

UNAUDITED INTERIM RESULTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015



CHAIRMAN'S REVIEW

I am pleased to report that West Indian Tobacco has recorded Profit Before Taxation of \$478.8 million, for the nine months ended 30 September 2015, representing an increase of 9.7% over the corresponding period in 2014. Profit After Taxation for the period is \$354.2 million reflecting an increase of 7.6% over 2014.

The Board has accordingly approved the payment of a third interim dividend of \$1.44 per ordinary share payable on 30 November 2015 to shareholders of record at close of business on 11 November 2015. The Register of Shareholders will be closed on 12 and 13 November 2015 for the processing of transfers.

Anthony E Phillip
Chairman
29 October 2015

CONDENSED STATEMENT OF FINANCIAL POSITION

	UNAUDITED 30.09.15 TT\$'000	UNAUDITED 30.09.14 TT\$'000	AUDITED 31.12.14 TT\$'000
Non-current Assets			
Property, plant and equipment	201,538	204,906	204,326
Deferred income tax asset	4,982	57	1,352
	206,520	204,963	205,678
Current Assets			
Inventories	43,354	49,798	41,768
Trade and other receivables	75,722	57,720	47,357
Taxation recoverable	2,484	1,914	2,484
Cash and cash equivalents	236,911	212,774	272,267
	358,471	322,206	363,876
Total Assets	564,991	527,169	569,554
Shareholders' Equity			
Share capital	42,120	42,120	42,120
Revaluation surplus	49,080	49,766	49,641
Retained earnings	244,533	197,189	243,584
	335,733	289,075	335,345
Non-current Liabilities			
Retirement benefit obligation	89,368	82,173	85,661
Post-employment medical benefit obligation	5,532	5,946	5,591
	94,900	88,119	91,252
Current Liabilities			
Trade and other payables	99,113	99,378	85,842
Due to parent company	10,847	7,515	11,665
Dividends payable	24,004	43,082	44,300
Taxation payable	394	-	1,150
	134,358	149,975	142,957
Total Liabilities	229,258	238,094	234,209
Total Equity and Liabilities	564,991	527,169	569,554

Anthony E Phillip
Chairman

Jean-Pierre S Du Coudray
Managing Director

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Three Months Ended 30.09.15 TT\$'000	Unaudited Three Months Ended 30.09.14 TT\$'000	Unaudited Nine Months Ended 30.09.15 TT\$'000	Unaudited Nine Months Ended 30.09.14 TT\$'000
Gross Turnover *	292,514	282,277	908,699	872,123
Revenue	242,960	228,467	749,070	706,297
Cost Of Sales	(61,436)	(54,028)	(172,976)	(164,632)
Gross Profit	181,524	174,439	576,094	541,665
Distribution Costs	(3,533)	(4,288)	(12,068)	(11,438)
Administrative Expenses	(18,172)	(19,847)	(63,520)	(70,448)
Other Operating Expenses	(8,102)	(9,967)	(21,707)	(23,547)
Other Income	-	-	-	139
Operating Profit	151,717	140,337	478,799	436,371
Interest Income	24	-	28	23
Profit Before Taxation	151,741	140,337	478,827	436,394
Taxation	(38,925)	(34,600)	(124,656)	(107,130)
Profit After Taxation	112,816	105,737	354,171	329,264
Other Comprehensive Gain:				
Items that will not be reclassified to profit or loss				
Remeasurement of retirement and post-employment benefit obligations	8	33	25	100
Other Comprehensive Gain - net of tax	8	33	25	100
Total Comprehensive Income for the Period	112,824	105,770	354,196	329,364
Earnings Per Ordinary Share	\$1.34	\$1.26	\$4.20	\$3.91
Dividends Per Ordinary Share	\$1.44	\$1.39	\$3.70	\$3.57

* Gross Turnover includes excise of: three months ended 30.09.15 - \$49,554, three months ended 30.09.14 - \$53,810; nine months ended 30.09.15 - \$159,629 and nine months ended 30.09.14 - \$165,826.

