



**BRITISH AMERICAN
TOBACCO**
MALAYSIA

Analyst Briefing QUARTER 1, 2015

April 2015



AGENDA

- **Industry Review: Volumes and Market Share**
- **Company Review**
- **Q1 2015 Performance**
- **Other highlights**

Quarter 1 (Q1) 2015 Headlines

- **Commendable financial delivery vs. SPLY:** Profit from Operations +7.6%
- **Q1 Industry Volume decline -0.9%** positively impacted by the purchases in advance of GST implementation
- **Sharp decline in illegal cigarette incidence** in Wave 2 2014 and Wave 3 2014 due to Royal Malaysian Customs ongoing anti-illegal cigarette trade campaign
- **Share of market resilient** – decline of 0.1ppt vs. 2014
 - Dunhill maintains share resilience and market leadership in a down trading environment
 - Peter Stuyvesant showed an outstanding trend



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Industry Review Volumes and Market Share

The Royal Malaysian Customs intensive enforcement & awareness program nationwide in 2014 delivers 6.1ppt reduction in illegal cigarettes incidence – largest decline in TWO decades



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Enhanced enforcement at retail points & deterrent penalties

Outlets raided

6,012

Retailers arrested

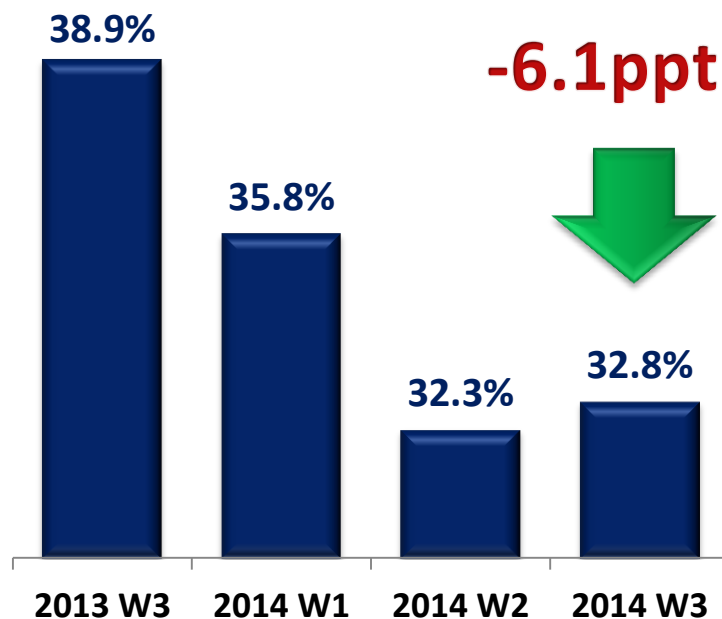
1,258

Retailers jailed/fined

720



Consumer & Retailer Awareness Heightened



Leading to -6.1 ppt decline in illicit incidence*

*Illicit Cigarette Study, Wave 3, Oct - Dec 2014

Customs to continue with its robust enforcement activities in 2015



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Launched OPS Outlet version 2.0 with the support of various trade associations to galvanize the **PUBLIC** to help **REPORT** outlets that sell illegal cigs or alcohol

Launched by DG Customs
9th Apr 2015

**LAPORKAN
JUALAN ROKOK
ATAU ARAK SELUDUP**

BARANGAN SELUDUP

JANGAN JUAL ATAU BELI ROKOK DAN ARAK SELUDUP

HUKUMAN MAKSIMA: PENJARA 3 TAHUN ATAU DENDA 20 KALI NILAI BARANGAN ATAU KEDUA-DUANYA*
最高刑罰：監禁3年或罰款違私物價值的20倍，或兩者兼施*
අභියාචනා පාලන: 3 අවුරුදු දඬුවම හෝ වටිනාකම මත 20 ගුණයට වැඩි දඩයකට හෝ දඬුවම හා දඩයකට

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JABATAN KASTAM DIRAJA MALAYSIA



