



Shaping the Future...

Condensed Interim Financial Information
for the nine months ended September 30, 2012

Corporate Information

Board of Directors

Mr. Mueen Afzal
Chairman and Non-Executive Director

Mr. Graeme Amey
Managing Director and CEO

Mr. Mobasher Raza
Deputy Managing Director and Finance Director

Mr. Mustanser Muhammad Ali Khan
Supply Chain Director

Mr. Feroze Ahmed
Strategy and Planning Director

Mr. Tajamal Shah
Legal Director

Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Non-Executive Director

Mr. Syed Asif Shah
Non-Executive Director

Mr. Abid Niaz Hasan
Non-Executive Director

Audit Committee

Mr. Mueen Afzal

Mr. Abid Niaz Hasan

Lt. Gen. (Retd.) Ali Kuli Khan Khattak

Mr. Syed Asif Shah

Mr. Imad Rahman (Secretary)

Company Secretary

Ms. Ayesha Rafique

Registered Office

Pakistan Tobacco Company Limited
Silver Square, Plot No. 15, F-11 Markaz,
Islamabad-44000.
Telephone: +92 (051) 2083200, 2083201
Fax: +92 (051) 2224216
Web: www.ptc.com.pk

Factories

Akora Khattak Factory
P.O. Akora Khattak
Tehsil and District Nowshera,
Khyber Pakhtunkhwa
Telephone: +92 (0923) 630901-11
Fax: +92 (0923) 510792

Jhelum Factory
G.T. Road, Kala Gujran
Jhelum
Telephone: +92 (0544) 646500-7
Fax: +92 (0544) 646524

Bankers

Barclays Bank PLC
Citibank N.A.
Deutsche Bank
Habib Bank Limited
HSBC Bank Middle East Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Ltd.
United Bank Limited

Auditors

A.F. Ferguson & Co.
Chartered Accountants
3rd Floor, PIA Building
49 Blue Area, P.O. Box 3021
Islamabad-44000
Telephone: +92 (051) 2273457-60
Fax: +92 (051) 2277924

Share Registrar

FAMCO Associates (Pvt.) Ltd.
State Life Building No.1-A, 1st Floor,
I.I. Chundrigar Road
Karachi
Ph: +92 (021) 32420755, 32427012

Directors' Review

The Directors present the performance of Pakistan Tobacco Company Limited (PTC) for the third quarter ended September 30, 2012. Despite declining cigarette industry (down 7.6% vs. SPLY), growing illicit trade, rising inflationary pressures resulting in falling disposable incomes, high government levies and unresolved power crisis, PTC has managed to increase market share and grow sales volume for the period under review.

Key financial indicators of PTC for the period under review are:

	(Rs in million)		
	Jan-Sep, 2012	Jan-Sep, 2011	Change
Gross Turnover	55,687	49,945	+11.50%
Net Turnover	19,099	16,840	+13.42%
Cost of Sales	13,069	12,295	+6.30%
Gross Profit	6,029	4,544	+32.68%
Operating Profit	1,802	1,591	+13.23%
Profit before Tax - PBT	1,770	1,538	+15.11%
Profit after Tax - PAT	1,153	1,011	+14.09%
Earnings per Share - EPS (Rs)	4.51	3.96	+13.89%

During the first three quarters of 2012, PTC further strengthened its brand portfolio through various marketing initiatives including master blend launch of Dunhill, rural drive focussing on John Player's Gold Leaf and pack changes for Capstan by Pall Mall Original & Gold Flake. Initiatives in the premium segment resulted in Dunhill increasing its shipment volumes and JPGL marginally improving market share vs. SPLY. PTC's low segment brands continued to drive volume & share growth during the first nine months resulting in sales growth (up 2.8% vs. SPLY) and market share increase (higher by 1.6 ppt vs. SPLY).

Investments in marketing initiatives highlighted above resulted in higher selling and administration expenses (up by 31% vs. SPLY). PTC also incurred costs related to machinery footprint modifications and workforce rationalization following the Government's decision to ban below 20's cigarette packs. A Voluntary Separation Scheme with generous packages was offered to our workforce to enable headcount reduction in an amicable and fair manner. One-off costs for workforce rationalization coupled with higher selling and administration expenses restricted growth in operating profit during first three quarters (up by 13.2% vs. SPLY).

