



Sanford Bernstein Conference 2012

Imperial Tobacco Group PLC

London, 20 September 2012

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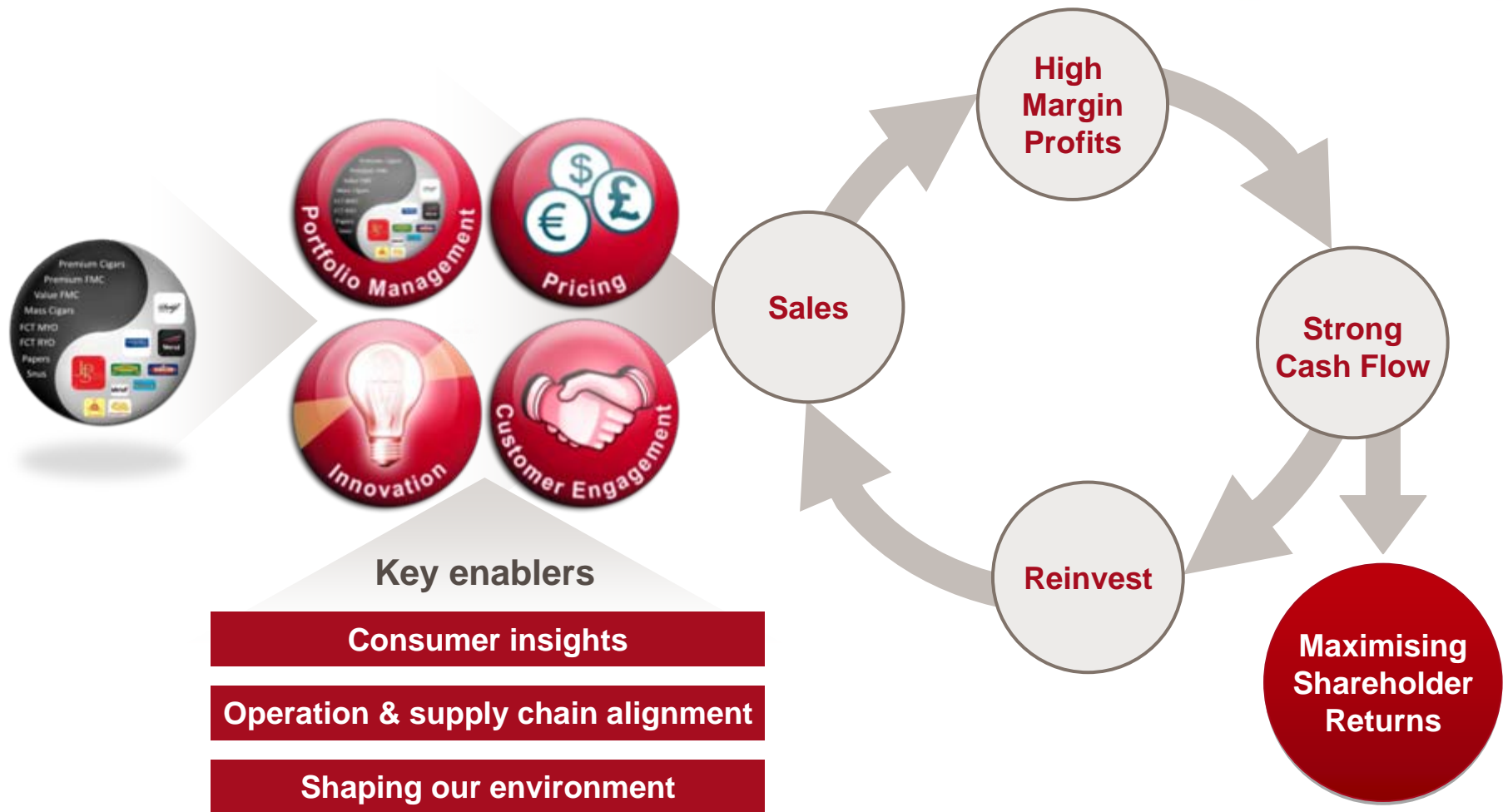
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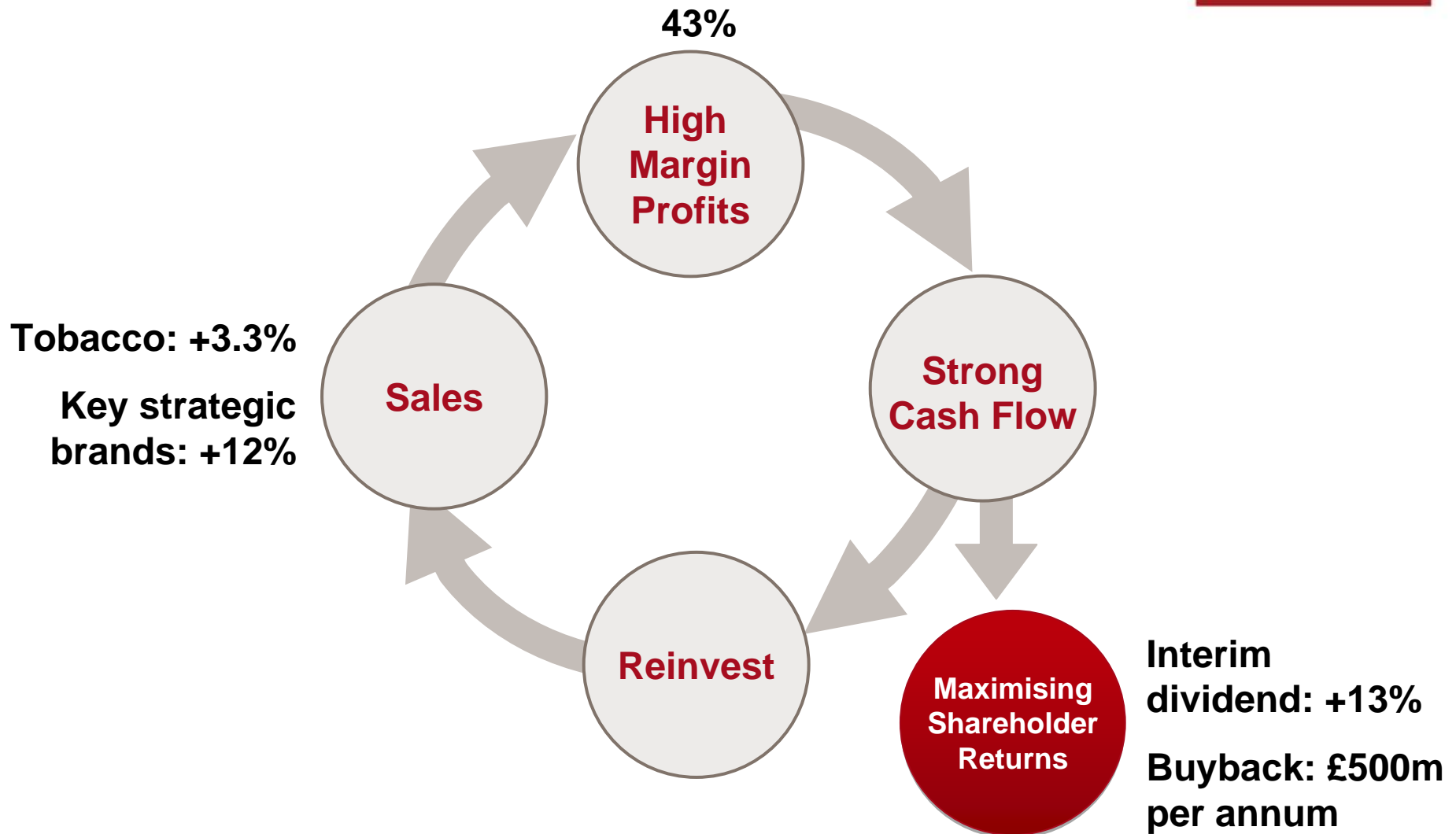
Driving Quality Growth