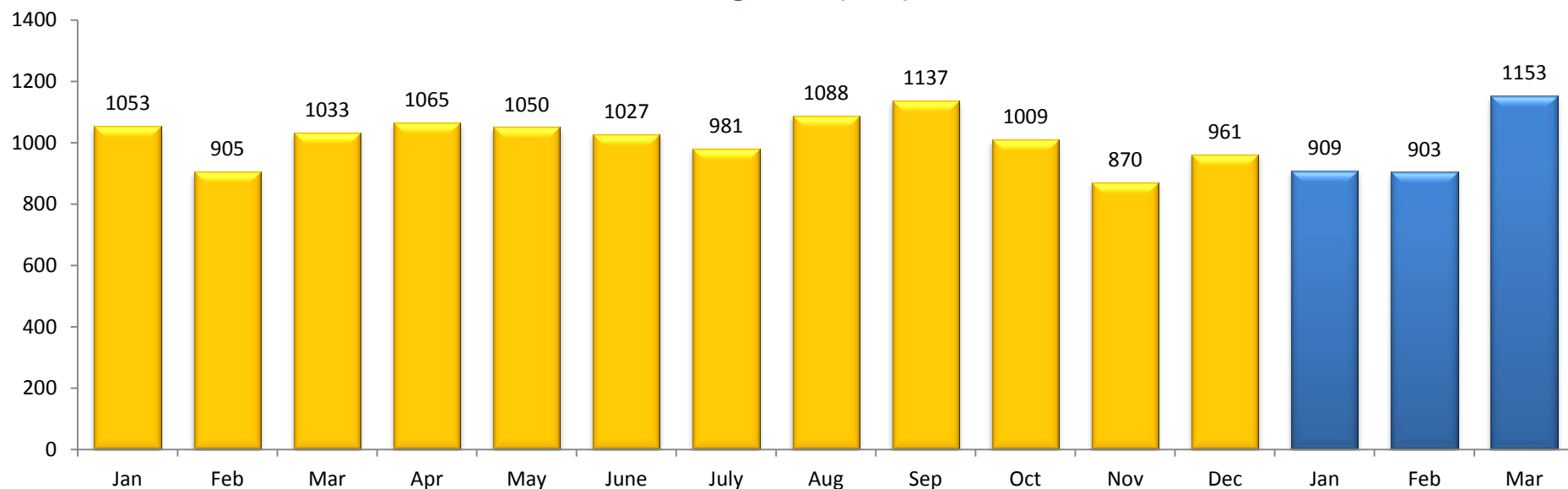
Khazali (dua dari kiri) menyerahkan poster 'Operasi Outlet Rokok dan Arak Seludup 2015' kepada peniaga di Georgetown, seremban. (DPPYO ZULAIRHA RAJINDRAM/BE)

Market review update

Legal market declined **-0.9%** Q1 2015 vs. Q1 2014

Market evolution in Q1 positively impacted by purchase in advance of GST implementation

Big-3 IMS (mns)

