

PRELIMINARY RESULTS 2016

Imperial Brands PLC

8 November 2016



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Alison Cooper
Chief Executive



KEY THEMES



2016 – another year of consistent delivery and 10% dividend growth

Strategy is delivering a stronger business and improved quality of growth

Solid foundation for the next chapter

£300m additional investment in FY17 to further generate sustainable quality growth

Supported by a new phase of cost optimisation

OUR STRATEGY

A reminder



Maximise sustainable shareholder returns



Strengthen Portfolio

- Portfolio simplification
- Investment in Growth & Specialist Brands
- e-vapour development and other adjacencies



Develop Footprint

- Maintain momentum in ITG Brands
- Opportunities in Growth Markets
- Balanced approach in Returns Markets



Drive Cost Optimisation

- Operating model
- Lean manufacturing
- Overhead control



Embed Capital Discipline

- Cash conversion
- Capital allocation: investment, dividend and debt repayment

DELIVERING ON OUR PRIORITIES IN FY16

Track record of consistent delivery



Net revenue

+10%

Operating profit

+10%

Operating margin

+60bps

EPS

+12%

Dividend

+10%

Strengthen Portfolio

- Quality of revenue improved
- Growth Brand share and revenue growth
- Growth and Specialist Brands now 60% of Group revenue
- Building stronger equity and technology in e-vapour

Develop Footprint

- Realising opportunities in Growth Markets
- Improving quality of growth in Returns Markets
- Strong results from ITG Brands in the USA

Drive Cost Optimisation

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

Embed Capital Discipline

- Cash conversion 95%
- Adjusted net debt reduced by £1bn at constant currency

THE NEXT CHAPTER: THE NEXT DECADE OF GROWTH

More, more, more, more



Maximise sustainable shareholder returns



Strengthen Portfolio

- More simplification and focus



Develop Footprint

- More prioritisation



Drive Cost Optimisation

- More optimisation



Embed Capital Discipline

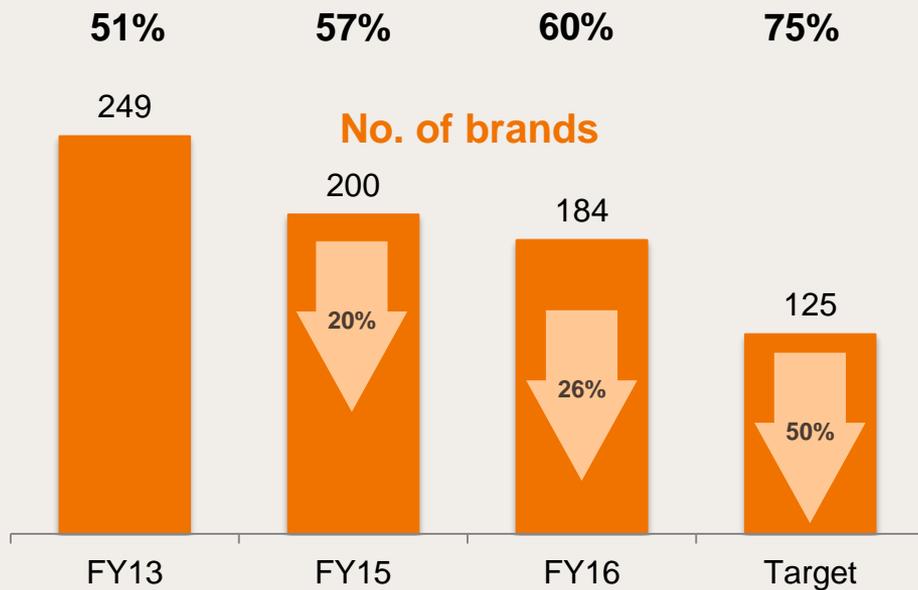
- More discipline

STRENGTHEN PORTFOLIO: MIGRATIONS

More simplification and focus, more quality



Growth & Specialist Brands % of net revenue



Example: Russia - Balkan Star to P&S



- 49 migrations with c. 95% retention

Future investment focus

- Investing in more migrations
- Strengthening our brand portfolio

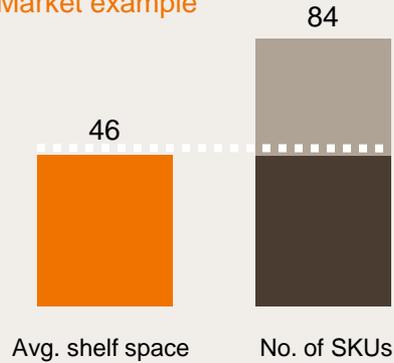
STRENGTHEN PORTFOLIO

More radical simplification



Reality: Insufficient space and investment for full portfolio

Market example

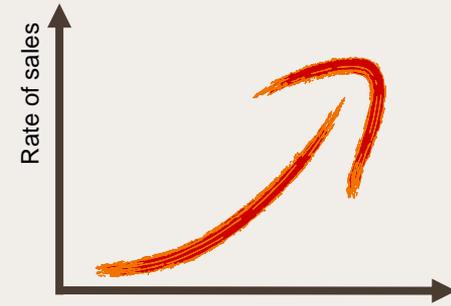


Need: Drive distribution of top SKUs



Average weighted distribution of strongest SKUs

Knock On: Increased Rate of Sale ('halo effect')



Future investment focus

- Significant SKU simplification
- Revenue and cost opportunity

STRENGTHEN PORTFOLIO

More brand building and activation



- Strengthened marketing and brand chassis framework
- Building on success with...
 - Brand equity campaigns
 - Consumer activations
- Meeting changing consumer preferences

Future investment focus

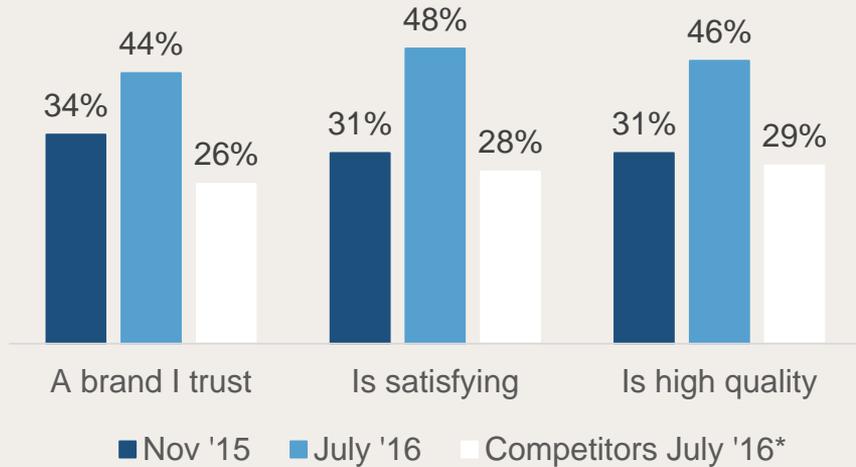
- More brand investment
- Relevant drumbeat of initiatives

STRENGTHEN PORTFOLIO

Building the blu brand

USA Brand Tracking

Pre and post '*Just You*' campaign



- Investing in blu equity
- Expanding awareness



STRENGTHEN PORTFOLIO

More investment in new consumer experiences



Strong
Brand
Equity



Footprint
Priorities



Technical
Knowhow



Intellectual
Property



Future investment focus

- More brand equity building
- Leveraging blu Plus+ across key markets
- Trialling new consumer engagement activities: UK and USA
- On-line blu Nation consumer loyalty programme
- Investing in technology with blu 3rd generation

