

CHAIRMAN'S REVIEW

I am pleased to report that West Indian Tobacco has delivered Profit Before Taxation for the six months ended 30 June 2014 of \$296.1 million, which represents an increase of 16.7% over the corresponding period in 2013. Profit after taxation for the same period was \$223.5 million, reflecting an increase of 19.2% over 2013.

The Board has accordingly approved the payment of a second interim dividend of \$1.20 per ordinary share payable on 15 August 2014 to shareholders of record at close of business on 06 August 2014. The register of shareholders will be closed on 07 and 08 August 2014 for the processing of transfers.



Anthony E Phillip
Chairman
22 July 2014

CONDENSED STATEMENT OF FINANCIAL POSITION

	UNAUDITED 30.06.14 TT\$'000	UNAUDITED 30.06.13 TT\$'000	AUDITED 31.12.13 TT\$'000
Non-current Assets			
Property, plant and equipment	208,195	212,128	213,241
Deferred Income Tax	–	–	522
	208,195	212,128	213,763
Current Assets			
Inventories	49,798	63,994	49,646
Trade and other receivables	71,441	57,357	42,393
Taxation recoverable	1,844	–	1,914
Cash and cash equivalents	191,123	123,504	212,132
	314,206	244,855	306,085
Total Assets	522,401	456,983	519,848
Shareholders' Equity			
Share capital	42,120	42,120	42,120
Revaluation surplus	50,244	47,943	50,324
Retained earnings	192,030	145,501	188,623
	284,394	235,564	281,067
Non-current Liabilities			
Deferred income tax	210	866	–
Retirement benefit obligation	81,135	73,555	79,057
Post-employment medical benefit obligation	5,980	6,687	6,050
	87,325	81,108	85,107
Current Liabilities			
Trade and other payables	99,201	100,437	109,340
Due to parent company	7,261	3,778	8,139
Dividends payable	44,220	32,378	36,195
Taxation payable	–	3,718	–
	150,682	140,311	153,674
Total Liabilities	238,007	221,419	238,781
Total Equity and Liabilities	522,401	456,983	519,848



Anthony E Phillip
Chairman



Jean-Pierre Du Coudray
Managing Director

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED Three Months Ended 30.06.14 TT\$'000	UNAUDITED Three Months Ended 30.06.13 TT\$'000	UNAUDITED Six Months Ended 30.06.14 TT\$'000	UNAUDITED Six Months Ended 30.06.13 TT\$'000
Gross Turnover * Revenue	323,810	281,263	589,846	556,343
Cost Of Sales	(62,014)	(57,152)	(110,604)	(115,804)
Gross Profit	200,813	166,047	367,226	324,986
Distribution Costs	1,189	(4,811)	(7,150)	(9,905)
Administrative Expenses	(29,246)	(23,479)	(50,601)	(47,710)
Other Operating Expenses	(4,702)	496	(13,580)	(14,015)
Other Income	35	69	139	412
	168,089	138,322	296,034	253,768
Interest income	23	12	23	14
Profit Before Taxation	168,112	138,334	296,057	253,782
Taxation	(41,421)	(35,709)	(72,530)	(66,241)
Profit After Taxation	126,691	102,625	223,527	187,541
Other Comprehensive Loss				
Remeasurement of retirement and post-employment benefit obligations	33	(4,502)	67	(7,931)
Total Comprehensive Income for the Period	126,724	98,123	223,594	179,610
Earnings Per Ordinary Share	\$1.50	\$1.22	\$2.65	\$2.23
Dividends Per Ordinary Share	\$1.20	\$1.04	\$2.18	\$1.86

* Gross Turnover includes excise of: three months ended 30.06.14 - \$60,983, three months ended 30.06.13 - \$58,064; six months ended 30.06.14 - \$112,016 and six months ended 30.06.13 - \$115,553.

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 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
Unaudited Six Months Ended 30 June 2013				
Balance at 1 January 2013	42,120	48,276	137,410	227,806
Comprehensive Income				
Profit for the year	–	–	187,541	187,541
Other Comprehensive Loss				
Remeasurement of retirement and post-employment benefit obligations	–	–	(7,931)	(7,931)
Depreciation transfer on buildings, net of tax	–	(333)	333	–
Transactions with Owners				
Dividends	–	–	(171,852)	(171,852)
Balance at 30 June 2013	42,120	47,943	145,501	235,564

CONDENSED STATEMENT OF CASH FLOWS

	UNAUDITED Six Months Ended 30.06.14 TT\$'000	UNAUDITED Six Months Ended 30.06.13 TT\$'000
Cash Flows From Operating Activities		
Profit before taxation	296,057	253,782
Adjustments for:		
Depreciation	9,427	8,954
Loss/(profit) on disposal of property, plant and equipment	11	(36)
Net increase in retirement and other post-employment benefit obligation excluding actuarial losses	2,097	2,164
Interest income	(23)	(14)
Operating Profit Before Working Capital Changes	307,569	264,850
Changes in working capital:		
Increase in inventories	(152)	(15,977)
Increase in trade and other receivables	(29,048)	(25,692)
(Decrease)/increase in trade payables and accruals	(9,447)	13,137
Decrease in due to related parties	(692)	(36)
Decrease in due to parent company	(878)	(6,433)
Cash Generated from Operating Activities	267,352	229,849
Taxation Paid	(73,834)	(69,623)
Net Cash Generated From Operating Activities	193,518	160,226
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(4,409)	(5,943)
Proceeds from sale of property, plant and equipment	16	48
Interest received	23	14
Net Cash Used In Investing Activities	(4,370)	(5,881)
Cash Flows Used In Financing Activities		
Dividends paid	(210,156)	(165,628)
Decrease In Cash And Cash Equivalents	(21,008)	(11,283)
Cash And Cash Equivalents At Beginning Of Period	212,132	134,787
Cash And Cash Equivalents At End Of Period	191,124	123,504
Cash at bank and in hand	191,122	123,503
Short-term deposits	2	1
	191,124	123,504