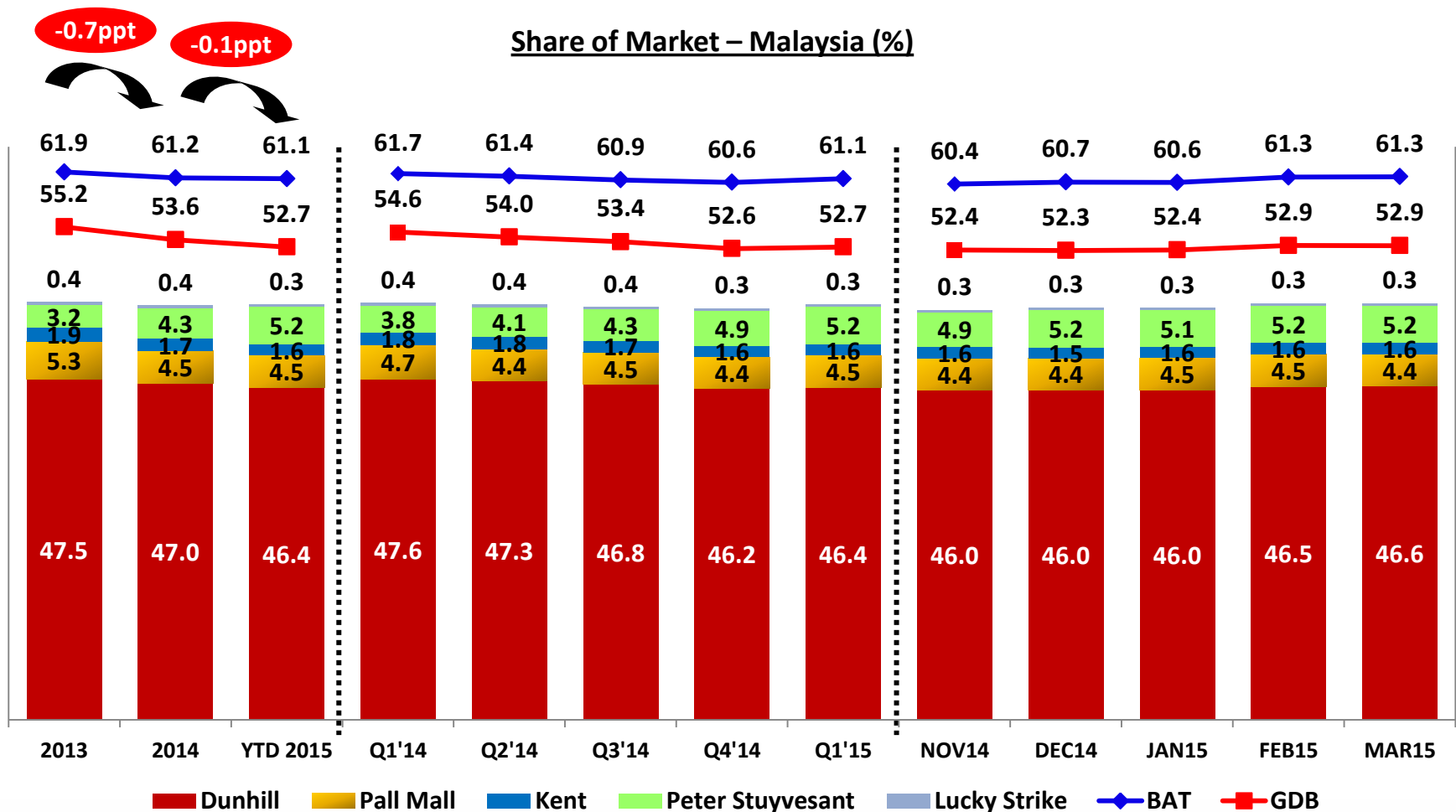


Monthly average Q1'15 vs. SPLY:

	Q1'14	Q1'15	Change
Industry	997	988	-0.9%
BAT	627	619	-1.3%

Managed to defend its share in 2014 with recovery noted at the start of 2015

Source: YTD MAR 15 Malaysia Retail Audit (Base: Total Legal Market – White + Kretek)