DEVELOP FOOTPRINT

More investment in priority markets



Assessing attractiveness



Market size & profitability
Affordability & pricing
Macro environment
Regulation

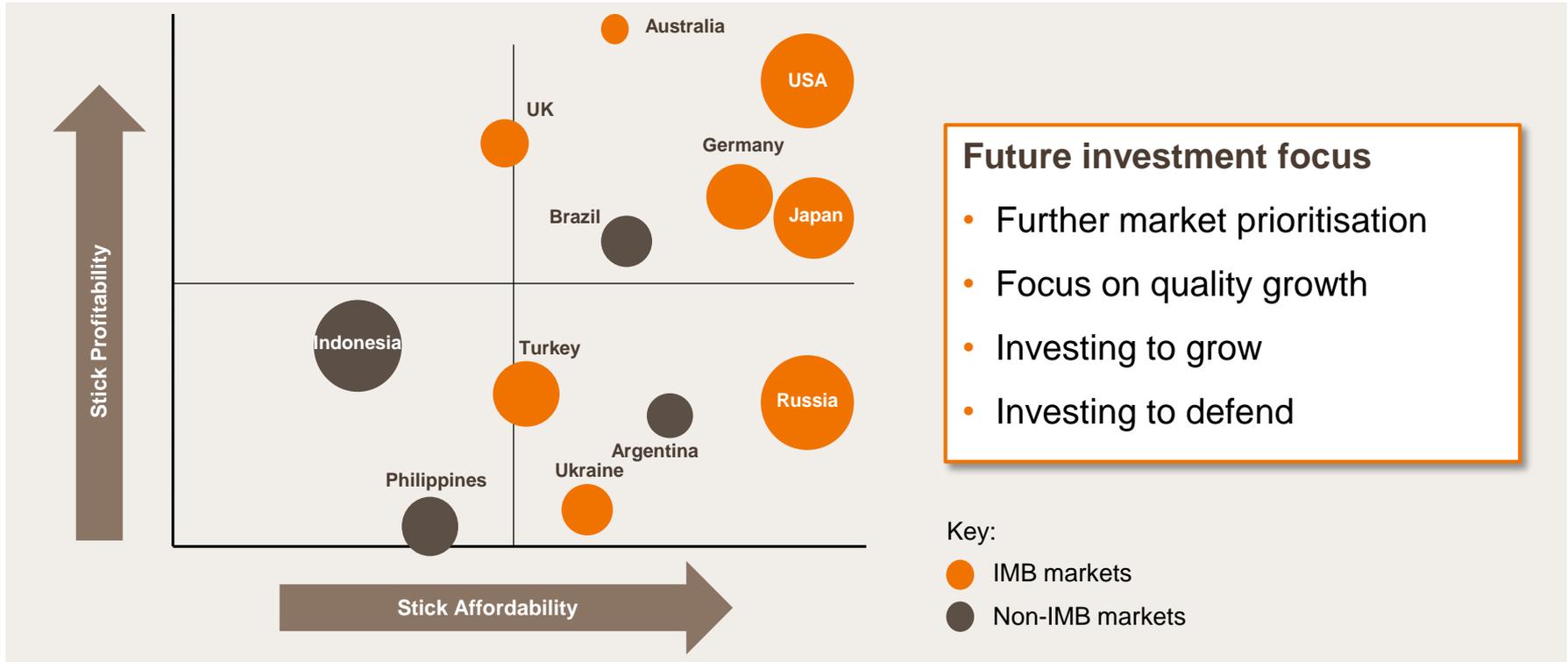
Ability to win



Strength of portfolio
Customer relationships
Distribution capabilities

DEVELOP FOOTPRINT

Market affordability supports future growth



DEVELOP FOOTPRINT

More investment in sales execution excellence



Ability to win



Strength of portfolio

Customer relationships

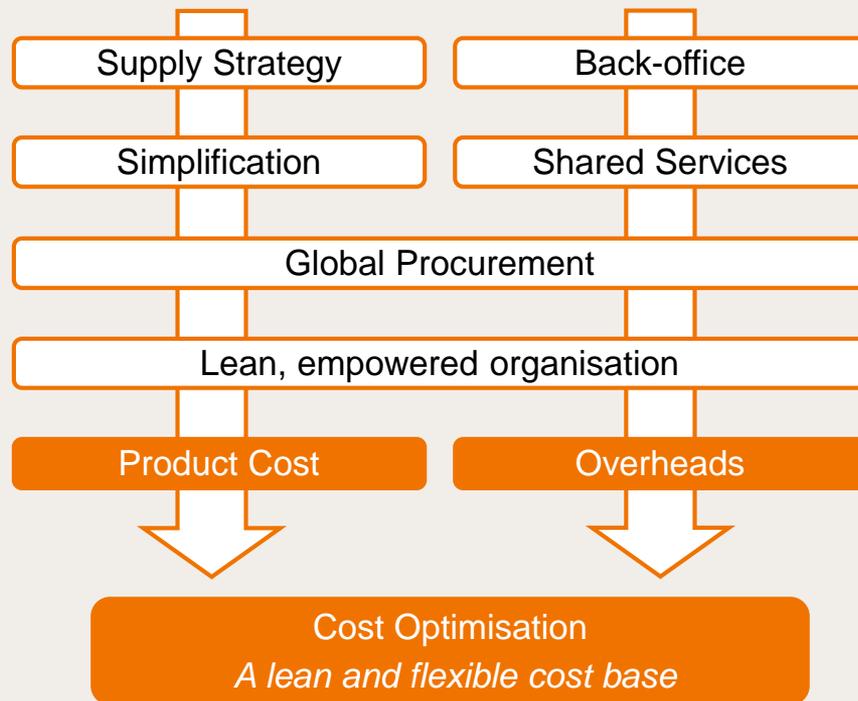
Distribution capabilities

Future investment focus

- Build on customer engagement successes
- Investing in sales teams and key accounts
- Enabled by technology
- Facilitated by learning

MORE COST OPTIMISATION

More effectiveness and efficiency



Phase 1

- On track to deliver £300m by 2018
- Reducing complexity
- New ways of working
- Lean operating principles

Future investment focus

- More optimisation behind strategic priorities
- Phase 2: further £300m savings by 2020

MORE CAPITAL DISCIPLINE

More prioritisation of investment opportunities



Clear financial framework



Capital discipline supports consistent cash generation



Efficiencies and effectiveness support investment



Clear prioritisation of growth investment opportunities



Stronger balance sheet supports deleveraging and dividend

Future investment focus

- Increased capacity to invest
- Strengthened investment discipline
- IRR >13%; adjusted for market risk

MORE INVESTMENT

More sustainable quality growth



Strengthen Portfolio

- More migrations and radical SKU rationalisation
- More Growth & Specialist Brand building
- blu brand and technology and adjacency development

Develop Footprint

- More market prioritisation
- More customer engagement
- More investment in sales execution

Drive Cost Optimisation

- Complexity reduction
- New ways of working
- More efficiency & effectiveness

Embed Capital Discipline

- Sustained cash conversion
- More capital discipline
- Returns focused

THE NEXT DECADE OF GROWTH

Growing shareholder returns



- Building on foundations of current strategy
- New phase of investment starting in FY17
- Generating sustainable quality growth over next decade
- Underpinning our commitment to shareholder returns



