

**Quarterly Financial Statement (Unaudited)
for the quarter ended as at 30 September 2015**

British American Tobacco Bangladesh Company Limited



**PARTNERING
FOR
PROGRESS**

PARTNERING FOR PROGRESS

Progress comes when we venture beyond the borders that surround us and enter into uncharted territory. It means taking footsteps towards opportunities which will help to bring about change. Since its establishment in Bangladesh in 1910, British American Tobacco (BAT) has always been moving forward with the purpose of bringing positive change for one and all.

BAT has made itself deeply rooted in Bangladesh since the time it commenced operations in the country. Not only does BAT Bangladesh help to develop dynamic professionals who are able to take on leadership roles anywhere in the world, it also engages in the best business practices while adopting the latest technology. The Company is the highest taxpayer to the National Exchequer, which uses the funds for infrastructure development and service provision. BAT Bangladesh's various community development initiatives play a part in enhancing the livelihood of countless individuals. Furthermore, the Company is renowned for practicing best corporate governance. As a result the Company achieved four awards from various credible organisations both in the national and international stage.

As you turn these pages, the commitment and dedicated efforts of BAT Bangladesh will become clear to you. Like Bangladesh, the Company has faced its share of challenges but has endured the trials and tribulations and moved forward. Here's hoping that BAT Bangladesh will stay in the course for many more years to come and will forever be a partner in progress.



BRITISH AMERICAN
TOBACCO
BANGLADESH

British American Tobacco Bangladesh Company Limited
Statement of Financial Position (Unaudited)
As at 30 September 2015

	Notes	<u>30-Sep-2015</u> Taka '000s	<u>31-Dec-2014</u> Taka '000s
ASSETS			
Non-current assets:			
Property, plant and equipment	2	12,486,992	12,018,576
Current assets:			
Inventories	3	9,451,212	9,098,197
Trade and other receivables		533,663	1,492,454
Advance deposit and pre-payments		1,731,325	2,370,897
Cash and Cash Equivalents		3,754,759	1,740,302
Total current assets		15,470,959	14,701,850
Total assets		27,957,951	26,720,426
EQUITY AND LIABILITIES			
Equity attributable to owners of the company:			
Share capital		600,000	600,000
Capital reserve	4	64,896	64,896
Retained earnings	5	12,479,554	10,798,615
Total equity		13,144,450	11,463,511
Non-current liabilities:			
Gratuity	6	400,654	368,112
Deferred tax liability	7	1,226,771	1,140,562
Total non-current liabilities		1,627,426	1,508,674
Current liabilities:			
Bank overdraft		-	347,610
Short term bank loans		1,200,000	2,800,000
Provisions for expenses		769,698	1,354,891
Trade and other payables		7,199,962	6,515,827
Income tax liability		4,016,416	2,729,914
Total current liabilities		13,186,076	13,748,241
Total equity and liabilities		27,957,951	26,720,426

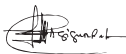
The annexed notes 1 to 10 form an integral part of these financial statements.


 Mr. Golam Mainuddin
 Chairman


 Mr. Shehzad Munim
 Managing Director


 Mr. Md. Mosharraf Hossain
 Bhuiyan ndc
 Director


 Mr. William Pegel
 Finance Director


 Md. Azizur Rahman
 Company Secretary

British American Tobacco Bangladesh Company Limited
Statement of Comprehensive Income (Unaudited)
for the period ended 30 September 2015

		1-Jan-15 To 30-Sep-15	1-Jan-14 To 30-Sep-14	1-July-15 To 30-Sep-15	1-July-14 To 30-Sep-14
	Notes	Taka '000s	Taka '000s	Taka '000s	Taka '000s
Gross Turnover		102,940,716	90,843,403	30,646,363	28,154,043
Supplementary duty & VAT		(73,939,283)	(65,403,872)	(21,729,959)	(20,980,142)
Net turnover	8	29,001,433	25,439,531	8,916,404	7,174,261
Cost of sales		(14,591,120)	(13,397,598)	(4,487,579)	(3,803,372)
Gross Profit		14,410,312	12,041,933	4,428,825	3,370,889
Operating expenses		(4,367,585)	(4,206,046)	(1,389,174)	(821,442)
Operating Profit		10,042,727	7,835,886	3,039,651	2,549,447
Other Income		39,831	28,918	14,314	(1,054)
Net financial Income/(Expense)		(139,880)	(109,519)	(28,787)	(86,341)
		9,942,678	7,755,285	3,025,178	2,462,052
Workers' profit participation fund		(497,134)	(387,764)	(149,161)	(123,103)
Profit before income tax		9,445,544	7,367,520	2,876,017	2,338,949
Income tax expense:	9				
Current Tax	9.1	(4,978,396)	(2,961,180)	(1,271,716)	(891,492)
Deferred Tax	9.2	(86,209)	(150,094)	(13,792)	(63,477)
		(5,064,605)	(3,111,274)	(1,257,924)	(954,968)
Profit for the period		4,380,939	4,256,247	1,618,093	1,383,981
Total comprehensive income transfer to revenue reserve		4,380,939	4,256,247	1,618,093	1,383,981
Appropriations:					
Revenue Reserve		4,380,939	4,256,247	1,618,093	1,383,981
		Taka	Taka	Taka	Taka
Earnings Per Share	10	73.02	70.94	26.97	23.07