Alison Cooper
Chief Executive

Our Business Model



HY12 Financial Highlights



Consumer Motivations

a differentiated consumer understanding



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Total Tobacco Experiences

a differentiated portfolio



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The Right Mindset

a differentiated “how”

We can



everything is possible,
together we win

I own



see it, seize it,
make it happen

I am



my contribution counts,
think free, speak free,
act with integrity

We surprise



new thinking, new
actions, exceed
what's possible

I engage



listen, share,
make connections

We enjoy



thrive on challenge,
make it fun

Motivations the Key to Quality Growth



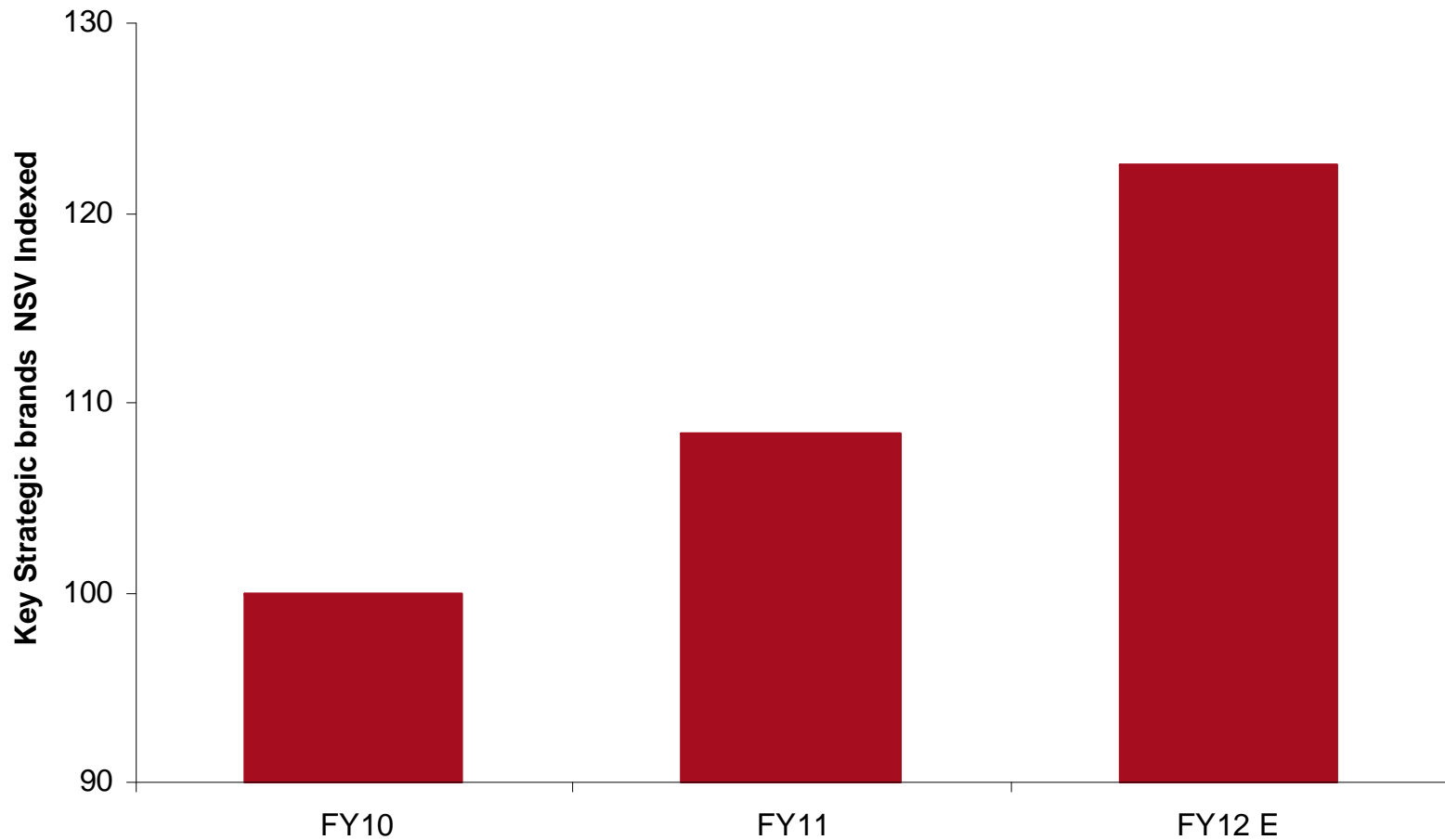
**more
consumers,
more occasions**



**new consumer
experiences**

Key Strategic Brands Sales Growth

11% NSV; 5% volume CAGR since 2010



* Key strategic brands: Davidoff, Gauloises Blondes, West and JPS

Davidoff Growth Momentum



Video

Glide-Tec Innovation

reinforcing brand differentiation

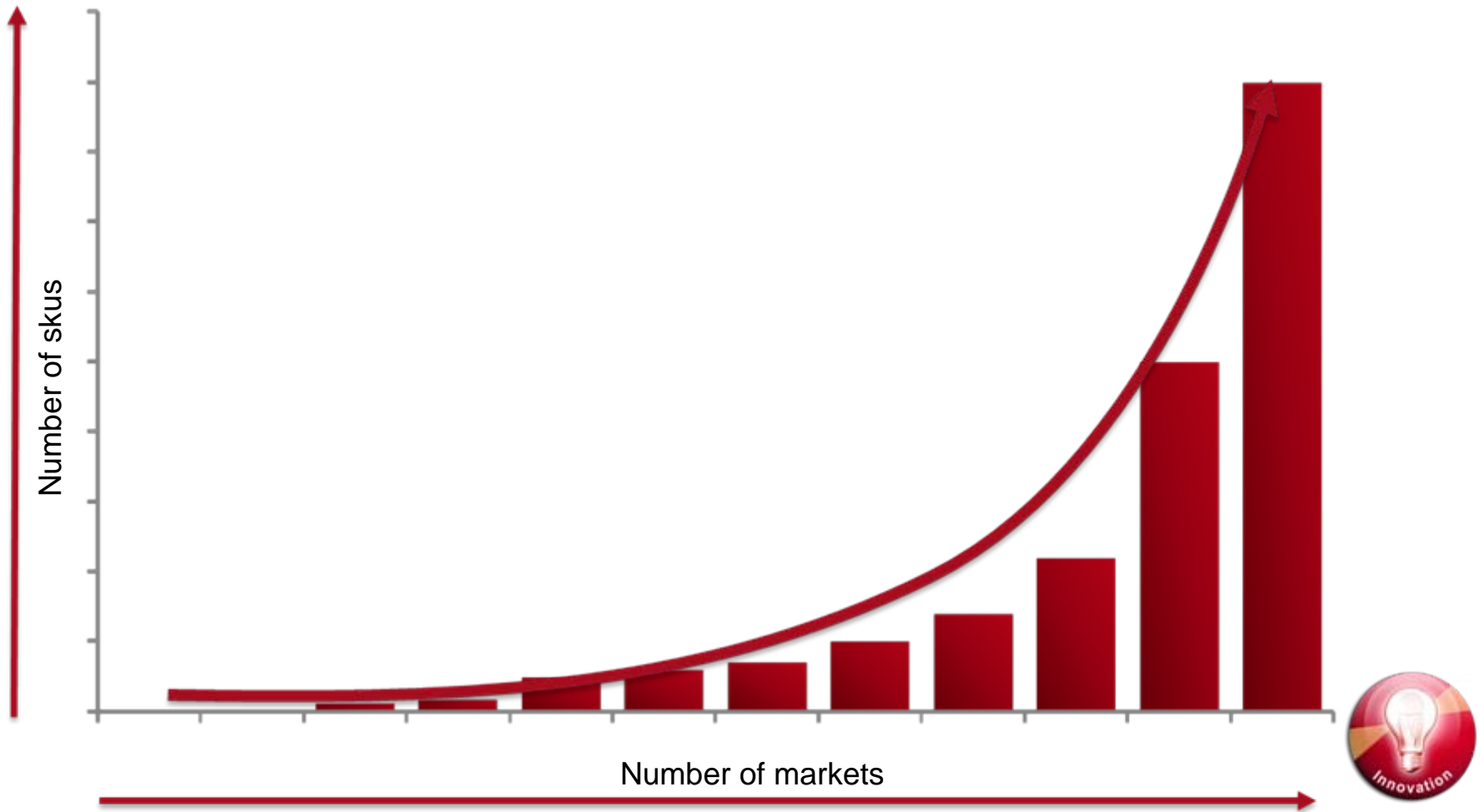


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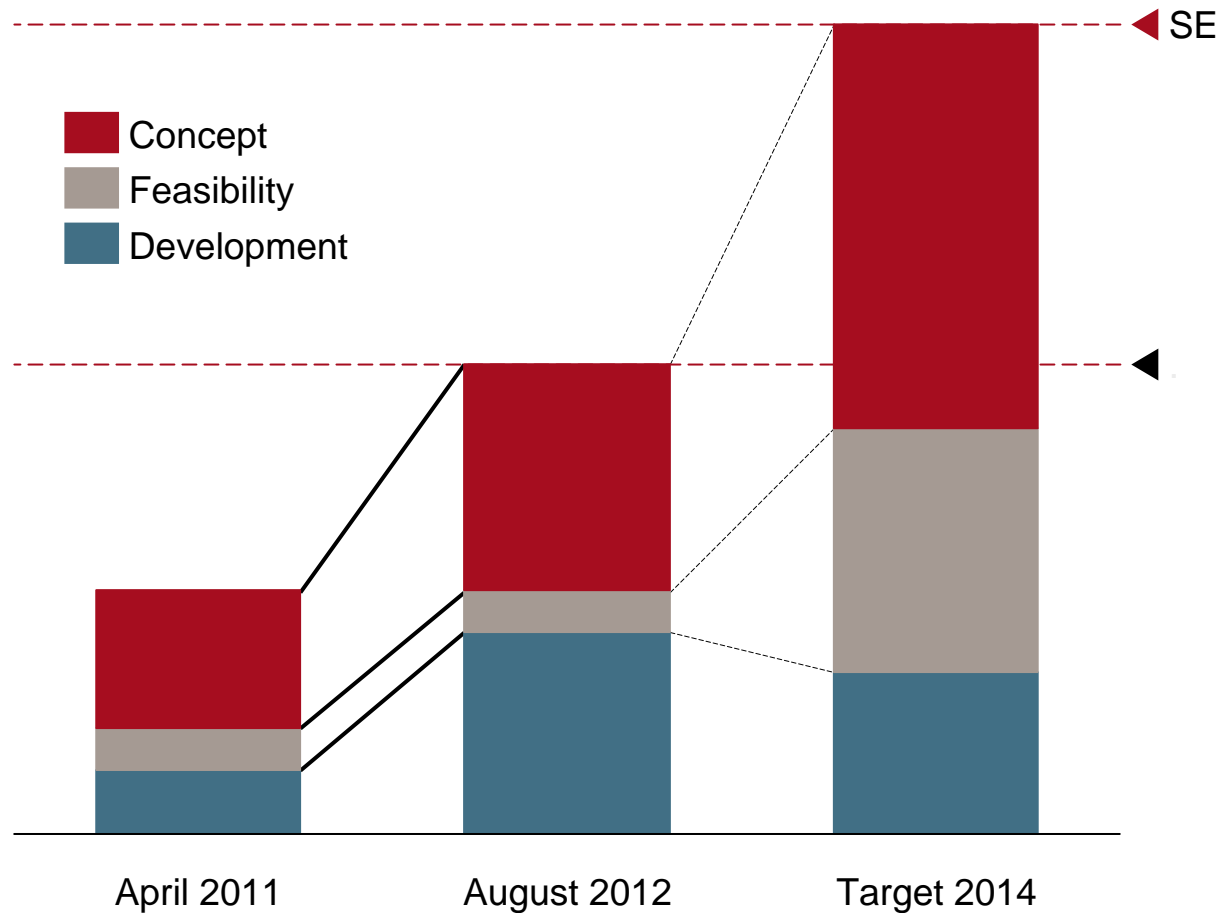
Glide-Tec

over 1 billion cigarettes sold



Innovation Pipeline

delivering scalable initiatives



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maximising revenue growth



availability & advocacy

Regulation: Newsflow \neq Rapid Progress



Newsflow Generators

Australia	France
Brazil	Russia
Canada	Taiwan
Ireland	Thailand
New Zealand	UK
Norway	
Singapore	
South Africa	
Turkey	
Uruguay	

Progress

- Display Bans: less than 2 countries per year over 10 years (10%*)
- Graphic Health Warnings: 5 countries per year over 12 years (30%*)
- SiPPs bans: 6 countries per year over 8 years (25%*)
- Plain Pack regulation has bigger legal hurdles

Rational markets in the majority

Regulation: Consumer Perspective



- Minimal impact on incidence
- SiPPs changed consumption occasions
- Plain packaging:
 - ♦ doesn't impact consumption occasions
 - ♦ branded reassurance important
 - ♦ total experience matters
 - ♦ price may be more relevant to some

