

BAT Malaysia records a commendable first quarter

Petaling Jaya, 23rd April 2012 – British American Tobacco (Malaysia) Berhad (BAT Malaysia) today announced a commendable first quarter 8.8% profit before tax growth. This result was driven by volume growth and reduced operating expenses but it is however compared to a notably weak first quarter in 2011 which was impacted by certain sub-value for money brands selling below the Government-mandated minimum price.

Domestic shipment volume grew by 4.5% when compared to the same period last year and revenue was up by 5.1%. The volume growth this quarter, as compared to the corresponding period last year, stems from our strong Dunhill market share performance, and from the successful 2011 enforcement activities against sub-value for money brands selling below the Government-mandated minimum price.

The lower operating expenses were in part due to lower distribution costs as a result of the change in distribution model in the third quarter of the previous year, and partly from the timing of brand and trade-related activities.

Profit after tax increased by 8.9% in line with profit before tax to register RM195 million.

Commenting on the overall results, William Toh, Managing Director of BAT Malaysia said, “With the commendable efforts by the relevant Government law enforcement agencies in curbing illegal cigarettes trade and illegal pricing activities as well as the strong performance by our portfolio of brands, the Group’s volume grew by 4.5%. The Group grew market share, within the legal segment, by 3.2 percentage points

compared to the same period last year and by 0.2 percentage points compared to the previous quarter to register a market share of 62.5% (year-to-date March).”

“Nevertheless, the threat of the illegal cigarettes trade is still prevalent with the illegal cigarettes incidence, though reduced, a still significantly high reading of 36.1%¹ in 2011. However, the Government’s decision not to increase cigarette excise in the October 2011 budget announcement and its continuous efforts to combat the illegal cigarettes trade is welcomed as it is a positive move to address this national issue.”

“Barring any unforeseen changes to the operating landscape and supported by a strong portfolio of products, the Group is relatively optimistic on its outlook for 2012,” Toh concluded.

The Board of Directors of BAT Malaysia has declared a first interim dividend for 2011 of 65.00 sen per share.

For more information on British American Tobacco Malaysia’s financial results, please visit www.batmalaysia.com

About British American Tobacco (Malaysia) Berhad

British American Tobacco (Malaysia) Berhad (British American Tobacco Malaysia) emerged on 3rd November 1999 from the merger of Rothmans of Pall Mall (Malaysia) Berhad and Malaysian Tobacco Company Berhad. These two long-established tobacco companies brought with the merger, experience and an unrivalled portfolio of highly successful international brands to create the largest tobacco company in the country.

British American Tobacco Malaysia manufactures and markets high quality tobacco products designed to meet diverse consumer preferences. Its brand portfolio includes well-established international names like Dunhill, Kent, Pall Mall and Peter Stuyvesant. British American Tobacco Malaysia has about 1,200 employees who are involved in the full spectrum of the tobacco industry, from leaf buying and processing to manufacturing, marketing and distribution.

British American Tobacco Malaysia is part of the British American Tobacco Group, which is the world’s most international tobacco group and the second largest stock market listed tobacco group by global market share.

¹Annualised figures from Wave 1 (March – May 2011), Wave 2 (June – August 2011) and Wave 3 (October – December 2011) of Illicit Cigarette Survey conducted by Confederation of Malaysian Tobacco Manufacturers (CMTM)

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