own Marketing Principles which provide a consistent and responsible approach to marketing. We are committed to ensuring that we will not mislead about the risks of smoking; we will only market our products to adult smokers; we will not seek to influence the consumer's decision about whether or not to smoke, nor how much to smoke, and it should always be clear to our consumers that our advertising, where permitted by law, originates from a tobacco company.

We agree that the tobacco industry should be regulated, but we also think we should be able to communicate in a responsible way with adult tobacco consumers about our products so that we can provide them with their chosen brand. Our Youth Smoking Prevention programme is a comprehensive effort of the Supermarkets Association and the Company that raises both consumer and retailer awareness about the importance of curbing under age smoking. We fully support laws and regulations prohibiting the sale of tobacco products to anyone under the legal minimum age. Like any business, we want to grow our market share, but we do this

Youth Smoking Prevention in-store poster responsibly, not by trying to increase the number of smokers or how much they smoke, but by providing existing adult smokers with factual information about our products so that they choose our products over our competitors'.

A comfortable space for smokers

Adult informed consumers, who choose to smoke, deserve a space to do so where they will not impact others. We have listened to their request for a comfortable environment in which like-minded individuals can socialise and we work with hotels, restaurants and bars to provide comfortable open-air smoking spaces. We know many people do not want to breathe second-hand smoke, dislike the smell of tobacco smoke and avoid smoky places. However, there are ways to reduce the exposure to smoke but not banish smokers – and not leave people who smoke feeling discriminated against.

We also communicate with our consumers and facilitate their desire for community by sharing brand preference and factual information through one-to-one marketing. We inform our consumers about new products and improvements to existing products through direct, legally approved channels.

Culture, community and the environment

In 2012, we continued to collaborate with stakeholders in the areas of culture and community. For more than a generation, we have been privileged to show our consistent support for the national instrument and we also seek out creative means of contributing to the welfare of at-risk or needy citizens of our nation.

Our vision of a sustainable tobacco business is one where all employees manage the impact of its operations and products responsibly today, and prepare for a future in which it continues to create value for shareholders as well as operate in the best interest of other stakeholders. We are committed to doing all we can to ensure that future generations enjoy a safe, clean, green environment and address both our immediate environmental impacts and the likely environmental pressures on the business in the future.

Training with retailer on the accommodation for smokers in public places

Employee participation in the Thinking Safe and Green initiative

Our partnerships are led by the diverse and talented people who operate within the Company. They too are key partners. We value their input and protect their wellbeing while building a culture based on exceptional commitment and deep personal responsibility.

West Indian Tobacco

FINANCIAL STATEMENTS

The Year at A Glance

	2012 $'000	2011 $'000	Change %
Revenue	868,022	763,153	13.7%
Gross Profit	621,129	541,144	14.8%
Total Expenses	(144,909)	(139,155)	4.1%
Operating Profit	476,220	401,989	18.5%
Interest Income	16	21	-23.8%
Profit Before Taxation	476,236	402,010	18.5%
Taxation	(126,197)	(111,794)	12.9%
Profit for the year	350,039	290,216	20.6%
Other Comprehensive Income			
-Actuarial gains/ (losses) on Pension and Other Post-retirement Benefits	(10,524)	(7,873)	33.7%
Total Comprehensive Income for the year	339,515	282,343	20.2%

Five Years at A Glance

	2008 $'000	2009 $'000	2010 $'000	2011 $'000	2012 $'000
Profit and Taxation					
Profit before taxation TT$	282,346	352,578	371,877	402,010	476,236
Taxation	73,132	93,903	104,095	111,794	126,197
Profit after taxation TT$	209,214	258,675	267,782	290,216	350,039
Dividends	208,915	257,774	239,242	267,883	321,797
Effective rate of taxation (%)	25.9	26.6	28.0	27.8	26.5
Balance Sheet					
Shareholders' equity	207,016	220,325	144,239	189,870	227,806
Deferred tax Liability	22,504	17,898	12,431	10,075	5,536
Non-current liabilties	26,796	41,457	66,822	75,376	67,503
Current liabilities	101,246	150,222	135,561	107,211	128,776
Total Funds Employed	357,562	429,902	359,053	382,532	429,621
Property, plant and equipment	220,981	221,956	223,838	218,068	215,152
Inventories	54,239	48,388	43,196	43,227	48,017
Cash at bank and in hand	64,806	130,719	69,339	100,816	134,787
Other current assets	17,536	28,839	22,680	20,421	31,665
Total Assets	357,562	429,902	359,053	382,532	429,621
Statistics					
Issued Share Capital ('000)	84,240	84,240	84,240	84,240	84,240
Earnings per ordinary share ($)	2.48	3.07	3.18	3.45	4.16
Dividends per ordinary share ($)	2.48	3.06	2.84	3.18	3.82
Net assets value per ordinary share ($)	2.46	2.62	1.71	2.25	2.70
Share prices at 31 December ($)	26.50	32.39	47.81	61.35	85.00

Independent Auditor's Report

To the shareholders of
The West Indian Tobacco Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The West Indian Tobacco Company Limited, which comprise the statement of financial position as at 31 December 2012, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The West Indian Tobacco Company Limited as at 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
21 February 2013
Port of Spain,
Trinidad, West Indies

Statement Of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	31 December 2012 $'000	31 December 2011 $'000
Non-current Assets			
Property, plant and equipment	5	215,152	218,068
Current Assets			
Inventories	6	48,017	43,227
Trade and other receivables	8	31,665	20,421
Cash and cash equivalents	9	134,787	100,816
		214,469	164,464
Total Assets		429,621	382,532
Shareholders' Equity			
Share capital	10	42,120	42,120
Revaluation surplus	5.1	48,276	48,942
Retained earnings		137,410	98,808
		227,806	189,870
Non-current Liabilities			
Deferred income tax	11	5,536	10,075
Retirement benefit obligation	12	61,064	68,314
Post employment medical benefit obligation	12	6,439	7,062
		73,039	85,451
Current Liabilities			
Trade and other payables	13	87,336	81,594
Due to parent company	20 iv	10,211	3,649
Dividends payable		26,157	15,703
Taxation payable		5,072	6,265
		128,776	107,211
Total Liabilities		201,815	192,662
Total Equity and Liabilities		429,621	382,532

The notes on pages 39 to 67 are an integral part of these financial statements.

On 20 February 2013, the Board of Directors of The West Indian Tobacco Company Limited authorised these financial statements for issue.

