



Annual General Meeting
Imperial Tobacco Group PLC
3 February 2009

Iain Napier

Chairman

FY08 Results Summary

a year of significant achievement



- Cigarette volumes up 46% to 292bn
- Profit from operations up 51% to £2,230m
- Attributable profit up 26% to £1,159m
- Distribution to shareholders up 26%
 - full year dividend per share of 63.1p
- Earnings per share 15%* to 136.9p

*Note: results are adjusted and are reported before amortisation of acquired intangibles, restructuring costs, retirement benefits net financing income, certain fair value gains and losses on derivatives, an exceptional gain on brand divestments and one-off acquisition accounting adjustments. *Based on FY07 numbers restated for bonus element of rights issue*

FY08 Highlights

Altadis deal completed



- **Extended geographic reach; versatile portfolio**
- **International strength in cigarette**
- **World leader in fine cut, cigars, papers & tubes**
- **Leading European logistics platform**
- **Restructuring projects announced in June**
- **Continue to make good progress on integration**

FY08 Highlights

driving the enlarged business



- **Strong Altadis cigarette performance**
- **Growth in international and regional brands**
- **Excellent progress in Africa, ME and E Europe**
- **Reducing costs and effectively managing cash**
- **Resilient and highly cash generative business**



Gareth Davis

Chief Executive

Cigarette Highlights



- Volumes up 46% to 292bn
- Key brand volumes up 4%
 - 30% of total cigarette volumes
- Support growth with increased investment
 - targeted A&P expenditure
 - innovative products and brand extensions

Note: key brands are Davidoff, West, JPS, Gauloises Blondes, Gitanes Blondes and Fortuna

- Net revenue less duty of £869m
- Profit from operations up to £584m*
- Market environment
 - cigarette market declined by 5% to 45.5bn
 - 2-3% due to SiPPs bans
 - fine cut tobacco market up 7% to 3,750tns
- Market leader: cigarette market share of 45.9%
 - L&B and Richmond: UK No.1 and No.2
 - Windsor Blue share 3%; JPS Silver launched
- Market leader: fine cut tobacco share at 61.6%
- Focus on building share in growing economy sector

** Note: results are adjusted and are reported before amortisation of acquired trademarks, restructuring costs, retirement benefits net financing income, certain fair value gains and losses on derivatives, an exceptional gain on brand divestments and one-off acquisition accounting adjustments. Market data based on Imperial estimates.*

Germany

- Net revenue of £664m
- Profit from operations up to £309m*
- Market environment
 - cigarette market declined by 3% to 87.8bn
 - c.2% attributable to SiPPs restrictions
 - OTP market declined by 5% to 34.5bn
- Cigarette share growth to 27.4%
 - JPS new No.2 with 7.8% share
- OTP market share at 20%
 - JPS and Route 66 MYO growth

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Spain

- Net revenue of £411m
- Profit from operations of £150m*
- Market environment
 - cigarette market stable at 90bn
 - fine cut tobacco market up 28% to 3,600tns
 - cigar market up 5% to 1,132m
- Cigarette share at 37.1%
 - growth from Nobel and Ducados Rubio
- Fine cut tobacco share at 49.1%
 - Golden Virginia and Drums stabilised
- Cigar share at 36.8%

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Rest of European Union

- Net revenue of £1,250m
- Profit from operations at £494m*
- Market environment
 - cigarette market down 3% to 382bn
 - fine cut tobacco market up 1% to 34,000tns
 - positive pricing environment
- Strong cigarette brand volume performances
 - Davidoff +10%; JPS +22%; Golden Gate +23%
- Cigarette share gains in majority of markets
- Fine cut tobacco gains in Hungary and the Czech Rep.

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Americas

- Net revenue of £542m
- Profit from operations £166m*
- USA market environment
 - cigarette market down 4% to 351bn
 - fine cut tobacco market up 5% to 9,100tns
- USA cigarette market share up to 4.3%
- USA fine cut tobacco position improved
- USA market leader in large cigars

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Rest of the World



- Net revenue of £1.5bn
- Profit from operations of £404m*
- Asia: new factory in Taiwan
 - Strengthened position in Indo-China
- Africa: No.1 player in Morocco
- Middle East: Gauloises Blondes, leading brand
 - Davidoff 5 year volume CAGR of 44%
 - Turkey market share up to 3.2%

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Rest of the World

- **Eastern Europe**
 - **Russia: Davidoff performed well**
 - **Ukraine: share up at 21.8%**
 - **Azerbaijan: share up to 39.4%**
- **Global Duty Free cigarette volumes of 5bn**
- **Habanos cigars**
 - **volume impact from SiPPs and economic downturn**
 - **regular price increases mitigating volume declines**
 - **greater footprint presents expansion opportunities**

Manufacturing



- Significant progress on supply chain integration
- Focus on simplification and standardisation
 - productivity up 5%*
 - cigarette unit costs down 3%*
 - blends down 9%*
 - number of ingredients down 6%*
- Responding swiftly to market dynamics

Note: *Imperial standalone

Logistics

- **Distribution fees of £607m**
- **Profit from operations £121m***
- **Main activities in Spain, Portugal, Italy & France**
- **Other logistics**
 - **wholesale business performed well**
 - **weakness in publications and transport**
- **Tobacco logistics**
 - **good performance in Italy and Spain**
 - **offsetting volume decline in France**

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Trading Update

Quarter ended 31 Dec 2008

Outlook for 2009



“ The overall performance and financial position of Imperial Tobacco for the financial year to 30 September 2009 remains in line with management’s expectations.”



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