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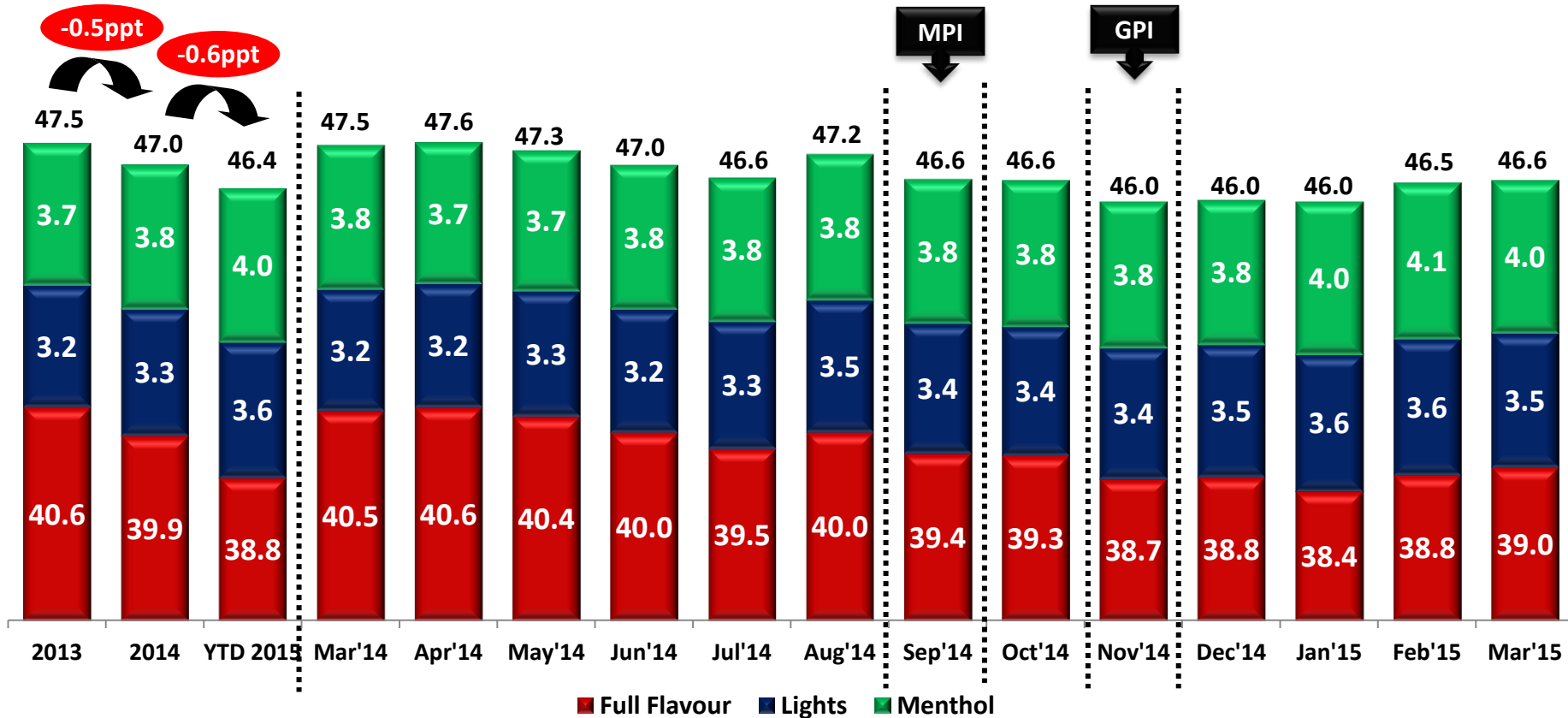
Company Review

Dunhill: maintains share resilience and market leadership



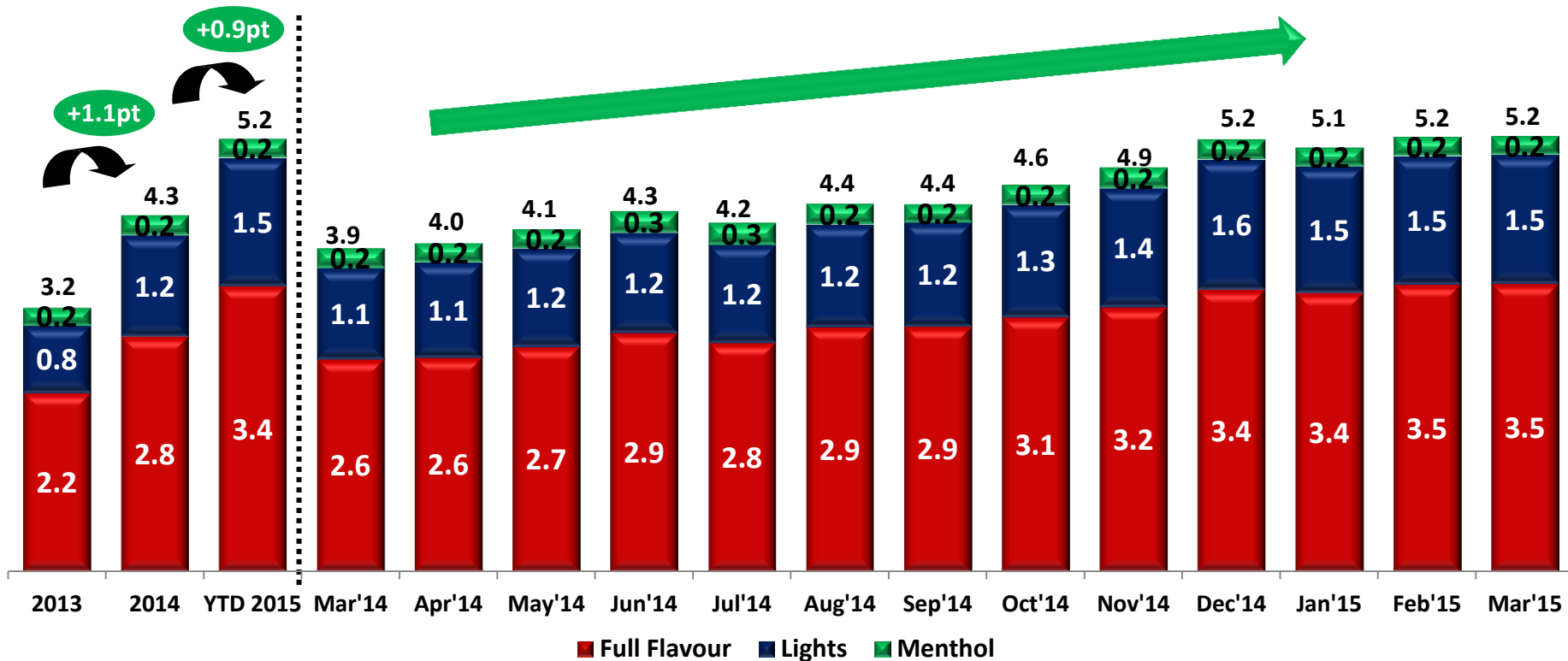
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Source: YTD MAR 15 Malaysia Retail Audit (Base: Total Legal Market – White + Kretek)