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Regulation: Our Perspective

opportunities in all markets

- Track record in highly regulated markets
- Ongoing focus on combating illicit trade
- Unique combined consumer & portfolio positioning



Quality Growth: Spain



Portfolio & Innovation

new consumer experiences



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Pricing & Customer Engagement

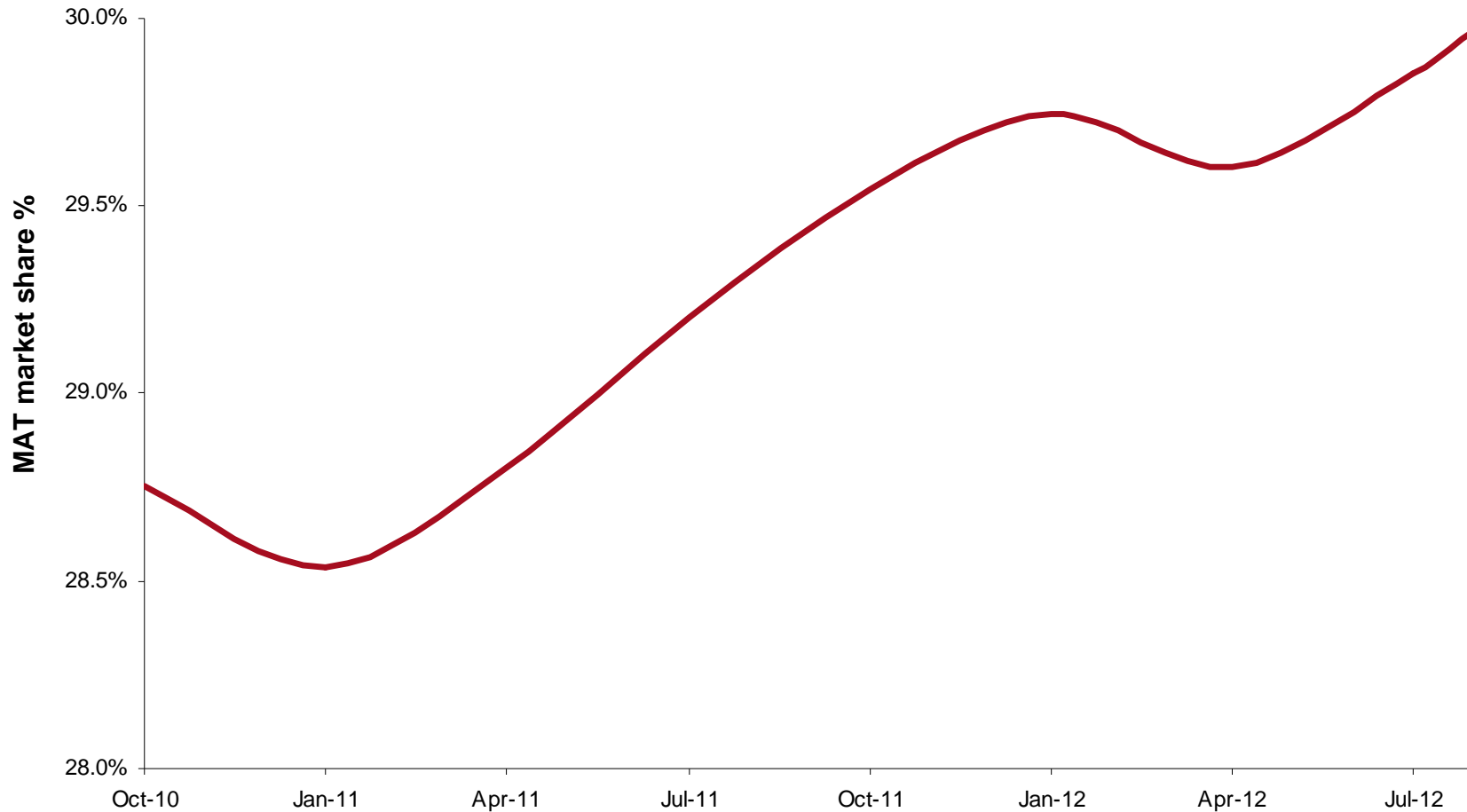


- Best in class pricing models
- Excise forecast accuracy
- New formats & pack sizes