_____________________ Chairman _____________________ Managing Director

Statement Of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year Ended 31 December 2012 $'000	2011 $'000 (Restated)
Gross Turnover (including excise)	14	1,107,575	1,006,470
Revenue	14	868,022	763,153
Cost Of Sales	15	(246,893)	(222,009)
Gross Profit		621,129	541,144
Distribution Costs	15	(20,024)	(15,505)
Administrative Expenses	15	(96,490)	(91,109)
Other Operating Expenses	15	(31,387)	(36,171)
Other Income	16	2,992	3,630
Operating Profit		476,220	401,989
Interest Income		16	21
Profit Before Taxation		476,236	402,010
Taxation	17	(126,197)	(111,794)
Profit For The Year		350,039	290,216
Other Comprehensive Loss			
Actuarial losses on pensions and other post retirement benefits		(10,524)	(7,873)
Total Comprehensive Income For The Year		339,515	282,343
Earnings Per Ordinary Share	18	$ 4.16	$ 3.45
Dividends Per Ordinary Share	19	$ 3.82	$ 3.18

The notes on pages 39 to 67 are an integral part of these financial statements.

Statement Of Changes In Shareholders' Equity

(Expressed in Trinidad and Tobago Dollars)

	Note	Share Capital $'000	Revaluation Surplus $'000	Retained Earnings $'000	Shareholders' Equity $'000
Year ended 31 December 2012					
Balance at 1 January 2012		42,120	48,942	98,808	189,870
Comprehensive income					
Profit for the year		–	–	350,039	350,039
Other comprehensive loss					
Actuarial losses on pensions and other post retirement benefits		–	–	(10,524)	(10,524)
Depreciation transfer on buildings, net of tax		–	(666)	666	–
Transactions with owners					
Dividends	19	–	–	(301,579)	(301,579)
Balance at 31 December 2012		42,120	48,276	137,410	227,806
Year ended 31 December 2011					
Balance at 1 January 2011		42,120	49,610	52,509	144,239
Comprehensive income					
Profit for the year		–	–	290,216	290,216
Other comprehensive loss					
Actuarial losses on pensions and other post retirement benefits		–	–	(7,873)	(7,873)
Depreciation transfer on buildings, net of tax		–	(668)	668	–
Transactions with owners					
Dividends	19	–	–	(236,712)	(236,712)
Balance at 31 December 2011		42,120	48,942	98,808	189,870

The notes on pages 39 to 67 are an integral part of these financial statements.

Statement Of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Note	Year Ended 31 December 2012 $'000	2011 $'000
Cash Flows From Operating Activities			
Profit before taxation		476,236	402,010
Adjustments for:			
Depreciation		19,742	22,531
Loss on disposal of property, plant and equipment		3,080	43
Net decrease in pensions and other post-retirement benefits, excluding actuarial losses		(21,906)	(1,944)
Interest income		(16)	(21)
Operating profit before working capital changes		477,136	422,619
Changes in working capital:			
Increase in inventories		(4,790)	(31)
(Increase)/decrease in trade receivables and prepayments		(8,433)	749
(Increase)/decrease in receivables from related parties		(2,811)	1,510
Decrease in trade payables and accruals		(362)	(2,705)
Increase/(decrease) in due to related parties		6,104	(4,706)
Increase/(decrease) in due to parent company		6,562	(19,161)
Cash Generated From Operating Activities		473,406	398,275
Taxation Paid		(128,420)	(116,359)
Net Cash Generated From Operating Activities		344,986	281,916
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(20,081)	(17,035)
Proceeds from sale of property, plant and equipment		175	231
Interest received		16	21
Net Cash Used In Investing Activities		(19,890)	(16,783)
Cash Flows Used In Financing Activity			
Dividends paid		(291,125)	(233,656)
Net Increase In Cash And Cash Equivalents		33,971	31,477
Cash And Cash Equivalents At Beginning Of Year		100,816	69,339
Cash And Cash Equivalents At End Of Year	9	134,787	100,816
Cash at bank and in hand		134,785	100,814
Short-term deposits		2	2
		134,787	100,816

The notes on pages 39 to 67 are an integral part of these financial statements.

1 General Information

The West Indian Tobacco Company Limited is incorporated in the Republic of Trinidad and Tobago.

The Company is listed on the Trinidad and Tobago Stock Exchange. The address of the registered office is Corner Eastern Main Road and Mt. D'or Road, Champs Fleurs, Trinidad, West Indies. It is a subsidiary of British American Tobacco (Investments) Limited, a company registered in the United Kingdom. Its ultimate parent company is British American Tobacco p.l.c., a company registered in the United Kingdom.

The principal business activities of the Company are the manufacture and sale of cigarettes.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings in accordance with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The following is a summary of new standards, amendments and interpretations having an impact on the Company in the current year and in the future:

(a) New standards, amendments and interpretations effective and adopted by the Company in the current year

The Company's financial statements were not materially impacted by new standards, amendments or interpretations effective and/or adopted in the current year.

2 Significant Accounting Policies (Continued)

2.1 Basis of preparation (continued)

(b) New standards, amendments and interpretations issued and effective from 1 January 2013 or after and not early adopted

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2013, but the Company has not yet early adopted them:

- IAS 19 (amendment), 'Employee benefits'. IAS 19 was amended in June 2011 and effective for periods beginning on or after 1 January 2013. The key changes in the amended standard relate to the following:

  - The elimination of the corridor approach. All actuarial gains and losses to be recognised in other comprehensive income (OCI) as they occur.
  - The immediate recognition of all past service costs.
  - The replacement of interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability.
  - Changes to presentation in the statement of comprehensive income and additional disclosures.

  The Company currently accounts for all actuarial gains and losses as they occur. Based on a preliminary assessment on the last two elements, the Company does not believe that these will significantly impact the financial statement

- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income (effective 1 January 2013). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. This amendment is not expected to have a material impact on the Company's financial statements.

- IFRS 9, 'Financial instruments'. IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. This standard is not applicable until 1 January 2013 but is available for early adoption. The standard is not expected to have a material impact on the Company's financial statements.

- IFRS 13, 'Fair value measurement'. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not applicable until 1 January 2013 but is available for early adoption. The standard is not expected to have a material impact on the Company's financial statements.

2 Significant Accounting Policies (Continued)

2.1 Basis of preparation (continued)

(b) New standards, amendments and interpretations issued and effective from 1 January 2013 or after and not early adopted (Continued)

- Amendment to IFRS 7, 'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities (effective 1 January 2013). This amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare US GAAP financial statements. The standard is not expected to have a material impact on the Company's financial statements.

- IAS 32 "Offsetting Financial Assets and Financial liabilities"- Amendments to IAS 32 (effective 1 January 2014). This requires that "a financial asset and a financial liability shall be offset when, and only when, an entity currently has a legally enforceable right to set off the recognised amounts". The amendments clarify that rights of set-off must not only be legally enforceable in the normal course of business, but must also be enforceable in the event of default and the event of bankruptcy or insolvency of all of the counterparties to the contract, including the reporting entity itself.

2.2 Foreign currency translation

(a) **Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars which is the Company's functional and presentation currency.

(b) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director and the local management team, which is the team responsible for allocating resources and assessing performance of the operating segments and is also responsible for making strategic decisions.

2 Significant Accounting Policies (Continued)

2.4 Property, plant and equipment

Freehold land and buildings comprise mainly factory and offices and are shown at fair value based on valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Independent valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss, and depreciation based on the asset's original cost is transferred from revaluation surplus to retained earnings.