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Company Secretary

British American Tobacco Bangladesh Company Limited
Statement of Changes in Equity (Unaudited)
for the period ended 30 September 2015

	<u>Share capital</u> Taka '000s	<u>Retained earning</u> Taka '000s	<u>Capital reserve</u> Taka '000s	<u>Total Equity</u> Taka '000s
Balance at 1 January 2014	600,000	8,236,694	64,896	8,901,590
Dividend Paid in 2014	-	(3,120,000)	-	(3,120,000)
Final dividend for 2013		(3,120,000)		(3,120,000)
Interim dividend for 2014				
Profit for the period of 1 January to 30 September 2014	-	4,256,247	-	4,256,247
Balance as at 30 September 2014	600,000	9,372,940	64,896	10,037,836
Balance at 1 January 2015	600,000	10,798,615	64,896	11,463,511
Dividend Paid in 2015	-	(2,700,000)		(2,700,000)
Final dividend for 2014		(2,700,000)		(2,700,000)
Interim dividend for 2015				
Profit for the period of 1 January to 30 September 2015	-	4,380,939	-	4,380,939
Balance as at 30 September 2015	600,000	12,479,554	64,896	13,144,450

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British American Tobacco Bangladesh Company Limited
Statement of Cash Flows (Unaudited)
for the period ended 30 September 2015

	1-Jan-15 To 30-Sep-15 Taka '000s	1-Jan-14 To 30-Sep-14 Taka '000s
Cash flows from operating activities:		
Collection from distributors, leaf export and others	103,899,506	91,044,286
Payment for costs and expenses	(23,378,706)	(19,856,769)
Supplementary duty and VAT paid	(72,035,806)	(67,873,226)
Cash generated from operation	8,484,994	3,314,291
Income tax paid	(3,691,894)	(2,731,161)
Interest paid	(135,867)	(109,082)
Net cash flows from operating activities	<u>4,657,234</u>	<u>474,048</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(1,158,396)	(2,007,830)
Proceeds from sale of property, plant and equipment	297	248
Net cash used in investing activities	<u>(1,158,099)</u>	<u>(2,007,582)</u>
Cash flows from financing activities:		
Finance lease payment	-	(6,107)
Dividend paid	(2,684,678)	(3,117,092)
Net cash used in financing activities	<u>(2,684,678)</u>	<u>(3,123,199)</u>
Net increase/(decrease) in cash and cash equivalents for the period	814,457	(4,656,733)
Cash and cash equivalents at the beginning of the period	1,740,302	1,918,126
Cash and cash equivalents at the end of the Period	<u>2,554,759</u>	<u>(2,738,607)</u>
Closing cash and cash equivalents have been arrived at as follows:		
Short term bank loan	(1,200,000)	(3,350,000)
Cash and bank balances	3,754,759	1,138,841
Bank overdraft	-	(527,448)
	<u>2,554,759</u>	<u>(2,738,607)</u>


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Notes to the Financial Statements For the period of 1 January to 30 September 2015

1. General Notes

The basis of preparation and significant accounting policies governing the quarterly statutory reporting has not been changed from the last reporting date. Hence no policy related general notes are being provided for Q3 2015 accounts. (Certain figures for 2014 have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial and to comply with relevant BAS.)

