

Annual General Meeting 2012

Imperial Tobacco Group PLC

1 February 2012

Iain Napier Chairman

FY11 Highlights

delivering our strategy



Sales growth

- sales and profit momentum through Total Tobacco
- EU and Non-EU market gains; excellent performance in emerging markets
- Tobacco net revenues +2%; adjusted earnings per share +5%

Cost optimisation

- ongoing efficiency focus; productivity +3%
- strong tobacco operating margins; above 42%

Cash utilisation

- 88% cash conversion; free cash flow £1.6bn*
- £181m buyback
- +13% dividend per share

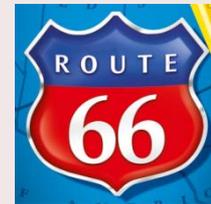
* Free cash flow before dividends and share buybacks. Percentage changes reflect underlying constant currency performance

Growth through Total Tobacco



Portfolio volume highlights

- +4% key strategic brands*
- +4% fine cut tobacco
- +5% papers; +9% tubes
- +4% Habanos outside EU
- +30% snus



MONTECRISTO

* Davidoff, Gauloises Blondes, West and JPS on a stick equivalent basis

Alison Cooper Chief Executive

Our Strategy



Delivering Sustainable Shareholder Returns

Cost
Optimisation

Sales
Growth

Cash
Utilisation

Our Key Assets

Market
Footprint

Total
Tobacco

Brand
Equity

People

Sales Growth Drivers

Portfolio
Management

Innovation

Pricing

Customer
Engagement

Key Enablers

Consumer Centric

Execution Excellence

Future Foundations

Delivering Our Strategy

Sales Growth Drivers

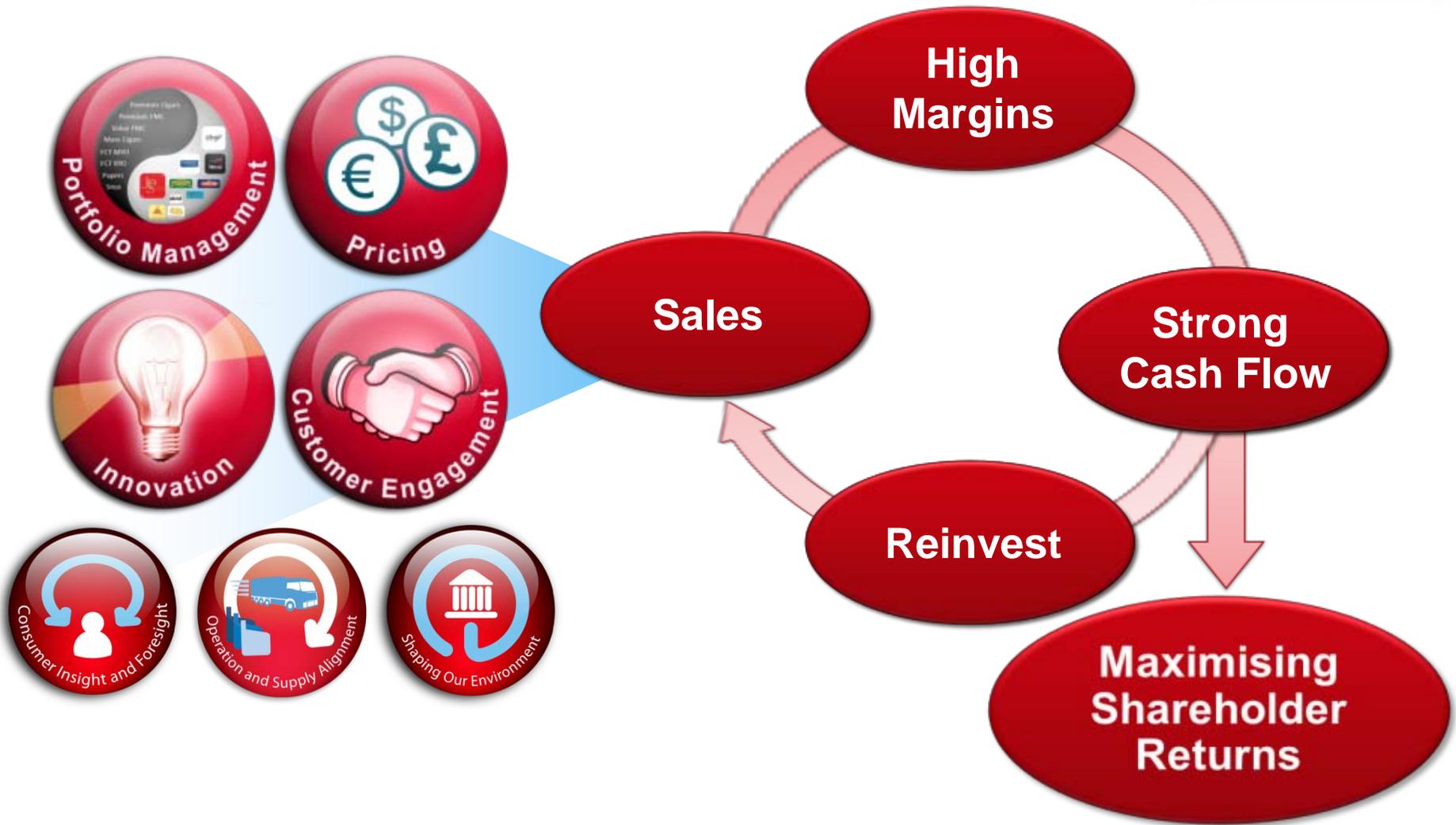


Delivering Our Strategy

Key Enablers



Maximising Shareholder Returns



Delivering Our Strategy

Our People



Our Values



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

Delivering Our Strategy

Our People



Delivering Our Strategy

Our Responsible Approach



- Gold Award rating: Business in the Community's 2010 Corporate Responsibility Index
- 71% SAM assessment Dow Jones Sustainability Index
- Key objectives progressed
 - Increased anti-illicit trade activities
 - Further improved standards for ethical sourcing with tobacco leaf suppliers
 - Exceeded 10-year targets for waste to landfill and energy
 - Lowered accident rates

Business in the

Community