A number of cost saving and productivity enhancement initiatives enabled PTC to absorb inflationary effects on its cost of sales (up 6.3% vs. SPLY) resulting in a healthy gross profit growth rate of 32.7% vs. SPLY. Increase in cost of sales was driven primarily by inflation and volume growth.

PTC's contribution to the National Exchequer, comprising of Federal Excise Duty, Sales Tax, Custom Duty and Income Tax was 37.6 billion rupees; up 10.6% vs. SPLY.

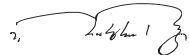
The Illicit sector continues to be the biggest threat to long term growth and viability of legitimate tax paying tobacco industry. Consumer down-trading to cheaper, smuggled

and local tax evaded brands, freely available in the market is fueling illicit sector growth. We urge the Government to take immediate steps for effective enforcement measures to curb the industry of this menace.

PTC's business continues to face numerous external challenges like high inflation rate, diminishing disposable incomes, precarious security situation and continuing power crisis which in turn puts pressure on the long term and sustainable growth prospects of the legitimate tobacco industry. Despite these challenges, PTC remains committed to enhance shareholder value through continued productivity initiatives, strict cost controls and investments in growth opportunities.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Condensed Interim Profit and Loss Account (Unaudited)

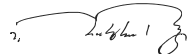
for the nine months ended September 30, 2012

	Note	Rs '000			
		Three months ended		Nine months ended	
		Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
Gross turnover		17,124,383	16,106,551	55,687,340	49,944,752
Excise duties		(8,797,280)	(8,269,567)	(28,630,008)	(25,769,185)
Sales tax		(2,448,554)	(2,289,385)	(7,958,527)	(7,336,022)
Net turnover		5,878,549	5,547,599	19,098,805	16,839,545
Cost of sales	4	(3,802,967)	(3,874,296)	(13,069,383)	(12,295,351)
Gross profit		2,075,582	1,673,303	6,029,422	4,544,194
Selling and distribution expenses		(675,333)	(612,106)	(2,395,355)	(1,823,388)
Administrative expenses		(326,699)	(312,158)	(1,035,391)	(997,543)
Other operating expenses	5	4,553	(69,458)	(848,335)	(152,972)
Other operating income		24,217	2,756	51,266	20,778
		(973,262)	(990,966)	(4,227,815)	(2,953,125)
Operating profit		1,102,320	682,337	1,801,607	1,591,069
Finance income		3,036	5,274	62,770	37,284
Finance cost		(43,832)	(28,700)	(94,066)	(90,386)
Net finance cost		(40,796)	(23,426)	(31,296)	(53,102)
Profit before income tax		1,061,524	658,911	1,770,311	1,537,967
Income tax expense - current		(391,447)	(255,581)	(653,484)	(621,572)
- deferred		21,605	29,019	36,245	94,236
		(369,842)	(226,562)	(617,239)	(527,336)
Profit for the period		691,682	432,349	1,153,072	1,010,631
Earnings per share - basic and diluted (Rupees)		2.71	1.69	4.51	3.96

The annexed notes 1 to 15 are an integral part of this condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Condensed Interim Statement of Comprehensive Income (Unaudited)

for the nine months ended September 30, 2012

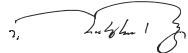
	Three months ended		Nine months ended	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
Profit for the nine months	691,682	432,349	1,153,072	1,010,631
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the nine months	691,682	432,349	1,153,072	1,010,631

Rs '000

The annexed notes 1 to 15 are an integral part of this condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Condensed Interim Balance Sheet (Unaudited)