Land is not depreciated. Depreciation is provided at varying rates sufficient to write off the cost/valuation of the assets over their estimated useful lives. Depreciation is provided as follows:

- Freehold buildings at 2.5% per annum on valuation
- Plant and machinery at 7% per annum on cost
- Furniture and equipment at rates varying between 5% and 33% per annum on cost
- Motor vehicles at rates varying between 25% and 33% per annum on cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are recognised within other operating expenses in profit or loss.

When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

2 Significant Accounting Policies (Continued)

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Inventories

Inventories are stated at the lower of cost or net realisable value, allowance having been made for slow moving and obsolete items. Cost is determined on the following bases:

- Raw materials are valued at average cost
- Inventories in process are valued at raw materials cost
- Finished goods comprise raw materials plus a portion of labour and production overheads based on normal operating capacity
- Supplies and sundries are valued at average cost
- Goods in transit are valued at suppliers' invoice cost plus freight and insurance as applicable

Cost of inventories excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.7 Financial assets

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (Notes 2.8 and 2.9).

Impairment testing of trade and other receivables is described in Note 2.8.

2 Significant Accounting Policies (Continued)

2.8 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision made for impairment of these receivables. A provision for impairment of trade and other receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivables are impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within distribution costs. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against distribution costs in profit or loss.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term highly liquid investments with original maturities of three months or less.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.11 Current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The principal temporary differences arise from depreciation on property, plant and equipment and provision for pensions and other post retirement benefits.

2 Significant Accounting Policies (Continued)

2.12 Employee benefits

(a) Retirement benefit plans

The Company operates two retirement benefit plans, a defined benefit plan and a defined contribution plan.

A defined benefit plan is a pension plan that is not a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The plans are generally funded through employer and employee contributions to insurance companies or trustee-administered funds.

(i) Defined benefit plan

The Company operates a defined benefit plan for its eligible employees. This plan defines an amount of pension that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The funds of the plan are administered by fund managers appointed by the trustees of the plan. The pension plan is generally funded by payments from employees and the Company, taking account of the recommendations of independent qualified actuaries.

The pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to profit or loss so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan at least every three years (the last valuation was completed as at 1 January 2009). Roll-forward valuations, which are less detailed than full valuations are performed annually.

The liability recognised in the statement of financial position in respect of the defined benefit plan is the fair value of plan assets less the present value of the defined benefit obligations at the statement of financial position date, together with adjustments for unrecognised past service costs. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of long-term government securities.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

During 2011, the defined benefit plan was closed to new entrants. The Company is in the process of establishing a defined contribution plan. This plan will cover all employees joining the Company as of September 2011.

2 Significant Accounting Policies (Continued)

2.12 Employee benefits (continued)

(a) Retirement benefit plans (continued)

(ii) Defined contribution plan

The Plan comprises two deferred annuity schemes for each employee: an individual deferred annuity and a corporate deferred annuity. Employees as well as the Company will contribute to the plan for the specific purpose of providing income upon retirement. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due (Note 15.1). Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Under the terms of the plan, employees as well as the Company will contribute to a defined contribution plan for the specific purpose of providing income upon retirement.

(b) Post employment medical benefit obligation

The Company provides post employment medical benefits for retirees. The entitlement to this benefit is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The method of accounting used to recognise the liability is similar to that for the defined benefit plan. These obligations are valued annually by independent qualified actuaries. The main additional actuarial assumption is the long-term increase in health costs. The charge for the current year is recognised in profit or loss under employee benefit expense (Note 15.1). Actuarial gains and losses arising are charged or credited to other comprehensive income in the period in which they arise.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to terminating employment of current employees according to a formal plan without the possibility of withdrawal.

(d) Bonus plans

The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for bonus plans are expected to be settled within 12 months.

(e) Vacation liability

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of service rendered by employees up to the financial position date.

2 Significant Accounting Policies (Continued)

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Gross turnover represents the net amounts invoiced, including excise duty, net of value added taxes.

The Company recognises revenue when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as follows:

(a) **Sale of goods**

The Company manufactures and sells cigarettes. Sales of goods are recognised when the Company has delivered products to the customer who has some discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the Company has objective evidence that all criteria for acceptance have been satisfied.

(b) **Sale of services**

Revenue from fixed-price contracts for consultancy services is generally recognised in the period the services are provided, using a straight-line basis over the term of the contract.

(c) **Interest income**

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

2 Significant Accounting Policies (Continued)

2.16 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss in the period in which they arise.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's directors.

2.18 Comparative information

Comparative information has been adjusted for certain reclassifications within component line items in profit or loss. The impact of these reclassifications is summarised in Note 24 along with a description thereon.

3 Financial Risk Management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. Risk management is carried out in line with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as market risk, credit risk, and the investment of excess liquidity.

(a) **Market risk**

This comprises foreign exchange risk, cash flow and fair value interest rate risk and price risk.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Euro and British Pound (GBP). Foreign exchange risk arises when recognised financial assets or liabilities are denominated in a currency that is not the entity's functional currency.

3 Financial Risk Management (Continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

If the Trinidad and Tobago (TT) dollar had depreciated/appreciated by 5% against the US dollar, Euro and British Pound with all other variables held constant, profit for the year would have been impacted as follows:

	2012 $'000	2011 $'000
Increase/(decrease) in profit before tax		
Effect of a 5% depreciation of the TT dollar	531,000	1,024,000
Effect of a 5% appreciation of the TT dollar	(531,000)	(1,024,000)

The Company prepared the sensitivity analysis above by applying the percentage rate to net foreign currency positions of financial instruments as of the end of the respective years. An analysis of financial instruments by currency is shown in Note 7.1.

Cash flow and fair value interest rate risk

As the Company has no significant interest–bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Price risk

The Company is not exposed to price risk as it has no financial interests or investments in equity securities or commodities.

(b) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers. The Company has a significant concentration of credit risk however, the Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Credit exposures arise from sales to distributors and retail customers, including outstanding receivables.

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance by counterparties.

Cash and deposits are held with a number of reputable financial institutions, with amounts varying between $530,000 and $83,692,000 (2011: $304,000 and $74,301,000). The maximum limit with any one financial institution is $96,000,000 (2011: $108,667,000). Balances in excess of this limit were held temporarily for periods of no more than one week during 2012.

3 Financial Risk Management (Continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Company's financial liabilities based on the remaining period at the financial position date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances as the impact of discounting is not significant.

At 31 December 2012	**Less than one year**
Trade payables and accruals	$ 27,138,000
Amounts due to related parties/parent company	$ 34,661,000

At 31 December 2011	**Less than one year**
Trade payables and accruals	$ 30,332,000
Amounts due to related parties/parent company	$ 21,995,000

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

3.3 Fair value estimation

The carrying values of all financial instruments held as of the financial position date are assumed to approximate their fair values, as they are short term in nature.