- Only sales out model
- Availability @ 99.9%
- First Trade Advocacy programme

Driving Quality Growth

portfolio focus delivering



Domestic blond cigarettes plus fine cut tobacco plus domestic cigars

Quality Growth: Russia



Portfolio & Innovation

new consumer experiences



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Pricing & Customer Engagement

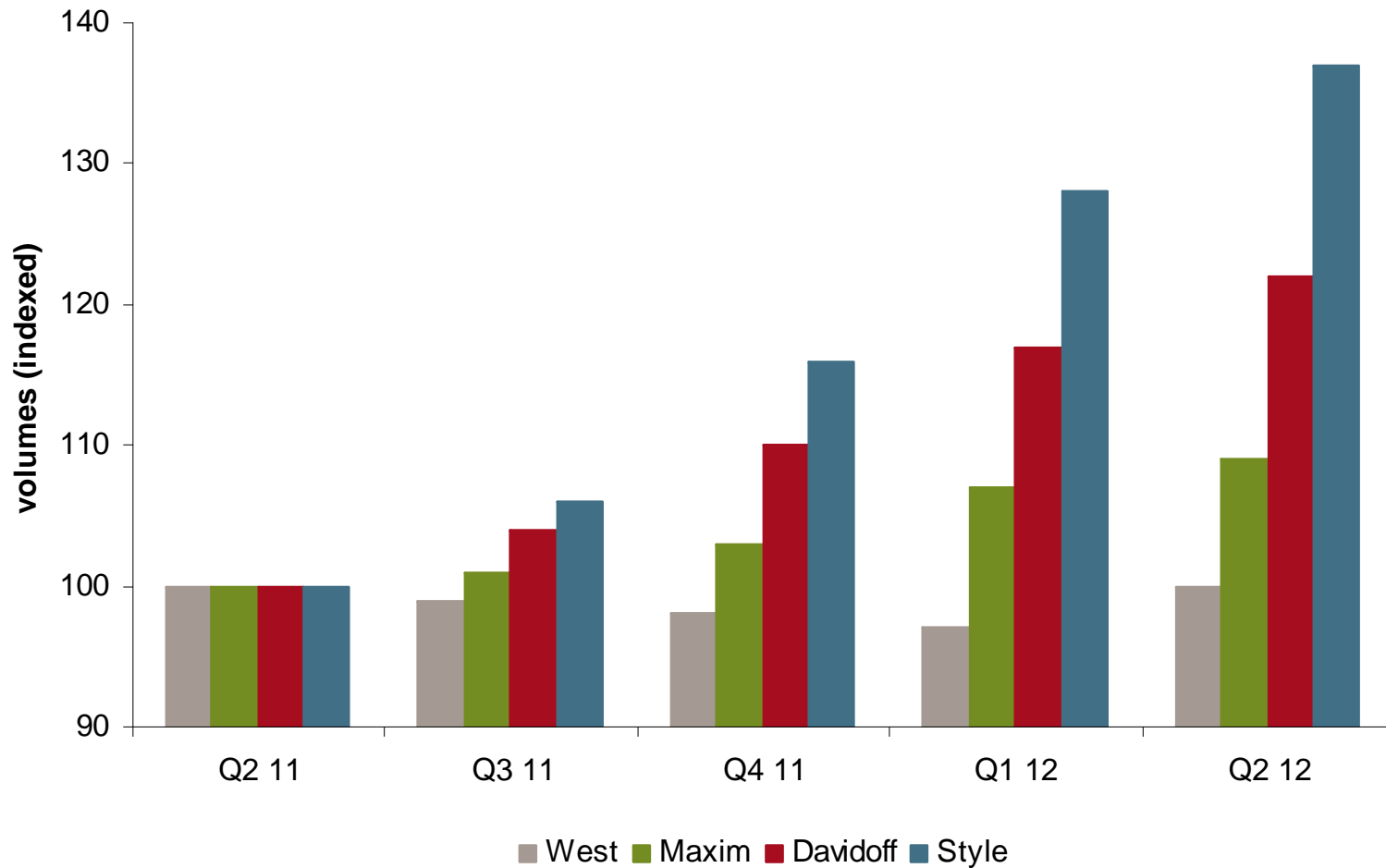


- Key brands interaction
- Excise engagement
- Excise increase strategies

- Modern Trade Channel focus
- Retail Partnership Programme
- Distributor Alignment

