

## RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

The Directors of British American Tobacco Uganda Limited announce the unaudited financial results for the six months ended 30 June 2019 as shown below:

<b>Gross revenue</b> (Ushs) <b>86.2bn</b> <b>+17%</b>	<b>Contribution to Government revenues</b> (Ushs) <b>50.2bn</b> <b>+19%</b>	<b>Operating profit</b> (Ushs) <b>9.8bn</b> <b>+11 %</b>	<b>Earnings per share</b> (Ushs) <b>137 per share</b> <b>+9%</b>
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The Company's interim financial statements have been prepared in accordance with International Financial Reporting Standards. The Company has applied the same accounting policies in these interim financial statements as those applied in its annual financial statements. The extracts of the financial statements are as follows:

### Condensed Statement of Profit or Loss and other Comprehensive Income for the six months ended 30 June

	2019 Ushs' m	2018 Ushs' m
<b>Gross revenue</b>	<b>86,239</b>	<b>73,683</b>
Excise Duty and Value Added Tax	(47,566)	(40,405)
<b>Net revenue</b>	<b>38,673</b>	<b>33,278</b>
Cost of operations	(28,896)	(24,454)
<b>Profit from operations</b>	<b>9,777</b>	<b>8,824</b>
Finance (Costs) / Income	(74)	103
<b>Profit before tax</b>	<b>9,703</b>	<b>8,927</b>
Income tax expense	(2,966)	(2,750)
<b>Profit after tax</b>	<b>6,737</b>	<b>6,177</b>
Total comprehensive income	<b>6,737</b>	<b>6,177</b>
Basic and diluted earnings per share (UShs)	<b>137</b>	<b>126</b>

### Condensed Statement of Financial Position as at

	30 June 2019 Ushs' m	31 Dec 2018 Ushs' m
<b>Shareholders' equity</b>	<b>33,575</b>	<b>40,580</b>
Non-current liabilities	6,813	4,473
<b>Equity and non-current liabilities</b>	<b>40,388</b>	<b>45,053</b>
<b>Assets</b>		
<b>Non-current assets</b>	<b>32,630</b>	<b>30,223</b>
<b>Working capital</b>		
Current assets	26,121	28,427
Current liabilities	(18,363)	(13,597)
<b>Net working capital</b>	<b>7,758</b>	<b>14,830</b>
<b>Net assets</b>	<b>40,388</b>	<b>45,053</b>

### Condensed Cash Flow Statement for the six months ended 30 June

	2019 Ushs' m	2018 Ushs' m
Cash generated from operations	9,973	11,898
Net interest paid	(103)	-
Tax paid	(2,631)	(1,763)
<b>Net cash from operating activities</b>	<b>7,239</b>	<b>10,135</b>
Net cash used in investing activities	(3)	-
Net cash used in financing activities	(14,106)	(12,037)
<b>Movement in cash &amp; cash equivalents</b>	<b>(6,870)</b>	<b>(1,902)</b>
At the start of the year	17,262	3,996
<b>At the end of the year</b>	<b>10,392</b>	<b>2,094</b>

### Condensed Statement of Changes in Equity for the six months ended 30 June

	Share capital Ushs' m	Revaluation surplus Ushs' m	Retained earnings Ushs' m	Total Ushs' m
<b>At 1 January 2018</b>	<b>61</b>	<b>12,769</b>	<b>26,083</b>	<b>38,913</b>
Profit for the period	-	-	6,177	6,177
Dividends	-	-	(12,128)	(12,128)
<b>At 30 June 2018</b>	<b>61</b>	<b>12,769</b>	<b>20,132</b>	<b>32,962</b>
<b>At 1 January 2019</b>	<b>61</b>	<b>12,464</b>	<b>28,055</b>	<b>40,580</b>
Profit for the period	-	-	6,737	6,737
Dividends	-	-	(13,742)	(13,742)
<b>At 30 June 2019</b>	<b>61</b>	<b>12,464</b>	<b>21,050</b>	<b>33,575</b>

## Business performance

### Profit

The Company grew shareholder value in the six month period ended 30<sup>th</sup> June 2019.

Gross revenue increased by 17% to Ushs 86.2 billion. This was driven by growth in volume due to improved distribution and portfolio transformation.

Profit from operations increased by 11% to Ushs 9.8 billion resulting from growth in net revenues, partly offset by higher cost of operations. The increase in cost of operations was in line with volume growth, inflationary increases and additional investment in our brand portfolio.

Profit before tax increased by 9% to Ushs 9.7 billion, reflecting the impact of higher profit from operations, offset by finance lease costs recognised in line with revised accounting standards.

### Cash

The Company generated lower cash from operations compared to the same period last year by Ushs 1.9 billion. This is due to one-off working capital benefits realised in 2018 following a change in business model.

### Contribution to Government revenues

Our contribution to Government revenues in form of Excise Duty, Value Added Tax and Corporation Tax increased by 19% to Ushs 50.2 billion for the six month period, in line with higher sales revenue.

Despite this performance, the high incidence of illicit trade in cigarettes remains a key challenge, denying the Government an estimated Ushs 30 billion in revenue annually. We continue to work closely with the relevant Government agencies to tackle the illicit trade in cigarettes.

Kampala  
23 July 2019

By Order of the Board  
Nicholas Ecimu  
Company Secretary

*Details: Enquiries may be addressed to the Company Secretary on P.O. Box 7100, Kampala; Telephone No. +256 31 2200100*