

Annual General Meeting 2011

Imperial Tobacco Group PLC

2 February 2011

Iain Napier Chairman

Our Strategy



**Delivering sustainable
shareholder returns**

Growth drivers

**Cost
Optimisation**

**Sales
Growth**

**Cash
Utilisation**

Our key assets

**Market
Footprint**

**Total
Tobacco**

**Brand
Equity**

People

How we leverage our assets

**Consumer
Centric**

**Execution
Excellence**

**Future
Foundations**

FY10 Highlights



- Tobacco net revenue up 3% to £7.1 bn
- Operating profit up 5% to £3.1bn
- Earnings per share up 11% to 178.8p
- Adjusted net debt down to £9.3 bn
- Full year dividend per share up 15% to 84.3p

FY10 Overview



- Resilient volume performance:
 - Stick equivalents down 2.9%
 - Cigarette volumes down 4.2%
 - Fine cut tobacco volumes up 8.7%
- Global strategic cigarette brand volumes:
 - Davidoff up 3%
 - West up 2%
 - Gauloises Blondes up 4% (H2)
 - JPS volumes up 13%
- Strong fine cut tobacco performance:
 - Excellent progress in Central Europe

Alison Cooper Chief Executive

Our Strategy



**Delivering sustainable
shareholder returns**

Growth drivers

**Cost
Optimisation**

**Sales
Growth**

**Cash
Utilisation**

Our key assets

**Market
Footprint**

**Total
Tobacco**

**Brand
Equity**

People

How we leverage our assets

**Consumer
Centric**

**Execution
Excellence**

**Future
Foundations**

Applying our Strategy Consumer Centric



This space appears blank because we have removed some images that appear in the presentation.

This is because we do not feature tobacco product imagery on our website.

Applying our Strategy Execution Excellence



This space appears blank because we have removed some images that appear in the presentation.

This is because we do not feature tobacco product imagery on our website.

Applying our Strategy Future Foundations



Our People



- Global team fully aligned
- Skills and capabilities: research and further development
- Global management engagement survey



Our Responsible Approach



- Increased focus on anti-illicit trade activities
- Sept 2010: Joint agreement with European Commission and EU member states
- Social Responsibility in Tobacco Production Programme: 100% compliance
- Revised and enhanced code of conduct
- Gold Award rating in Business in the Community's 2009 Corporate Responsibility Index



Business in the

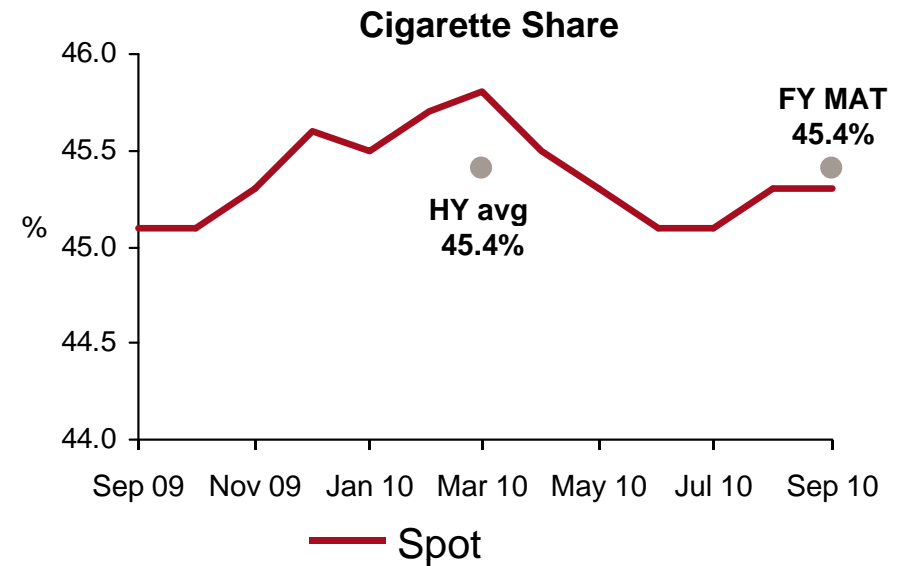
Community

Regional Review FY10

UK Performance: FY10



- Revenue and profit growth
- Cigarette
 - strong gains in JPS Silver & Windsor Blue
 - 41% share of economy segment
- Fine cut tobacco
 - market share 54.5%
 - Golden Virginia Yellow & Gold Leaf growth