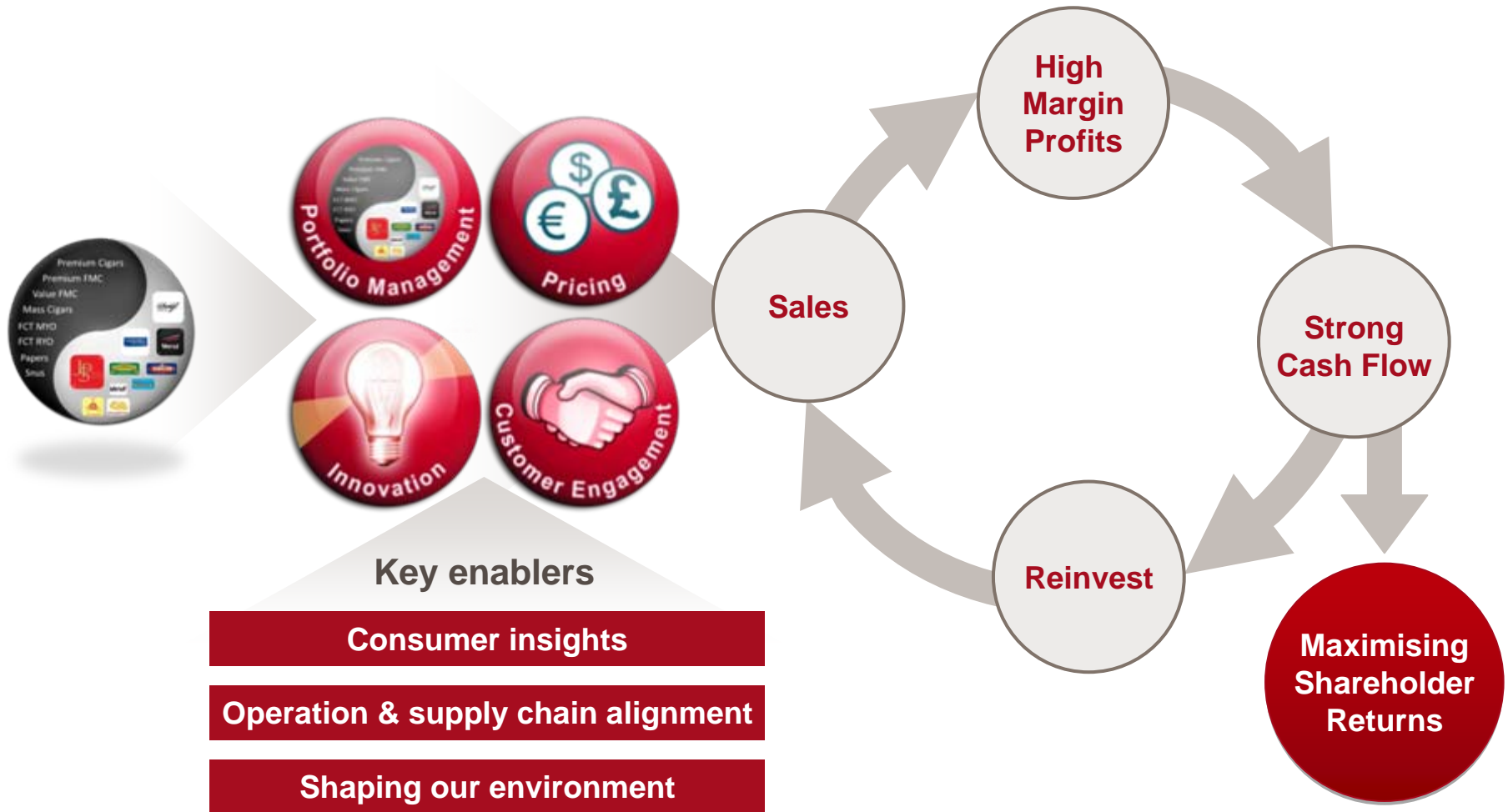
Driving Quality Growth

brand focus delivering



Driving Quality Growth

our business model



Driving Quality Growth

a differentiated approach



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