Oliver Tant
Chief Financial Officer



GROUP ADJUSTED RESULTS

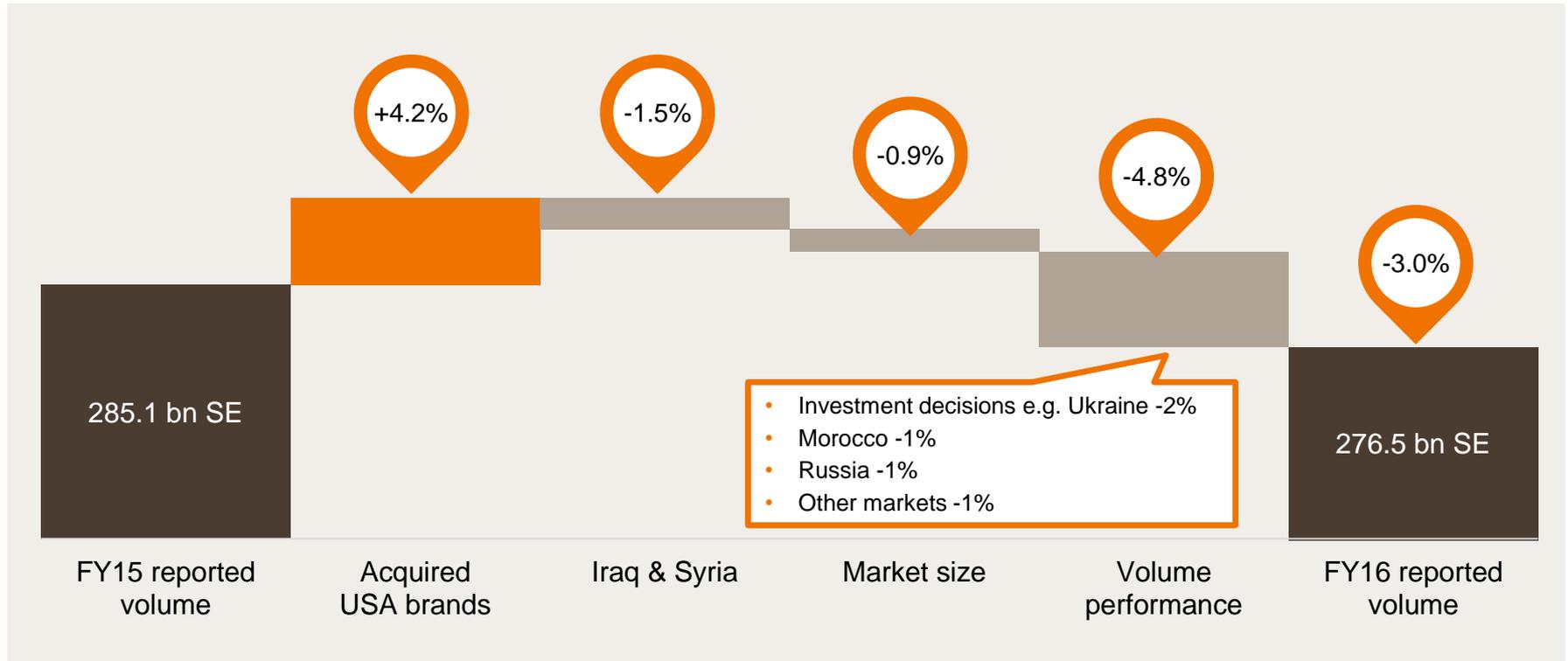
Continued strategic delivery



		FY15	Foreign Exchange	Constant Currency Growth	FY16	Actual Δ	Constant Currency Δ
Tobacco net revenue	£m	6,251	+307	+609	7,167	+14.7%	+9.7%
Tobacco operating profit	£m	2,895	+163	+302	3,360	+16.1%	+10.4%
<i>Tobacco operating margin</i>	%	<i>46.3</i>			46.9	<i>+60bps</i>	
Logistics operating profit	£m	154	+8	+14	176	+14.3%	+9.1%
Adjusted operating profit	£m	3,053	+171	+317	3,541	+16.0%	+10.4%
Adjusted EPS	p	212.5	+11.6	+25.5	249.6	+17.5%	+12.0%
DPS	p	141.0			155.2	+10.1%	
Cash conversion	%	97			95		
Adjusted net debt	£m	(11,646)	-2,229	+993	(12,882)	+10.6%	-8.5%

