UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

WEST INDIAN TOBACCO

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 S 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 *	323,810	281,263	589,846	556,343
Revenue	**262,827**	**223,199**	**477,830**	**440,790**
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
Operating Profit	**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 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**

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 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 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**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 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 July 2014.

Note 2: Basis of Preparation

This condensed consolidated financial information for the six-month period ended 30 June 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 which 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 2014				
Revenue	416,761	61,069	–	477,830
Gross Profit	362,358	4,867	–	367,225
Profit or loss for the year includes:				
- Depreciation	–	–	(9,427)	(9,427)
- Taxation	–	–	(72,530)	(72,530)
Six Months Ended 30 June 2013				
Revenue	379,683	61,107	–	440,790
Gross Profit	323,333	1,653	–	324,986
Profit or loss for the year includes:				
- Depreciation	–	–	(8,954)	(8,954)
- Taxation	–	–	(66,241)	(66,241)
Total Segment assets				
30 June 2014	80,474	40,765	401,162	522,401
30 June 2013	72,055	49,296	335,632	456,983
Total segment assets include additions to property, plant and equipment as follows:				
30 June 2014	–	–	4,409	4,409
30 June 2013	–	–	5,943	5,943

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.

	30.06.14 TT$'000	30.06.13 TT$'000
Note 5: Related Party Transactions		
Sale of Goods and Services		
Sale of Goods - Related Parties	61,069	61,107
Sale of Services - Related Parties	139	412
Purchase of Goods and Services		
Purchase of Goods - Related Parties	34,982	35,992
Purchase of Services - Related Parties	15,954	26,415
Purchase of Services - Parent Company	28,702	25,479
Period end balances arising from sales/ purchases of goods and services:		
Receivables from Related Parties	12,090	12,238
Payables to Related Parties	24,583	25,275
Payables to Parent Company	7,261	3,778
Key Management Compensation		
Salaries and other short-term employee benefits	5,115	5,046
Post-retirement medical obligations	4	4
Post-retirement benefits	389	437
Note 6: Capital Commitments		
Authorised and contracted for, and not provided for in the financial statements	2,358	4,055

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.

Customs and Immigration Bonds	10,975	10,786

Note 8: Dividends Paid On Ordinary Shares

Final dividend – prior year	135,626	102,773
First interim dividend	82,555	69,077
	218,181	171,850

An interim dividend of $1.20 per share (2013: $1.04 per share) was approved by the Board of Directors on 22nd July 2014 and will be paid to shareholders of record as at 06 August 2014 on the 15 August 2014. This interim dividend, amounting to $101,088,000 (2013: $87,609,600) has not been recognised in these interim financial statements. It will be recognised in shareholders' equity in the year to 31 December 2014.