CONDENSED STATEMENT OF CASH FLOWS

	UNAUDITED Nine Months Ended 30.09.15 TT\$'000	UNAUDITED Nine Months Ended 30.09.14 TT\$'000
Cash Flows From Operating Activities		
Profit before taxation	478,827	436,394
Adjustments for:		
Depreciation	13,989	14,177
Loss on disposal of property, plant and equipment	2,862	14
Net increase in retirement and other post-employment benefit obligation excluding actuarial losses	3,681	3,146
Interest income	(28)	(23)
Operating profit before working capital changes	499,331	453,708
Changes in working capital:		
Increase in inventories	(1,586)	(152)
Increase in trade and other receivables	(28,365)	(15,327)
Increase/(decrease) in trade payables and accruals	12,404	(6,314)
Increase/(decrease) in due to related parties	867	(3,648)
Decrease in due to parent company	(818)	(624)
Cash Generated From Operating Activities	481,833	427,643
Taxation Paid	(129,051)	(110,754)
Net Cash Generated From Operating Activities	352,782	316,889
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(14,098)	(5,875)
Proceeds from sale of property, plant and equipment	35	19
Interest received	28	23
Net Cash Used In Investing Activities	(14,035)	(5,833)
Cash Flows Used In Financing Activities		
Dividends paid	(374,103)	(310,414)
Net (Decrease)/Increase In Cash And Cash Equivalents	(35,356)	642
Cash and Cash Equivalents At Beginning Of Period	272,267	212,132
Cash and Cash Equivalents At End Of Period	236,911	212,774
Cash at bank and in hand	236,909	212,772
Short-term deposits	2	2
	236,911	212,774

UNAUDITED INTERIM RESULTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 Nine Months Ended 30 September 2015				
Balance at 1 January 2015	42,120	49,641	243,584	335,345
Comprehensive Income				
Profit for the year	-	-	354,171	354,171
Other Comprehensive loss				
Remeasurement of retirement and post-employment benefit obligations	-	-	25	25
Depreciation transfer on buildings – net of tax	-	(561)	561	-
Transactions with owners				
Dividends	-	-	(353,808)	(353,808)
Balance at 30 September 2015	42,120	49,080	244,533	335,733
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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 29th October 2015.

Note 2: Basis of Preparation

This condensed consolidated financial information for the nine-month period ended 30 September 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
Nine Months Ended 30 September 2015				
Revenue	654,776	94,294		749,070
Gross Profit	569,678	6,416		576,094
Profit or loss for the year includes:				
- Depreciation			(13,989)	(13,989)
- Taxation			(124,656)	(124,656)
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)
Total Segment assets				
30 September 2015	76,483	42,593	445,915	564,991
30 September 2014	68,265	39,253	419,651	527,169
Total segment assets include additions to property, plant and equipment as follows:				
30 September 2015			14,098	14,098
30 September 2014			5,875	5,875

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:

	30.09.15 TT\$'000	30.09.14 TT\$'000
Sale of Goods - Related Parties	94,294	88,479
Sale of Services - Related Parties	-	139

Purchase of Goods and Services:

	30.09.15 TT\$'000	30.09.14 TT\$'000
Purchase of Goods - Related Parties	35,629	51,154
Purchase of Services - Related Parties	17,356	17,132
Purchase of Services - Parent Company	31,054	42,556

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

	30.09.15 TT\$'000	30.09.14 TT\$'000
Receivables from Related Parties	13,177	10,891
Payables to Related Parties	14,697	10,007
Payables to Parent Company	14,314	7,515

Key Management Compensation

	30.09.15 TT\$'000	30.09.14 TT\$'000
Salaries and other short-term employee benefits	5,091	6,383
Post retirement medical obligations	3	5
Post retirement benefits	527	584

Note 6: Capital Commitments

	30.09.15 TT\$'000	30.09.14 TT\$'000
Authorised and contracted for, and not provided for in the financial statements	13,340	4,149

Note 7: Contingent Liabilities

	30.09.15 TT\$'000	30.09.14 TT\$'000
Customs and Immigration Bonds	15,900	8,975

Note 8: Dividends Paid On Ordinary Shares

	30.09.15 TT\$'000	30.09.14 TT\$'000
Final dividend – prior year	163,426	135,626
First interim dividend	84,240	82,555
Second interim dividend	106,142	101,088
	353,808	319,269

An interim dividend of \$1.44 per share (2014: \$1.39 per share) was approved by the board of directors on 29th October 2015 and will be paid to shareholders of record as at 11th November 2015 on the 30th November 2015. This interim dividend, amounting to \$121,305,600 (2014: \$117,093,600) has not been recognised in these interim financial statements. It will be recognised in shareholders' equity in the year to 31 December 2015.