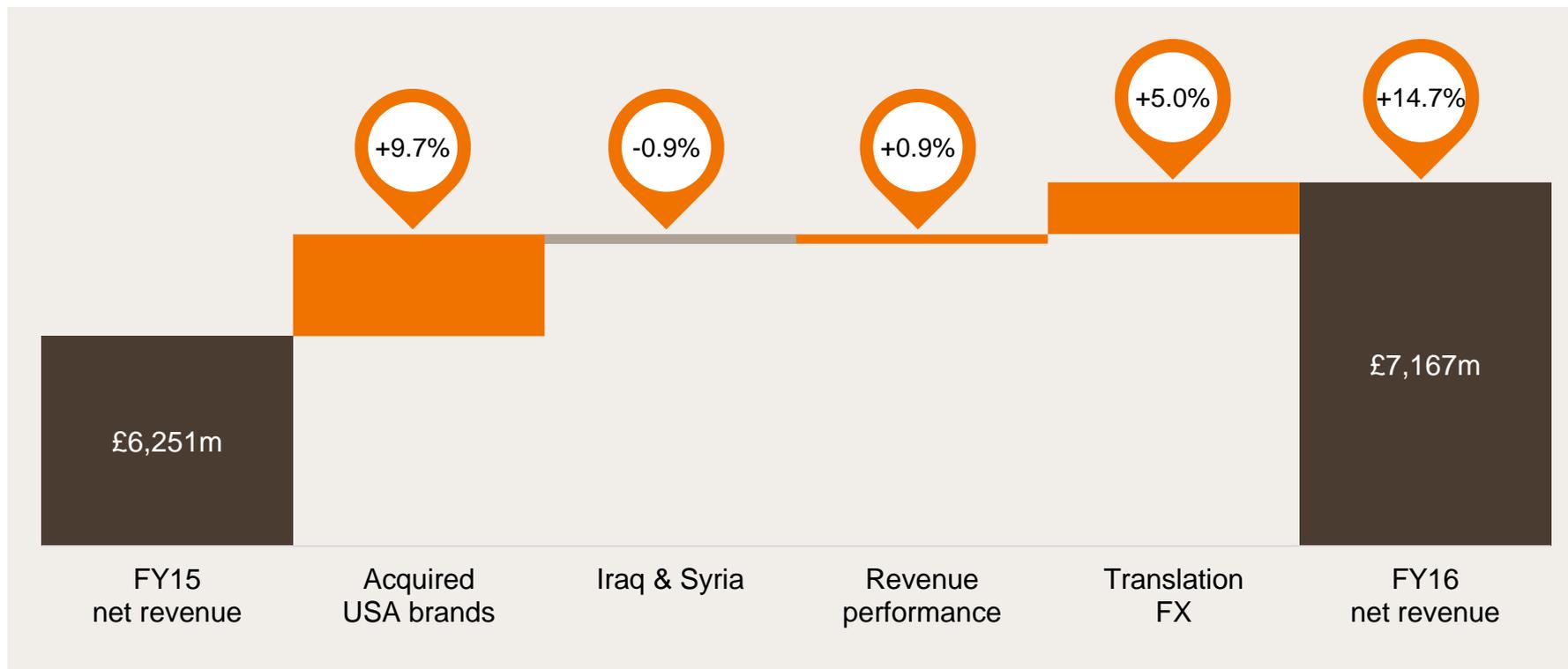
FY16 VOLUME

USA acquisition adds 12.1bn SE



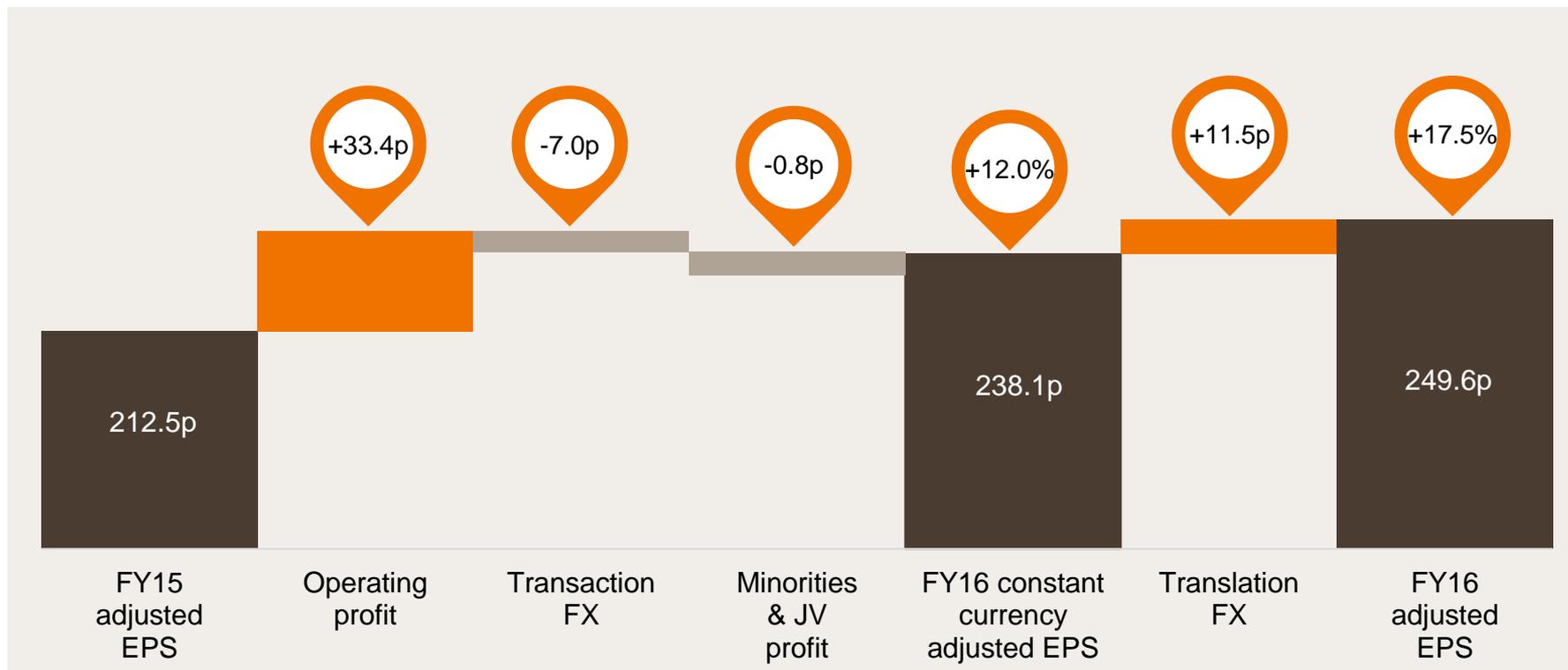
FY16 NET REVENUE

Revenue growth +1%



FY16 EPS GROWTH

Constant currency adjusted EPS +12%



DEVELOPING FOOTPRINT: GROWTH MARKETS

Revenue and profit momentum



Net Revenue +4.3% £1,568m	Operating Profit +2.2% £443m
Growth Brand % of Net Revenue +20 bps 47.2%	Market Share -50 bps 6.4%

- Net revenue up 8.0% (ex. Iraq and Syria)
- Strong price mix +16.1%
- Positive contribution from Fontem and price gains in Russia, Taiwan and Norway
- Profit up 14.2% (ex. transaction FX/Iraq and Syria)
- Growth Brands benefiting from successful migrations
- Gaining share in Saudi, Italy and Japan; offset by Russia

DEVELOPING FOOTPRINT: USA MARKET

Strong results from ITG Brands



Net Revenue

+92.9%
£1,477m

Operating Profit

+102.4%
£823m

Growth Brand %
of Net Revenue

+490 bps
18.6%

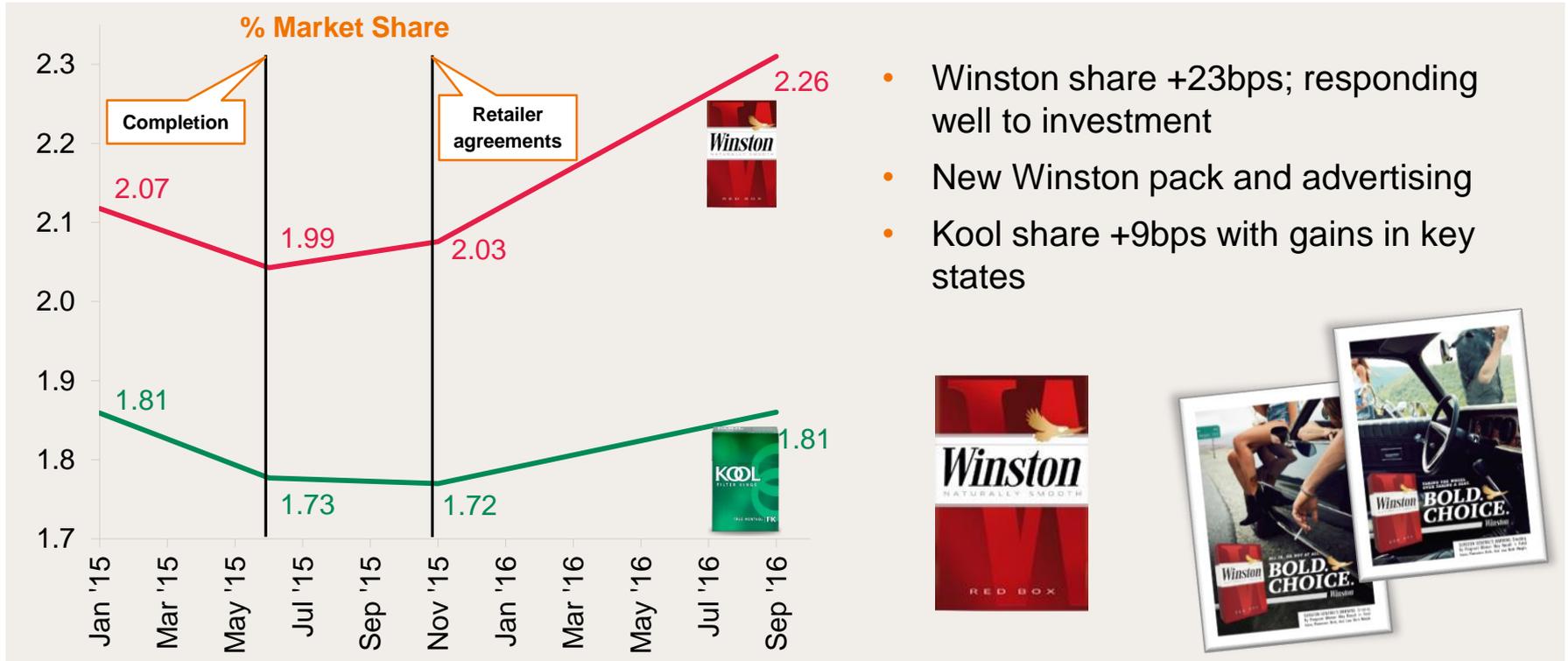
Market Share

9.2%

- ITG Brands performing strongly; in line with our expectations
- Retail merchandising programme delivering:
 - Shelf space and improved visibility
 - Interior/exterior advertising
 - Buy-down programme
- New distribution model benefiting MMC