4 Critical Accounting Estimates And Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Pensions and post employment medical benefits

The present value of the pension and medical obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of long term Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related liability.

Other key assumptions for pensions and medical obligations are based in part on current market conditions. These are described in Note 12.

As at 31 December 2012, if the discount rate had been 0.5% higher or lower with all other variables held constant, the carrying amount of pension obligations would have been $20,787,000 lower or $23,996,000 higher (2011: $8,543,000 lower or $22,461,000 higher).

(b) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made. See Notes 11, 17 and 21.

5 Property, Plant And Equipment

	Freehold land and buildings $'000	Plant and machinery $'000	Furniture and equipment $'000	Motor vehicles $'000	Capital work in progress $'000	Total $'000
Year ended 31 December 2012						
Opening net book amount	81,979	101,334	14,939	–	19,816	218,068
Additions	155	3,750	1,778	331	14,067	20,081
Transfers	2,090	19,221	(6,033)	–	(15,278)	–
Disposals	–	(3,203)	(52)	–	–	(3,255)
Depreciation charge (Note 15)	(1,460)	(14,262)	(3,979)	(41)	–	(19,742)
Closing net book amount	82,764	106,840	6,653	290	18,605	215,152
At 31 December 2012						
Cost/valuation	86,333	218,659	34,094	1,948	18,605	359,639
Accumulated depreciation	(3,569)	(111,819)	(27,441)	(1,658)	–	(144,487)
Net book amount	82,764	106,840	6,653	290	18,605	215,152
Year ended 31 December 2011						
Opening net book amount	79,711	108,248	11,522	161	24,196	223,838
Additions	194	948	5,180	–	10,713	17,035
Transfers	3,565	5,399	6,129	–	(15,093)	–
Disposals	(44)	(63)	(96)	(71)	–	(274)
Depreciation charge (Note 15)	(1,447)	(13,198)	(7,796)	(90)	–	(22,531)
Closing net book amount	81,979	101,334	14,939	–	19,816	218,068
At 31 December 2011						
Cost/valuation	84,090	209,387	43,706	2,268	19,816	359,267
Accumulated depreciation	(2,111)	(108,053)	(28,767)	(2,268)	–	(141,199)
Net book amount	81,979	101,334	14,939	–	19,816	218,068
At 31 December 2010						
Cost/valuation	80,404	203,937	33,240	3,561	24,196	345,338
Accumulated depreciation	(693)	(95,689)	(21,718)	(3,400)	–	(121,500)
Net book amount	79,711	108,248	11,522	161	24,196	223,838

5 Property, Plant And Equipment (Continued)

5.1 Revaluation surplus

	2012 $'000	2011 $'000
At beginning of the year	48,942	49,610
Depreciation transfer on buildings, net of tax	(666)	(668)
At end of the year	48,276	48,942

The Company's freehold land and buildings were last revalued on 24 December 2008 by Raymond & Pierre, Chartered Valuation Surveyors. The valuation surveyors used the Direct Capital Comparison Method and the Depreciated Replacement Cost Method to determine the values of Land and Buildings respectively.

Under the Direct Capital Comparison Method, evidence of arm's length open market transactions of similar lands were analysed and the results applied to the subject lands after taking into consideration appropriate adjustments for location, size and other relevant factors. Under the Depreciated Replacement Cost Method, the gross replacement costs of the buildings were estimated and appropriate deductions were made for economic and functional obsolescence and environmental factors in order to arrive at a net or depreciated replacement cost. Gross replacement costs include the costs of infrastructural works and professional fees.

This basis of valuation was used due to the specialised nature of the properties, derived from the exigencies of the operations. The surplus thus arising was credited to revaluation surplus in shareholders' equity.

Depreciation expense is included in profit or loss as follows:

	2012 $'000	2011 $'000
Amount included in cost of sales	14,990	14,331
Amount included in other operating expenses	4,752	8,200
	19,742	22,531

5.2

If the freehold land and buildings were stated on the historical cost basis the amounts would be as follows:

	2012 $'000	2011 $'000
Cost	22,579	20,337
Accumulated depreciation	(7,707)	(7,137)
Net book amount	14,872	13,200

		2012 $'000	2011 $'000
6	**Inventories**		
	Raw materials	26,306	25,423
	Goods in transit	7,217	1,907
	Supplies and sundries	6,725	7,054
	Finished goods	6,566	7,702
	Inventories in process	1,203	1,141
		48,017	43,227

The cost of inventories recognised as expense and included in "cost of sales" amounted to $159,701,000 (2011: $145,251,000).

7 Financial Instruments

7.1 Financial Instruments By Category And Currency

	TTD $'000	USD $'000	Euro $'000	GBP $'000	Total $'000
As at 31 December 2012					
Financial assets					
Trade receivables (excluding prepayments)	17,039	–	–	–	17,039
Due from related parties	298	10,229	–	–	10,527
Cash and cash equivalents	96,592	38,195	–	–	134,787
	113,929	48,424	–	–	162,353
Financial liabilities					
Trade payables and accruals (excluding statutory liabilities)	18,265	8,055	856	(38)	27,138
Due to related parties	--	23,481	–	969	24,450
Due to parent company	5,736	–	–	4,475	10,211
	24,001	31,536	856	5,406	61,799
As at 31 December 2011					
Financial assets					
Trade receivables (excluding prepayments)	9,232	–	–	–	9,232
Due from related parties	12	7,704	–	–	7,716
Cash and cash equivalents	62,640	38,176	–	–	100,816
	71,884	45,880	–	–	117,764
Financial liabilities					
Trade payables and accruals (excluding statutory liabilities)	23,302	5,276	1,304	450	30,332
Due to related parties	–	17,559	–	787	18,346
Due to parent company	3,618	–	–	31	3,649
	26,920	22,835	1,304	1,268	52,327

7 Financial Instruments (Continued)

7.2 Maximum Exposure To Credit Risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets mentioned below.

	Neither past due but not impaired	Past due but not impaired (0 - 30 days)	Total
As at 31 December 2012			
Trade receivables, excluding prepayments	17,039	–	17,039
Due from related parties	10,527	–	10,527
Cash and cash equivalents	123,145	–	123,145
	150,711	–	150,711
As at 31 December 2011			
Trade receivables, excluding prepayments	9,232	–	9,232
Due from related parties	7,703	13	7,716
Cash and cash equivalents	97,859	–	97,859
	114,794	13	114,807

The Company does not hold any collateral as security.

7.3 Credit Quality Of Financial Assets

Financial assets neither past due nor impaired are held with counterparties without an external credit rating. The credit quality of these can be assessed as follows:

- Trade receivables (excluding prepayments) and due from related parties relate to existing customers (more than 6 months old) with minimal defaults in the past;

- Cash and cash equivalents are held with reputable financial institutions.

