

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD
(formerly known as Rothmans of Pall Mall (Malaysia) Berhad)
(Company No : 4372-M)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2000. THE FIGURES HAVE NOT BEEN AUDITED.**

CONSOLIDATED INCOME STATEMENT		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	1.01.2000 TO 31.03.2000	1.01.1999 TO 31.03.1999
		31.03.2000 RM'000	31.03.1999 RM'000	RM'000	RM'000
1 (a)	Turnover	689,190	491,327	689,190	491,327
(b)	Investment income	817	901	817	901
(c)	Other income including interest income	15,409	5,741	15,409	5,741
2 (a)	Operating profit/(loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	210,939	157,863	210,939	157,863
(b)	Less interest on borrowings	15,833	18	15,833	18
(c)	Less depreciation and amortisation	17,470	4,769	17,470	4,769
(d)	Exceptional items	-	-	-	-
(e)	Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	177,636	153,076	177,636	153,076
(f)	Share in the results of associated companies	-	-	-	-
(g)	Profit/(loss) before taxation, minority interests and extraordinary items	177,636	153,076	177,636	153,076
(h)	Taxation	50,127	-	50,127	-
(i) (i)	Profit/(loss) after taxation, before deducting minority interests	127,509	153,076	127,509	153,076
(ii)	Less minority interests	-	-	-	-
(j)	Profit/(loss) after taxation, attributable to members of the company	127,509	153,076	127,509	153,076
k (i)	Extraordinary items	-	-	-	-
(ii)	Less minority interests	-	-	-	-
(iii)	Extraordinary items attributable to members of the company	-	-	-	-
(l)	Profit/(loss) after taxation, and extraordinary items attributable to members of the company	127,509	153,076	127,509	153,076
3 (a)	Earnings per share based on 2(f) above after deducting any provision for preference dividends, if any: (i) Basic (based on March 2000 : 285,530,000 (1999 : 285,530,000) ordinary shares) - sen	44.7	53.6	44.7	53.6
4(a)	Dividend per share (sen)	-	83 tax exempt	-	83 tax exempt
(b)	Dividend Description	-	Final (FYE 31.3.99)	-	Final (FYE 31.3.99)
5	Net tangible assets per share (RM)	(0.23)	1.42	(0.23)	1.42

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CONSOLIDATED BALANCE SHEET

	As at end of current quarter 31.03.2000	As at preceding financial year-end 31.12.99
	RM'000	RM'000
1 Fixed Assets	490,863	495,317
2 Investment in Associated Company	19,692	19,692
3 Long Term Investments	4,180	4,215
4 Intangible Assets	539,355	544,818
5 Current Assets		
Stocks	287,545	394,459
Trade Debtors	48,255	73,885
Other Debtors, Deposits and Prepayments	72,667	56,362
Amount due from Associated Company	1,365	5,494
Amount due from Related Parties	15,997	14,064
Short Term Investments	64,393	63,577
Deposits with Financial Institutions	218,500	195,566
Cash and Bank Balances	24,676	32,915
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	733,398	836,322
6 Current Liabilities		
Short Term Borrowings	50,000	59,192
Trade Creditors	96,037	146,874
Other Creditors	176,896	108,355
Amount due to Related Parties	26,839	77,086
Provision for Taxation	123,883	116,752
Dividends Payable / Proposed Dividend	82,232	287,814
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	555,887	796,073
7 Net Current Assets	177,511	40,249
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	1,231,601	1,104,291
8 Shareholders' Funds		
Share Capital	142,765	142,765
Reserves		
Capital Reserve	11,144	11,144
Retained Profit	320,033	192,740
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	473,942	346,649
9 Minority Interests	-	-
10 Long Term Borrowings	750,000	750,000
11 Other Long Term Liabilities	7,659	7,642
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	1,231,601	1,104,291
12 Net Tangible Assets per share (RM)	(0.23)	(0.69)

British American Tobacco (Malaysia) Berhad
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Notes:

Quarterly Report 31 March 2000

1. Accounting Policies

The same accounting policies and methods of computation are followed in the quarterly financial statement as compared with the most recent annual financial statement on 31 December 1999.

2. Exceptional Items

There were no exceptional items during the financial period under review.

3. Extraordinary Items

There were no extraordinary items during the financial period under review.

4. Taxation

Taxation comprises:

	First Quarter		Cumulative Quarter	
	Current 31.3.2000 RM'000	Preceding 31.3.1999 RM'000	Current 31.3.2000 RM'000	Preceding 31.3.1999 RM'000
Malaysian taxation				
Income tax				
- Current Period	50,127,	--	50,127,	--
- Prior Year	--	--	--	--
Deferred Tax	--	--	--	--
	<u>50,127,</u>	<u>--</u>	<u>50,127,</u>	<u>--</u>

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5. Pre-Acquisition Profits

There were no pre-acquisition profits included in the consolidated results of the Group for the financial period under review.