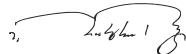
as at September 30, 2012

	Note	Sep 30, 2012	Rs '000 Dec 31, 2011
Non current assets			
Property, plant and equipment	6	5,773,211	6,092,284
Long term investment in subsidiary company	7	5,000	5,000
Long term loans		655	1,260
Long term deposits and prepayments		20,723	22,640
		5,799,589	6,121,184
Current assets			
Stock-in-trade		8,031,688	6,462,330
Stores and spares		309,925	190,110
Trade debts		1,527	1,202
Loans and advances		96,716	64,310
Short term prepayments		79,970	94,052
Other receivables	8	95,402	196,249
Income tax paid in advance		-	79,419
Cash and bank balances		323,842	109,631
		8,939,070	7,197,303
Current liabilities			
Trade and other payables	9	8,175,833	7,067,704
Accrued interest / mark-up		41,097	51,187
Liability against assets subject to finance lease		38,766	-
Short term running finance	10	1,210,646	1,783,623
Current income tax liability		218,560	-
		9,684,902	8,902,514
Net current liabilities			
		(745,832)	(1,705,211)
Non current liabilities			
Deferred income tax liability		(1,045,793)	(1,082,038)
Liability against assets subject to finance lease		(95,818)	-
		(1,141,611)	(1,082,038)
Net assets			
		3,912,146	3,333,935
Share capital and reserves			
Authorised share capital			
300,000,000 ordinary shares of Rs 10 each		3,000,000	3,000,000
Issued, subscribed and paid-up capital			
255,493,792 ordinary shares of Rs 10 each		2,554,938	2,554,938
Revenue reserves			
		1,357,208	778,997
Shareholders' equity			
		3,912,146	3,333,935
Contingencies and commitments	11		

The annexed notes 1 to 15 are an integral part of this condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Condensed Interim Cash Flow Statement (Unaudited)

for the nine months ended September 30, 2012

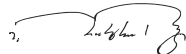
Rs '000

	Nine months ended	
	Sep 30, 2012	Sep 30, 2011
Cash flows from operating activities		
Cash receipts from customers	55,687,015	49,944,389
Cash paid to Government for Federal excise duty, Sales tax and other levies	(35,791,757)	(33,086,678)
Cash paid to suppliers, employees and others	(17,609,586)	(14,629,635)
Finance cost paid	(104,156)	(108,623)
Cash paid as royalty	(286,115)	(262,595)
Income tax paid	(355,506)	(219,444)
Other cash receipts	12,811	15,142
	1,552,706	1,652,556
Cash flows from investing activities		
Additions in property, plant and equipment	(416,406)	(376,368)
Proceeds from disposal of property, plant and equipment	161,831	7,951
Finance income received	62,770	37,284
	(191,805)	(331,133)
Cash flows from financing activities		
Dividends paid	(573,713)	(535,386)
	(573,713)	(535,386)
Increase in cash and cash equivalents	787,188	786,037
Cash and cash equivalents at January 1	(1,673,992)	(2,200,273)
Cash and cash equivalents at September 30	(886,804)	(1,414,236)
Cash and cash equivalents comprise:		
Cash and bank balances	323,842	111,909
Short term running finance	(1,210,646)	(1,526,145)
	(886,804)	(1,414,236)

The annexed notes 1 to 15 are an integral part of this condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Condensed Interim Statement of Changes in Equity (Unaudited)

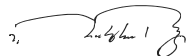
as at September 30, 2012

	Share capital	Revenue reserves	Rs '000 Total
Balance at January 1, 2011	2,554,938	1,047,149	3,602,087
Total comprehensive income for the nine months	-	1,010,631	1,010,631
Transactions with owners:			
Final dividend of Rs 2.10 per share relating to the year ended December 31, 2010	-	(536,537)	(536,537)
Balance at September 30, 2011	2,554,938	1,521,243	4,076,181
Balance at January 1, 2012	2,554,938	778,997	3,333,935
Total comprehensive income for the nine months	-	1,153,072	1,153,072
Transactions with owners:			
Final dividend of Rs 1.00 per share relating to the year ended December 31, 2011	-	(255,494)	(255,494)
1st Interim dividend of Rs 1.25 per share relating to the year ending December 31, 2012	-	(319,367)	(319,367)
		(574,861)	(574,861)
Balance at September 30, 2012	2,554,938	1,357,208	3,912,146

The annexed notes 1 to 15 are an integral part of this condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Selected notes to and forming part of the condensed interim financial information (Unaudited)

for the nine months ended September 30, 2012

1. Legal status and operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The registered office of the Company is situated at Silver Square, Plot No. 15, F-11 Markaz, Islamabad. The Company is engaged in the manufacture and sale of cigarettes.