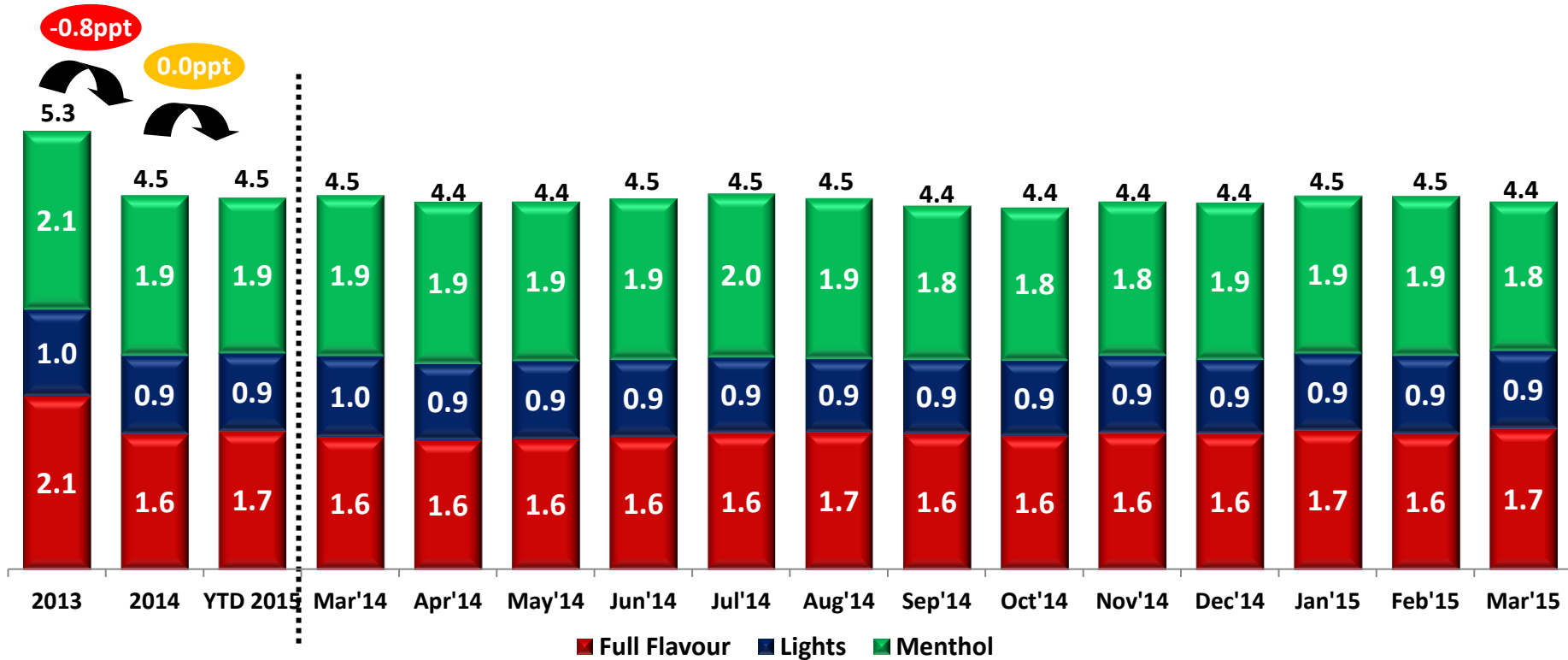
Peter Stuyvesant: Showed an outstanding growth breaking the 5% share of market

