

HALF YEARLY REPORT 2012



Partnering with communities
Enabling progress

British American Tobacco Bangladesh believes that the business has a key role to play in helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress in ways that will build value for all our stakeholders, including our shareholders. Our Business Principles and our Standards of Business Conduct set out what we require of ourselves and employees in terms of responsible corporate behaviour and personal integrity.

Afforestation

Our flagship CSR activity, Afforestation programme, began in 1980. So far, the company has distributed approximately 7.55 crores saplings throughout Bangladesh, including 40 lakh saplings in 2012. This relentless effort makes our programme one of the largest private sector driven afforestation programmes in the country. We are committed to continue this programme in the future in the wake of a global and national drive as well as Government initiative to combat the adverse effects of climate change. In 2011, the Company received a number of awards for the afforestation drive across the country.

Probaho

Millions of people in Bangladesh face scarcity of safe drinking water due to Arsenic contamination. Probaho, a community project by British American Tobacco Bangladesh, provides 200,000 litres of safe drinking water free from Arsenic and other impurities to arsenic prone rural communities everyday. This initiative is aligned with the Government's aim to achieve the Millennium Development Goal of securing sustainable access to safe drinking water. So far, 39 water filtration plants have been installed, using government approved community based water filtration technology, in Jhenaidah, Chuadanga, Meherpur, Kushtia, Tangail, Manikganj, Satkhira, Gopalganj, Lalmonirhat, Kurigram, Jamalpur and Madaripur districts ensuring pure drinking water for approximately 100,000 people every day.

Deepto

To complement Bangladesh Government's efforts in the renewable energy sector, British American Tobacco Bangladesh (BATB) has undertaken a project to install Solar Home Systems in remote areas of Chittagong Hill Tracts, free of cost. The Project is titled 'Deepto' (meaning lighted). Under Deepto, BATB has already installed 576 units of Solar Home Systems in four remote villages in Bandarban and Khagrachari districts, giving rural families their first access to electricity at home.

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British American Tobacco Bangladesh Company Limited

Statement of Financial Position (Unaudited) as at 30th June 2012

	30-Jun-2012	31-Dec-2011
	Taka '000s	Taka '000s
ASSETS		
Non-current assets:		
Property, plant and equipment	5,299,870	5,376,634
Current assets:		
Inventories	11,091,143	5,373,033
Trade and other receivables	272,570	926,842
Advance deposit and pre-payments	4,339,185	3,907,087
Cash and Cash Equivalents	299,484	837,393
Total current assets	16,002,382	11,044,355
Total assets	<u>21,302,252</u>	<u>16,420,989</u>
EQUITY AND LIABILITIES		
Shareholders' equity:		
Share capital	600,000	600,000
Capital reserve	64,896	64,896
Revenue reserve	4,868,947	5,246,404
Total equity	5,533,843	5,911,300
Non-current liabilities:		
Gratuity	245,028	252,089
Deferred tax liability	659,572	669,079
Obligation under finance lease	11,315	17,876
Total non-current liabilities	915,915	939,044
Current liabilities:		
Bank overdraft	1,893,325	-
Short term bank loans	2,630,000	-
Provisions for expenses	1,675,452	1,838,021
Trade and other payables	3,156,779	3,437,758
Provision for Corporate Tax	5,496,938	4,294,866
Total current liabilities	14,852,494	9,570,645
Total equity and liabilities	<u>21,302,252</u>	<u>16,420,989</u>



Arun Kaul
Managing Director



Anthony Yong
Director



Md. Azizur Rahman
Company Secretary

British American Tobacco Bangladesh Company Limited
Statement of Comprehensive Income (Unaudited)
for the period of 1st January to 30th June 2012