2. Basis of preparation

This condensed interim financial information of the Company for the nine months period ended September 30, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. Accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2011.

4. Cost of sales

	Rs '000			
	Three months ended		Nine months ended	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
Raw materials consumed				
Opening stock of raw materials and work in process	3,232,457	3,045,583	5,376,669	5,318,558
Raw material purchases and expenses	7,068,529	6,357,815	11,426,507	10,913,348
Closing stock of raw materials and work in process	(7,256,088)	(6,052,296)	(7,256,088)	(6,052,296)
	3,044,898	3,351,102	9,547,088	10,179,610
Excise duty, Customs duty and tobacco development cess	123,907	123,164	423,593	391,802
Royalty	89,566	90,307	290,074	267,644
Production overheads	775,046	681,702	2,498,567	2,104,937
Cost of goods manufactured	4,033,417	4,246,275	12,759,322	12,943,993
Cost of finished goods:				
Opening stock	545,150	960,928	1,085,661	684,265
Closing stock	(775,600)	(1,332,907)	(775,600)	(1,332,907)
	(230,450)	(371,979)	310,061	(648,642)
	3,802,967	3,874,296	13,069,383	12,295,351

Selected notes to and forming part of the condensed interim financial information (Unaudited)

for the nine months ended September 30, 2012

	Three months ended		Nine months ended	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
				Rs '000
5. Other operating expenses				
Employees' termination benefits	(139,481)	5,797	637,397	5,797
Workers' Profit Participation Fund	57,046	35,445	95,133	82,801
Workers' Welfare Fund	22,353	14,542	37,215	35,250
Bank charges and fees	7,946	7,562	27,181	20,889
One SAP project expenses	39,493	-	39,493	-
Foreign exchange loss	7,763	(2,123)	11,590	-
Tax refund, rent refund claim & other write off	326	8,235	326	8,235
	(4,554)	69,458	848,335	152,972

	Nine months ended	
	Sep 30, 2012	Dec 31, 2011
		Rs '000
6. Property, plant and equipment		
Operating assets - note 6.1	5,375,270	5,423,123
Capital work in progress	397,941	669,161
	5,773,211	6,092,284

	Nine months ended	
	Sep 30, 2012	Sep 30, 2011
6.1 Movement in operating fixed assets		
Net book amount at January 1	5,423,123	5,621,915
Cost of additions		
Owned Assets		
Free hold land	23,735	-
Building	46,970	724
Plant and machinery	405,808	65,786
Vehicles	40,484	44,204
Office and household equipment	43,982	11,468
Furniture and fittings	372	2,330
Leased Assets		
Vehicles	126,276	-
	687,627	124,512
Book value of deletions		
Owned Assets		
Building	(383)	-
Plant and machinery	(32,449)	-
Vehicles	(112,653)	(3,487)
Office and household equipment	(2,317)	(886)
Furniture and fittings	(233)	-
	(148,035)	(4,373)
Depreciation charge for the nine months	(587,445)	(580,000)
Net book amount at September 30	5,375,270	5,162,054

Selected notes to and forming part of the condensed interim financial information (Unaudited)

for the nine months ended September 30, 2012

7. Long term investment in subsidiary company

This represents 500,001 (December 31, 2011:500,001) fully paid ordinary shares of Rs 10 each in Phoenix (Private) Limited. The break up value of shares calculated by reference to net assets worked out to be Rs 10 per share based on audited financial statements for the year ended December 31, 2011. This is a wholly owned subsidiary of the Company which has not yet commenced commercial production.

8. Other receivables

These include following balances due from related parties:

	Sep 30, 2012	Rs '000 Dec 31, 2011
Holding Company	4,020	5,055
Associated companies	6,182	129,371
Subsidiary company	20,021	20,021
Employees retirement benefit plans	7,449	1,354

9. Trade and other payables

These include following balances due to related parties:

Holding Company	81,562	149,671
Associated companies	379,937	302,234
Employees retirement benefit plans	102,648	205,704

10. Short term running finance

Short term running finance facilities available under mark-up arrangements with banks amount to Rs 5,350 million (December 31, 2011:Rs 5,350 million), out of which the amount unavailed at the September end was Rs 4,139 million (December 31, 2011:Rs 3,566 million). These facilities are secured by hypothecation of stock-in-trade and plant & machinery amounting to Rs 5,940 million (December 31, 2011:Rs 5,940 million). The mark-up ranges between 10.97% and 13.14% (December 31, 2011:12.42% and 14.79%) per annum and is payable quarterly. The facilities are renewable on annual basis.