8 Trade And Other Receivables

	2012 $'000	2011 $'000
Trade receivables	17,039	9,232
Prepayments	4,099	3,473
Receivables from related parties:		
- trade	10,379	7,565
- other	148	151
	31,665	20,421

(Expressed in Trinidad and Tobago Dollars)

9 Cash And Cash Equivalents

	2012 $'000	2011 $'000
Cash at bank	123,143	97,857
Short-term deposits	2	2
Cash in hand and in transit	11,642	2,957
	134,787	100,816

The effective interest rate on short term deposits was 0.44% (2011: 0.20%). These deposits have an average maturity of 3 months or less.

The Company has undrawn banking facilities:

Floating rate – expiring within one year	49,645	61,145

These facilities are annual facilities subject to review at various dates during 2013.

10 Share Capital

Authorised
An unlimited number of ordinary shares of no par value

Issued and fully paid 84,240,000 ordinary shares of no par value	42,120	42,120

11 Deferred Income Tax

Deferred income taxes are calculated in full on temporary differences under the liability method using the statutory tax rate of 25%. The movement in the deferred income tax account is as follows:

At beginning of the year	10,075	12,431
Tax on actuarial losses recognised in other comprehensive income:		
- credit for the period	(3,509)	(2,625)
Charge for the year (Note 17)	(1,030)	269
At end of year	5,536	10,075

11 Deferred Income Tax (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority. The offset amounts are as follows:

	2012 $'000	2011 $'000
Deferred Income Tax Assets		
- Retirement benefit obligation (Note 11.1)	(21,765)	(18,125)
- Post retirement medical obligation	(1,610)	(1,766)
	(23,375)	(19,891)
Deferred Income Tax Liability		
- Accelerated tax depreciation	28,911	29,966
Net Deferred Income Tax Liability	5,536	10,075

11.1 The deferred income tax asset on retirement benefit obligation is attributable to the following:

Retirement benefit obligation, excluding deferred lumpsum contribution	15,266	17,079
Deferred lumpsum contribution	6,499	1,046
	21,765	18,125

The net deferred income tax liability in the statement of financial position is attributable to the following:

	Accelerated Tax Depreciation $'000	Retirement Benefit Obligation $'000	Post Retirement Medical Obligation $'000	Total $'000
As at 31 December 2012				
Balance at beginning of year	29,966	(18,125)	(1,766)	10,075
(Credit)/charge to profit or loss (Note 17)	(1,055)	40	(15)	(1,030)
Tax on actuarial (losses)/gains recognised in other comprehensive income	–	(3,680)	171	(3,509)
Balance at end of year	28,911	(21,765)	(1,610)	5,536
As at 31 December 2011				
Balance at beginning of year	29,137	(15,085)	(1,621)	12,431
Charge/(credit) to profit or loss (Note 17)	829	(500)	(60)	269
Tax on actuarial losses recognised in other comprehensive income	–	(2,540)	(85)	(2,625)
Balance at end of year	29,966	(18,125)	(1,766)	10,075

(Expressed in Trinidad and Tobago Dollars)

12 Pensions And Other Post-Retirement Obligations

	2012 $'000	2011 $'000
Amounts recognised in the statement of financial position:		
Retirement benefit obligation	61,064	68,314
Post-employment medical benefit obligation	6,439	7,062
	67,503	75,376
(i) Retirement benefits		
Present value of funded obligations	253,779	218,058
Fair value of plan assets	(193,272)	(150,776)
	60,507	67,282
Present value of unfunded obligations	557	1,032
	61,064	68,314

Movement in the defined benefit obligation (funded/unfunded) over the year is as follows:

	2012 $'000	2011 $'000
At beginning of year	219,090	198,961
Current service cost	7,687	6,822
Interest cost	12,267	12,111
Benefit payments	(7,475)	(7,889)
Actuarial losses	22,767	9,085
At end of year	254,336	219,090

Movement in the fair value of plan assets over the year is as follows:

	2012 $'000	2011 $'000
At beginning of year	150,776	138,622
Expected return on plan assets	8,993	8,460
Actuarial gains/(losses)	8,049	(1,073)
Employer contributions	30,884	10,798
Employee contributions	2,045	1,858
Benefits paid	(7,475)	(7,889)
At end of year	193,272	150,776

12 Pensions And Other Post-Retirement Obligations (Continued)

(i) Retirement benefits (continued)

The amounts recognised in profit or loss and other comprehensive income are as follows:

	2012 $'000	2011 $'000
Current service cost	5,642	4,964
Interest cost	12,267	12,111
Expected return on plan assets	(8,993)	(8,460)
Pension costs recognised in profit or loss (Note 15.1)	8,916	8,615
Actuarial losses recognised in other comprehensive income	14,718	10,158
Net pension costs	23,634	18,773
Cumulative actuarial losses recognised in other comprehensive income	105,645	90,927

Movement in the liability recognised in the statement of financial position:

	2012 $'000	2011 $'000
At beginning of year	68,314	60,339
Net pension costs	23,634	18,773
Contributions paid	(30,884)	(10,798)
At end of year	61,064	68,314
Actual return on plan assets	17,042	7,387

The principal actuarial assumptions were as follows:

	2012 Per annum	2011 Per annum
Discount rate	4.50%	5.50%
Expected return on plan assets	4.50%	5.50%
Future salary increases	4.00%	5.00%
Future pension increases	3.00%	3.00%
Mortality	GAM94	GAM94

Expected contributions to post employment benefit plans for the year ending 31 December 2013 are $6,719,000.

12 Pensions And Other Post Retirement Obligations (Continued)

(i) Retirement benefits (continued)

Plan assets comprise the following:

	2012		2011	
	$'000	%	$'000	%
Equity investments	71,511	37	52,772	35
Debt instruments	90,838	47	76,896	51
Property	3,865	2	3,016	2
Other	27,058	14	18,092	12
	193,272	100	150,776	100

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the financial position date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

	2012	2011	2010	2009	2008
	$'000	$'000	$'000	$'000	$'000
As at 31 December					
Present value of defined benefit obligation	253,779	218,058	197,855	168,586	138,390
Fair value of plan assets	(193,272)	(150,776)	(138,622)	(134,712)	(118,824)
	60,507	67,282	59,233	33,874	19,566
Experience adjustment on plan liabilities	4,862	7,846	(1,238)	1,356	(9,548)
Experience adjustment on plan assets	7,716	(1,232)	(3,890)	6,761	(18,974)

12 Pensions And Other Post Retirement Obligations (Continued)

(ii) Post employment medical benefit obligation

	2012 $'000	2011 $'000
Amounts recognised in the statement of financial position:		
Post retirement health care obligation	6,439	7,062
Movement in the defined benefit obligation over the year is as follows:		
At beginning of year	7,062	6,483
Current service cost	150	179
Interest cost	421	391
Employer payments	(509)	(330)
Actuarial (gains)/losses	(685)	339
At end of year	6,439	7,062
The amounts recognised in profit or loss and other comprehensive income are as follows:		
Current service cost	150	179
Interest cost	421	391
Net costs recognised in profit or loss (Note 15.1)	571	570
Actuarial losses recognised in other comprehensive income	(685)	339
Net post employment medical costs	(114)	909
The principal actuarial assumptions were as follows:		
Discount rate	4.5%	5.5%
Premium/clinic cost escalation	4.4%	5.0%
Retiree mortality table	GAM94	GAM94

