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BY SYAHIRAH SYED JAAFAR

KUALA LUMPUR: British American Tobacco (M) Bhd's (BAT Malaysia) net profit for the second quarter (2Q) ended June 30, 2019 fell by 32% to RM77.23 million from RM113.72 million a year earlier, reflecting an overall decline in legal volumes as well as higher company expenses.

Earnings per share declined to 26.7 sen from 38.6 sen, the group said in a filing with Bursa Malaysia yesterday.

The revenue was lower by 6% to RM640.81 million from RM679.15 million previously.

The group said operating expenses increased by 19.5% compared to the previous quarter mainly due to higher marketing

spending in new segments.

Profit from operations registered a decrease of 10.9% compared to the previous quarter and down by 19.4% compared to same period last year which was due to the phasing of operating expenses and the group's investments to fight high levels of illegal trade.

BAT Malaysia said it outperformed the legal industry during 2Q, marking a 3.6% growth versus the preceding quarter despite external pressures.

The group has declared a second interim dividend of 26 sen per share, compared to 35 sen a year ago.

"The results of the last quarter are a reflection of the escalated efforts management has undertaken in order to defend its position vig-

orously, preserve long-term shareholder value and fight against a dynamic marketplace under siege from continued high levels of contraband cigarettes," said Erik Stoel, managing director of BAT Malaysia

If the industry continues to be pressured without any meaningful interventions, we will have to review the level of our investment in Malaysia, he said.

For the first half of the year, net profit fell 21% to RM165.15 million from RM209.61 million, while revenue fell 4% to RM1.26 billion versus RM1.32 billion previously.

BAT's share price closed 48 sen or 1.60% lower at RM29.60 yesterday, for a market capitalisation of RM8.45 billion.