



Annual General Meeting 2014

Imperial Tobacco Group PLC

5 February 2014

Iain Napier Chairman

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FY13 Summary Results



robust performance in tough environment

	FY13	FY12	Δ
Tobacco net revenue (£m)	7,007	7,005	-1%
Adjusted operating profit (£m)	3,180	3,161	+1%
Adjusted earnings per share (p)	210.7	201.0	+6%
Dividend per share (p)	116.4	105.6	+10%

- Dividend per share growth +10%
- Pay-out ratio increased to 55%
- Dividend growth of at least 10% over the medium term

Alison Cooper Chief Executive

Growth and Returns Markets

effective resource allocation



Growth Markets

Scale existing presence for long term growth

- Large profit and/or volume pools
- Significant share growth potential
- Leverage Growth Brands
- Prioritised long-term investment

Major Markets

USA	Turkey
Italy	Taiwan
Russia	Iraq
	Saudi Arabia

Returns Markets

Footprint strength driving sales and high returns

- Strong established presence
- Build on strong positions
- Manage market share
- Reduce portfolio complexity

Major Markets

UK	Spain
Germany	France
Netherlands	Morocco
Australia	Algeria

Growth and Specialist Brands

priorities for growth



Growth Brands

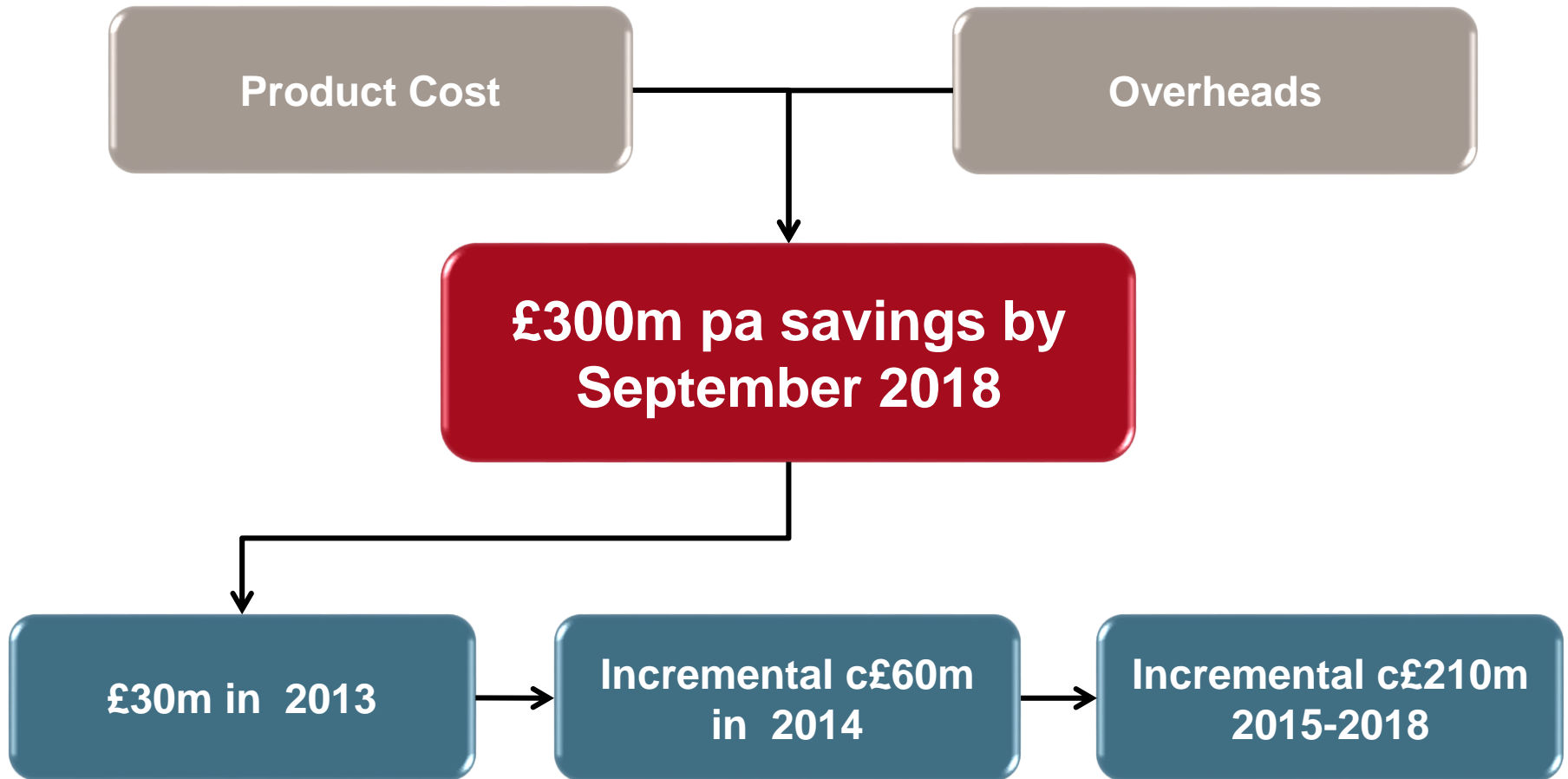
- L&B
- BASTOS
- FINE
- GAULOISES
- P&S
- West
- JP
- NEWS
- USA GOLD
- Davidoff

