

HALF YEAR RESULTS 2016

IMPERIAL BRANDS PLC

4 May 2016



DISCLAIMER



Certain statements in this announcement constitute or may constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is or may be a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those projected or implied in any forward-looking statement. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial

effects of the plans and events described in this announcement. As a result, you are cautioned not to place any reliance on such forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be construed as a profit forecast or profit estimate and no statement in this announcement should be interpreted to mean that the future earnings per share of the Company for current or future financial years will necessarily match or exceed the historical or published earnings per share of the Company.

This announcement has been prepared for, and only for the members of the Company, as a body, and no other persons. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this announcement is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

ALISON COOPER
CHIEF EXECUTIVE



OUR PRIORITIES FOR FY16

WHAT WE SAID LAST YEAR



Deliver at least 10% increase in dividend



Strengthen Portfolio

- Further portfolio simplification
- Build on migration success
- Invest in Growth and Specialist Brands
- e-vapour / blu development



Develop Footprint

- Build on Growth Market opportunities
- Drive profitability in key Returns Markets
- Deliver benefits from ITG Brands



Drive Cost Optimisation

- Deliver £55m in FY16
- Focus on further operating efficiencies
- Drive benefits from evolution of operating model



Embed Capital Discipline

- Maintain cash conversion discipline
- Further improve capital deployment
- Ongoing debt reduction

DELIVERING ON OUR PRIORITIES

GOOD PROGRESS AGAINST STRATEGY



Dividend up 10% to 47.0p



Strengthen Portfolio

- Quality of revenue further improved
- Successful brand migrations
- Growth and Specialist Brands now 58.6% of Group revenue
- Stronger equity and technology in e-vapour

Develop Footprint

- Realising opportunities in Growth Markets
- Strong results from ITG Brands in the US
- Robust performance in Returns Markets

Drive Cost Optimisation

- Savings programme on track
- Reducing portfolio complexity
- Continuing to improve ways of working

Embed Capital Discipline

- Cash conversion 105%
- Adjusted net debt reduced by £1.2bn before FX and US acquisition cost

IMPROVING QUALITY OF GROWTH

CLEAR FOOTPRINT & PORTFOLIO CHOICES



On track	Investment revised	Being actioned
<ul style="list-style-type: none">▪ Delivering against strategy▪ Limited redirection <ul style="list-style-type: none">▪ e.g. USA, Australia & Germany	<ul style="list-style-type: none">▪ Economic factors▪ Competitor volume focus▪ Diminished opportunity for quality growth <ul style="list-style-type: none">▪ e.g. Ukraine & Turkey	<ul style="list-style-type: none">▪ Challenging environment▪ Competitor discounting▪ Managing profit/share equation <ul style="list-style-type: none">▪ e.g. UK & Morocco

OLIVER TANT
CHIEF FINANCIAL OFFICER



GROUP ADJUSTED RESULTS

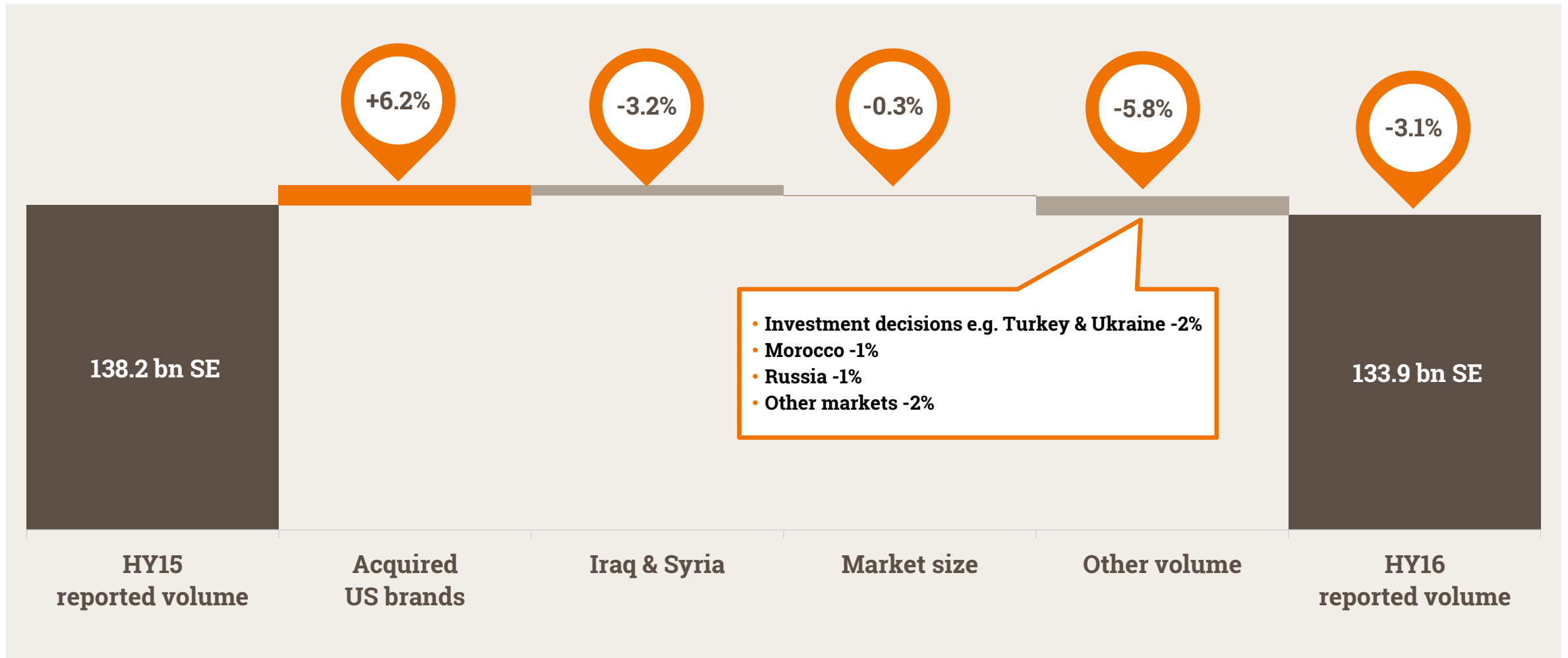
DELIVERING AGAINST THE STRATEGY



£m		HY15	Foreign Exchange	Constant Currency Growth	HY16	Actual Δ	Constant Currency Δ
Tobacco net revenue	£m	2,945	(42)	496	3,399	+15.4%	+16.8%
Tobacco operating profit	£m	1,295	6	276	1,577	+21.8%	+21.3%
Tobacco operating margin	%	44.0			46.4	+240 bps	
Logistics operating profit	£m	73	(2)	(3)	68	-6.8%	-4.1%
Adjusted operating profit	£m	1,367	4	266	1,637	+19.8%	+19.5%
Adjusted EPS	p	93.3	0.7	19.0	113.0	+21.2%	+20.4%
DPS	p	42.8			47.0	+9.8%	
Cash conversion	%	102			105	+280 bps	
Adjusted net debt	£m	(9,056)			(13,710)	+51.4%	