	2012 $'000	2011 $'000	2010 $'000	2009 $'000	2008 $'000
Experience adjustment on medical benefit obligation	693	179	280	691	(550)

The effect of a 1% movement in the assumed medical cost trend rate is as follows:

	Increase $'000	Decrease $'000
Effect on the aggregate of the current service cost and interest cost	71	85
Effect on the defined benefit obligation	1,217	1,371

13 Trade And Other Payables

	2012 $'000	2011 $'000
Trade payables and accruals	27,138	30,332
Statutory liabilities	35,748	32,916
Due to related parties (Note 20)		
- trade	5,529	309
- other	18,921	18,037
	87,336	81,594

14 Gross Turnover

	2012 $'000	2011 $'000
Gross Turnover	1,107,521	1,006,470
Excise	(239,499)	(243,317)
Revenue	**868,022**	**763,153**

15 Expenses By Nature

	2012 $'000	2011 $'000
Raw materials and consumables used	159,701	145,251
Technical and advisory services	63,211	57,050
Employee benefit expense (Note 15.1)	60,514	55,694
Other expenses	36,017	39,770
Royalties	33,467	28,138
Depreciation (Note 5)	19,742	22,531
Brand support expenses	13,179	13,662
Corporate social investments	5,436	5,806
Travel and related expenses	1,963	1,771
Changes in inventories of finished goods and work in progress	1,074	(4,432)
Directors remuneration	310	272
Net foreign exchange losses/(gains)	180	(719)
Total cost of sales, distribution costs, administrative expenses and other operating expenses	394,794	364,794

15.1 Employee benefit expense

	2012 $'000	2011 $'000
Wages and salaries and other termination benefits	39,405	37,592
Other benefits	11,264	8,887
Pension costs:		
- defined benefit plan (Note 12)	8,916	8,615
- defined contribution plan	358	30
Post employment medical benefits (Note 12)	571	570
	60,514	55,694
Number of employees as at year end	199	208

16 Other Income

	2012 $'000	2011 $'000
Consultancy services	2,574	3,214
Rental of building	418	416
	2,992	3,630

17 Taxation

	2012 $'000	2011 $'000
Corporation tax:		
- current year	129,212	113,497
- adjustment to prior year's estimates	(1,985)	(1,972)
Deferred income tax (Note 11)	(1,030)	269
	126,197	111,794

The tax on profit before taxation differs from the theoretical amount that would arise using the statutory tax rate of 25% as follows:

	2012 $'000	2011 $'000
Profit before taxation	476,236	402,010
Tax calculated at 25%	119,059	100,503
Expenses not deductible for tax	10,283	13,257
Income/allowances not subject to tax	(2)	(8)
Corporation tax – adjustment to prior year's estimates	(1,985)	(1,972)
Deferred income tax – adjustment to prior year's estimates	(1,158)	14
	126,197	111,794

18 Earnings Per Share

Basic earnings per ordinary share are calculated by dividing the profit for the year attributable to equity holders of the Company by the number of ordinary shares in issue during the year.

	2012	2011
Profit for the year attributable to equity holders	350,039	290,216
Number of ordinary shares in issue ('000)	84,240	84,240
Basic earnings per share	$ 4.16	$ 3.45

19 Dividends Paid On Ordinary Shares

	2012 $'000	2011 $'000
Final dividend – prior year	82,555	51,386
First interim dividend	57,283	53,071
Second interim dividend	79,186	63,179
Third interim dividend	82,555	69,076
	301,579	236,712

A final dividend in respect of 2012 of $1.22 per share (2011: $0.98 per share) amounting to $102,772,800 (2011: $82,555,200) is to be proposed at the Annual Meeting to be held on 4 April 2013. If approved, the total dividend for the year will be $3.82, an increase of 20.1% over dividend distribution of $3.18 with respect to 2011.

20 Related Party Transactions

The Company is a subsidiary of British American Tobacco (Investments) Limited which owns 50.13% of the issued share capital. The remaining 49.87% of the shares are widely held. Its ultimate parent company is British American Tobacco plc, a company registered in the United Kingdom.

The following transactions were carried out with related parties:

	2012 $'000	2011 $'000
i. Sale of goods and services		
Sale of goods – Related Parties	138,617	126,051
Sale of services – Related Parties	2,992	3,630
ii. Purchases of goods and services		
Purchases of goods – Related Parties	78,105	62,656
Purchases of services – Related Parties	53,620	47,950
Purchases of services – Parent Company	51,695	45,507

The prices agreed between related parties for sale of manufactured goods are based on normal commercial practices between independent businesses. Charges for royalties, commissions, purchases, services and fees are also based on the principles of normal commercial practice between independent businesses.

	2012 $'000	2011 $'000
iii. Key management compensation		
Salaries and other short-term employee benefits	6,670	5,968
Post retirement medical obligations	9	11
Post retirement benefits	874	1,078
iv. Year-end balances arising from sales/purchases of goods and services		
Receivables from related parties	10,527	7,716
Payables to related parties	24,450	18,346
Payables to parent company	10,211	3,649

The receivables from related parties arise mainly from sales transactions and are due two months after date of sales. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties. (2011: nil)

The payables to related parties arise mainly from purchase transactions and are due two months after the date of purchase. The payables bear no interest.

21 Contingent Liabilities

(a) Taxation

During the financial year ended 31 December 2011, the Board of Inland Revenue (BIR) conducted an audit of the 2007 tax return and subsequently issued a letter of proposed adjustments. The Company has provided documentary evidence to support its position and is currently engaged in further discussions with the BIR. The Directors, based on these discussions and appropriate professional advice, are satisfied that they can actively defend the matter and as such the Company has not recorded any additional provisions in the financial statements. The adjustments relate to the deductibility of certain expenses amounting to $74,772,830. The tax impact of these adjustments at the statutory tax rate of 25% is $18,693,208.

	2012 $'000	2011 $'000
(b) Customs and immigration bonds	5,796	6,340

22 Commitments

(a) Capital commitments

	2012 $'000	2011 $'000
Authorised and contracted for, and not provided for in the financial statements.	4,073	4,273

(b) Operating lease commitments

The Company leases motor vehicles under non-cancellable operating lease agreements. The lease terms are between one to five years.

The future minimum lease payments under operating lease agreements are as follows:

	2012 $'000	2011 $'000
No later than one year	862	1,119
Later than one year and no later than five years	563	1,425
	1,425	2,544

23 Segment Information

The Company is organised and managed on the basis of two geographic regions, namely the domestic market and the Caricom market. These are the reportable segments for the Company as they form the focus of the Company's internal reporting systems and are the basis used by the Managing Director and the local management team, as the chief operating decision makers, for assessing performance and allocating resources.