Specialist Brands

- GITANES
- MONTECRISTO
- GOLDEN VIRGINIA
- BACKWOODS
- style
- skruf
- COHIBA
- ROUTE 66
- DRUM
- RIZLA

Cost Optimisation

aligned with strategic priorities



Growth and Specialist Brands

driving quality growth



Growth Brands	FY13	FY12	Δ
Volume (SE bn)	129	132	-2%
Market share (%)	5.4	5.1	+30bps
Net revenue (£m)	2,729	2,647	+2%
% of Group SE volumes	41	39	+200bps
% of Tobacco net revenue	39	38	+100bps

Specialist Brands	FY13	FY12	Δ
Net revenue (£m)	866	817	5%
% of Tobacco net revenue	12	12	-

% change is in constant currency terms; market share is ex-China

Growth Markets

strong profit delivery



	FY13	FY12	Δ
Net revenue (£m)	2,254	2,192	+2%
Adjusted operating profit (£m)	668	633	+7%
Margin (%)	29.6	28.9	+70bps

- +2% revenue growth; +7% adjusted operating profit growth
- Strong profit growth in Russia, Taiwan and Turkey
- Increased profits in USA

Returns Markets



robust North mitigating weaker South

	FY13	FY12	Δ
Net revenue (£m)	4,753	4,813	-2%
Adjusted operating profit (£m)	2,335	2,356	-1%
Margin (%)	49.1	49.0	+10bps

- Difficult conditions in a number of markets
- Robust result
- Margins maintained

Logistics

robust performance



	FY13	FY12	Δ
Distribution fees (£m)	850	872	-5%
Adjusted operating profit (£m)	176	176	-2%
Margin (%)	20.7	20.2	+50bps

- Weak tobacco industry volumes impacting France, Italy and Spain
- Robust performance
- Adjusted operating profits +2% excluding impact of Italian VAT timing

Fontem Ventures

IP acquisition adds to growth potential



- Non-Tobacco focus
- Current focus on e-vapour
 - ◆ launches in 2014
- Acquisition of IP from Dragonite
 - ◆ leading e-vapour know-how
 - ◆ e-cigarette pioneer joins Fontem



Corporate Responsibility



FY14 Outlook



important transition year; building on successes

- Strengthening our portfolio and footprint
 - Backing growth with increased investment in:
 - ◆ Growth Brands and Markets
 - ◆ Fontem Ventures
 - ◆ People
 - Building resilience:
 - ◆ advancing cost optimisation programme
 - ◆ implementing stock optimisation programme
 - Stronger portfolio; stronger footprint; stronger platform for growth
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