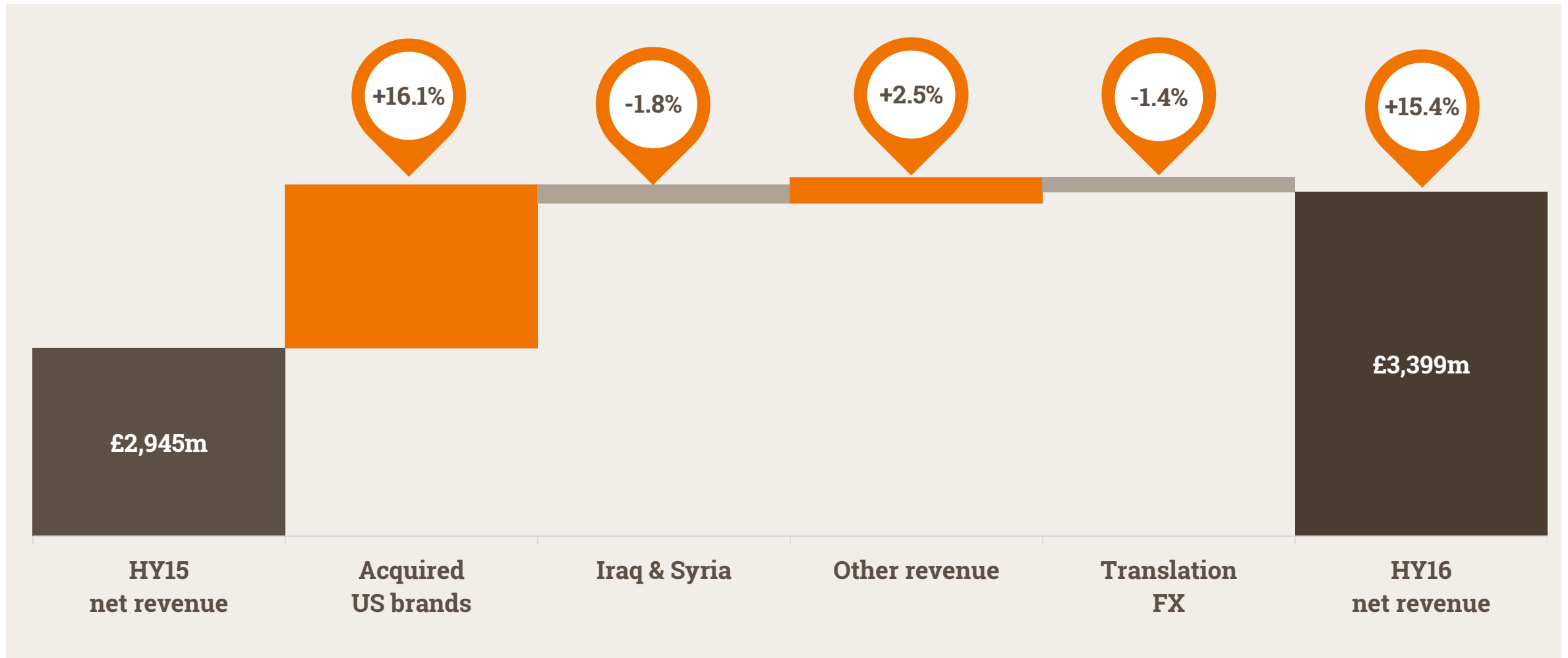
HY16 VOLUME

US ACQUISITION ADDS 8.6BN SE



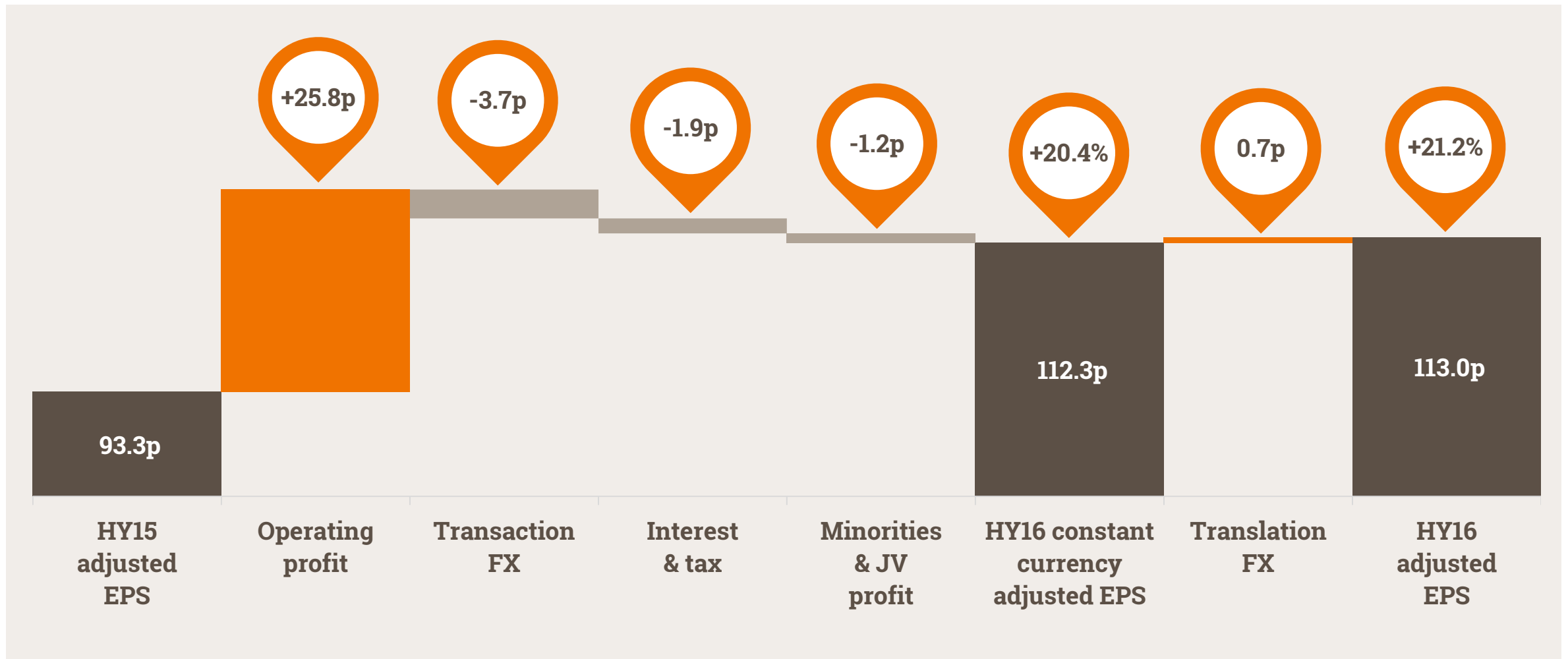
HY16 NET REVENUE

REVENUE GROWTH +2.5%



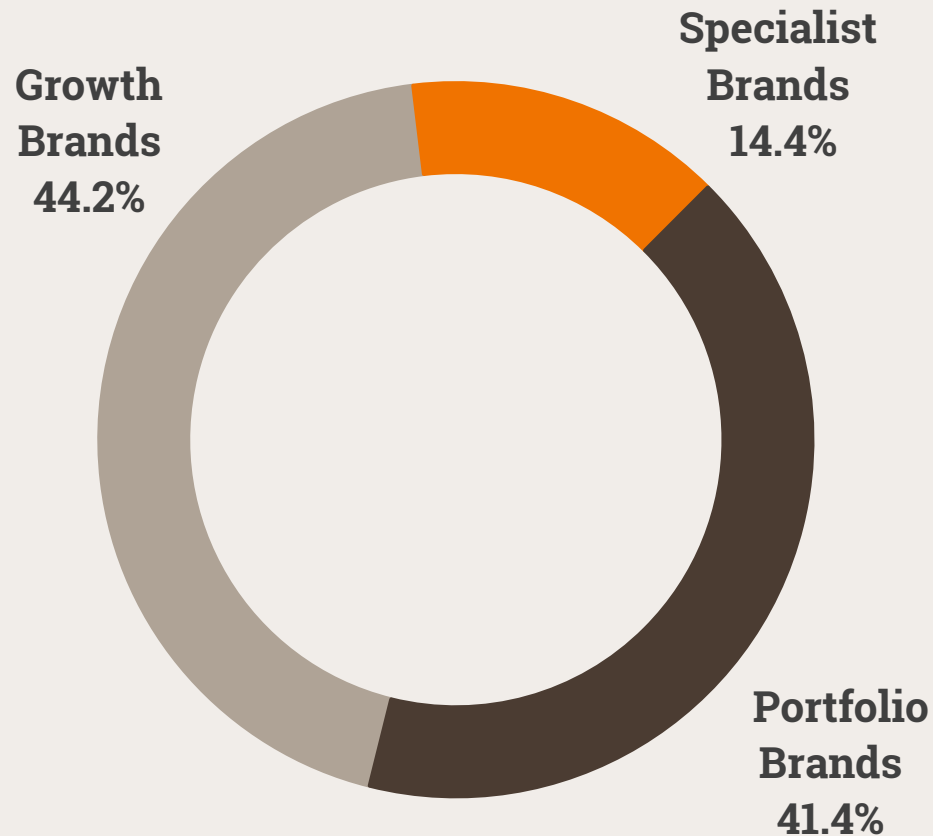
HY16 EPS GROWTH

CONSTANT CURRENCY ADJUSTED EPS +20.4%



STRENGTHENING PORTFOLIO

IMPROVING QUALITY



- Continued Growth Brand momentum
 - Volumes +4.7% and net revenue +12.5% excluding Iraq & Syria
- Growth Brand market share up 80 bps to 7.4%
- Growth and Specialist Brands 58.6% of reported tobacco net revenue
- Specialist Brands benefited from blu, Skruf and premium cigars

DEVELOPING FOOTPRINT: GROWTH MARKETS

GROWING REVENUE



Net Revenue +2.1% £707m	Operating Profit -6.6% £192m
Growth Brand % of Net Revenue -520 bps 45.1%	Market Share -50 bps 6.7%

- Net revenue up 9.7% excl. Iraq & Syria
- Strong price mix +22.1%
- Positive contribution from Fontem; blu and patent royalty income
- Growth Brand % of net revenue diluted by additional Fontem revenue; up in majority of Growth Markets
- Market share gains in Saudi, Italy and Japan; declines in Russia and Turkey
- Profit growth in many markets offset by Iraq & Syria and transaction FX in Russia

