Notes:

Quarterly Report 31st March 2009

1. Accounting Policies

The interim financial report has been prepared in accordance with the reporting requirements as set out in the Financial Reporting Standards ("FRS") No. 134 – "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's annual audited financial statements for the year ended 31st December 2008.

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those of the annual financial statements for the year ended 31st December 2008.

2. Qualification of Preceding Annual Financial Statements

The audit report of the most recent annual financial statements for the year ended 31st December 2008 was not qualified.

3. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the quarter under review.

4. Unusual Items

There was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the quarter.

5. Material Changes In Estimates

There were no material changes in estimates from either the prior interim period or prior financial years that have a material effect in the current quarter results.

6. Debts and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities during the quarter under review except for the following:

The Company completed a capital repayment exercise to its shareholders via a cash distribution on the basis of RM0.75 for every one existing ordinary share of RM1.00 each held in the Company via a reduction of share capital pursuant to Section 64 of the Companies Act, 1965. On 20th March 2009, the par value of the ordinary shares of the Company was reduced from RM1.00 per ordinary share to RM0.25 per ordinary share. Accordingly, the cash payment of RM0.75 per ordinary share to the entitled shareholders was made on 30th March 2009.

7. Dividend Paid

There was no dividend paid during the financial period under review.

8. Segmental Reporting

No segmental analysis is prepared as the Group is primarily engaged in the manufacturing and sales of tobacco products in Malaysia.

9. Valuation of Property, Plant and Equipment

There were no valuations of property, plant and equipment during the financial period under review or being brought forward from the previous Annual Financial Statements.

10. Material Events Subsequent To The End of The Period

There are no material events subsequent to the end of the period reported which have not been reflected in the financial period.

11. Changes In The Composition of The Group

There were no changes in the composition of the Group during the quarter under review.

12. Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31st December 2008.

13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31st March 2009 are as follows:

Property, plant and equipment	RM'000
Approved and contracted for	12,344
Approved but not contracted for	9,305

14. Review of Performance

For the quarter under review, the Group registered revenues of RM291.5 million compared with RM251.3 million for the same period last year. Profit before tax in the current quarter was higher at RM44.9 million compared with RM42.1 million for the same period last year. The increase in revenues was attributed to improved sales volume and higher cigarette prices. Profit before tax was higher, driven by the same factors mentioned above, offset partially by higher marketing and operating expenditures.

15. Comparison with Preceding Quarter's Result

For the quarter under review, the Group registered revenues of RM291.5 million and a profit before tax of RM 44.9 million as compared to the preceding quarter's revenues of RM253.2 million and profit before tax of RM12.2 million. The increase in both revenues and profit before tax was attributed to higher sales volume and lower marketing and operating expenditures in the current quarter.

16. Prospects for This Financial Year

In the first quarter, overall tobacco industry volume, as measured by the Confederation of Malaysian Tobacco Manufacturers declined by over 9% versus the same period last year. Nevertheless, JT International Berhad's improved performance continued, as it grew its market share to 18.6% from 17.1% registered during the same period last year *(source: AC Nielsen Retail Audit report – March 2009)*. This growth was driven primarily by segment leader Winston, which increased its market share to 9.5% from 8.1% for the same period last year.

Going forward, the introduction of tobacco control regulations in September 2008, mandating the placement of Pictorial Health Warnings as well as prohibiting the use of certain descriptive terms on cigarette packaging will be fully implemented in the retail trade by 1st June, 2009. Furthermore, it is anticipated that additional restrictions may be introduced in the current year.

The continued growth of the illicit cigarette trade has been fuelled by significant excise tax increases implemented in recent years by the Malaysian Government. Moving forward, it is hoped that a more gradual increase will be implemented so as to curb the growth of this very lucrative illicit trade. Unfortunately, the significant proliferation of illicit cigarettes is expected to exert further negative pressure on the sales volume of the legitimate local manufacturers. Notwithstanding, JT International Berhad is encouraged by the increased enforcement by various Government agencies to combat this very serious threat, and will continue to cooperate fully with the authorities in the ongoing fight against the illicit cigarette trade.

The operating environment for the tobacco industry is expected to remain challenging in 2009. However, despite the anticipated challenges ahead, the Group is committed to maintain its competitiveness and to deliver a satisfactory overall performance for the current financial year through continued effective investment behind its global flagship brands, Winston, Mild Seven and Camel.

17. Profit Forecast or Guarantee

There was no profit forecast or profit guarantee made during the financial period under review.

18. Taxation

	Current Quarter		**Year To Date**	
	RM’000	%	RM’000	%
Profit before taxation	44,888		44,888	
Statutory tax	11,222	25.00	11,222	25.00
Tax effect on non allowable expenses	673	1.50	673	1.50
Effective tax	11,895	26.50	11,895	26.50

The effective tax rate of the Group for the quarter was higher than the statutory rate due to non allowable expenses

19. Unquoted Investments and / (or) Properties

There were no sales of unquoted investments or properties during the financial period under review.

20. Quoted Securities and Investments

There were no purchases or disposals of quoted securities during the financial period under review and there were no investments in quoted shares as at the end of the reporting period.

21. Status of Corporate Proposals Announced But Not Completed

There was no corporate proposal announced which was not completed as at the date of this report

22. Group Borrowing and Debt Securities

There were no borrowings and debt securities as at the end of the reporting period.

23. Off Balance Sheet Financial Instruments

No off balance sheet financial instruments were utilised for the current financial period to date.

24. **Material Litigation**

There was no material litigation pending since 31st December 2008.

25. **Dividends**

The Board of Directors does not recommend the payment of a dividend for the financial quarter under review.

26. **Earnings Per Share**

Earnings per share have been computed based on profit for the period divided by the weighted average number of ordinary shares in issue during the period.

	3 months ended		**Year to Date**	
	31.03.2009	**31.03.2008**	**31.03.2009**	**31.03.2008**
Profit for the period (RM'000)	32,993	30,751	32,993	30,751
Weighted average number of ordinary shares in issue ('000)	261,534	261,534	261,534	261,534
Basic earnings per share (sen)	12.6	11.8	12.6	11.8

By Order of the Board
BALRAJ RAMANATHAN
Company Secretary