

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015



CHAIRMAN'S REVIEW

I am pleased to report that West Indian Tobacco has recorded Profit Before Taxation of \$327.1 million, for the six months ended 30 June 2015, representing an increase of 10.5% over the corresponding period in 2014. Profit After Taxation for the period is \$241.4 million reflecting an increase of 8% over 2014.

The Board has accordingly approved the payment of a second interim dividend of \$1.26 per ordinary share payable on 26 August 2015 to shareholders of record at close of business on 07 August 2015. The Register of Shareholders will be closed on 10 and 11 August 2015 for the processing of transfers.

Anthony E Phillip
Chairman
27 July 2015

CONDENSED STATEMENT OF FINANCIAL POSITION

	UNAUDITED 30.06.15 TT\$'000	UNAUDITED 30.06.14 TT\$'000	AUDITED 31.12.14 TT\$'000
Non-current Assets			
Property, plant and equipment	208,023	208,195	204,326
Deferred income tax asset	2,992	-	1,352
	211,015	208,195	205,678
Current Assets			
Inventories	44,418	49,798	41,768
Trade and other receivables	117,771	71,441	47,357
Taxation recoverable	2,484	1,844	2,484
Cash and cash equivalents	173,823	191,123	272,267
	338,496	314,206	363,876
Total Assets	549,511	522,401	569,554
Shareholders' Equity			
Share capital	42,120	42,120	42,120
Revaluation surplus	49,267	50,244	49,641
Retained earnings	237,664	192,030	243,584
	329,051	284,394	335,345
Non-current Liabilities			
Deferred income tax liability	-	210	-
Retirement benefit obligation	88,132	81,135	85,661
Post-employment medical benefit obligation	5,552	5,980	5,591
	93,684	87,325	91,252
Current Liabilities			
Trade and other payables	86,474	99,201	85,842
Due to parent company	14,314	7,261	11,665
Dividends payable	24,831	44,220	44,300
Taxation payable	1,157	-	1,150
	126,776	150,682	142,957
Total Liabilities	220,460	238,007	234,209
Total Equity and Liabilities	549,511	522,401	569,554

Anthony E Phillip
Chairman

Jean-Pierre S Du Coudray
Managing Director

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Three Months Ended 30.06.15 TT\$'000	Unaudited Three Months Ended 30.06.14 TT\$'000	Unaudited Six Months Ended 30.06.15 TT\$'000	Unaudited Six Months Ended 30.06.14 TT\$'000
Gross Turnover *	344,897	323,810	616,186	589,846
Revenue	282,594	262,827	506,111	477,830
Cost Of Sales	(59,881)	(62,014)	(111,540)	(110,604)
Gross Profit	222,713	200,813	394,571	367,226
Distribution Costs	(756)	1,189	(8,535)	(7,150)
Administrative Expenses	(24,720)	(29,246)	(45,348)	(50,601)
Other Operating Expenses	(6,957)	(4,702)	(13,605)	(13,580)
Other Income	-	35	-	139
Operating Profit	190,280	168,089	327,083	296,034
Interest Income	3	23	4	23
Profit Before Taxation	190,283	168,112	327,087	296,057
Taxation	(47,172)	(41,421)	(85,731)	(72,530)
Profit After Taxation	143,111	126,691	241,356	223,527
Other Comprehensive Gain: Items that will not be reclassified to profit or loss				
Remeasurement of retirement and post-employment benefit obligations	8	33	16	67
Other Comprehensive Gain - net of tax	8	33	16	67
Total Comprehensive Income for the Period	143,119	126,724	241,372	223,594
Earnings Per Ordinary Share	\$1.70	\$1.50	\$2.87	\$2.65
Dividends Per Ordinary Share	\$1.26	\$1.20	\$2.26	\$2.18

* Gross Turnover includes excise of: three months ended 30.06.15 - \$62,303; three months ended 30.06.14 - \$60,983; six months ended 30.06.15 - \$110,075 and six months ended 30.06.14 - \$112,016.

