

**BRITISH AMERICAN TOBACCO ( MALAYSIA ) BERHAD**  
(Company No : 4372-M)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

For the period ended 30 June 2006

|   | Note | 3 months ended |           | 6 months ended |             |
|---|------|----------------|-----------|----------------|-------------|
|   |      | 30.6.2006      | 30.6.2005 | 30.6.2006      | 30.6.2005   |
|   |      | RM'000         | RM'000    | RM'000         | RM'000      |
| Revenue   |      | 916,518        | 873,670   | 1,817,458      | 1,768,105   |
| Cost of sales                                   |      | (525,035)      | (525,459) | (1,036,826)    | (1,059,676) |
| Gross profit                                    |      | 391,483        | 348,211   | 780,632        | 708,429     |
| Other operating income                          |      | 2,784          | 3,982     | 5,879          | 6,884       |
| Operating expenses                              |      | (128,139)      | (165,300) | (230,475)      | (282,027)   |
| Profit from operations                          |      | 266,128        | 186,893   | 556,036        | 433,286     |
| Finance cost                                    |      | (11,818)       | (12,241)  | (23,539)       | (23,988)    |
| Profit from ordinary activities before taxation |      | 254,310        | 174,652   | 532,497        | 409,298     |
| Taxation  | 5    | (71,715)       | (50,300)  | (150,164)      | (117,878)   |
| Net profit for the financial period             |      | 182,595        | 124,352   | 382,333        | 291,420     |
| Earnings per share - basic (sen)                | 23   | 63.9           | 43.6      | 133.9          | 102.1       |
| Earnings per share - diluted (sen)              | 23   | 63.9           | 43.6      | 133.9          | 102.1       |
| Net dividends per share (sen)<br>- Interim      |      | 108.0          | 82.8      | 108.0          | 82.8        |

**The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2005.**

**BRITISH AMERICAN TOBACCO ( MALAYSIA ) BERHAD**  
(Company No : 4372-M)

**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 30 June 2006

|                                  | <b>Note</b> | <b>As at<br/>30.6.2006</b> | <b>As at<br/>31.12.2005</b> |
|----------------------------------|-------------|----------------------------|-----------------------------|
|                                  |             | <b>RM'000</b>              | <b>RM'000</b>               |
| <b>Non-current assets</b>        |             |                            |                             |
| Property, plant and equipment    | 6           | 503,630                    | 540,545                     |
| Investment property              | 1           | 44,612                     | 44,771                      |
| Goodwill                         | 1           | 411,618                    | 411,618                     |
| Other intangible assets          | 1           | 2,705                      | 616                         |
| Deferred tax assets              |             | 3,300                      | 3,300                       |
|                                  |             | <u>965,865</u>             | <u>1,000,850</u>            |
| <b>Current assets</b>            |             |                            |                             |
| Assets held for sale             | 1           | 1,962                      | 1,255                       |
| Inventories                      |             | 303,448                    | 294,967                     |
| Receivables                      |             | 177,190                    | 158,533                     |
| Tax recoverable                  |             | 31,355                     | 29,329                      |
| Deposits, cash and bank balances |             | 193,565                    | 234,058                     |
|                                  |             | <u>707,520</u>             | <u>718,142</u>              |
| <b>Current liabilities</b>       |             |                            |                             |
| Payables                         |             | 221,113                    | 260,965                     |
| Current tax liabilities          |             | 169,581                    | 84,912                      |
|                                  |             | <u>390,694</u>             | <u>345,877</u>              |
| <b>Net current assets</b>        |             | 316,826                    | 372,265                     |
|                                  |             | <u>1,282,691</u>           | <u>1,373,115</u>            |
| <b>Capital and reserves</b>      |             |                            |                             |
| Share capital                    | 11          | 142,765                    | 142,765                     |
| Retained earnings                |             | 380,022                    | 475,264                     |
| <b>Shareholders' funds</b>       |             | <u>522,787</u>             | <u>618,029</u>              |
| <b>Non-current liabilities</b>   |             |                            |                             |
| Borrowings (interest bearing)    | 12          | 700,000                    | 700,000                     |
| Provisions                       |             | 4,518                      | 4,750                       |
| Deferred tax liabilities         |             | 55,386                     | 50,336                      |
|                                  |             | <u>1,282,691</u>           | <u>1,373,115</u>            |
| Net Assets per share (RM)        |             | 1.83                       | 2.16                        |