11. Contingencies and commitments

11.1 Contingencies

Claims and guarantees

	Sep 30, 2012	Rs '000 Dec 31, 2011
(i) Claims not acknowledged as debt	131,800	131,800
(ii) Guarantees issued by banks on behalf of the Company	149,447	108,747

11.2 Commitments

(i) Capital expenditure commitments outstanding	108,297	-
(ii) Letters of credit outstanding	602,726	587,861

12. Post balance sheet event

The Board of Directors in their meeting held on October 22, 2012 has declared the second interim dividend of Rs 1.80 per share (2011:nil per share). This interim dividend of Rs 459,889 thousand (2011:nil) will be recorded as liability in the financial statements for the next quarter as required by the International Accounting Standard 10 "Events after the Balance Sheet Date".

Selected notes to and forming part of the condensed interim financial information (Unaudited)

for the nine months ended September 30, 2012

13. Transactions with related parties

	Three months ended		Nine months ended	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
				Rs '000
Purchase of goods and services				
Holding company	79,919	56,419	199,605	181,148
Associated companies	330,036	420,435	1,071,722	1,082,025
Sale of goods and services				
Holding company	3,859	-	12,349	3,961
Associated companies	27,160	101,444	158,550	443,026
Royalty charge				
Holding company	89,566	90,307	290,074	267,644
Expenses charged by Associated companies	-	854	-	854
Expenses charged to				
Holding company	-	-	589	627
Associated companies	122	1,344	366	2,128
Employees retirement benefit plans - Expense				
Staff pension fund	19,201	16,795	57,603	52,067
Staff defined contribution pension fund	6,593	3,889	16,397	10,711
Employees' gratuity fund	10,157	8,247	30,470	25,118
Management provident fund	12,580	11,403	36,094	33,380
Employees' provident fund	3,838	3,696	13,222	11,176
Remuneration of key management personnel	156,854	144,278	492,237	510,136

14. Basis for presentation of interim financial information

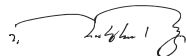
This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore and Islamabad stock exchanges.

15. Date of authorisation

This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on October 22, 2012.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Consolidated Condensed Interim Profit and Loss Account (Unaudited)

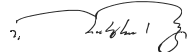
for the nine months ended September 30, 2012

	Note	Rs '000			
		Three months ended		Nine months ended	
		Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
Gross turnover		17,124,383	16,106,551	55,687,340	49,944,752
Excise duties		(8,797,280)	(8,269,567)	(28,630,008)	(25,769,185)
Sales tax		(2,448,554)	(2,289,385)	(7,958,527)	(7,336,022)
Net turnover		5,878,549	5,547,599	19,098,805	16,839,545
Cost of sales	4	(3,802,967)	(3,874,296)	(13,069,383)	(12,295,351)
Gross profit		2,075,582	1,673,303	6,029,422	4,544,194
Selling and distribution expenses		(675,333)	(612,106)	(2,395,355)	(1,823,388)
Administrative expenses		(326,699)	(312,158)	(1,035,391)	(997,543)
Other operating expenses	5	4,553	(69,458)	(848,335)	(152,972)
Other operating income		24,217	2,756	51,266	20,778
		(973,262)	(990,966)	(4,227,815)	(2,953,125)
Operating profit		1,102,320	682,337	1,801,607	1,591,069
Finance income		3,036	5,274	62,770	37,284
Finance cost		(43,832)	(28,700)	(94,066)	(90,386)
Net finance cost		(40,796)	(23,426)	(31,296)	(53,102)
Profit before income tax		1,061,524	658,911	1,770,311	1,537,967
Income tax expense - current		(391,447)	(255,581)	(653,484)	(621,572)
- deferred		21,605	29,019	36,245	94,236
		(369,842)	(226,562)	(617,239)	(527,336)
Profit for the period		691,682	432,349	1,153,072	1,010,631
Earnings per share - basic and diluted (Rupees)		2.71	1.69	4.51	3.96