DEVELOPING FOOTPRINT: US MARKET

STRONG RESULTS FROM ITG BRANDS



Net Revenue

+265.9%
£711m

Operating Profit

+421.4%
£384m

Growth Brand %
of Net Revenue

+90 bps
20.9%

Market Share

9.3%

- ITG Brands continues to perform strongly
- Acquired assets contributed 8.6bn SE and £468m net revenue
- Integration largely complete
- Successful sell-in of new retail programme
- Winston & Kool gaining market share
- Overall portfolio maintaining share since completion
- Business on track to deliver in FY16 and beyond

DEVELOPING FOOTPRINT: RETURNS MARKETS

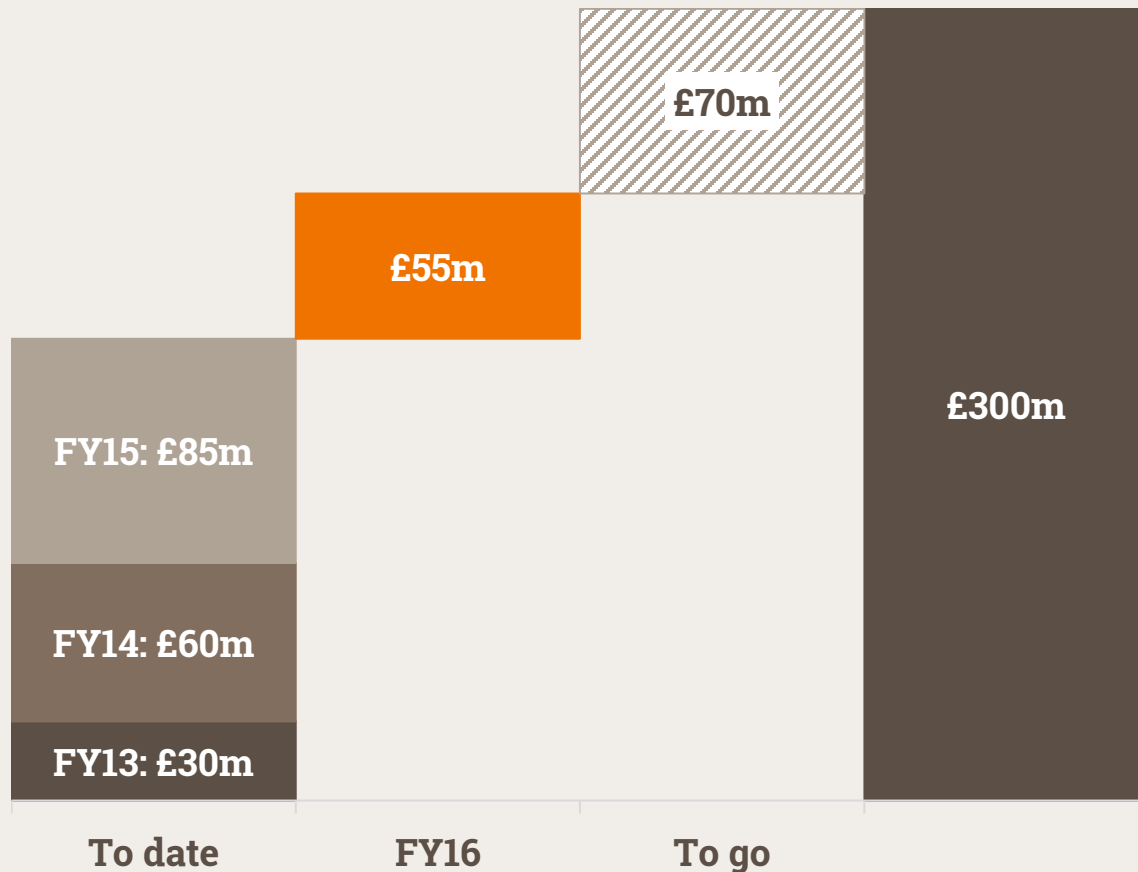
INCREASED CONTRIBUTION FROM GROWTH BRANDS



Net Revenue -0.5% £1,981m	Operating Profit -0.6% £1,001m
Growth Brand % of Net Revenue +280 bps 52.2%	Market Share -80 bps 26.6%

- Positive revenue performance in Returns South offset by Returns North
- Returns South (+3.0% NR; +6.8% AOP) :
 - Strong performances in Algeria & Portugal
 - Addressing challenges in Morocco
 - France & Spain improving
- Returns North (-2.5% NR; -3.8% AOP) :
 - Continued strong performance in Australia
 - Profit up in Germany; continuing share focus
 - Investing behind share in the UK
 - Ukraine deprioritised
- Profit impact from transaction FX in Ukraine

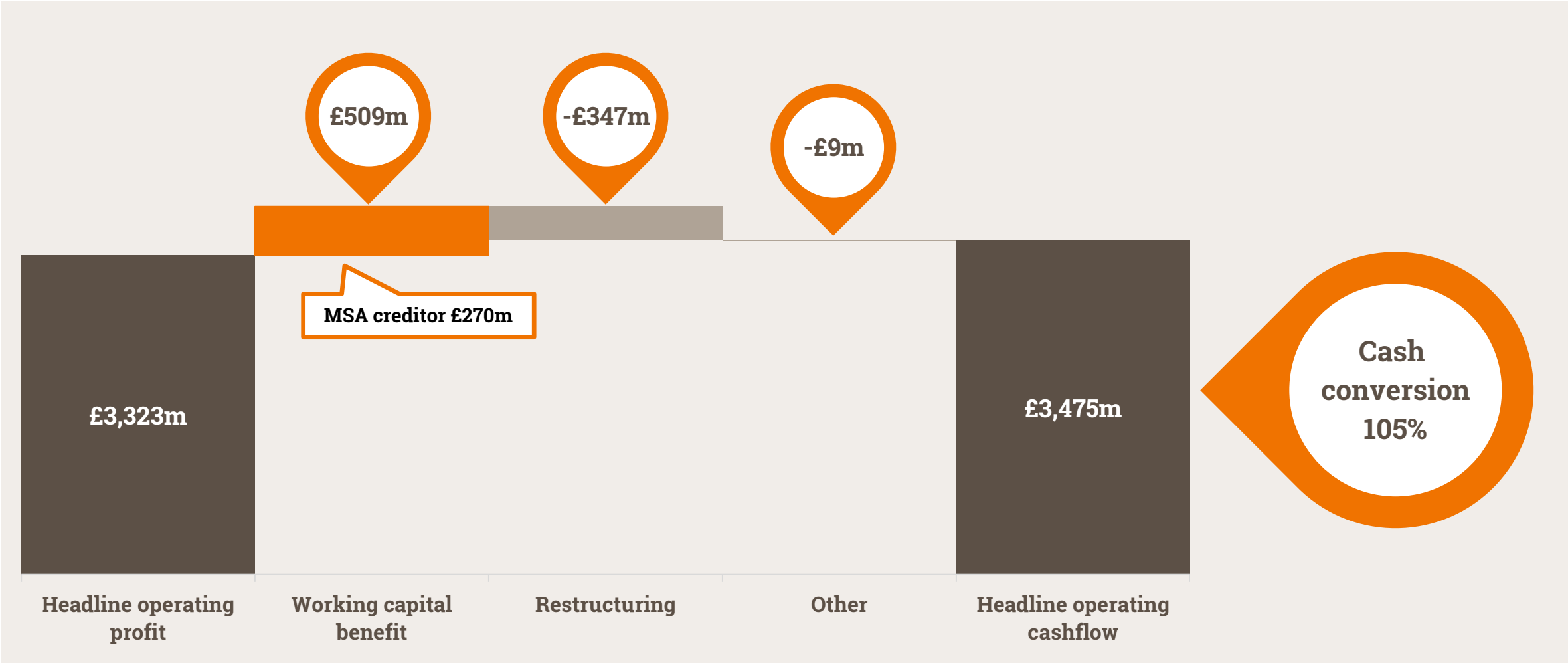
DRIVING COST OPTIMISATION FUNDING INVESTMENT



- Progress with product cost from manufacturing optimisation, simplification and global procurement
- Reduction in overheads
- On track to deliver £55m incremental savings in FY16
- Target of £300m p.a. by 2018
- Expected cash cost remains at £600m