Germany Performance: FY10

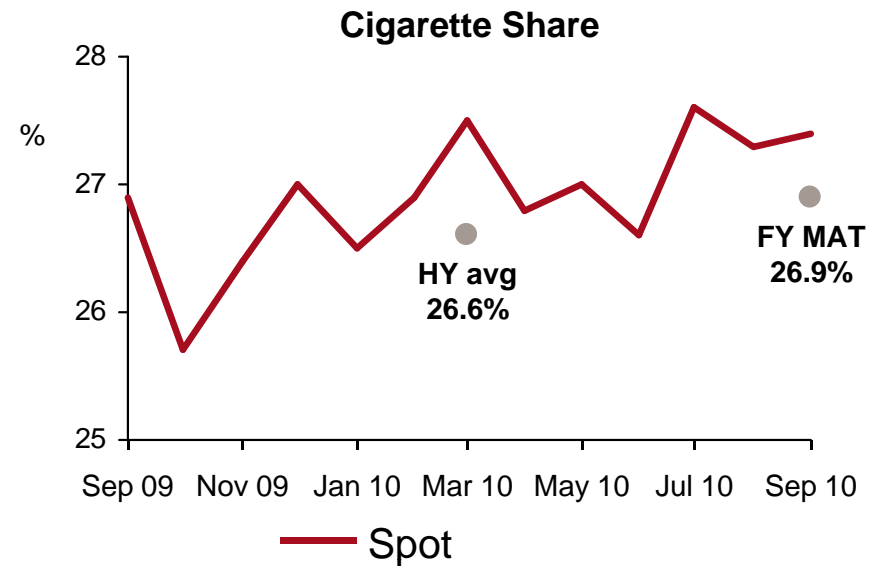


▪ Cigarette

- JPS share approaching 10%
- Gauloises distribution expanded since April
- Gauloises Blondes share up since Half Year

▪ Fine cut tobacco

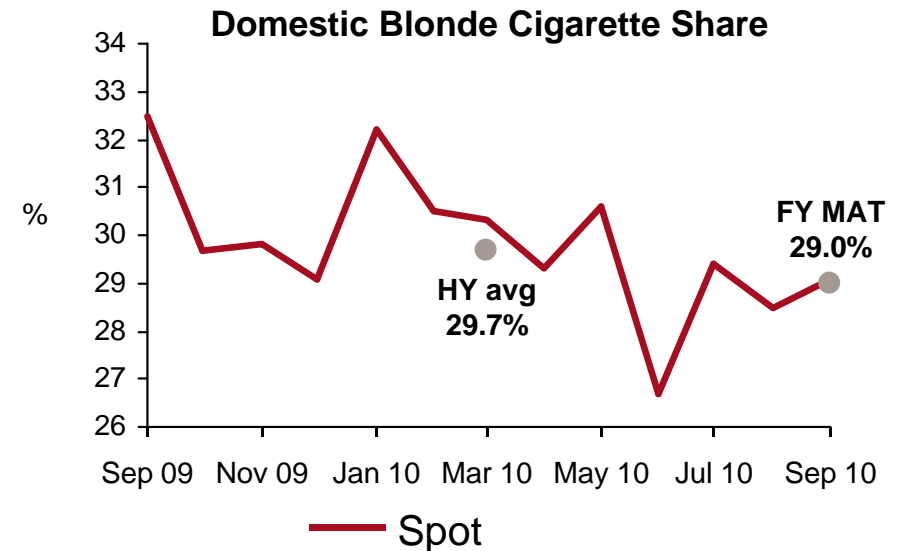
- market share up to 18.2%
- JPS and Route 66 combined share of 11.6%