The Company is a single product business providing cigarettes. While the Company has clearly differentiated brands, segmentation among a wide portfolio of brands is not part of the regular internally reported financial information.

The prices agreed between Group companies for Intra-Group sales of materials, manufactured goods, charges for royalties, commissions, services and fees, are based on normal commercial practices which would apply between independent businesses.

23 Segment Information (Continued)

Primary reporting format – geographical segment

With the exception of the domestic market, no other individual country within the Caricom market contributes more than 10% of total revenue. Information is analysed by segment only where relevant and applicable. Where there is no logical allocation basis, items have been disclosed as unallocated.

The segment results for the year are as follows:

	Domestic	Caricom	Unallocated	Total
	TT$'000	TT$'000	TT$'000	TT$'000
Year ended 31 December 2012				
Revenue	729,347	138,675	–	868,022
Gross profit	620,509	620	–	621,129
Profit or loss for the year includes:				
- Depreciation	–	–	(19,742)	(19,742)
- Taxation	–	–	(126,197)	(126,197)
Year ended 31 December 2011				
Revenue	637,102	126,051	–	763,153
Gross profit	536,343	4,801	–	541,144
Profit or loss for the year includes:				
- Depreciation	–	–	(22,531)	(22,531)
- Taxation	–	–	(111,794)	(111,794)
Total Segment Assets				
31 December 2012	39,533	40,149	349,939	429,621
31 December 2011	29,714	33,934	318,884	382,532
Total segment assets include additions to property, plant and equipment as follows:				
- 31 December 2012	–	–	20,081	20,081
- 31 December 2011	–	–	17,035	17,035

24 Reclassifications

The Company has adjusted comparative information to reflect the reclassification of process related costs and manufacturing overheads from other operating expenses to cost of sales. The effect of these changes are summarised in the following table:

Statement of comprehensive income for the year ended 31 December 2011	As previously reported 2011	Reallocation of process related costs and manufacturing overheads	Adjusted 2011
	$'000	$'000	$'000
Gross Turnover (including excise)	**1,006,470**	**–**	**1,006,470**
Revenue	**763,153**	**–**	**763,153**
Cost of Sales	(175,200)	(46,809)	(222,009)
Gross Profit	**587,953**	**46,809**	**541,144**
Distribution costs	(15,505)	–	(15,505)
Administration expenses	(91,109)	–	(91,109)
Other operating expenses	(82,980)	46,809	(36,171)
Other income	3,630	–	3,630
Operating Profit	**401,989**	**–**	**401,989**
Interest income	21	–	21
Profit Before Taxation	**402,010**	**–**	**402,010**
Taxation	(111,794)	–	(111,794)
Profit For The Year	**290,216**	**–**	**290,216**
Other comprehensive income: - actuarial losses on pensions and other post retirement benefits	(7,873)	–	(7,873)
Total Comprehensive Income For The Year	**282,343**	**–**	**282,343**
Earnings Per Ordinary Share	**3.45**	**–**	**3.45**

The above changes did not impact the statement of financial position in the current year or prior years.

REPUBLIC OF TRINIDAD AND TOBAGO

THE COMPANIES ACT, CH.81:01

(Section 144)

1 **Name of Company:**
THE WEST INDIAN TOBACCO COMPANY LIMITED **Company No:** W.17(C)

2 **Particulars of Meeting:**
One Hundred and Eighth Annual Meeting of The West Indian Tobacco Company Limited to be held at The Jade Conference Room, Hyatt Regency Trinidad, No. 1 Wrightson Road, Port of Spain, Trinidad on Thursday 4 April 2013 at 10.30 a.m.

3 **Solicitation:**
It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of all resolutions specified in the Proxy Form sent to the Shareholders with this Circular and, in the absence of a specific direction, in the discretion of the Proxy Holder in respect of any other resolution.

4 **Any Director's statement submitted pursuant to Section 76(2):**
No statement has been received from any Director pursuant to Section 76(2) of the Companies Act, Ch.81:01.

5 **Any Auditor's statement submitted pursuant to Section 171(1):**
No statement has been received from the Auditors of the Company pursuant to Section 171(1) of the Companies Act, Ch.81:01.

6 **Any Shareholder's proposal submitted pursuant to Sections 116(a) and 117(2):**
No proposal has been received from any Shareholder pursuant to Sections 116(a) and 117(2) of the Companies Act, Ch 81:01.

DATE	NAME AND TITLE	SIGNATURE
20 February 2013	Danielle F Chow Secretary and Authorised Signatory The West Indian Tobacco Company Limited	Danielle Chow

Proxy Form

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, CH. 81:01
(Section 143(1))

1 Name of Company:
THE WEST INDIAN TOBACCO COMPANY LIMITED Company No: W.17 (C)

2 Particulars of Meeting:
One Hundred and Eighth Annual Meeting of The West Indian Tobacco Company Limited to be held at The Jade Conference Room, Hyatt Regency Trinidad, No. 1 Wrightson Road, Port of Spain, Trinidad on Thursday 4 April 2013 at 10.30 am.

3 I/We ____
(BLOCK LETTERS PLEASE)

of ____

shareholder/s in the above Company appoint the Chairman of the Meeting or failing him

____

of ____

to be my/our proxy to vote for me/us and on my/our behalf at the above meeting and any adjournments thereof in the same manner, to the same extent and with the same powers as if I/we was/were present at the said meeting or such adjournment or adjournments thereof and in respect of the resolutions listed below to vote in accordance with my/our instructions.

Signature/s ____

____

Dated this ____________________ day of ____________________ 2013.

Please indicate with an "x" in the spaces below and overleaf your instructions on how you wish your votes to be cast. Unless otherwise instructed, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

Please consider Notes 1 to 6 below for assistance to complete and deposit this Proxy Form.

RESOLUTION		FOR	AGAINST
1	*To adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2012 and the Reports of the Directors and Auditors thereon.*		
2	*To declare a Final Dividend of $1.22 per ordinary share for the financial year ended 31 December 2012 to be paid on 26 April 2013 to shareholders on record at the close of business on 17 April 2013.*		
3	*To re-elect Ms Ingrid L-A Lashley, who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company and being eligible, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5.*		
4	*To re-elect Mrs Amanda Cavill de Zavaley, who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company and being eligible, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5.*		

Proxy Form (CONTINUED)