6. Sale of Investments and/ or Properties

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

7. Quoted Investments

a) There were no purchases or sales of quoted securities during the financial period under review.

	As at 31.3.1999 RM'000	As at 31.12.1999 RM'000
b) Total investment at cost	16,110	16,110
Total investment at carrying value/book value	20,087	19,829
Total investment at market value at end of the reporting period	18,990	18,990

8. Change In Composition of The Group

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

9. Corporate Proposals

There were no corporate proposals announced but not completed as at 10 April 2000 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

10. Seasonal or Cyclical Factors

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

11. Changes in Share Capital

There were no issuance and repayment of debt nor any movement in share capital during the financial period under review.

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12. Group Borrowings and Debt Securities

As at 31 March 2000 the Group borrowings and debt securities were as follows:

	As at 31.3.2000 RM'000	As at 31.12.1999 RM'000
Unsecured short-term loans	50,000	50,000
5-year redeemable unsecured bonds 1999/2004 with a coupon rate of 7.1% per annum.	300,000	300,000
8-year redeemable unsecured bonds 1999/2007 with a coupon rate of 7.9% per annum.	450,000	450,000
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	800,000	800,000
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All borrowings are denominated in Ringgit Malaysia.

13. Contingent Liabilities

There were no contingent liabilities as at 10 April 2000 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

14. Off Balance Sheet Financial Instruments

There were no financial instruments with off-balance sheet risk as at 10 April 2000 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

15. Material Litigation

There were no material litigation as at 10 April 2000 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

16. Segment Reporting

No segmental analysis is prepared as the Group is primarily engaged in the manufacture and sale of cigarettes and other tobacco products in Malaysia.

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17. Material Changes In The Quarterly Results As Compared With The Preceding Quarter

For the current quarter, the Group's turnover amounted to RM689.2 million, which resulted in profit before taxation of RM177.6 million. In the previous quarter, the Group's turnover amounted to RM553.2 million, which resulted in profit before taxation of RM33.4 million.

The main changes in the current quarter compared to the previous quarter were due to the following factors:

- i. Higher turnover due to recovery in the industry volume.
- ii. The full benefit of the purchase of Malaysian Tobacco Company Berhad's brands and export contract manufacturing business, offset by the impact of the full quarter costs arising from the purchase.
- iii. No exceptional charges in the current quarter as against the previous quarter (RM91.9 million).

18. Review of Performance

For the financial period under review, the Group's turnover amounted to RM689.2 million, which resulted in profit before taxation of RM177.6 million. In the same period last year, the Group's turnover amounted to RM491.3 million, which resulted in profit before taxation of RM153.1 million

The Group's performance has benefited from the merger with continued demand for our expanded range of key brands resulting in increased volumes and from the export contract manufacturing business. However, these were marginally offset by increased operating costs.

In the opinion of the Directors, the results of the operations of the Group and the Company have not been substantially affected by any item, transaction or event of a material and unusual nature as at 10 April 2000 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

19. Current Financial Year's Prospects

Barring any unforeseen circumstances, with the continuing improvement in the Malaysian economy and the continued realisation of synergy benefits, the financial year's prospects are expected to be satisfactory.

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20. Profit Variance

Not applicable in this quarterly report.

21. Dividend

The Directors do not recommend any payment of dividends for the financial period under review.

By Order of the Board

AHMAD ZAKY DATUK ISMAIL
Secretary
17 April 2000

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UNAUDITED PROFITS UP 16.0 PERCENT IN FIRST QUARTER

	First Quarter 31 March 2000	First Quarter 31 March 1999	Up/down
Turnover	RM689.2million	RM491.3 million	+ 40.3 %
Operating Profits	RM210.9 million	RM157.9 million	+ 33.6 %
Profit before tax	RM177.6 million	RM153.1 million*	+ 16.0 %
Profit after tax	RM127.5 million	RM153.1 million*	- 16.7 %

- Turnover was higher due to recovery in industry volume.
- Full benefit realised from the purchase of Malaysian Tobacco Company Bhd's brands and export contract manufacturing, marginally offset by impact of full quarter costs from the purchase.
- Progress continues in fully integrating the systems, processes, networks, and people, following the merger of operations of the former Rothmans of Pall Mall (Malaysia) Berhad and Malaysian Tobacco Company Bhd.
- The financial year's prospects expected to be satisfactory as the country's economy improves and synergy benefits are realised.
- The issue of contraband products remains a concern.

* 1999 was a tax-free year.

The full unaudited first quarter results for the period January to March 2000 were delivered to the Kuala Lumpur Stock Exchange at the close of trading day on April 17, 2000. These are also available from the Company Secretary, British American Tobacco (Malaysia) Berhad, Virginia Park, Jalan Universiti, 46200 Petaling Jaya, Malaysia.