UNAUDITED INTERIM RESULTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

WEST INDIAN TOBACCO

CHAIRMAN'S REVIEW

I am pleased to report that West Indian Tobacco has delivered Profit Before Taxation for the nine months ended 30 September, 2014 of $436.4 million, which represents an increase of 13% over the corresponding period in 2013. Profit after taxation for the period is $329.3 million, reflecting an increase of 16%.

The Board has accordingly approved the payment of a third interim dividend of $1.39 per ordinary share payable on 13 November, 2014 to shareholders of record at close of business on 04 November, 2014. The register of shareholders will be closed on 05 and 06 November 2014 for the processing of transfers.

Anthony E Phillip
Chairman
22 October, 2014

CONDENSED STATEMENT OF FINANCIAL POSITION

	UNAUDITED 30.09.14 TT$'000	UNAUDITED 30.09.13 TT$'000	AUDITED 31.12.13 TT$'000
Non-current Assets			
Property, plant and equipment	204,906	209,961	**213,241**
Deferred income tax	57	–	**522**
	204,963	**209,961**	**213,763**
Current Assets			
Inventories	49,798	56,586	**49,646**
Trade and other receivables	57,720	44,314	**42,393**
Taxation recoverable	1,914	–	**1,914**
Cash and cash equivalents	212,774	157,061	**212,132**
	322,206	**257,961**	**306,085**
Total Assets	**527,169**	**467,922**	**519,848**
Shareholders' Equity			
Share capital	42,120	42,120	**42,120**
Revaluation surplus	49,766	47,776	**50,324**
Retained earnings	197,189	149,525	**188,623**
	289,075	239,421	**281,067**
Non-current Liabilities			
Deferred income tax	–	(2,352)	–
Retirement benefit obligation	82,173	81,671	**79,057**
Post-employment medical benefit obligation	5,946	7,090	**6,050**
	88,119	86,409	**85,107**
Current Liabilities			
Trade and other payables	99,378	95,577	**109,340**
Due to parent company	7,515	2,652	**8,139**
Dividends payable	43,082	34,984	**36,195**
Taxation payable	–	8,879	–
	149,975	142,092	**153,674**
Total Liabilities	238,094	228,501	**238,781**
Total Equity and Liabilities	**527,169**	**467,922**	**519,848**

Anthony E Phillip
Chairman

Jean-Pierre S Du Coudray
Managing Director

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED Three Months Ended 30.09.14 TT$'000	UNAUDITED Three Months Ended 30.09.13 TT$'000	UNAUDITED Nine Months Ended 30.09.14 TT$'000	UNAUDITED Nine Months Ended 30.09.13 TT$'000
Gross Turnover *	282,277	287,032	872,123	843,375
Revenue	**228,467**	**228,378**	**706,297**	**669,168**
Cost Of Sales	(54,028)	(57,682)	(164,632)	(173,486)
Gross Profit	**174,439**	**170,696**	**541,665**	**495,682**
Distribution Costs	(4,288)	(4,160)	(11,438)	(14,065)
Administrative Expenses	(19,847)	(27,223)	(70,448)	(74,933)
Other Operating Expenses	(9,967)	(7,134)	(23,547)	(21,149)
Other Income	–	140	139	552
Operating Profit	**140,337**	**132,319**	**436,371**	**386,087**
Interest Income		-	23	14
Profit Before Taxation	**140,337**	**132,319**	**436,394**	**386,101**
Taxation	(34,600)	(35,553)	(107,130)	(101,794)
Profit After Taxation	**105,737**	**96,766**	**329,264**	**284,307**
Other Comprehensive Loss				
Remeasurement of retirement and post employment benefit obligations	33	(5,300)	100	(13,231)
Total Comprehensive Income for the Period	**105,770**	**91,466**	329,364	271,076
Earnings Per Ordinary Share	$1.26	$1.15	$3.91	$3.37
Dividends Per Ordinary Share	$1.39	$1.07	$3.57	$2.93

* Gross Turnover includes excise of: three months ended 30.09.14 - $53,810, three months ended 30.09.13 - $58,654; nine months ended 30.09.14 - $165,826 and nine months ended 30.09.13 - $174,207.

CONDENSED STATEMENT OF CASH FLOWS

	UNAUDITED Nine Months Ended 30.09.14 TT$'000	UNAUDITED Nine Months Ended 30.09.13 TT$'000
Cash Flows From Operating Activities		
Profit before taxation	436,394	386,101
Adjustments for:		
Depreciation	14,177	13,335
Loss/(profit) on disposal of property, plant and equipment	14	(127)
Net increase in retirement and other post-employment benefit obligation excluding actuarial losses	3,146	3,617
Interest income	(23)	(14)
Operating profit before working capital changes	453,708	402,912
Changes in working capital:		
Increase in inventories	(152)	(8,569)
Increase in trade and other receivables	(15,327)	(12,649)
(Decrease)/increase in trade payables and accruals	(6,314)	9,286
Decrease in due to related parties	(3,648)	(1,045)
Decrease in due to parent company	(624)	(7,559)
Cash Generated From Operating Activities	427,643	382,376
Taxation Paid	(110,754)	(101,466)
Net Cash Generated From Operating Activities	316,889	280,910
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(5,875)	(8,158)
Proceeds from sale of property, plant and equipment	19	139
Interest received	23	14
Net Cash Used In Investing Activities	(5,833)	(8,005)
Cash Flows Used In Financing Activities		
Dividends paid	(310,414)	(250,632)
Net Increase in Cash & Cash Equivalents	642	22,273
Cash and Cash Equivalents At Beginning Of Period	212,132	134,787
Cash and Cash Equivalents At End Of Period	**212,774**	**157,060**
Cash at bank and in hand	212,772	157,059
Short-term deposits	2	1
	212,774	**157,060**