2. Property, plant and equipment

Particulars	Cost at		Disposal/		Accumulated		Disposal/		Accumulated		Cost less accumulated depreciation at 30 Sep 2015
	1 January 2015		adjustment during the period		depreciation charge for the period		adjustment during the period		depreciation 30 Sep 2015		
	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	
Freehold building	701,242	6,634	(341)	707,535	14,559	12,984	(244)	158,331	549,204	343,685	
Freehold land	343,685	-	-	343,685	-	-	-	-	343,685	79,359	
Furniture and fixtures	323,079	2,801	(74,559)	251,321	220,974	19,548	(68,561)	171,962	202,739	66,132	
IT Equipment	287,057	1,091	(19,276)	268,872	183,309	36,368	(16,938)	202,739	103,213	60,839	
Laboratory equipment	180,527	32	(16,507)	164,052	110,660	9,053	(16,499)	13,662	136,462	344,942	
Leasehold building	376,062	110,119	(4,777)	481,404	135,471	5,660	(4,668)	124,302	483,991	5,420,829	
Office equipment	231,244	15,465	(29,214)	217,495	128,575	24,065	(28,338)	124,302	400,925	7,359,110	
Plant and machinery	10,020,205	263,499	(22,884)	10,260,821	4,403,091	457,002	(20,102)	521,745	6,258,745	-	
Vehicles	823,217	101,875	(2,421)	922,670	411,073	113,068	(2,397)	677,749	1,527,882	-	
	13,286,318	501,515	(169,978)	13,617,855	5,738,744	677,749	(157,747)	6,258,745	12,486,992	12,018,576	
Buildings, plant and machinery etc. under construction	4,471,002	656,880	-	5,127,882	-	677,749	(157,747)	6,258,745	5,127,882	-	
30-Sep-2015	17,757,319	1,538,396	(169,978)	18,745,737	5,738,744	677,749	(157,747)	6,258,745	12,486,992	-	
31-Dec-2014	13,655,981	4,406,253	(30,4915)	17,757,319	5,142,815	948,318	(352,389)	5,738,744	12,018,576	-	

	30-Sep-15	31-Dec-14
	<u>Taka '000s</u>	<u>Taka '000s</u>
3. Inventories		
Leaf	7,071,051	4,673,094
Wrapping materials	427,994	631,015
Work in process	22,496	40,078
Finished goods	1,516,236	3,218,884
Consumable stores	413,436	535,126
	<u>9,451,212</u>	<u>9,098,197</u>

4. Capital reserve	<u>64,896</u>	<u>64,896</u>
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Capital reserve represents non-remittable reserve of Tk 64,896 thousands which are 90% of the cumulative post tax profit on disposal of property, plant and equipment as defined and directed by Bangladesh Bank. The requirement to create such special reserve on profit from sale of property, plant and equipment has been withdrawn since 1993.

	30-Sep-2015	31-Dec-2014
	<u>Taka '000s</u>	<u>Taka '000s</u>
5. Retained earnings		
Opening balance	10,798,615	8,236,694
Less Dividend Paid	<u>2,700,000</u>	<u>3,720,000</u>
	8,098,615	4,516,694
Add: Net profit transferred from profit and loss account	<u>4,380,939</u>	<u>6,281,922</u>
Closing Balance	<u>12,479,554</u>	<u>10,798,615</u>

	30-Sep-2015	31-Dec-2014
	Taka '000s	Taka '000s
6. Gratuity	400,654	368,112

This represents total liability of the Company on account of gratuity that would be payable if all eligible employees retire on the reporting date.

	30-Sep-2015	31-Dec-2014
	Taka '000s	Taka '000s
Opening balance	1,140,562	883,376
Add : Provision for the period	86,209	257,186
Closing balance	1,226,771	1,140,562

8. Net turnover	Unit	Qty	Q3 2015	Q3 2014
Gross turnover	Million sticks	30,985	101,805,729	89,238,254
Supplementary duty & VAT			(73,817,186)	(65,240,516)
			27,988,544	23,997,739
Turnover from Leaf tobacco export	Million Kg	5,302	1,134,987	1,605,149
Export Duty			(122,098)	(163,357)
			1,012,889	1,441,792
			29,001,433	25,439,531

	<u>Q3 2015</u>	<u>Q3 2014</u>
	Taka '000s	Taka '000s
9. Tax		
9.1 Current Tax		
Provision for the period	4,978,396	2,961,180
	<u>4,978,396</u>	<u>2,961,180</u>
9.2 Deferred Tax		
Provision for the period	86,209	150,094
	<u>86,209</u>	<u>150,094</u>
10. Earnings per share	<u>73.02</u>	<u>70.94</u>
10.1 Basic earnings per share		

Basic earning per share has been calculated taking a capital base of 60,000,000 ordinary share of Tk. 10 each as issued up to 30 September 2015.



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