Source: YTD MAR 15 Malaysia Retail Audit (Base: Total Legal Market – White + Kretek)



Pall Mall: remains stable since Q2 2014

Source: YTD MAR 15 Malaysia Retail Audit (Base: Total Legal Market – White + Kretek)





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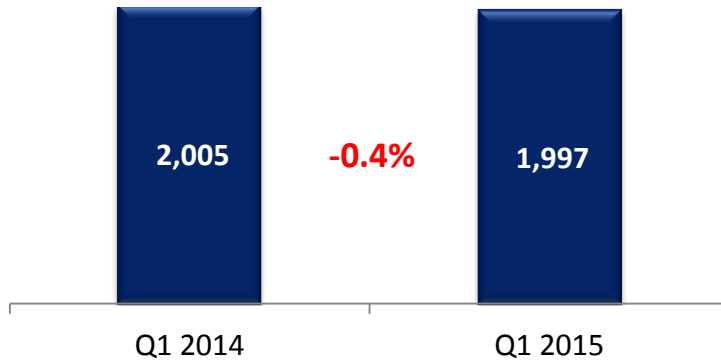
Q1 2015 Results Financial Highlights

Q1 YTD : Volume and Revenue

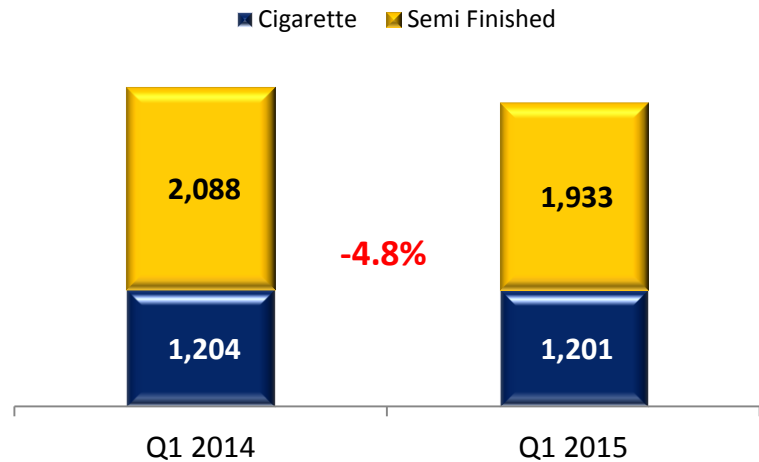


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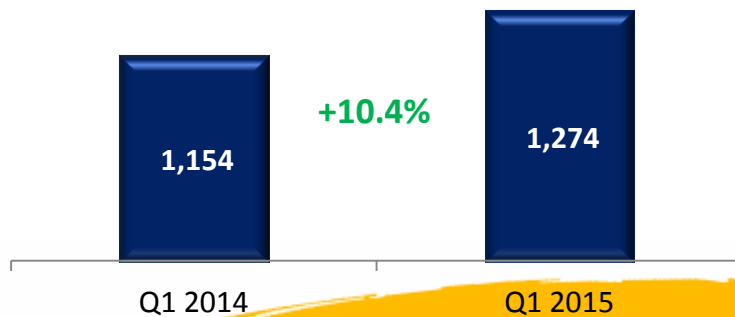
Domestic & DF Volumes (mn stick)