DEVELOPING OUR FOOTPRINT

Positive share trends in Winston and Kool



DEVELOPING FOOTPRINT: RETURNS MARKETS

Increased contribution from Growth Brands

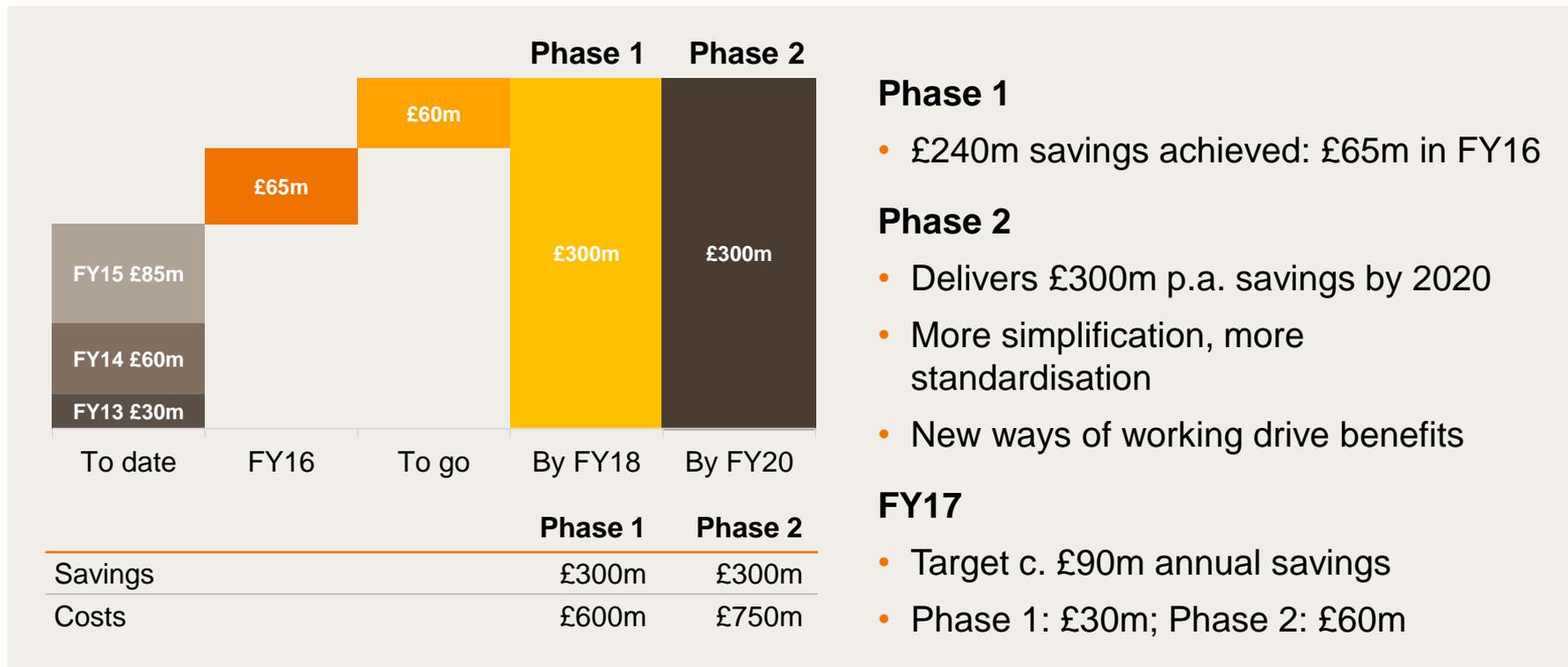


Net Revenue	Operating Profit
-2.7%	-4.3%
£4,122m	£2,094m
Growth Brand % of Net Revenue	Market Share
+370 bps	-90 bps
54.6%	26.1%

- Improved quality: increased Growth Brand revenue
- **Returns North** (-2.6% NR; -5.1% AOP):
 - Strong performance in Australia, Germany
 - Investing in UK sub economy segment
 - Ukraine deprioritised
- **Returns South** (-2.9% NR; -2.5% AOP):
 - Strong share gains in Algeria
 - Challenges in Morocco
 - Growth Brand migrations in Spain and France
- Operating profit up 0.9% (ex. transaction FX, EUTPD and PMI contracts)

MORE COST OPTIMISATION

Simplification and new ways of working



Phase 1

- £240m savings achieved: £65m in FY16

Phase 2

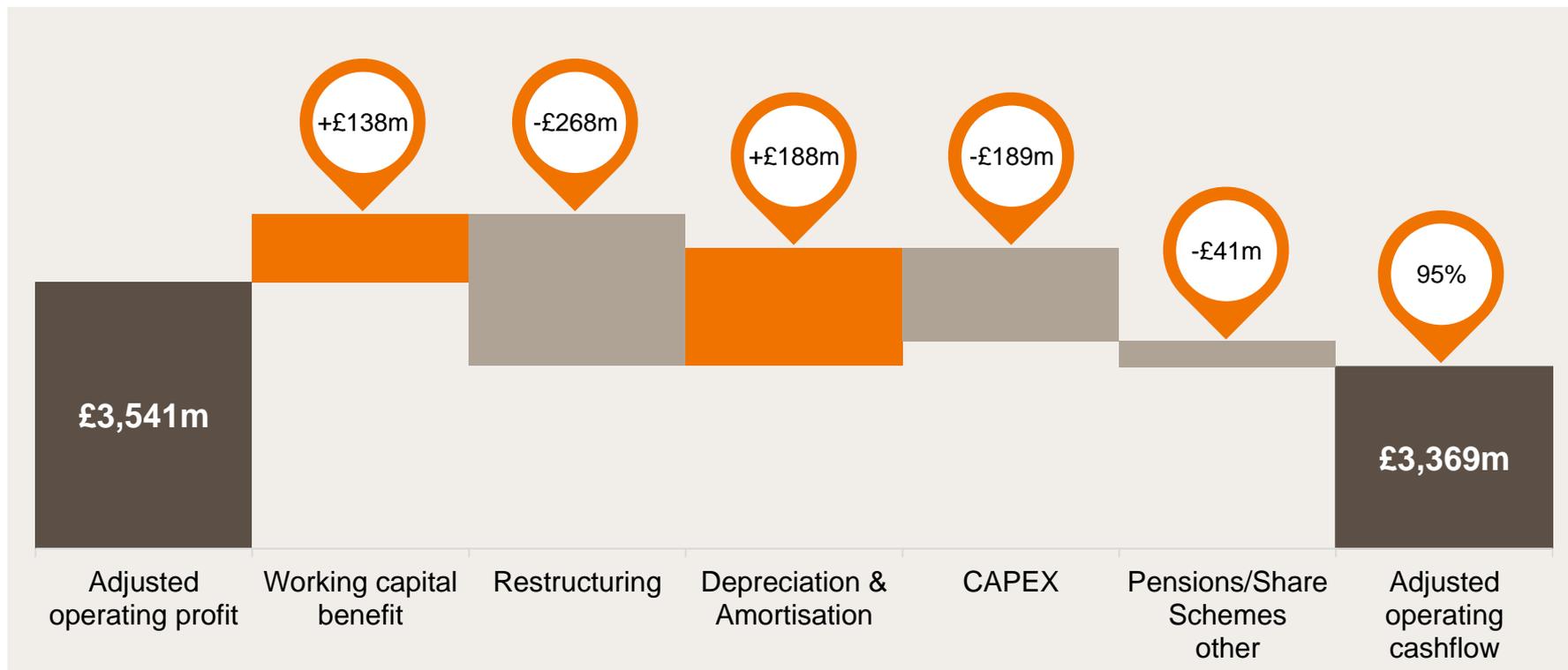
- Delivers £300m p.a. savings by 2020
- More simplification, more standardisation
- New ways of working drive benefits