Spain Performance: FY10



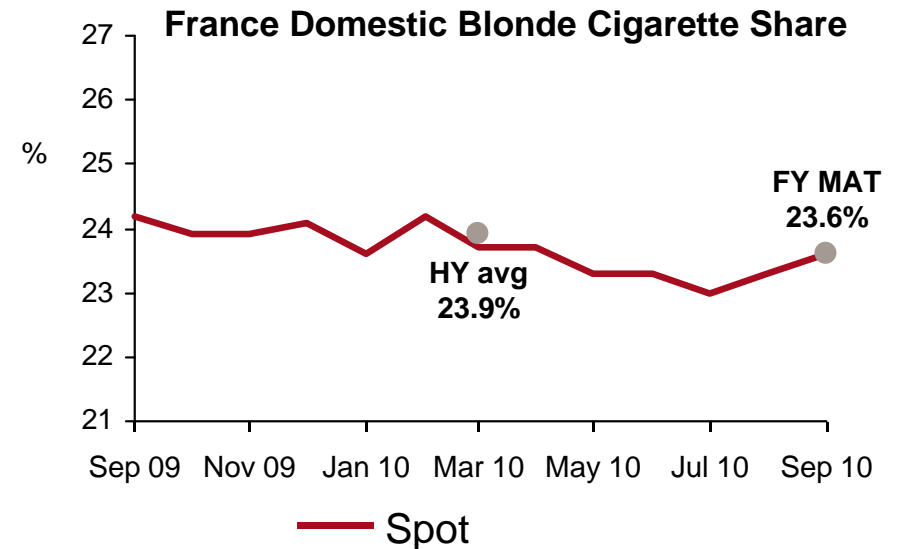
- Cigarette
 - Fortuna Red Line launched
 - Nobel resilient
 - Ducados Rubio good performance
- Fine cut tobacco
 - market share 32.3%
 - Ducados Rubio launched in June



Rest of EU Performance: FY10



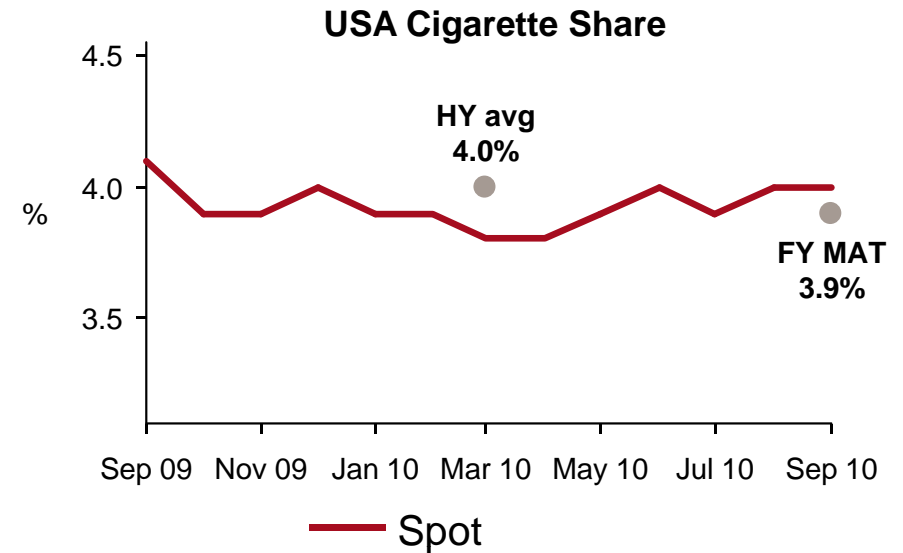
- Cigarette
 - France share 23.6%
 - share gains in a number of markets
 - Austria, Czech, Hungary and Portugal
- Fine cut tobacco
 - strong performances in Central Europe



Americas Performance: FY10



- USA cigarette
 - discount sector strength
- Brand rejuvenations
 - USA Gold and Sonoma
- Growing distribution



Rest of the World Performance: FY10



Africa & Middle East

- Share gains in African & ME markets
- Gauloises Blondes growth in Morocco
- Davidoff in Saudi Arabia
- West in Turkey

Eastern Europe

- Sales up 7%
- Davidoff success in Russia and Ukraine

Rest of the World Performance: FY10



Asia Pacific

- Australia
 - cigarette share up to 17.5%
- Taiwan
 - cigarette share up to 11.0%
- Indo-China
 - share gains in Laos and Cambodia
- Davidoff in South Korea

Imperial estimates

Logistics Performance: FY10



- Robust performance
- Tobacco logistics
 - Spain: pricing and cost savings offsetting volumes
 - France: volumes broadly stable
 - Italy: price increases
- Other logistics
 - wholesale gaining market share
 - revenue growth in pharma division
 - resilient transport activities



Trading Update

Quarter ended 31 December 2010

“The overall operational performance and financial position of the Group for the financial year to 30 September 2011 is in line with the Board’s expectations.”

Annual General Meeting Imperial Tobacco Group PLC