UNAUDITED INTERIM RESULTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

WEST INDIAN TOBACCO

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital TT$'000	Revaluation Surplus TT$'000	Retained Earnings TT$'000	Shareholders' Equity TT$'000
Unaudited Nine Months Ended 30 September, 2014				
Balance at 1 January, 2014	42,120	50,324	188,623	281,067
Comprehensive Income				
Profit for the year	–	–	329,264	329,264
Other Comprehensive Loss				
Remeasurement of retirement and post-employment benefit obligations	–	–	100	100
Depreciation transfer on buildings - net of tax	–	(558)	558	–
Adjustment of revaluation of land and buildings and deferred tax impact	–	–	(2,087)	(2,087)
Transactions with Owners				
Dividends	–	–	(319,269)	(319,269)
Balance at 30 September, 2014	**42,120**	**49,766**	**197,189**	**289,075**
Unaudited Nine Months Ended 30 September, 2013				
Balance at 1 January, 2013	42,120	48,276	137,410	227,806
Comprehensive Income				
Profit for the year	–	–	284,307	284,307
Other Comprehensive Loss				
Remeasurement of retirement and post-employment benefit obligations	–	–	(13,231)	(13,231)
Depreciation transfer on buildings, net of tax	–	(500)	500	–
Transactions with Owners				
Dividends	–	–	(259,461)	(259,461)
Balance at 30 September, 2013	**42,120**	**47,776**	**149,525**	**239,421**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2014

Note 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 Mount 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.

This Condensed Consolidated Interim Financial Information was approved for issue on 22nd October, 2014.

Note 2: Basis of Preparation

This Condensed Consolidated Financial Information for the nine-month period ended 30 September, 2014, has been prepared in accordance with International Accounting Standard 34 (IAS34), 'Interim Financial Reporting' as well as the requirements of the Securities Act 2012 which goes beyond IAS 34. The Condensed Consolidated Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Note 3: Significant Accounting Policies

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December, 2013, as described in those annual financial statements with the exception of taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Note 4: Segment Information

Primary reporting format – geographical segment

	Domestic TT$'000	CARICOM TT$'000	Unallocated TT$'000	Total TT$'000
Nine Months Ended 30 September, 2014				
Revenue	617,818	88,479	–	706,297
Gross Profit	536,576	5,089	–	541,665
Profit or loss for the year includes:				
– Depreciation	–	–	(14,177)	(14,177)
– Taxation	–	–	(107,130)	(107,130)
Nine Months Ended 30 September, 2013				
Revenue	576,717	92,451	–	669,168
Gross Profit	491,219	4,463	–	495,682
Profit or loss for the year includes:				
– Depreciation	–	–	(13,335)	(13,335)
– Taxation	–	–	(101,794)	(101,794)
Total Segment Assets				
30 September 2014	68,265	39,253	419,651	527,169
30 September 2013	58,628	42,272	367,022	467,922
Total segment assets include additions to property, plant and equipment as follows:				
30 September 2014	–	–	5,875	5,875
30 September 2013	–	–	8,158	8,158

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 material, manufactured goods, charges for royalties, commissions, services and fees, are based on normal commercial practices which would apply between independent businesses.

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.

	30.09.14 TT$'000	30.09.13 TT$'000
Note 5: Related Party Transactions		
Sale of Goods and Services		
Sale of Goods – Related Parties	88,479	92,451
Sale of Services – Related Parties	139	552
Purchase of Goods and Services:		
Purchase of Goods – Related Parties	51,154	59,753
Purchase of Services – Related Parties	17,132	36,716
Purchase of Services – Parent Company	42,556	41,712
Period end balances arising from sales/ purchases of goods and services:		
Receivables from Related Parties	10,891	9,667
Payables to Related Parties	10,007	8,492
Payables to Parent Company	7,515	2,652
Key Management Compensation		
Salaries and other short-term employee benefits	6,383	5,167
Post-retirement medical obligations	5	6
Post-retirement benefits	584	655
Note 6: Capital Commitments		
Authorised and contracted for, and not provided for in the financial statements	4,149	5,429

Note 7: Contingent Liabilities

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 rate of 25% is $18,693,208.

	30.09.14	30.09.13
Customs and Immigration Bonds	8,975	10,725

Note 8: Dividends Paid On Ordinary Shares

	30.09.14	30.09.13
Final dividend – prior year	135,626	102,773
First interim dividend	82,555	69,077
Second interim dividend	101,088	87,610
	319,269	259,460

An interim dividend of $1.39 per share (2013: $1.07 per share) was approved by the Board of Directors on 22nd October, 2014 and will be paid to shareholders of record as at 4th November, 2014 on the 13th November, 2014. This interim dividend, amounting to $117,093,600 (2013: $90,136,800) has not been recognised in these interim financial statements. It will be recognised in shareholders' equity in the year to 31 December, 2014.