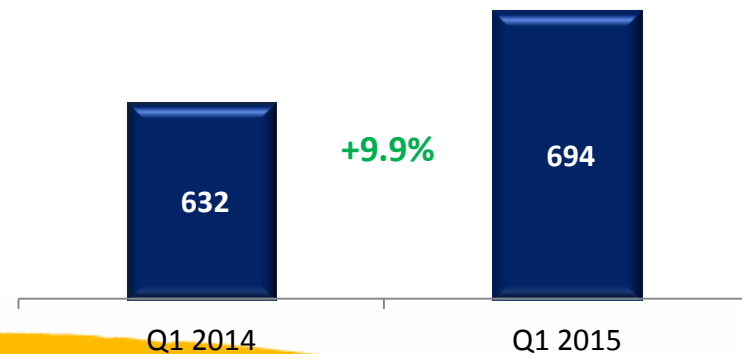
Contract Manufacturing Volumes (mn stick)



Revenue (RM'mn)

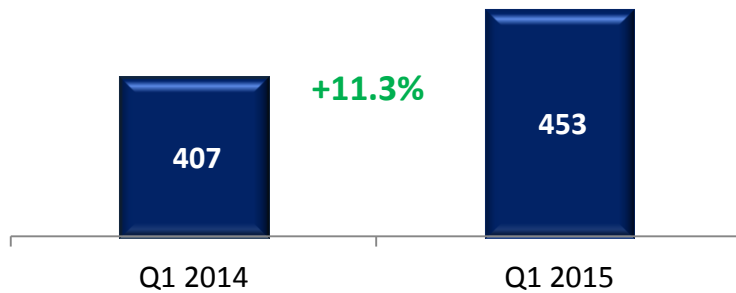


Net Turnover (RM'mn)

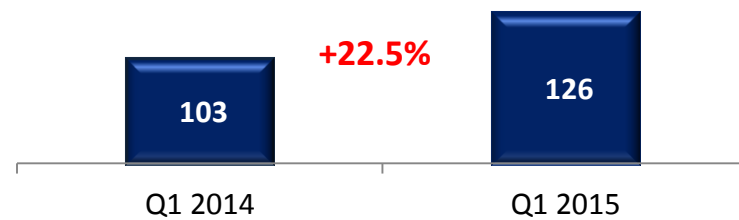


Q1 YTD: Key Metrics

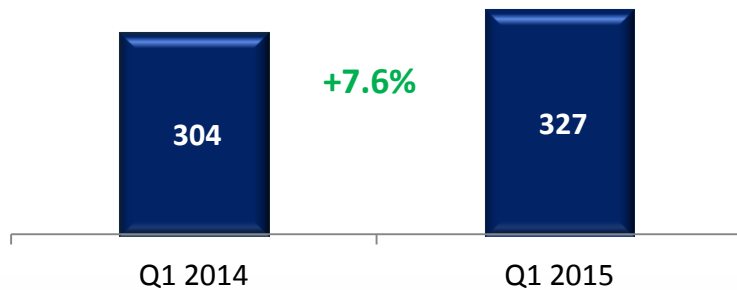
Gross Profit (RM'mn)



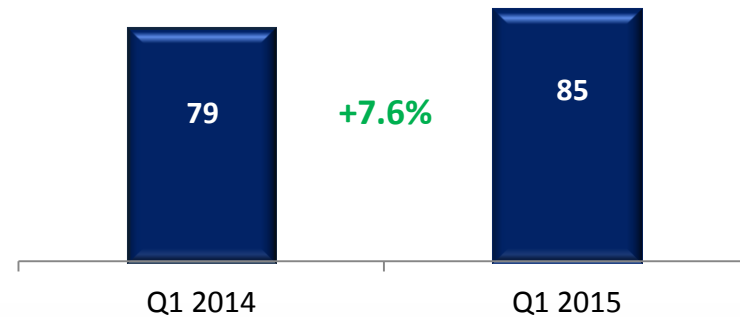
Operating Expenses (RM'mn)



Profit from Operations (RM'mn)



Earning per Share (Sen/share)