FY17

- Target c. £90m annual savings
- Phase 1: £30m; Phase 2: £60m

CAPITAL DISCIPLINE

Consistent cash conversion



FOREIGN EXCHANGE

Currency translation benefit strengthens in FY17



FY16 FX

Translation
+5.5%

Transaction
c.-3%

Translation FX

- Sterling weakness driving FX benefits
- Expected c.14% benefit to FY17 earnings at current rates

FY17 est*

Translation
+c.14%

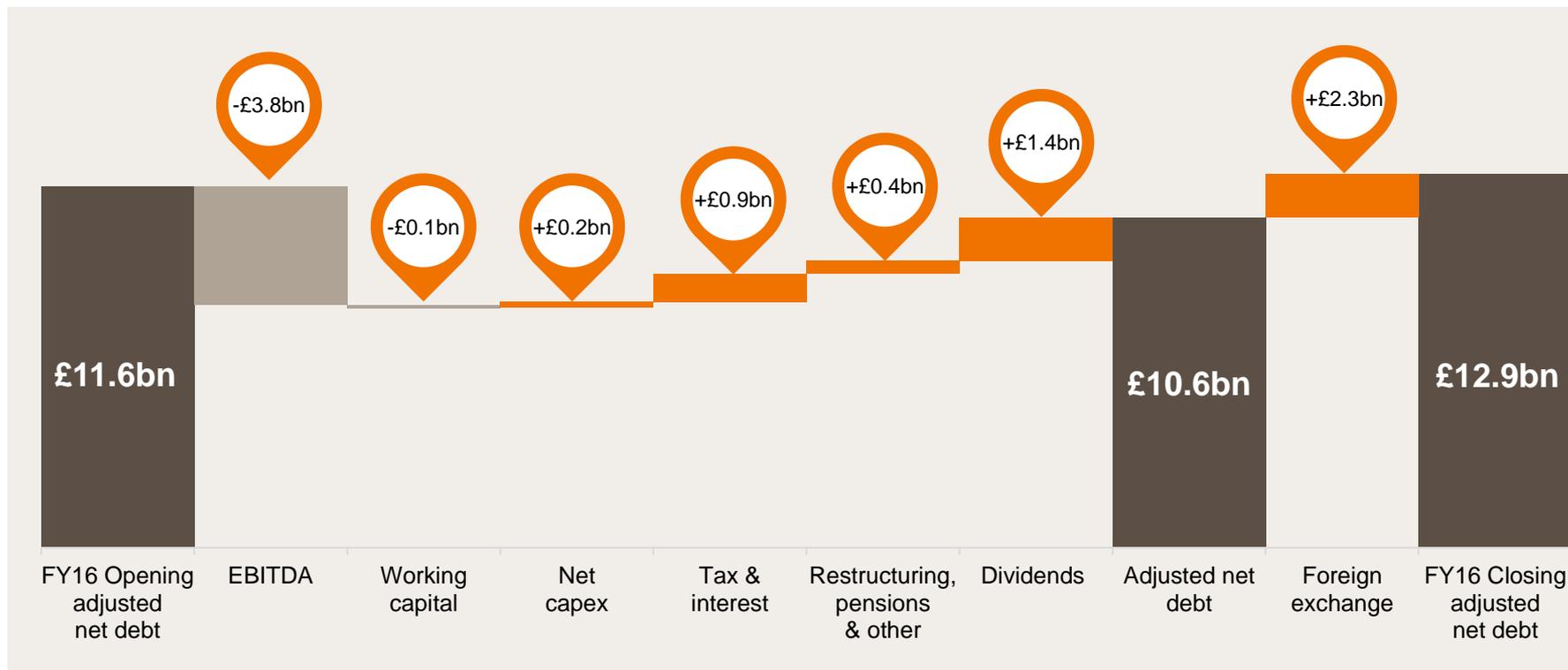
Transaction
0%

Transaction FX

- Eastern European currency devaluation
- FY17 transaction impact unchanged

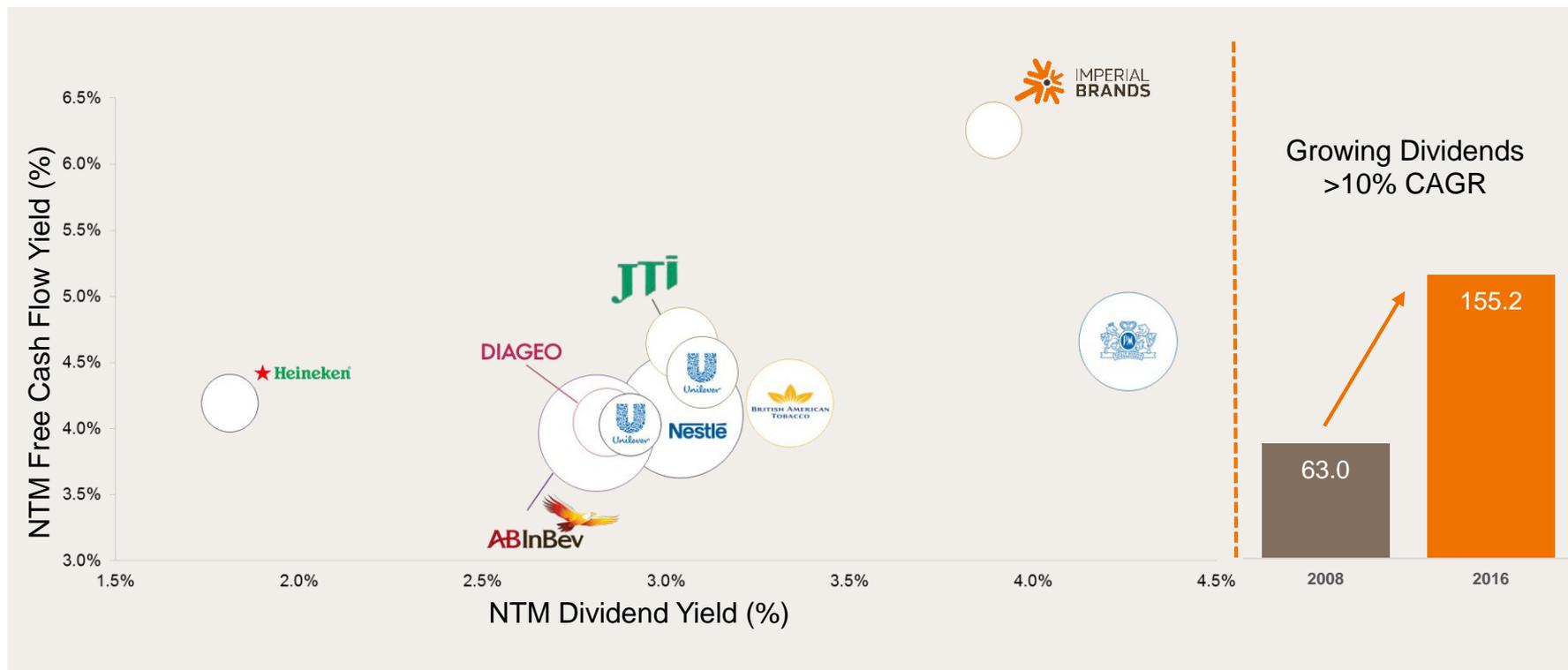
STRENGTHENING BALANCE SHEET

£1bn reduction at constant currency



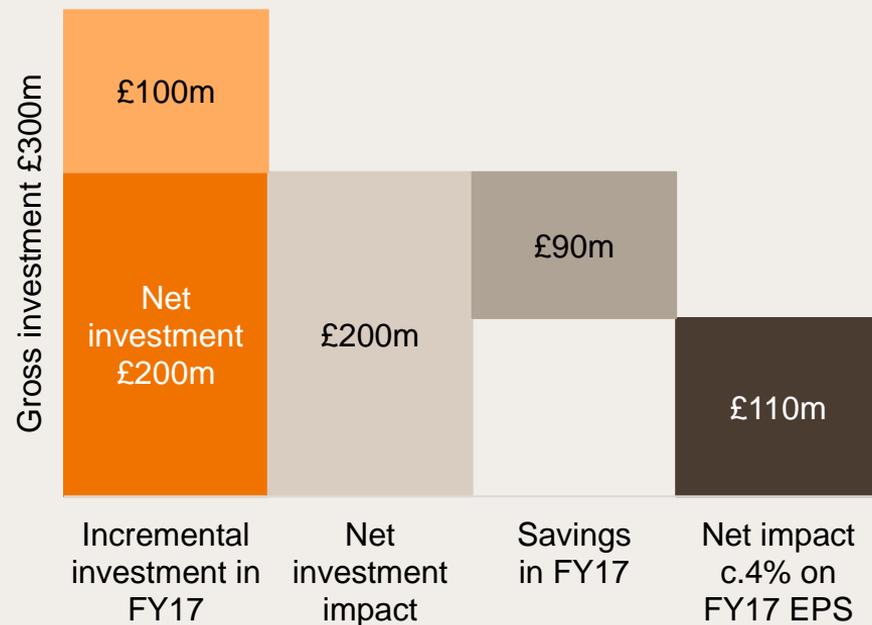
CAPITAL DISCIPLINE SUPPORTS DIVIDEND GROWTH

Underpinning shareholder returns



INVESTMENT AND SAVINGS PROFILE

Outlook for FY17



FY17 outlook

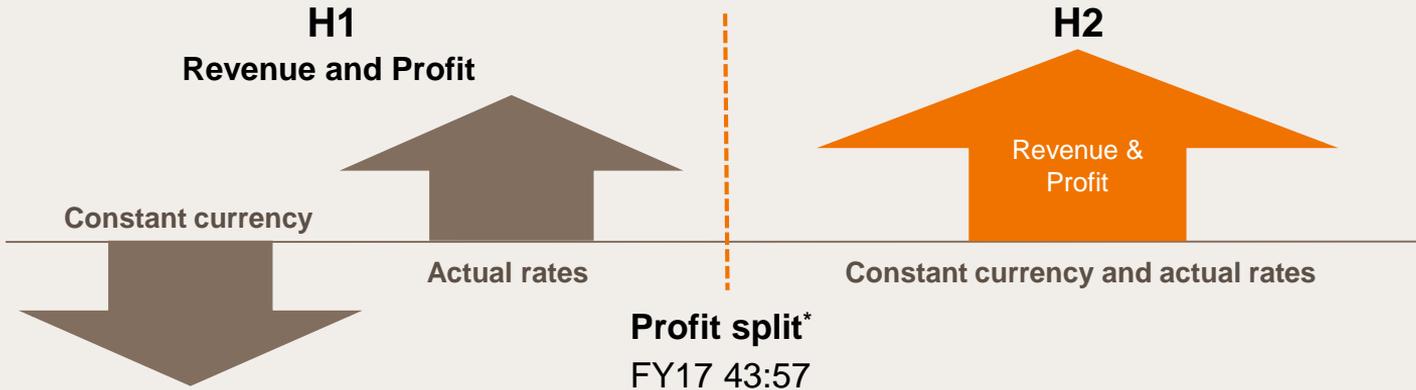
- Net investment impact of £200m after year 1 returns
- Supported by £90m savings
- Translation FX benefit +14% at current rates

From FY18

- Return to medium-term earnings growth 4%-8%

FY17 OUTLOOK

Phasing of investment & savings drives stronger H2



- Investments H1 weighted
- Limited price/mix – strong comparator
 - Fontem IP income H1'16
- Conclusion of PMI contract
- EUTPD investment

- Cost savings H2 weighted
- Returns from investments
- Stronger H2 price mix

Alison Cooper
Chief Executive



OUR PRIORITIES FOR FY17

On track to deliver



Deliver at least 10% increase in dividend



Strengthen Portfolio

- More portfolio simplification
- Migrations and SKU reduction
- Increase Growth and Specialist Brands contribution
- e-vapour/blu development and adjacencies



Develop Footprint

- More prioritisation
- Build on Growth Market opportunities