Growth Through Total Tobacco

FY11 Operational Review

Key Strategic Brands



Strong sales momentum

- Davidoff: +6 % to 18bn
 - excellent performance in Non-EU markets
- Gauloises Blondes: +2% to 29bn*
 - strong underlying momentum

Key Strategic Brands



Strong sales momentum

- West: -2 % to 25bn*
 - growth in Eastern Europe and Asia
- JPS: +12% to 24bn*
 - another excellent year

Fine Cut Tobacco



Continued strong momentum

- +4% to 41bn*
- strong value proposition
 - +49% Route 66
 - +16% West
 - +14% JPS

* Stick equivalents

Exclusive editions driving sales growth

- strong emerging market growth
- +4% volumes in Non-EU
- excellent momentum in Brazil, Russia and China



MONTECRISTO

Strong consumer value dynamic

- UK: good progress in value cigarettes and fine cut tobacco
- Spain: increased share in value cigarettes and fine cut tobacco
- Germany: excellent performance; strong profit growth
- Rest of EU: portfolio success & market share progress

Non-EU Performance



Excellent progress in emerging markets

- USA: resilient cigarette performance; share held
- Rest of World: excellent performance; profits up 14%
 - Davidoff, Gauloises Blondes, West, JPS & Habanos success
 - Profits up: Asia-Pacific +27%; Eastern Europe +21%; AME +8%

Logistics

+4%* profit growth



Tobacco logistics

- good performance across all markets
- positive pricing
- continued cost reductions

Other logistics

- stable sales
- cost savings programme continues to deliver

** Constant currency growth in Logistics adjusted operating profit*

Our Strategy



Delivering Sustainable Shareholder Returns

Cost
Optimisation

Sales
Growth

Cash
Utilisation

Our Key Assets

Market
Footprint

Total
Tobacco

Brand
Equity

People

Sales Growth Drivers

Portfolio
Management

Innovation

Pricing

Customer
Engagement

Key Enablers

Consumer Centric

Execution Excellence

Future Foundations

Trading Update

Quarter ended 31 December 2011

“The overall operational performance and financial position of the Group for the financial year to 30 September 2012 is in line with the Board’s expectations.”

Annual General Meeting Imperial Tobacco Group PLC