The annexed notes 1 to 14 are an integral part of this consolidated condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

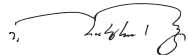
for the nine months ended September 30, 2012

	Rs '000			
	Three months ended		Nine months ended	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
Profit for the nine months	691,682	432,349	1,153,072	1,010,631
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the nine months	691,682	432,349	1,153,072	1,010,631

The annexed notes 1 to 14 are an integral part of this consolidated condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Consolidated Condensed Interim Balance Sheet (Unaudited)

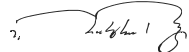
as at September 30, 2012

	Note	Sep 30, 2012	Rs '000 Dec 31, 2011
Non current assets			
Property, plant and equipment	6	5,798,259	6,117,332
Long term loans		655	1,260
Long term deposits and prepayments		20,723	22,640
		5,819,637	6,141,232
Current assets			
Stock-in-trade		8,031,688	6,462,330
Stores and spares		309,925	190,110
Trade debts		1,527	1,202
Loans and advances		96,716	64,310
Short term prepayments		79,970	94,052
Other receivables	7	75,381	176,228
Income tax paid in advance		-	79,419
Cash and bank balances		323,842	109,631
		8,919,049	7,177,282
Current liabilities			
Trade and other payables	8	8,175,860	7,067,731
Accrued interest / mark-up		41,097	51,187
Liability against assets subject to finance lease		38,766	-
Short term running finance	9	1,210,646	1,783,623
Current income tax liability		218,560	-
		9,684,929	8,902,541
Net current liabilities		(765,880)	(1,725,259)
Non current liabilities			
Deferred income tax liability		(1,045,793)	(1,082,038)
Liability against assets subject to finance lease		(95,818)	-
		(1,141,611)	(1,082,038)
Net assets		3,912,146	3,333,935
Share capital and reserves			
Authorised share capital			
300,000,000 ordinary shares of Rs 10 each		3,000,000	3,000,000
Issued, subscribed and paid-up capital			
255,493,792 ordinary shares of Rs 10 each		2,554,938	2,554,938
Revenue reserves		1,357,208	778,997
Shareholders' equity		3,912,146	3,333,935
Contingencies and commitments	10		

The annexed notes 1 to 14 are an integral part of this consolidated condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Consolidated Condensed Interim Cash Flow Statement (Unaudited)

for the nine months ended September 30, 2012

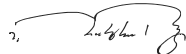
Rs '000

	Nine months ended	
	Sep 30, 2012	Sep 30, 2011
Cash flows from operating activities		
Cash receipts from customers	55,687,015	49,944,389
Cash paid to Government for Federal excise duty, Sales tax and other levies	(35,791,757)	(33,086,678)
Cash paid to suppliers, employees and others	(17,609,586)	(14,629,635)
Finance cost paid	(104,156)	(108,623)
Cash paid as royalty	(286,115)	(262,595)
Income tax paid	(355,506)	(219,444)
Other cash receipts	12,811	15,142
	1,552,706	1,652,556
Cash flows from investing activities		
Additions in property, plant and equipment	(416,406)	(376,368)
Proceeds from disposal of property, plant and equipment	161,831	7,951
Finance income received	62,770	37,284
	(191,805)	(331,133)
Cash flows from financing activities		
Dividends paid	(573,713)	(535,386)
	(573,713)	(535,386)
Increase in cash and cash equivalents	787,188	786,037
Cash and cash equivalents at January 1	(1,673,992)	(2,200,273)
Cash and cash equivalents at September 30	(886,804)	(1,414,236)
Cash and cash equivalents comprise:		
Cash and bank balances	323,842	111,909
Short term running finance	(1,210,646)	(1,526,145)
	(886,804)	(1,414,236)

The annexed notes 1 to 14 are an integral part of this consolidated condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)

