MEDIA INFORMATION
For immediate release

JTI Malaysia's Registers Stable Financial Performance Amidst A Difficult Operating Environment

Second Quarter Financial Results For The Financial Year Ending 31 December, 2013

Kuala Lumpur, 23 August 2013 – For the quarter under review, the Group registered revenues of RM 325.2 million as compared with RM303.8 million for the same period last year. The increase in revenues was mainly attributed to a 1.8% increase in sales volume in the current quarter compared to the same quarter last year. Profit before tax in the current quarter was higher at RM41.5 million compared with RM39.5 million for the same period last year. Profit before tax was higher, driven by higher sales volume, increased net margins and better product mix, offset partially by higher marketing investments.

For the cumulative period to 30th June 2013, the Group achieved revenues of RM635.2 million as compared with revenues of RM625.2 million for the corresponding period last year. The marginal increase in revenues was attributed to higher cigarette prices and better product mix, offset by a 2.7% decline in sales volume. Profit before tax for the first half-year of 2013 was higher at RM94.9 million as compared with RM90.1 million for the corresponding period last year. Profit before tax was higher, driven by higher net margins and better product mix, offset partially by lower sales volume and higher marketing investments.

For the first half of 2013, the Group achieved a stable market share of 19.7% as compared to 19.5% achieved in the same period last year (Nielsen Retail Audit Report). Mild Seven (which has been renamed Mevius beginning May 2013) recorded an increase in market share of 0.1 percentage point, increasing its market share to 4.4% compared with 4.3% in 2012. Winston, the leader in the Value segment, increased its market share to 10.0% from 9.7% in 2012 despite the continued impact of illegal cigarettes and the sales of cigarettes below the government mandated minimum price of RM7 per pack of 20 sticks cigarettes.

Prospects for This Financial Year

For the remainder of 2013, JTI Malaysia expects the operating environment to remain challenging due to the continued impact of certain local brands selling below the government mandated minimum cigarette price and the high prevalence of illegal cigarettes.

The incidence of illegal cigarettes remained high at 33.6% based on the results of the latest illegal cigarette study for the period March to May 2013 (Source: Wave 1, 2013, Illicit Cigarette Survey (ICS) commissioned by Confederation of Malaysian Tobacco Manufacturers). Comparing with the preceding study in October to December 2012 (Wave 3,2012), incidence of illegal cigarettes declined marginally by 0.2 percentage point, from 33.8% to 33.6%. The Group remains confident that the incidence of illegal cigarettes can be reduced if the enforcement efforts by the Malaysian law enforcement agencies are intensified. JTI Malaysia hopes that the Government will continue with its prudent and pragmatic approach to excise tax this year to further address the illegal cigarettes trade situation.

Despite this challenging operating environment, the Group is committed to maintain its competitiveness through continued effective investment behind its Global Flagship Brands: Mevius (formerly Mild seven) and Winston.

###

For further information, please contact:

Azrani Rustam
Corporate Affairs & Communications Director
Tel : +603 20876875
HP : +6012 2082649
azrani.rustam@jti.com
ezashafina.dzulkarnain@jti.com

Eza Dzul Karnain
Communications Manager
Tel : +603 20876823
HP: +6012 3420060

JTI, a member of the Japan Tobacco Group of Companies, is a leading international tobacco manufacturer. It markets world-renowned brands such as Camel, Winston and Mevius (*formerly Mild Seven*). Other global brands include Silk Cut, Sobranie, Glamour and LD. With headquarters in Geneva, Switzerland, and about 25,000 employees worldwide, JTI has operations in more than 120 countries. Its core revenue in the fiscal year ended December 31, 2012, was USD 11.8 billion. For more information, visit www.jti.com.