- Maintain momentum at ITG Brands
- Optimise performance in key Returns Markets



Drive Cost Optimisation

- More operating efficiencies
- Deliver £90m savings in FY17
- Deliver benefits from new ways of working



Embed Capital Discipline

- More capital discipline
- Maintain cash conversion focus
- Ongoing debt reduction

A STRONG TRACK RECORD

Strategy is strengthening the business



Growth Brand Volumes (bn)



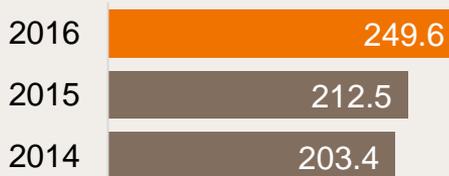
Growth & Specialist Brand Net Revenue (%)



Tobacco Operating Margin (%)



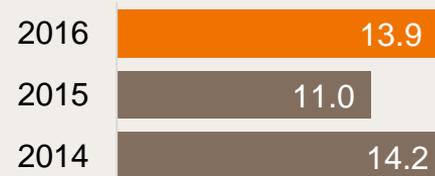
Adjusted Earnings Per Share (p)



Cash Conversion Rate (%)



Return on Invested Capital (%)



KEY THEMES



2016 – another year of consistent delivery and 10% dividend growth

Strategy is delivering a stronger business and improved quality of growth

Solid foundation for the next chapter

£300m additional investment in FY17 to further generate sustainable quality growth

Supported by a new phase of cost optimisation

PRELIMINARY RESULTS 2016

Imperial Brands PLC

8 November 2016



PRELIMINARY RESULTS 2016 - APPENDICES

Imperial Brands PLC

8 November 2016



APPENDICES

Group financials



GROUP ADJUSTED RESULTS



		FY15	Foreign Exchange	Constant Currency Growth	FY16	Actual Δ	Constant Currency Δ
Tobacco net revenue	£m	6,251	307	609	7,167	+14.7%	+9.7%
Tobacco operating profit	£m	2,895	163	302	3,360	+16.1%	+10.4%
<i>Tobacco margin</i>	%	46.3			46.9	+60bps	
Logistics distribution fees	£m	749	39	21	809	+8.0%	+2.8%
Logistics operating profit	£m	154	8	14	176	+14.3%	+9.1%
<i>Logistics margin</i>	%	20.6			21.8	+120bps	
Eliminations	£m	4			5		
Group adjusted operating profit	£m	3,053	171	317	3,541	+16.0%	+10.4%