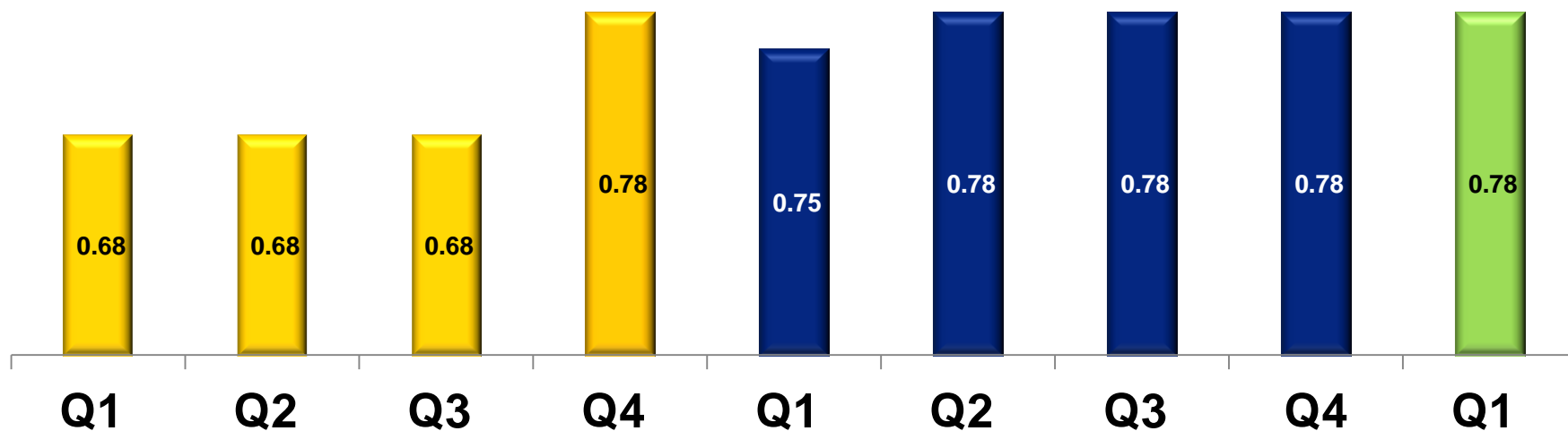
Dividend Payout



2013
RM 2.82
97.8% Payout

2014
RM 3.09
97.8% Payout

2015
YTD



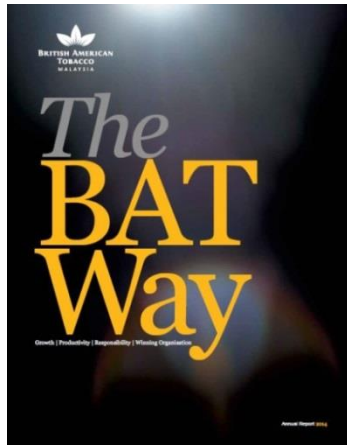


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Other Highlights

Highlights of Company's activities

The 2014 Annual Report is now available!



Click on the link below to download a copy from our corporate website:

http://www.batmalaysia.com/group/sites/BAT_7RYJ8N.nsf/vwPagesWebLive/DO7SUKSJ?opendocument

54th Annual General Meeting (AGM) – 27th April

British American Tobacco (M) Berhad (BAT Malaysia) held its 54th Annual General Meeting at Sime Darby Convention Centre, Kuala Lumpur

Date & Time – April 27, 2015 at 11.00 am
Venue – Ballroom 1, First floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur



Corporate Responsibility Highlights



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Launch of BAT plc Sustainability Summary 2014

- Report on the Group's latest Sustainability Summary Report, 'Value shared: Investing in a sustainable future for our business and society', was published on 27 March 2015. It provides an overview of our key focus areas and performance for the year.
- Available for download here: http://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DO9DCL3P?opendocument
- For iPad and Android tablets: iTunes App Store and Google Play App Store



External Recognition

Best Employer Brand Awards 2015

BAT Malaysia receives 'Malaysia Best Employer Brand Award'

We are pleased to announce that BAT Malaysia has received the 'Malaysia Best Employer Brand Award' from the Employer Branding Institute at the recent Employer Brand Awards (EBA) 2015 ceremony held on the 25th of March.





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THANK YOU