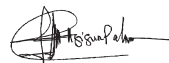
	1-Jan-12 To 30-Jun-12	1-Jan-11 To 30-Jun-11	1-Apr-12 To 30-Jun-12	1-Apr-11 To 30-Jun-11
	Taka '000s	Taka '000s	Taka '000s	Taka '000s
Gross Turnover	44,400,154	35,119,930	23,115,846	18,211,118
Supplementary duty & VAT	<u>31,428,955</u>	<u>24,443,429</u>	<u>16,189,385</u>	<u>12,508,343</u>
Net turnover	12,971,199	10,676,501	6,926,461	5,702,775
Cost of sales	7,543,425	6,075,593	3,987,220	3,181,697
Gross Profit	5,427,774	4,600,908	2,939,241	2,521,078
Operating expenses	2,174,097	2,220,584	965,625	1,205,960
Operating Profit	3,253,677	2,380,324	1,973,616	1,315,118
Net financial income/(Expenses)	(58,827)	(31,395)	(75,847)	(47,753)
	3,194,850	2,348,929	1,897,769	1,267,365
Workers' profit participation fund	159,742	117,446	94,888	64,118
Profit before income tax	3,035,108	2,231,483	1,802,881	1,203,247
Income tax expense:				
Current Tax	1,202,072	1,354,114	666,702	1,000,901
Deferred Tax	(9,507)	131,815	(18,179)	127,247
	1,192,565	1,485,929	648,523	1,128,148
Profit for the period	1,842,543	745,554	1,154,358	75,099
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,842,543</u>	<u>745,554</u>	<u>1,154,358</u>	<u>75,099</u>
Total comprehensive income transfer to revenue reserve	<u>1,842,543</u>	<u>745,554</u>	<u>1,154,358</u>	<u>75,099</u>
	Taka	Taka	Taka	Taka
Earnings Per Share	<u>30.71</u>	<u>12.43</u>	<u>19.24</u>	<u>1.25</u>



Arun Kaul
Managing Director



Anthony Yong
Director



Md. Azizur Rahman
Company Secretary

British American Tobacco Bangladesh Company Limited
Statement of Cash Flows (Unaudited)
for the period of 1st January to 30th June 2012

	1-Jan-12 To 30-Jun-12	1-Jan-11 To 30-Jun-11
	Taka '000s	Taka '000s
Cash flows from operating activities:		
Collection from distributors, leaf export and others	44,612,847	35,176,129
Payment for costs and expenses	(12,174,989)	(10,165,077)
Supplementary duty and VAT paid	(34,304,955)	(25,317,087)
Cash generated from operation	(1,867,098)	(306,035)
Income tax paid	(684,482)	(463,837)
Interest (paid)/received	(58,827)	(31,395)
Net cash flows from operating activities	(2,610,406)	(801,267)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(227,714)	(228,138)
Proceeds from sale of property, plant and equipment	357	27,977
Net cash used in investing activities	(227,356)	(200,161)
Cash flows from financing activities:		
Short term bank loan	2,630,000	1,000,000
Net proceeds from obligation under finance lease	(8,829)	(8,396)
Dividend paid	(2,214,642)	(2,572,017)
Net cash used in financing activities	406,529	(1,580,412)
Net (decrease)/increase in cash and cash equivalents for the period	(2,431,234)	(2,581,840)
Cash and cash equivalents at the beginning of the Period	837,393	1,343,853
Cash and cash equivalents at the end of the Period	(1,593,841)	(1,237,987)
Closing cash and cash equivalents have been arrived at as follows:		
Cash and bank balances	299,484	265,915
Bank overdraft	(1,893,325)	(1,503,902)
	(1,593,841)	(1,237,987)

British American Tobacco Bangladesh Company Limited

Statement of Changes in Equity (Unaudited) for the period of 1st January to 30th June 2012

	<u>Share capital</u> Taka '000s	<u>Revenue reserve</u> Taka '000s	<u>Capital reserve</u> Taka '000s	<u>Total</u> Taka '000s
Balance as at 1st January 2011	600,000	5,575,813	64,896	6,240,709
Dividend Paid	-	(2,580,000)	-	(2,580,000)
Profit for the period of 1st January to 30th June 2011	-	745,554	-	745,554
Balance as at 30th June 2011	600,000	3,741,367	64,896	4,406,263
Balance at 1st January 2012	600,000	5,246,404	64,896	5,911,300
Dividend Paid	-	(2,220,000)	-	(2,220,000)
Profit for the period of 1st January to 30th June 2012	-	1,842,543	-	1,842,543
Balance as at 30th June 2012	600,000	4,868,947	64,896	5,533,843



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