CONDENSED STATEMENT OF CASH FLOWS

	UNAUDITED Six Months Ended 30.06.15 TT\$'000	UNAUDITED Six Months Ended 30.06.14 TT\$'000
Cash Flows From Operating Activities		
Profit before taxation	327,087	296,057
Adjustments for:		
Depreciation	9,308	9,427
(Profit)/ loss on disposal of property, plant and equipment	(35)	11
Net increase in retirement and other post-employment benefit obligation excluding actuarial losses	2,454	2,097
Interest income	(4)	(23)
Operating profit before working capital changes	338,810	307,569
Changes in working capital:		
Increase in inventories	(2,650)	(152)
Increase in trade and other receivables	(70,414)	(29,048)
Increase/ (decrease) in trade payables and accruals	10,518	(9,447)
Decrease in due to related parties	(9,886)	(692)
Increase/ (decrease) in due to parent company	2,649	(878)
Cash Generated From Operating Activities	269,027	267,352
Taxation Paid	(87,372)	(73,834)
Net Cash Generated From Operating Activities	181,655	193,518
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(13,005)	(4,409)
Proceeds from sale of property, plant and equipment	35	16
Interest received	4	23
Net Cash Used In Investing Activities	(12,966)	(4,370)
Cash Flows Used In Financing Activities		
Dividends paid	(267,133)	(210,156)
Decrease In Cash And Cash Equivalents	(98,444)	(21,008)
Cash and Cash Equivalents At Beginning Of Period	272,267	212,132
Cash and Cash Equivalents At End Of Period	173,823	191,124
Cash at bank and in hand	173,821	191,122
Short-term deposits	2	2
	173,823	191,124

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015



CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital TT\$'000	Revaluation Surplus TT\$'000	Retained Earnings TT\$'000	Shareholders' Equity TT\$'000
Unaudited Six Months Ended 30 June 2015				
Balance at 1 January 2015	42,120	49,641	243,584	335,345
Comprehensive Income				
Profit for the year	-	-	241,356	241,356
Other Comprehensive loss				
Remeasurement of retirement and post-employment benefit obligations	-	-	16	16
Depreciation transfer on buildings – net of tax	-	(374)	374	-
Transactions with owners				
Dividends	-	-	(247,666)	(247,666)
Balance at 30 June 2015	42,120	49,267	237,664	329,051
Unaudited Six Months Ended 30 June 2014				
Balance at 1 January 2014	42,120	50,324	188,623	281,067
Comprehensive Income				
Profit for the year	-	-	223,527	223,527
Other comprehensive loss				
Remeasurement of retirement and post-employment benefit obligations	-	-	67	67
Depreciation transfer on buildings, net of tax	-	(80)	80	-
Adjustment of revaluation of land and buildings and deferred tax impact	-	-	(2,086)	(2,086)
Transactions with owners				
Dividends	-	-	(218,181)	(218,181)
Balance at 30 June 2014	42,120	50,244	192,030	284,394

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

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 27th July 2015.

Note 2: Basis of Preparation

This condensed consolidated financial information for the three-month period ended 30 June 2015, 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 2014, 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 2014, 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
Six Months Ended 30 June 2015				
Revenue	448,913	57,198	-	506,111
Gross Profit	390,825	3,746	-	394,571
Profit or loss for the year includes:				
- Depreciation	-	-	(9,308)	(9,308)
- Taxation	-	-	(85,731)	(85,731)
Six Months Ended 30 June 2014				
Revenue	416,761	61,069	-	477,830
Gross Profit	362,359	4,867	-	367,226
Profit or loss for the year includes:				
- Depreciation	-	-	(9,427)	(9,427)
- Taxation	-	-	(72,530)	(72,530)
Total Segment assets				
30 June 2015	123,997	38,192	387,322	549,511
30 June 2014	80,474	40,765	401,162	522,401
Total segment assets include additions to property, plant and equipment as follows:				
30 June 2015	-	-	13,005	13,005
30 June 2014	-	-	4,409	4,409

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.

Note 5: Related Party Transactions

Sales of Goods and Services:

	30.06.15 TT\$'000	30.06.14 TT\$'000
Sale of Goods – Related Parties	57,198	61,069
Sale of Services – Related Parties	-	139

Purchase of Goods and Services:

Purchase of Goods – Related Parties	35,629	34,982
Purchase of Services – Related Parties	17,356	15,954
Purchase of Services – Parent Company	31,054	28,702

Period end balances arising from sales/purchases of goods and services:

Receivables from Related Parties	13,177	12,090
Payables to Related Parties	14,697	24,583
Payables to Parent Company	14,314	7,261

Key Management Compensation

Salaries and other short-term employee benefits	3,799	5,115
Post retirement medical obligations	3	4
Post retirement benefits	527	389

Note 6: Capital Commitments

Authorised and contracted for, and not provided for in the financial statements	1,221	2,358
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Note 7: Contingent Liabilities

Customs and Immigration Bonds	16,111	10,975
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Note 8: Dividends Paid On Ordinary Shares

Final dividend – prior year	163,426	135,626
First interim dividend	84,240	82,555
	247,666	218,181

An interim dividend of \$1.26 per share (2014: \$1.20 per share) was approved by the board of directors on 27th July 2015 and will be paid to shareholders of record as at 7th August 2015 on the 26th August 2015. This interim dividend, amounting to \$106,142,400 (2014: \$101,088,000) has not been recognised in these interim financial statements. It will be recognised in shareholders' equity in the year to 31 December 2015.