12 MONTH CASH CONVERSION

CONTINUED GOOD PROGRESS



FOREIGN EXCHANGE

TRANSLATION BENEFIT, TRANSACTION HEADWIND



H1 FX

Translation
+1%

Transaction
-4%

FY est. FX

Translation
+2-3%

Transaction
-3%

Translation FX

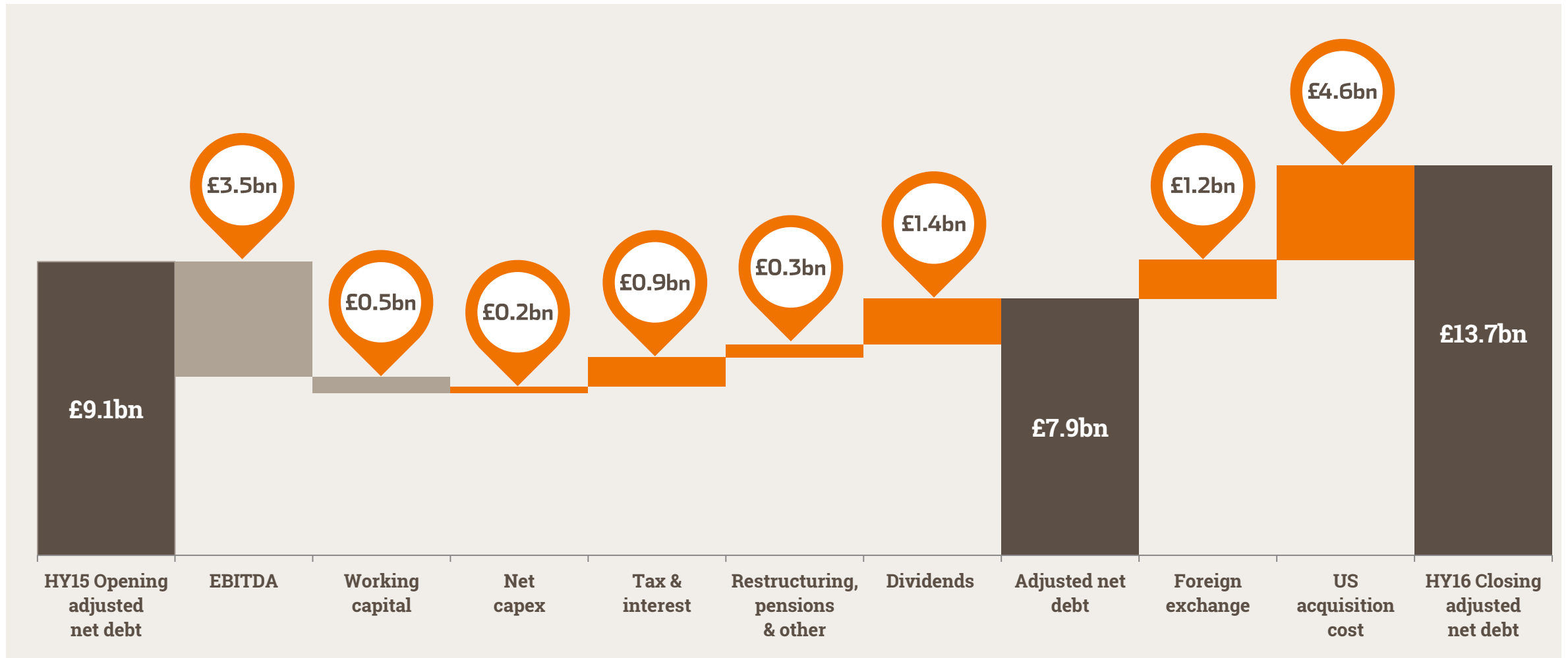
- Broadly neutral on revenue and profit
- Strengthening € and \$USD
- Expected 2-3% benefit to FY16 earnings

Transaction FX

- Eastern European currency devaluation
- Estimated 3% headwind for FY16
- Estimates subject to FX volatility

STRENGTHENING BALANCE SHEET

£1.2BN REDUCTION BEFORE FX AND ACQUISITION



FINANCIAL SUMMARY AND FY16

SUPPORTING DIVIDEND GROWTH OF AT LEAST 10%



Strong balance sheet supports deleveraging and dividend growth

Improving
quality of
growth

Footprint
bias to
developed
markets with
relative
stability

Efficiencies
programme
supports
investment
and margins

Capital
discipline
underpins
consistent
cash
generation

Investor Day

- 7-8 June 2016
- Bristol, UK
- Strategic focus
 - Quality Growth
 - Agility
 - Discipline

Q3 Trading Statement

- No announcement in August
- September pre-close update
- Plan to cease IMS publication
- Intention to introduce investor seminar series

ALISON COOPER
CHIEF EXECUTIVE



DELIVERING ON OUR PRIORITIES

GOOD PROGRESS AGAINST STRATEGY



Dividend up 10% to 47.0p



Strengthen Portfolio

- Quality of revenue further improved
- Successful migrations
- Growth and Specialist Brands now 58.6% of Group revenue
- Stronger equity and technology in e-vapour



Develop Footprint

- Realising opportunities in Growth Markets
- Strong performance from ITG Brands in the US
- Positive progress in Returns Markets



Drive Cost Optimisation

- Savings programme on track
- Reducing portfolio complexity
- Continuing to improve ways of working



Embed Capital Discipline

- Cash conversion 105%
- Adjusted net debt reduced by £1.2bn before FX and US acquisition cost

STRENGTHENING OUR PORTFOLIO

SIMPLIFICATION FOCUS



Migrations
Complete to
Date

35

Migrations in
Progress

20

Growth Brand
Market Share

+80 bps
7.4%

Consumer
Retention Rate

>95%

- Improving the quality of growth through migrations
- Strong success rate of consumer migration
- 35 migrations now complete to date; more underway and in the pipeline
- Next phase of simplification being piloted: 'growing the head and cutting the tail'

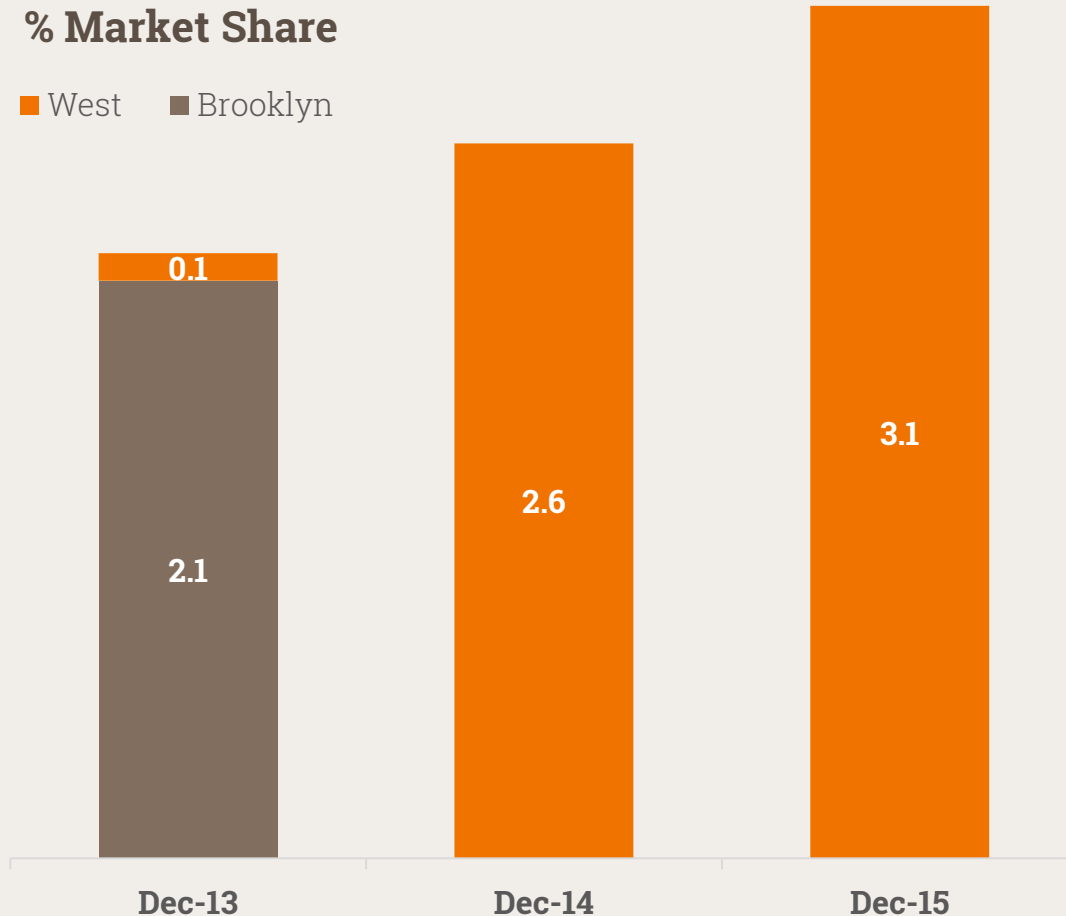
STRENGTHENING OUR PORTFOLIO

MIGRATION TO WEST IN SPAIN



% Market Share

■ West ■ Brooklyn



- Spanish migration of Brooklyn to West
- Success rate >100%; consumers both retained and gained
- Combined share 2.2% pre migration
- Post migration West share +90bps to 3.1%