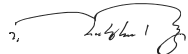
as at September 30, 2012

	Share capital	Revenue reserves	Rs '000 Total
Balance at January 1, 2011	2,554,938	1,047,149	3,602,087
Total comprehensive income for the nine months	-	1,010,631	1,010,631
Transactions with owners:			
Final dividend of Rs 2.10 per share relating to the year ended December 31, 2010	-	(536,537)	(536,537)
Balance at September 30, 2011	2,554,938	1,521,243	4,076,181
Balance at January 1, 2012	2,554,938	778,997	3,333,935
Total comprehensive income for the nine months	-	1,153,072	1,153,072
Transactions with owners:			
Final dividend of Rs 1.00 per share relating to the year ended December 31, 2011	-	(255,494)	(255,494)
1st Interim dividend of Rs 1.25 per share relating to the year ending December 31, 2012	-	(319,367)	(319,367)
		(574,861)	(574,861)
Balance at September 30, 2012	2,554,938	1,357,208	3,912,146

The annexed notes 1 to 14 are an integral part of this consolidated condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Selected notes to and forming part of the consolidated condensed interim financial information (Unaudited)

for the nine months ended September 30, 2012

1. Legal status and operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The registered office of the Company is situated at Silver Square, Plot No. 15, F-11 Markaz, Islamabad. The Company is engaged in the manufacture and sale of cigarettes.

Phoenix (Private) Limited (PPL) is a private company incorporated on March 9, 1992 in Azad Jammu and Kashmir under the Companies Ordinance 1984. the registered office of the PPL is situated at Bun Khurma, Chichian Road, Mirpur, Azad Jammu and Kashmir. The objective for which PPL has been incorporated is to operate and manage an industrial undertaking in Azad Jammu and Kashmir to deal in tobacco products. PPL has not yet commenced its commercial operations.

For the purpose of this consolidated condensed financial information, the Company and its wholly owned subsidiary PPL is referred to as the Group.

2. Basis of preparation

This consolidated condensed interim financial information of the Group for the nine months period ended September 30, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. Accounting policies

The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2011.

4. Cost of sales

	Three months ended		Nine months ended	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
Raw materials consumed				
Opening stock of raw materials and work in process	3,232,457	3,045,583	5,376,669	5,318,558
Raw material purchases and expenses	7,068,529	6,357,815	11,426,507	10,913,348
Closing stock of raw materials and work in process	(7,256,088)	(6,052,296)	(7,256,088)	(6,052,296)
	3,044,898	3,351,102	9,547,088	10,179,610
Excise duty, Customs duty and tobacco development cess	123,907	123,164	423,593	391,802
Royalty	89,566	90,307	290,074	267,644
Production overheads	775,046	681,702	2,498,567	2,104,937
Cost of goods manufactured	4,033,417	4,246,275	12,759,322	12,943,993
Cost of finished goods:				
Opening stock	545,150	960,928	1,085,661	684,265
Closing stock	(775,600)	(1,332,907)	(775,600)	(1,332,907)
	(230,450)	(371,979)	310,061	(648,642)
	3,802,967	3,874,296	13,069,383	12,295,351

Selected notes to and forming part of the consolidated condensed interim financial information (Unaudited)

for the nine months ended September 30, 2012

	Rs '000			
	Three months ended		Nine months ended	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
5. Other operating expenses				
Employees' termination benefits	(139,481)	5,797	637,397	5,797
Workers' Profit Participation Fund	57,046	35,445	95,133	82,801
Workers' Welfare Fund	22,353	14,542	37,215	35,250
Bank charges and fees	7,946	7,562	27,181	20,889
One SAP project expenses	39,493	-	39,493	-
Foreign exchange loss	7,763	(2,123)	11,590	-
Tax refund, rent refund claim & other write off	326	8,235	326	8,235
	(4,554)	69,458	848,335	152,972
				Rs '000
			Sep 30, 2012	Dec 31, 2011
6. Property, plant and equipment				
Operating assets - note 6.1			5,378,634	5,426,487
Capital work in progress			419,625	690,845
			5,798,259	6,117,332
			Nine months ended	
			Sep 30, 2012	Sep 30, 2011
6.1 Movement in operating fixed assets				
Net book amount at January 1			5,426,487	5,625,279
Cost of additions				
Owned Assets				
Free hold land			23,735	-
Building			46,970	724
Plant and machinery			405,808	65,786
Vehicles			40,484	44,204
Office and household equipment			43,982	11,468
Furniture and fittings			372	2,330
Leased Assets				
Vehicles			126,276	-
			687,627	124,512
Book value of deletions				
Owned Assets				
Building			(383)	-
Plant and machinery			(32,449)	-
Vehicles			(112,653)	(3,487)
Office and household equipment			(2,317)	(886)
Furniture and fittings			(233)	-
			(148,035)	(4,373)
Depreciation charge for the nine months			(587,445)	(580,000)
Net book amount at September 30			5,378,634	5,165,418