RESOLUTION		FOR	AGAINST
5	*To re-elect Mrs Danielle Chow, who retires in accordance with paragraph 4.7:5 of Bye-Law No.1 of the Company and being eligible, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No.1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5.*		
6	*To re-elect Mr Anthony E Phillip, who retires in accordance with paragraph 4.7:2(g) of Bye-Law No.1 of the Company, as a Director of the Company in accordance with paragraph 4.7:10 of Bye-Law No. 1 for a term from the date of his election until the close of the next Annual Meeting.*		
7	*To re-elect Mr Ranjit R Jeewan, who retires in accordance with paragraph 4.7:2(g) of Bye-Law No.1 of the Company, as a Director of the Company in accordance with paragraph 4.7:10 of Bye-Law No.1 for a term from the date of his election until the close of the next Annual Meeting.*		
8	*To elect Mr Oscar Morales as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No.1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.*		
9	*To reappoint Messrs PricewaterhouseCoopers as Auditors of the Company to hold office until the close of the next Annual Meeting.*		
10	*To consider and if thought fit, to adopt the following ordinary resolution:* *WHEREAS it is considered expedient and in the best interest of the Company to amend Paragraph 13.4 of Bye-Law No.1 of the Company by deleting the following words at the beginning of the paragraph:* *"printed, written or typewritten"*		
11	*To consider and, if thought fit, to adopt the following ordinary resolution:* *WHEREAS it is considered expedient and in the best interest of the Company to amend Paragraph 16.8 of Bye-Law No.1 of the Company by adding the following sentence to the end of that paragraph as follows:* *"Any dividend that is unclaimed after a period of twelve (12) years from the date of declaration of such dividend shall be forfeited and revert to the Company."*		
12	*To consider and, if thought fit, to adopt the following ordinary resolution:* *WHEREAS it is considered expedient and in the best interest of the Company to delete Paragraph 19 of Bye-Law No.1 of the Company and replace with the Paragraph as set out in the Appendix to this Proxy which is incorporated by reference herein.*		

Proxy Form (CONTINUED)

NOTES:

1 *A shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words "the Chairman of the Meeting" from the Proxy Form and insert the name and address of the person-appointed proxy in the space provided and initial the alteration.*

2 *IIf the appointor is a corporation, this Proxy Form must be under its common seal or under the hand of an officer of the corporation or attorney duly authorised in that behalf.*

3 *A shareholder who is a body corporate may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or governing body to represent it at this Annual Meeting.*

4 *In the case of joint shareholders, the names of all joint shareholders must be stated on the Proxy Form and all joint shareholders must sign the Proxy Form.*

5 *If the Proxy Form is returned without any indication as to how the person-appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.*

6 *To be valid, this Proxy Form must be completed and deposited with the Secretary of the Company at the Registered Office of the Company at the address below at least 48 hours before the time appointed for the Annual Meeting.*

Return to: THE SECRETARY
THE WEST INDIAN TOBACCO COMPANY LIMITED
CORNER EASTERN MAIN ROAD AND MOUNT D'OR ROAD
CHAMPS FLEURS
TRINIDAD, WEST INDIES

EXTRACT OF BYE-LAW NO.1 OF THE WEST INDIAN TOBACCO COMPANY LIMITED

19.1 **Method of giving notice**

Any notice, report, statement or other document required by the Act, the Regulations, the Securities Act, or any other law, the articles of the Company or this Bye-Law to be delivered or sent to any shareholder, debenture holder, director or auditor may be delivered or sent:

19.1.1 by pre-paid post addressed to, or personal delivery to—

a. the shareholder at his latest address as shown in the records of the company or its transfer agent;
b. the director at his latest address as shown in the records of the company or in the latest notice filed under section 71 or 79 of the Companies Act; and
c. to the auditor or debenture holder at his business address; or

19.1.2 with the consent of the shareholder, debenture holder, director or auditor –

a. in a compact diskette or other external memory device delivered or sent in the manner set out in paragraph 19.1.1 hereof; or
b. by facsimile transmission (where permissible by law) or electronic mail in any electronic format to the facsimile number or the latest electronic mail address as appropriate provided by the shareholder, debenture holder, director or auditor for the purpose of receiving notices or documents from the company as shown in the records of the company; or
c. in any other agreed format.

19.2 **Waiver of notice**

Notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

19.3 **Undelivered notices**

If a notice, report, statement or other document is delivered or sent to a shareholder by prepaid post or by electronic mail in accordance with this Bye-Law and the notice, report, statement or document is:

a. returned on three (3) consecutive occasions, in the case of pre-paid post;
b. sent to the correct electronic mail address but returned undeliverable;

it shall not be necessary to send any further notices or documents to the shareholder until he informs the Company in writing of his new address or electronic address, as appropriate.

19.4 **Shares and debentures registered in more than one name**

All notices, reports, statements or other documents with respect to any shares or debentures registered in more than one name shall be given to whichever of such persons is named first in the records of the Company and any notice, report, statement or other document so given shall be sufficient notice of delivery to all the holders of such shares or debentures.

19.5 **Persons becoming entitled by operation of law**

Subject to Section 200 of the Companies Act, every person who by operation of law, transfer or by any other means whatsoever becomes entitled to any share is bound by every notice or other document in respect of such share that previous to his name and address being entered in the records of the Company is duly given to the person from whom he derives his title to such share.

19.6 **Deceased shareholder**
Subject to Section 200 of the Companies Act, any notice, report, statement or other document delivered or sent in accordance with paragraph 19.1 shall, notwithstanding that such shareholder is deceased, and whether or not the Company has notice of his death, be deemed to have been duly served in respect of the shares held by him (whether held solely or with any other person) until some other person is entered in his stead in the records of the Company as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his personal representatives and on every person, if any, interested with him in such shares.

19.7 **Signatures to notices**
Subject to the Companies Act the signature of any director or officer of the Company to any notice or document to be given by the Company may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

19.8 **Computation of time**
Where a notice extending over a number of days or other period is required under any provisions of the articles or the Bye-Laws, the day of sending the notice shall, unless it is otherwise provided, be counted in such number of days or other period and the day for which the notice is given shall not be counted.

19.9 **Proof of Service**
Where a notice, report, statement or other document referred to in paragraph 19.1:-

19.9.1 is delivered personally to the person to whom it is addressed or delivered to his address as mentioned in paragraph 19.1 hereof, service shall be deemed to be effected at the time of delivery of such notice.

19.9.2 is sent by pre-paid post, service of such notice, report, statement or other document shall be deemed to be effected 2 calendar days after posting if the notice, report, statement or other document was properly addressed and posted by prepaid mail and it shall be sufficient to prove that the envelope or wrapper containing the notice, report, statement or other document was properly addressed and delivered to a post office or put into a post office letter box;

19.9.3 is sent by electronic mail or by facsimile transmission, service of such notice, report, statement or other document shall be deemed to be effected on the date of transmission unless the company has notice that the notice, report, statement or other document was not received by the party served;

19.9.4 a certificate of an officer of the Company holding office at the time of the making of the certificate or of any transfer agent of shares of any class of the Company as to the facts in relation to the delivery or sending of any notice, report, statement or other document shall, in the absence of evidence to the contrary, be conclusive evidence of those facts.

19.10 Notwithstanding the provisions of this Bye-Law in the case of the pre-emptive rights granted to shareholders by Section 38 of the Companies Act the provisions for notices set out in subsections (3) to (7) inclusive of that section shall take effect.

Notes

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WEST INDIAN TOBACCO

A member of the British American Tobacco Group