STRENGTHENING OUR PORTFOLIO

INVESTING IN OUR BRANDS



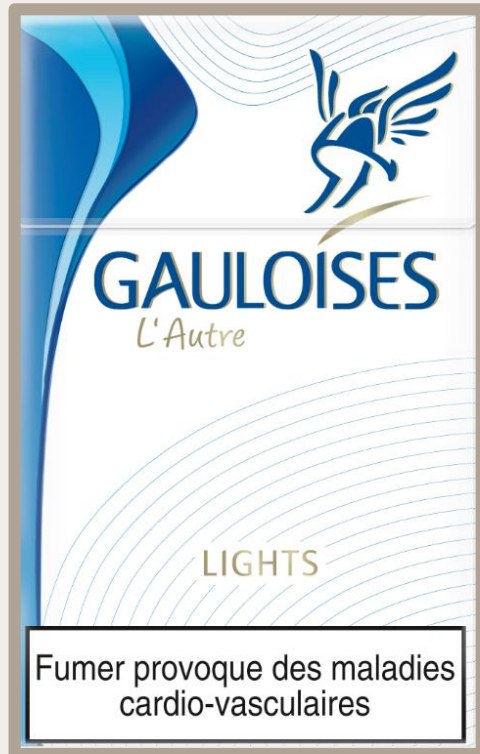
- JPS Triple Flow launched in UK



- Crushball extensions for Growth Brands; West, L&B, Players & JPS

STRENGTHENING OUR PORTFOLIO

INVESTING IN OUR BRANDS



- Success with Gauloises L'Autre launch in Algeria; Gauloises now the #1 brand



- West QS Compact+ with recessed filter performing well post launch in Kazakhstan

STRENGTHENING OUR PORTFOLIO

INVESTING IN OUR BRANDS



- Davidoff Fresh Box launched in UAE delivered share gains with +50bps in first 3 months



- Davidoff Absolute launched as 100% pure tobacco initiative

STRENGTHENING OUR PORTFOLIO

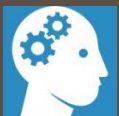
BUILDING BLU



Strong Brand Equity



Footprint Priorities



Technical Knowhow



Intellectual Property

- Fully integrated blu within Fontem Ventures
- blu PLUS+ rollout is underway
- Brand holds #2 position in US and UK
- First generation IP generating royalty income
- Further developing the blu brand and e-vapour technology
- Investment in brand with new blu campaign recently launched



DEVELOPING OUR FOOTPRINT

MOMENTUM IN GROWTH MARKETS



Russia

- Growth Brand share improving with Parker & Simpson launch/migration
- Maxim share stabilising post price disadvantage
- Price increases supporting revenue and profit growth



Taiwan

- Robust revenue growth driven by Davidoff
- Success of Davidoff Absolute
- West share being addressed



Norway

- Skruf now market leader and leveraging innovation pipeline
- Consistent strong growth in total share and profit



Japan

- Continued share growth through West
- Ongoing sales infrastructure and brand development



Saudi Arabia

- Launch of Davidoff Fresh Box after success in other Middle Eastern markets
- Total share growth with strong performance of West



Italy

- Continued JPS share growth
- Improved distribution infrastructure
- City focused growth strategy on Davidoff

DEVELOPING OUR FOOTPRINT

ROBUST PERFORMANCE IN RETURNS MARKETS



UK

- Investing in sub economy share; Players now the biggest brand
- L&B Blue momentum
- JPS & L&B crushball launches
- Ongoing competitor discounting



Australia

- Continuing to perform strongly
- JPS equity driving share, revenue and profit growth



Algeria

- Gauloises No. 1 brand
- Strong share and revenue growth



Germany

- Gauloises gaining share
- JPS share focus
- Profit up but phasing impact of price increase



Spain

- West continued growth post migration
- Improved price/mix, profit up



France

- Some improving trends
- Strong News growth
- Challenging regulatory environment

PREPARING FOR EUTPD II AND PLAIN PACKAGING

A CROSS FUNCTIONAL APPROACH



Winning with our Sales Growth Drivers

Portfolio Management

Simplifying the portfolio: migrations /SKU reduction

Pricing

Brand and channel pricing strategy

Innovation

Product development in EUTPD formats

Customer Engagement

Working with retailers on transition

- Embedded learning from Australia
- Sales teams educating and engaging customers
 - Tool-kits for field force deployment
 - Focus on distribution/availability of core SKUs
- Supply chain and manufacturing prepared for compliance
- Expected P&L programme costs included in our plans

DEVELOPING OUR FOOTPRINT

ITG BRANDS PERFORMING STRONGLY



Performing to Plan



New Retail Agreements

>160k
Stores

Focus Brands Market Share since acquisition

+30 bps

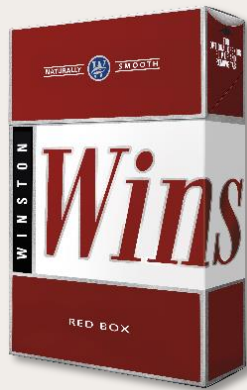
Building Brand Strength



- New commercial programmes fully operational
 - more than 160,000 stores
 - representing 80% volume coverage
- Synergies being re-invested into the brands
- Manufacturing transition completing ahead of schedule in June
- Turnaround started in mass market cigar

DEVELOPING OUR FOOTPRINT

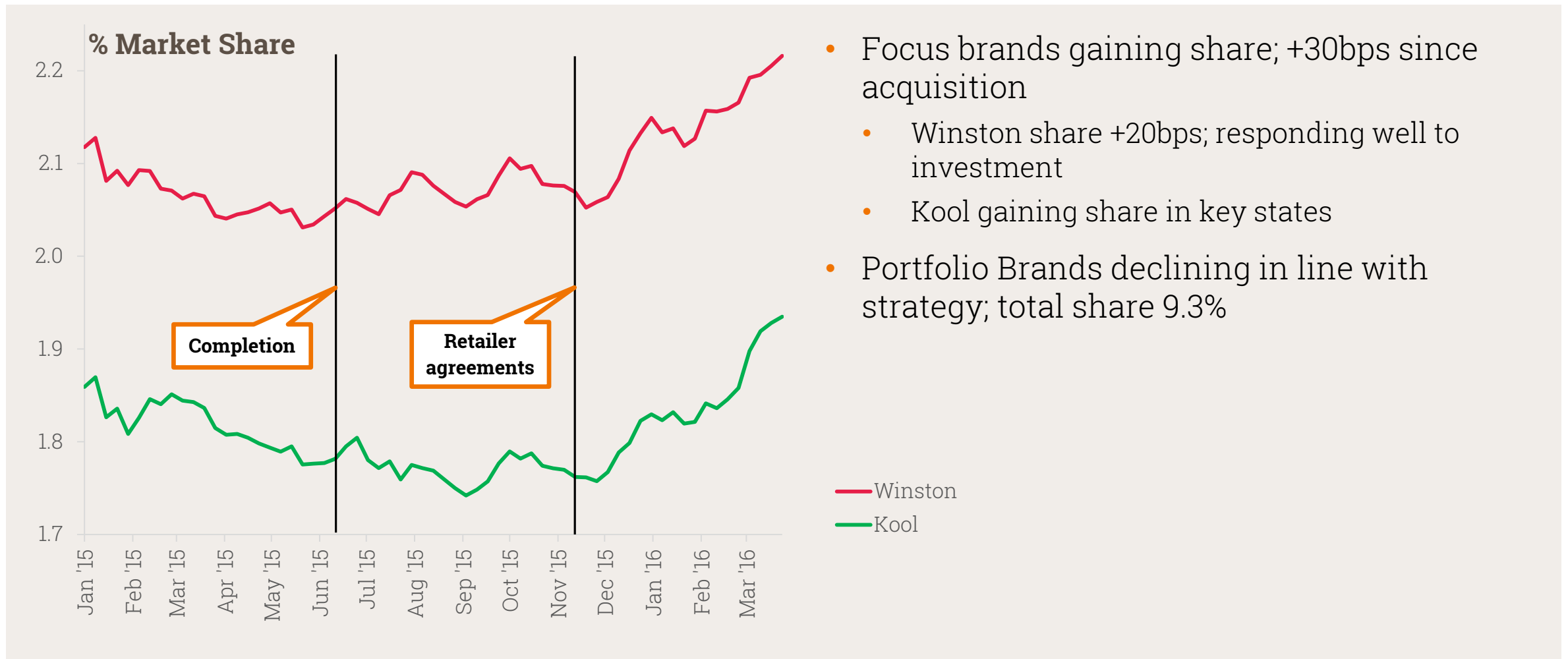
INVESTING IN FOCUS BRANDS



- Retailer programme providing buy-down support and better in-store visibility
- Investing in Winston in all states
- Selected state approach for other brand investment
- Brand equity investment programme in development for Winston:
 - Packaging, advertising, direct mail, digital
 - Roll-out over next 12 months