**The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2005.**

**BRITISH AMERICAN TOBACCO ( MALAYSIA ) BERHAD**  
(Company No : 4372-M)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2006

|  | Issued and fully paid<br>ordinary shares of<br>50 sen each |                  | Distributable        | Total          |
|--|--|------------------|----------------------|----------------|
|  | Number<br>of shares  | Nominal<br>value | Retained<br>earnings |                |
|  | '000   | RM'000           | RM'000               |                |
| At 1 January 2006                                      | 285,530  | 142,765          | 475,264              | 618,029        |
| Net profit for the financial period                    | -  | -                | 382,333              | 382,333        |
| Deferred tax on revalued land<br>and buildings         | -  | -                | -                    | 60             |
| Dividends for financial year<br>ended 31 December 2005 |  |                  |                      |                |
| - Special  | -  | -                | -                    | (158,983)      |
| - Final  | -  | -                | -                    | (318,652)      |
| At 30 June 2006  | <u>285,530</u>   | <u>142,765</u>   | <u>857,597</u>       | <u>522,787</u> |
| At 1 January 2005                                      | 285,530  | 142,765          | 499,084              | 641,849        |
| Net profit for the financial period                    | -  | -                | 291,420              | 291,420        |
| Deferred tax on revalued land<br>and buildings         | -  | -                | 60                   | 60             |
| Dividends for financial year<br>ended 31 December 2004 |  |                  |                      |                |
| - Final  | -  | -                | (380,326)            | (380,326)      |
| At 30 June 2005  | <u>285,530</u>   | <u>142,765</u>   | <u>410,238</u>       | <u>553,003</u> |

**The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2005**

**BRITISH AMERICAN TOBACCO ( MALAYSIA ) BERHAD**  
(Company No : 4372-M)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For the six months ended 30 June 2006

|  | <b>Note</b> | <b>6 months<br/>ended<br/>30.6.2006</b> | <b>6 months<br/>ended<br/>30.6.2005</b> |
|--|-------------|---|---|
|  |             | <b>RM'000</b>                           | <b>RM'000</b>                           |
| <b>Operating activities</b>                      |             |   |   |
| Cash receipts from customers                     |             | 1,798,814                               | 1,803,424                               |
| Cash paid to suppliers and employees             |             | (1,278,092)                             | (1,306,375)                             |
| Cash from operations                             |             | 520,722                                 | 497,049                                 |
| Income taxes paid                                |             | (62,411)                                | (126,095)                               |
| Net cash flow from operating activities          |             | 458,311                                 | 370,954                                 |
| <b>Investing activities</b>                      |             |   |   |
| Property, plant and equipment                    |             |   |   |
| - additions                                      |             | (13,883)                                | (25,560)                                |
| - disposals                                      |             | 13,178                                  | 1,240                                   |
| Intangible assets                                |             | (2,089)                                 | (616)                                   |
| Interest received                                |             | 5,164                                   | 4,402                                   |
| Net cash flow from investing activities          |             | 2,370                                   | (20,534)                                |
| <b>Financing activities</b>                      |             |   |   |
| Dividends paid to shareholders                   |             | (477,635)                               | (380,326)                               |
| Proceeds from issuance of commercial papers      | 11          | -                                       | 50,000                                  |
| Interest paid                                    |             | (23,539)                                | (24,711)                                |
| Net cash flow from financing activities          |             | (501,174)                               | (355,037)                               |
| <b>Increase in cash and cash equivalents</b>     |             | (40,493)                                | (4,617)                                 |
| <b>Cash and cash equivalents as at 1 January</b> |             | 234,058                                 | 235,506                                 |
| <b>Cash and cash equivalents as at 30 June</b>   |             | 193,565                                 | 230,889                                 |

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2005**