

FULL YEAR RESULTS FOR YEAR ENDED 31 DECEMBER 2010

The Directors of British American Tobacco Kenya Limited are pleased to announce the results for the year ended 31 December 2010:

Key highlights in 2010 compared with 2009 are:

- Revenue 22% increase
- Contribution to government revenues 12% increase
- Profit Before Tax 29% increase
- Dividend per share 19% increase

The results below are extracted from the consolidated accounts of British American Tobacco Kenya Limited for the year ended 31 December 2010. The accounts were audited by PricewaterhouseCoopers and have received an unqualified opinion.

**Condensed income statement for the year
ended 31 December 2010**

	2010 Shs' m	2009 Shs' m
Revenue	13,539	11,094
Operating profit	2,939	2,221
Finance cost	(217)	(112)
Profit before tax	2,722	2,109
Income tax expense	(955)	(631)
Profit after tax	1,767	1,478
Dividend	1,750	1,475
EPS	17.67	14.78

**Consolidated Balance Sheet
as at 31 December 2010**

	2010 Shs' m	2009 Shs' m
Capital and reserves		
Share capital	1,000	1,000
Revaluation surplus	1,108	1,153
Retained earnings	3,006	2,519
Shareholders' fund	5,114	4,672
Non-current liabilities	1,901	1,547
	7,015	6,219
Assets		
Non-current assets		
Property, plant & equipment	6,317	6,309
Current assets/liabilities		
Current assets	4,804	4,244
Current liabilities	(4,106)	(4,334)
	7,015	6,219

**Condensed cash flow statement for year
ended 31 December 2010**

	2010 Shs' m	2009 Shs' m
Cash generated from operations	3,134	2,711
Net interest paid	(170)	(166)
Tax paid	(751)	(967)
Net cash from operating activities	2,213	1,578
Net cash used in investing activities	(552)	(1,162)
Net cash used in financing activities	(955)	(1,101)
Decrease in cash & cash equivalents	706	(685)
At start of period	(1,121)	(436)
At end of period	(415)	(1,121)

**Condensed statement of changes in equity
as at 31 December 2010**

	Share capital Shs' m	Revaluation Surplus Shs' m	Retained earnings Shs' m	Total Shs' m
At 1 January 2009	1,000	1,188	2,706	4,894
Net profit	-	(35)	1,513	1,478
Dividends	-	-	(1,700)	(1,700)
At 31 December 2009	1,000	1,153	2,519	4,672
At 1 January 2010	1,000	1,153	2,519	4,672
Net profit	-	(45)	1,812	1,767
Dividends	-	-	(1,325)	(1,325)
At 31 December 2010	1,000	1,108	3,006	5,114



**BRITISH AMERICAN
TOBACCO**

Overview:

Total domestic and export volumes grew 3 % reflecting an improved domestic business environment partially offset by a marginal reduction in contract manufacture volumes in some of our export markets. The domestic volume increase coupled with overhead cost control measures across the business resulted in growth in revenue and profit before tax by 22% and 29% respectively. Contribution to government revenue grew significantly to a record Shs 10 billion, an increase of 12% over the prior year.

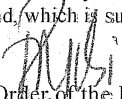
In December 2010, the 2010 Finance Bill was amended introducing Retail Selling Price as the primary basis for excise on cigarettes. We believe this is a retrogressive step and will continue to engage with the relevant authorities to ensure that this is addressed for the sustainable benefit of the industry and government revenues.

The expansion of the contract manufacture business stream with respect to Cut Rag (semi processed leaf) and timing of our exports sales towards year end resulted in the build up of both leaf stock and finished goods hence increasing our working capital. The impact on the cash flows was however more than offset by the improved profitability.

Dividend

The Directors have resolved to recommend a final dividend of Shs 14.50 per Shs 10 ordinary share at the AGM to be held on 4th May 2011. The final dividend, when added to the interim dividend already paid, gives a total dividend of Shs 17.50 per share. The dividend, which is subject to withholding tax, will be paid on 4 May 2011 to shareholders on the register at the close of business on 30 March 2011.

Nairobi
23 February 2011


By Order of the Board
Ms RT Ngobi
Company Secretary