DEVELOPING OUR FOOTPRINT

POSITIVE SHARE TRENDS



- Focus brands gaining share; +30bps since acquisition
 - Winston share +20bps; responding well to investment
 - Kool gaining share in key states
- Portfolio Brands declining in line with strategy; total share 9.3%

DEVELOPING OUR FOOTPRINT

PROGRESS IN MASS MARKET CIGAR



- New 'route-to-market' strategy – aligned FMC and MMC sales force
- New in-store campaign with activation events underway
- Pricing programme through buy downs and special marked packs
- More focused approach to innovation
- Restructuring is improving profitability
- Share is stabilising

OUR PRIORITIES FOR FY16

ON TRACK TO DELIVER



Deliver at least 10% increase in dividend



Strengthen Portfolio

- Further portfolio simplification
- Build on migration success
- Invest in Growth and Specialist Brands
- e-vapour / blu development



Develop Footprint

- Build on Growth Market opportunities
- Drive profitability in key Returns Markets
- Deliver benefits from ITG Brands



Drive Cost Optimisation

- Deliver £55m in FY16
- Focus on further operating efficiencies
- Drive benefits from evolution of operating model



Embed Capital Discipline

- Maintain cash conversion discipline
- Further improve capital deployment
- Ongoing debt reduction

HALF YEAR RESULTS 2016

IMPERIAL BRANDS PLC

4 May 2016



APPENDICES



APPENDICES

GROUP FINANCIALS



GROUP ADJUSTED RESULTS



		HY15	Foreign Exchange	Constant Currency Growth	HY16	Actual Δ	Constant Currency Δ
Tobacco net revenue	£m	2,945	(42)	496	3,399	+15.4%	+16.8%
Tobacco operating profit	£m	1,295	6	276	1,577	+21.8%	+21.3%
<i>Tobacco margin</i>	%	<i>44.0</i>			46.4	<i>+240 bps</i>	
Logistics distribution fees	£m	378	(10)	3	371	-1.8%	+0.8%
Logistics operating profit	£m	73	(2)	(3)	68	-6.8%	-4.1%
<i>Logistics margin</i>	%	<i>19.3</i>			18.3	<i>-100 bps</i>	
Eliminations	£m	(1)			(8)		
Group adjusted operating profit	£m	1,367	4	266	1,637	+19.8%	+19.5%

GROUP ADJUSTED RESULTS



		HY16	HY15
Group adjusted operating profit	£m	1,637	1,367
Interest	£m	(266)	(231)
Share of profit of JVs	£m	12	17
Profit before tax	£m	1,383	1,153
Tax rate	%	20.0	20.9
Adjusted EPS	pence	113.0	93.3
DPS	pence	47.0	42.8
Cash conversion	%	105	102
Adjusted net debt	£m	(13,710)	(9,056)

RECONCILIATION: REPORTED TO ADJUSTED



£m (unless otherwise stated)	Reported HY16	Amortisation of acquired intangibles	Fair value gains / losses on financial instruments	Post employment net financing	Restructuring costs	Tax on unrecognised losses	Adjusted non-controlling interests	Adjusted HY16
Operating profit	1,002	473			162			1,637
Share of profit of JV	12							12
Finance costs	(562)		287	9				(266)
Profit before tax	452	473	287	9	162			1,383
Tax	(142)	(86)	(42)	(3)	(43)	39		(277)
Profit after tax	310	387	245	6	119	39		1,106
Minority interest	(20)						(8)	(28)
Earnings attributable	290	387	245	6	119	39	(8)	1,078
Basic EPS (pence)	30.4	40.5	25.7	0.6	12.5	4.1	(0.8)	113.0

INCOME STATEMENT



£m (unless otherwise stated)	HY16	HY15
Revenue	12,806	12,129
Adjusted operating profit	1,637	1,367
Amortisation and impairment of acquired intangibles	(473)	(312)
Restructuring costs	(162)	(76)
Acquisition costs	-	(20)
Share of profit of investments accounted for using the equity method	12	17
Net finance costs*	(562)	72
Profit before tax	452	1,048
Tax	(142)	(180)
Profit after tax	310	868
Minority interests	(20)	(15)
Basic EPS (pence)	30.4	89.5
Adjusted EPS (pence)	113.0	93.3

BALANCE SHEET



£m	HY16	HY15
Non-current assets: tangible	4,068	3,806
intangible	19,415	14,515
Current assets: inventories	3,951	3,442
other	3,248	3,596
Current liabilities	(10,129)	(9,180)
Non-current liabilities	(15,281)	(10,890)
Net assets	5,272	5,289

CASH FLOW



£m	HY16	HY15
Cash flows from operating activities pre tax	561	77
Tax paid	(251)	(235)
Cash flows from operating activities	310	(158)
Net capex	(67)	(87)
Purchase of IP	(7)	-
Employee Share Ownership Trust	(5)	1
Dividends paid (inc. minority interests)	(963)	(883)
Net interest paid	(364)	(338)
Net cash flow	(1,096)	(1,465)
Opening net debt	(11,950)	(8,526)
Closing net debt before non-cash movements	(13,046)	(9,991)
Non-cash movements		
Exchange movement	(579)	140
Interest accretion and derivative fair value adjustments	(404)	588
Closing net debt after non-cash adjustments	(14,029)	(9,263)

12 MONTH CASH CONVERSION



£m (unless otherwise stated)	HY16	HY15
Net cash flow from operating activities	3,215	2,825
Tax	424	460
Net capex	(164)	(213)
Cash flow post capex pre interest and tax	3,475	3,072
Adjusted operating profit	3,323	3,002
Cash conversion (%)	105	102
Working capital inflow	509	439

NET FINANCE COSTS



£m	HY16	HY15
Net finance costs/(income)	562	(72)
Adjusted for:		
- interest income on net defined benefit assets	71	67
- interest cost on net defined benefit liabilities	(80)	(77)
- unwind of discount on redundancy and long term provisions	-	(1)
- exchange (losses)/gains	(287)	314
Adjusted net finance costs	266	231

NET DEBT RECONCILIATION



£m	Reported HY16	Accrued interest	Fair value of derivatives	Adjusted HY16
Opening net debt	(11,950)	279	25	(11,646)
Free cash flow	(133)			(133)
Dividends	(963)			(963)
Accretion of interest	128	(128)		-
Change in fair values	(532)		143	(389)
Exchange movements	(579)			(579)
Closing net debt	(14,029)	151	168	(13,710)

FOREIGN EXCHANGE



	Average			Closing		
	HY15	HY16	Δ	HY15	HY16	Δ
USD \$	1.549	1.474	5%	1.479	1.438	3%
EURO €	1.307	1.342	-3%	1.375	1.263	8%
AUD \$	1.890	2.045	-8%	1.946	1.871	4%
Russian Rouble	85.800	103.633	-17%	85.850	96.399	-12%

GUIDANCE

OTHER FINANCIAL ITEMS



Financing & Cost of Debt

- Average all-in cost of net debt broadly similar to prior year of 4.3%
- Net interest charge £266m in H1; good proxy for FY

Tax Rate

- 20%; expect to maintain for FY

Cash Conversion

- FY expect to be 90-95%

Foreign Exchange

- Translation FX expected 2-3% benefit to FY16 earnings
- Transaction FX estimated 3% headwind for FY

APPENDICES

PORTFOLIO & DIVISIONAL FINANCIALS



TOTAL TOBACCO VOLUME



bn SE*	HY16	HY15	Actual Δ
Growth Markets	35.6	44.6	-20.0%
US Market	12.3	3.6	+241.7%
Returns Markets North	45.6	49.2	-7.4%
Returns Markets South	40.4	40.8	-0.9%
Total Returns Markets	86.0	90.0	-4.5%
Total Group	133.9	138.2	-3.1%

GROWTH BRAND VOLUME



bn SE*	HY16	HY15	Actual Δ
Growth Markets	21.3	24.2	-12.3%
US Market	2.9	1.4	+110.8%
Returns Markets North	25.5	25.5	+0.1%
Returns Markets South	21.0	19.4	+8.2%
Total Returns Markets	46.5	44.9	+3.6%
Total Group	70.7	70.5	+0.2%