Selected notes to and forming part of the consolidated condensed interim financial information (Unaudited)

for the nine months ended September 30, 2012

7. Other receivables

These include following balances due from related parties:

	Sep 30, 2012	Rs '000 Dec 31, 2011
Holding Company	4,020	5,055
Associated companies	6,182	129,371
Employees retirement benefit plans	7,449	1,354

8. Trade and other payables

These include following balances due to related parties:

Holding Company	81,562	149,671
Associated companies	379,937	302,234
Employees retirement benefit plans	102,648	205,704

9. Short term running finance

Short term running finance facilities available under mark-up arrangements with banks amount to Rs 5,350 million (December 31, 2011:Rs 5,350 million), out of which the amount unavailed at the September end was Rs 4,139 million (December 31, 2011:Rs 3,566 million). These facilities are secured by hypothecation of stock-in-trade and plant & machinery amounting to Rs 5,940 million (December 31, 2011:Rs 5,940 million). The mark-up ranges between 10.97% and 13.14% (December 31, 2011:12.42% and 14.79%) per annum and is payable quarterly. The facilities are renewable on annual basis.

10. Contingencies and commitments

10.1 Contingencies

Claims and guarantees

	Sep 30, 2012	Rs '000 Dec 31, 2011
(i) Claims not acknowledged as debt	131,800	131,800
(ii) Guarantees issued by banks on behalf of the Company	149,447	108,747
10.2 Commitments		
(i) Capital expenditure commitments outstanding	108,297	-
(ii) Letters of credit outstanding	602,726	587,861

11. Post balance sheet event

The Board of Directors in their meeting held on October 22, 2012 has declared the second interim dividend of Rs1.80 per share (2011 : nil per share). This interim dividend of Rs 459,889 thousand (2011:nil) will be recorded as liability in the financial statements for the next quarter as required by the International Accounting Standard 10 "Events after the Balance Sheet Date".

Selected notes to and forming part of the consolidated condensed interim financial information (Unaudited)

for the nine months ended September 30, 2012

12. Transactions with related parties

	Three months ended		Nine months ended		Rs '000
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011	
Purchase of goods and services					
Holding company	79,919	56,419	199,605	181,148	
Associated companies	330,036	420,435	1,071,722	1,082,025	
Sale of goods and services					
Holding company	3,859	-	12,349	3,961	
Associated companies	27,160	101,444	158,550	443,026	
Royalty charge					
Holding company	89,566	90,307	290,074	267,644	
Expenses charged by Associated companies	-	854	-	854	
Expenses charged to					
Holding company	-	-	589	627	
Associated companies	122	1,344	366	2,128	
Employees retirement benefit plans - Expense					
Staff pension fund	19,201	16,795	57,603	52,067	
Staff defined contribution pension fund	6,593	3,889	16,397	10,711	
Employees' gratuity fund	10,157	8,247	30,470	25,118	
Management provident fund	12,580	11,403	36,094	33,380	
Employees' provident fund	3,838	3,696	13,222	11,176	
Remuneration of key management personnel	156,854	144,278	492,237	510,136	

13. Basis for presentation of interim financial information

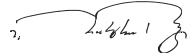
This consolidated condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore and Islamabad stock exchanges.

14. Date of authorisation

This consolidated condensed interim financial information has been authorised for issue by the Board of Directors of the Company on October 22, 2012.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

www.ptc.com.pk

Pakistan Tobacco Company Limited

Silver Square, Plot No. 15
F-11 Markaz, P.O. Box 2549
Islamabad 44000