TOBACCO NET REVENUE



£m	HY15	Foreign Exchange	Constant Currency Growth	HY16	Constant Currency Δ
Growth Markets	710	(18)	15	707	+2.1%
US Market	185	34	492	711	+265.9%
Returns Markets North	1,320	(41)	(33)	1,246	-2.5%
Returns Markets South	730	(17)	22	735	+3.0%
Total Returns Markets	2,050	(58)	(11)	1,981	-0.5%
Total Group	2,945	(42)	496	3,399	+16.8%

TOBACCO ADJUSTED OPERATING PROFIT



£m	HY15	Foreign Exchange	Constant Currency Growth	HY16	Constant Currency Δ
Growth Markets	196	9	(13)	192	-6.6%
US Market	70	19	295	384	+421.4%
Returns Markets North	719	(16)	(27)	676	-3.8%
Returns Markets South	310	(6)	21	325	+6.8%
Total Returns Markets	1,029	(22)	(6)	1,001	-0.6%
Total Group	1,295	6	276	1,577	+21.3%

GROWTH BRANDS



		HY16	HY15	Actual Δ	Constant Currency Δ
Market share	%	7.4	6.6 ^R	+80 bps	
Net revenue	£m	1,502	1,406	+6.9%	+10.1%
Percentage of Group volumes	%	52.8	51.0	+180 bps	
Percentage of tobacco net revenue	%	44.2	47.7	-350 bps	

SPECIALIST BRANDS



		HY16	HY15	Actual Δ	Constant Currency Δ
Net revenue	£m	490	347	+41.3%	+43.0%
Percentage of tobacco net revenue	%	14.4	11.8	+260 bps	

GROWTH MARKETS



		HY16	HY15	Actual Δ	Constant Currency Δ
Market share	%	6.7	7.2 ^R	-50 bps	
Net revenue	£m	707	710	-0.4%	+2.1%
Adjusted operating profit	£m	192	196	-2.0%	-6.6%
Growth Brand proportion of net revenue	%	45.1	50.3	-520 bps	
Growth Brand volume	bn SE	21.3	24.3	-12.3%	

US MARKET



		HY16	HY15	Actual Δ	Constant Currency Δ
Market share	%	9.3			
Net revenue	£m	711	185	+284.3%	+265.9%
Adjusted operating profit	£m	384	70	+448.6%	+421.4%
Growth Brand % of net revenue	%	20.9	20.0	+90 bps	
Growth Brand volume	bn SE	2.9	1.4	+110.8%	

RETURNS MARKETS



		HY16	HY15	Actual Δ	Constant Currency Δ
Market share	%	26.6	27.4 ^R	-80 bps	
Net revenue	£m	1,981	2,050	-3.4%	-0.5%
Net revenue per '000 SE	£	23.03	22.77	+1.1%	+4.1%
Adjusted operating profit	£m	1,001	1,029	-2.7%	-0.6%
Growth Brand % of net revenue	%	52.2	49.4	+280 bps	

RETURNS MARKETS NORTH



		HY16	HY15	Actual Δ	Constant Currency Δ
Market share	%	25.1	25.8 ^R	-70 bps	
Tobacco net revenue	£m	1,246	1,320	-5.6%	-2.5%
Net revenue per '000 SE	£	27.33	26.81	+1.9%	+5.3%
Adjusted operating profit	£m	676	719	-6.0%	-3.8%
Growth Brand proportion of net revenue	%	55.1	52.2	+290 bps	

RETURNS MARKETS SOUTH



		HY16	HY15	Actual Δ	Constant Currency Δ
Market share	%	28.8	29.7 ^R	-90 bps	
Net revenue	£m	735	730	+0.7%	+3.0%
Net revenue per '000 SE	£	18.18	17.89	+1.6%	+3.9%
Adjusted operating profit	£m	325	310	+4.8%	+6.8%
Growth Brand proportion of net revenue	%	47.4	44.3	+310 bps	

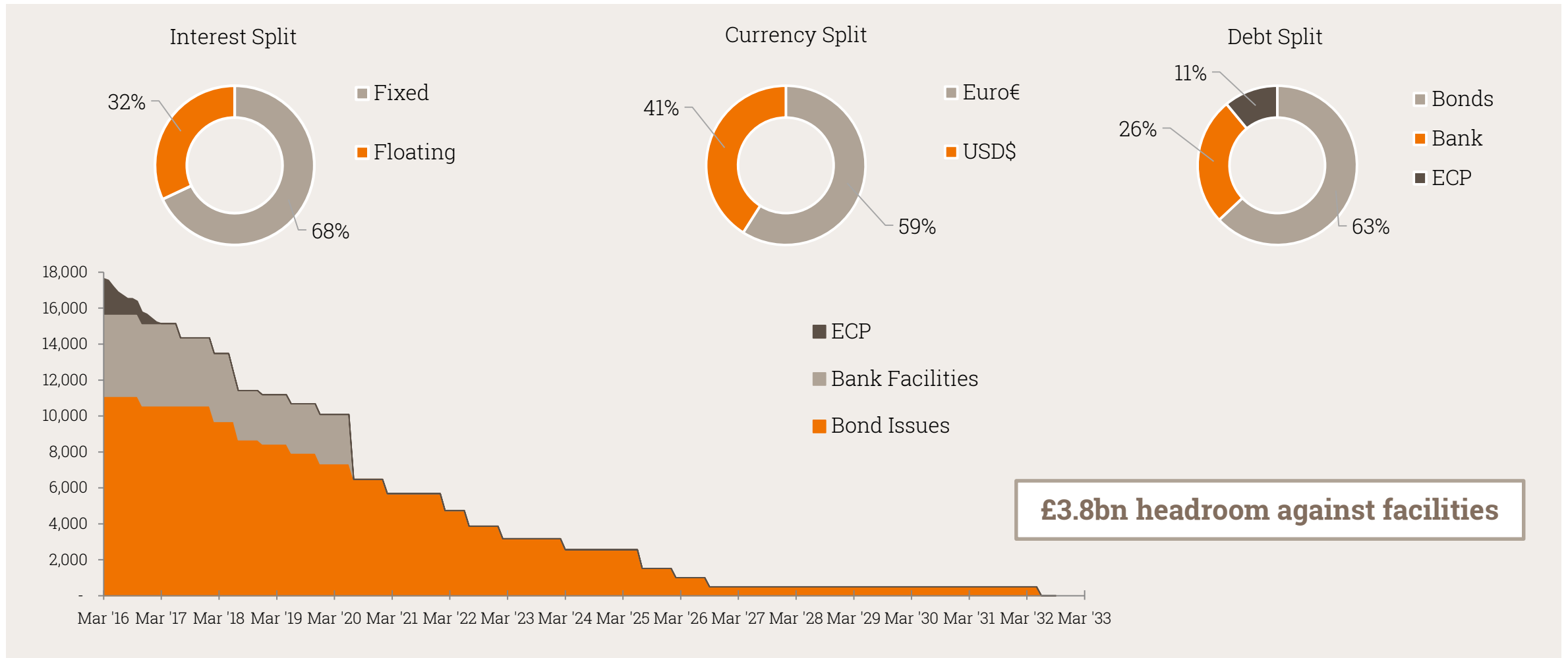
		HY16	HY15	Actual Δ	Constant Currency Δ
Distribution fees	£m	371	378	-1.8%	+0.8%
Adjusted operating profit	£m	68	73	-6.8%	-4.1%
Margin	%	18.3	19.3	-100 bps	-90bps

APPENDICES
FINANCING



FINANCIAL PROFILE

31 MARCH 2016



COMMITTED BANK FACILITIES

31 MARCH 2016



Description	Maturity date	Amount	£m equiv.
USD Committed 3 Year B Term Loan Acquisition Facility ¹	Jun-18	\$1,200m	£834m
Committed 3 Year Revolving Credit Facility A ²	Jul-17	€1,000m	£791m
Committed 5 Year Revolving Credit Facility B	Jul-20		
EUR tranche		€2,835m	£2,244m
GBP tranche		£500m	£500m
Committed 3 Year Term Loan Facility	Jun-18	\$300m	£209m
Total			£4,578m

BOND ISSUES

31 MARCH 2016



Amount	Issuer	Coupon	Issue Date	Maturity Date	£m equiv.	Margin
£450m	Imperial Brands Finance PLC	5.500%	Nov-06	Nov-16	£530m ¹	0.6% ¹
\$1,250m	Imperial Brands Finance PLC	2.050%	Feb-13	Feb-18	£869m	1.1%
€850m	Imperial Brands Finance PLC	4.500%	Jul-11	Jul-18	£672m	1.7%
\$500m	Imperial Brands Finance PLC	2.050%	Jul-15	Jul-18	£347m	1.0% ¹
£200m	Imperial Brands Finance PLC	6.250%	Dec-03	Dec-18	£231m ¹	1.1% ¹
£500m	Imperial Brands Finance PLC	7.750%	Jun-09	Jun-19	£504m	3.7% ¹
€750m	Imperial Brands Finance PLC	5.000%	Dec-11	Dec-19	£593m	2.6%
\$1,250m	Imperial Brands Finance PLC	2.950%	Jul-15	Jul-20	£869m	1.4% ¹
€1,000m	Imperial Brands Finance PLC	2.250%	Feb-14	Feb-21	£791m	1.1% ¹
£1,000m	Imperial Brands Finance PLC	9.000%	Feb-09	Feb-22	£943m ¹	5.0% ¹
\$1,250m	Imperial Brands Finance PLC	3.750%	Jul-15	Jul-22	£869m	1.8%
\$1,000m	Imperial Brands Finance PLC	3.500%	Feb-13	Feb-23	£695m	1.1%
£600m	Imperial Brands Finance PLC	8.125%	Sep-08	Mar-24	£610m	3.1% ¹
\$1,500m	Imperial Brands Finance PLC	4.250%	Jul-15	Jul-25	£1,042m	2.0%
€650m	Imperial Brands Finance PLC	3.750%	Feb-14	Feb-26	£514m	1.5%
£500m	Imperial Brands Finance PLC	5.500%	Sep-11	Sep-26	£509m	2.7% ¹
£500m	Imperial Brands Finance PLC	4.875%	Feb-14	Jun-32	£495m ¹	2.1% ¹
Total/Weighted Average Margin					£11,091m¹	2.3%¹

APPENDICES

OTHER INFORMATION



GLOSSARY



SE	Stick Equivalent (SE) volumes reflect our combined cigarette, fine cut tobacco, cigar and snus volumes.
Constant Currency	Change at constant currency removes the effect of exchange rate movements on the translation of the results of our overseas operations.
Organic	Organic change removes (at constant currency) the incremental contribution from the US asset acquisition which completed on 12 June 2015.
Total Tobacco	Total Tobacco includes cigarettes, fine cut tobacco, cigar, snus and other tobacco products.
Fontem Ventures	Fontem Ventures is our non-tobacco subsidiary focused on developing new opportunities for sustainable revenue growth.
Logista	Logista is a 70% owned subsidiary and publicly listed on the Spanish stock exchanges. It is one of the largest logistics businesses in Europe, with operations extending across Spain, France, Italy, Portugal and Poland.

GLOSSARY

GROWTH, SPECIALIST & PORTFOLIO BRANDS



Growth Brands

These high-quality brands have strong consumer appeal and generally well-established positions in key markets.



Specialist Brands

These have strong positions in their own categories, appealing to specific consumer groups.



Portfolio Brands

The remainder of our portfolio consists of local and regional brands. These Portfolio Brands either add to our revenue generation or will be migrated into Growth Brands.

GLOSSARY

MAIN MARKET CLASSIFICATIONS



Growth Markets

Growth Markets are characterised by large profit and/or volume pools. We typically have shares below 15 per cent and see real potential for long-term share and profit growth.

Cambodia
China
Iraq
Italy
Japan
Russia
Saudi Arabia
Taiwan
Turkey
Vietnam

US Market

We manage the US as a standalone Growth Market through our dynamic new business ITG Brands.

Returns Markets

We have relatively large shares in Returns Markets, mostly above 15 per cent. We focus on managing these strong positions, whilst driving sustainable profit growth.

Returns North

Australia
Azerbaijan
Belux
Germany
Ireland
Netherlands
New Zealand
Poland
UK
Ukraine

Returns South

Algeria
Austria
Czech Republic
France
Hungary
Morocco
Portugal
Spain
Tunisia

BASIS OF PREPARATION



Basis of Preparation

The financial information comprises the unaudited results for the six months ended 31 March 2016 and 31 March 2015, together with the audited results for the year ended 30 September 2015.

The information shown for the year ended 30 September 2015 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006, and is an abridged version of the Group's published financial statements for that year. The Auditors' Report on those statements was unqualified and did not contain any statements under section 498 of the Companies Act 2006. The financial statements for the year ended 30 September 2015 were approved by the Board of Directors on 3 November 2015 and filed with the Registrar of Companies.

This condensed set of financial statements for the six months ended 31 March 2016 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union. The condensed set of financial statements for the six months ended 31 March 2016 should be read in conjunction with the annual financial statements for the year ended 30 September 2015 which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Group's principal accounting policies used in preparing this information are as stated in the financial statements for the year ended 30 September 2015 which are available on our website www.imperialbrandsplc.com.

RESTATEMENT OF PRIOR PERIODS



Market Share Calculation

Market share is presented as a 12 month average (MAT). Aggregate market share is a weighted average across markets within our footprint. The list of markets used to compile the aggregate market share calculation has been changed for FY16 and prior periods have been restated for comparability.

Brand Classification

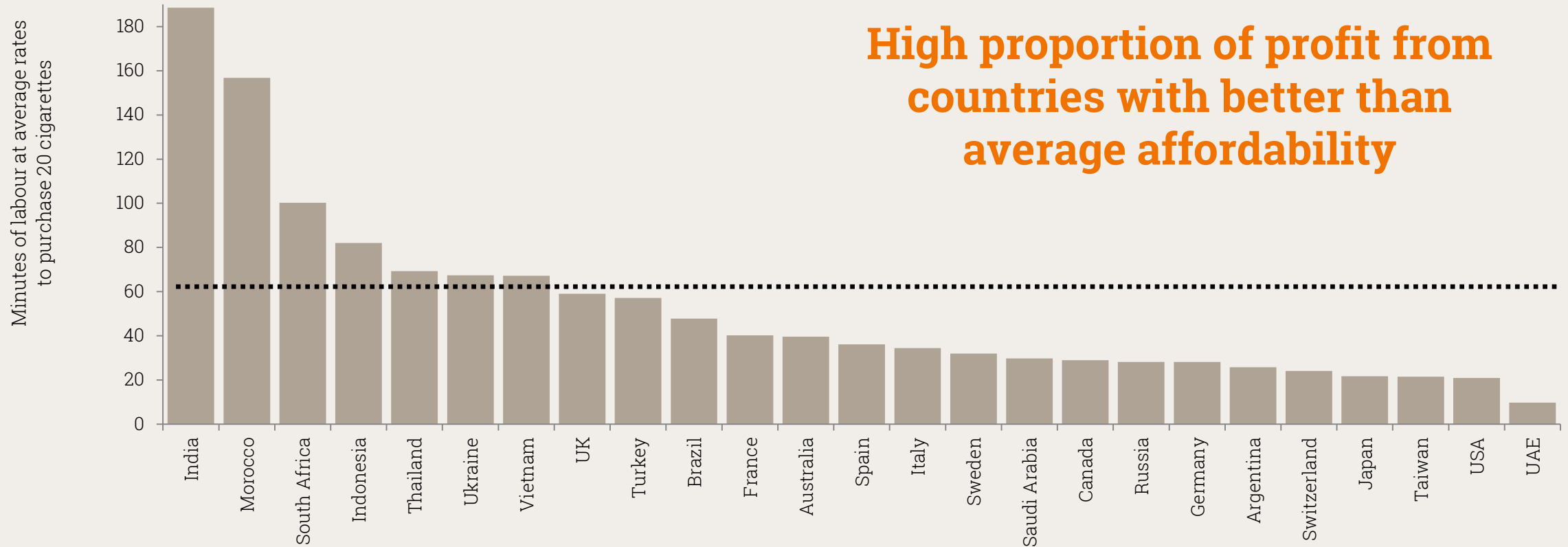
As a result of the US acquisition our Growth and Specialist Brands have been reclassified, effective 1 October 2015. Winston has been added to Growth Brands, replacing USA Gold, which becomes a Portfolio Brand, and Kool and blu have joined our Specialist Brands.

DEVELOPING OUR FOOTPRINT

FOOTPRINT OFFERS MARGIN DEVELOPMENT POTENTIAL



High proportion of profit from countries with better than average affordability



INVESTOR RELATIONS CONTACT DETAILS

IMPERIAL BRANDS PLC

121 Winterstoke Road
Bristol BS3 2LL, UK
Telephone: +44 (0)117 963 6636
www.imperialbrandsplc.com

London Stock Exchange ticker **IMB**
OTCQX ticker **IMBBY**

PETER DURMAN

Director of Investor Relations
Direct line: +44 (0)117 933 7395
peter.durman@impbrands.com

MATT SHARFF

Investor Relations Manager
Direct line: +44 (0)117 933 7396
matt.sharff@impbrands.com

JO BREWIN

Investor Relations Manager
Direct line: +44 (0)117 933 7549
jo.brewin@impbrands.com