GROUP ADJUSTED RESULTS



		FY16	FY15
Group adjusted operating profit	£m	3,541	3,053
Interest	£m	(524)	(467)
Share of profit of JVs	£m	28	29
Profit before tax	£m	3,045	2,615
Tax rate	%	20.0	20.7
Adjusted EPS	pence	249.6	212.5
DPS	pence	155.2	141
Cash conversion	%	95	97
Adjusted net debt	£m	(12,882)	(11,646)

RECONCILIATION: REPORTED TO ADJUSTED



£m (unless otherwise stated)	Reported FY16	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 FY16
Operating profit	2,229	1,005			307			3,541
Share of profit of JV	28							28
Finance costs	(1,350)		807	19				(524)
Profit before tax	907	1,005	807	19	307			3,045
Tax	(238)	(261)	(80)	(7)	(79)	56		(609)
Profit after tax	669	744	727	12	228	56		2,436
Minority interest	(38)						(17)	(55)
Earnings attributable	631	744	727	12	228	56	(17)	2,381
Basic EPS (pence)	66.1	78.0	76.2	1.3	23.9	5.9	(1.8)	249.6

INCOME STATEMENT



£m (unless otherwise stated)	FY16	FY15
Revenue	27,634	25,289
Adjusted operating profit	3,541	3,053
Amortisation and impairment of acquired intangibles	(1,005)	(697)
Restructuring costs	(307)	(328)
Acquisition costs	-	(40)
Share of profit of investments accounted for using the equity method	28	29
Net finance costs*	(1,350)	(261)
Profit before tax	907	1,756
Tax	(238)	(33)
Profit after tax	669	1,723
Minority interests	(38)	(32)
Basic EPS (pence)	66.1	177.4
Adjusted EPS (pence)	249.6	212.5

BALANCE SHEET



£m	FY16	FY15
Non-current assets: tangible	4,491	3,976
intangible	20,704	18,690
Current assets: inventories	3,498	2,842
other	4,036	4,626
Current liabilities	(10,125)	(9,141)
Non-current liabilities	(16,862)	(15,297)
Net assets	5,742	5,696

CASH FLOW



£m	FY16	FY15
Cash flows from operating activities pre tax	3,558	3,155
Tax paid	(401)	(408)
Cash flows from operating activities	3,157	2,747
Net capex	(189)	(184)
Purchase of IP	-	(4,613)
Employee Share Ownership Trust	2	7
Loan to JV	(9)	-
Dividends paid (inc. minority interests)	(1,428)	(1,301)
Net interest paid	(540)	(449)
Net cash flow	993	(3,793)
Opening net debt	(11,950)	(8,526)
Closing net debt before non-cash movements	(10,957)	(12,319)
Non-cash movements		
Exchange movement	(1,364)	(20)
Interest accretion and derivative fair value adjustments	(998)	389
Closing net debt after non-cash adjustments	(13,319)	(11,950)

12 MONTH CASH CONVERSION



£m (unless otherwise stated)	FY16	FY15
Net cash flow from operating activities	3,157	2,747
Tax	401	408
Net capex	(189)	(184)
Cash flow post capex pre interest and tax	3,369	2,971
Adjusted operating profit	3,541	3,053
Cash conversion (%)	95.1	97.3
Working capital inflow	138	328

NET FINANCE COSTS



£m	FY16	FY15
Net finance costs	1,350	261
Adjusted for:		
- interest income on net defined benefit assets	143	138
- interest cost on net defined benefit liabilities	(162)	(157)
- unwind of discount on redundancy and long term provisions	-	(1)
- exchange (losses)/gains	(807)	226
Adjusted net finance costs	524	467

NET DEBT RECONCILIATION



£m	Reported FY16	Accrued interest	Fair value of derivatives	Adjusted FY16
Opening net debt	(11,950)	279	25	(11,646)
Free cash flow	2,421			2,421
Dividends	(1,428)			(1,428)
Accretion of interest	58	(58)		-
Change in fair values	(1,056)		191	(865)
Exchange movements	(1,364)			(1,364)
Closing net debt	(13,319)	221	216	(12,882)

FOREIGN EXCHANGE



	Average			Closing		
	FY15	FY16	Δ	FY15	FY16	Δ
USD \$	1.545	1.424	+8.5%	1.517	1.296	+17.1%
EURO €	1.348	1.283	+5.1%	1.354	1.161	+16.6%
AUD \$	1.972	1.937	+1.8%	2.158	1.702	+26.8%
Russian Rouble	87.630	96.664	-9.3%	99.176	81.895	+21.1%

FOREIGN CURRENCY

Broad guidance on business by currency



Approximate weight of currency in Tobacco Net Revenue	GBP £	EUR / EUR Linked	USD \$	Other Currencies	Other includes	
Returns Markets NORTH	30%	50%		20%	Australian \$ & Ukraine Hryvnia	€0.01 (1 cent) movement in the € Euro has a c. £25m impact on net revenue.
Returns Markets SOUTH		100%				
Growth Markets		20%	50%	30%	Russian Rouble & Taiwan \$	\$0.01 (1 cent) movement in the \$ USD has a c. £15m impact on net revenue.
USA			100%			
Approximate weight of currency in Operating Profit	GBP £	EUR / EUR Linked	USD \$	Other Currencies	Other includes	
Returns Markets NORTH	40%	40%		20%	Australian \$ & Ukraine Hryvnia	€0.01 (1 cent) movement in the € Euro has a c. £10m impact on PBT.
Returns Markets SOUTH		100%				
Growth Markets			70%	30%	Russian Rouble & Taiwan \$	\$0.01 (1 cent) movement in the \$ USD has a c. £6m impact on PBT
USA			100%			
Logistics		100%				

GUIDANCE

Other financial items



Financing & Cost of Debt

- Average all-in cost of net debt expected of c.4.3%
- Debt reduction benefit offset by FX impact

Tax Rate

- 20%; expect to maintain

Cash Conversion

- Expect to be >90%

Foreign Exchange

- Translation FX expected 14% benefit to FY17 earnings
- Transaction FX impact unchanged in FY17

APPENDICES

Portfolio & Divisional financials



TOTAL TOBACCO VOLUME



bn SE*	FY16	FY15	Actual Δ
Growth Markets	76.3	86.5	-11.8%
USA Market	24.9	13.2	+89.5%
Returns Markets North	94.4	102.8	-8.2%
Returns Markets South	80.9	82.6	-2.1%
Total Returns Markets	175.3	185.4	-5.5%
Total Group	276.5	285.1	-3.0%

GROWTH BRAND VOLUME



bn SE*	FY16	FY15	Actual Δ
Growth Markets	46.0	46.4	-0.8%
USA Market	6.1	3.1	+99.4%
Returns Markets North	55.7	54.4	+2.3%
Returns Markets South	43.5	41.2	+5.5%
Total Returns Markets	99.2	95.6	+3.7%
Total Group	151.3	145.1	+4.3%

TOBACCO NET REVENUE



£m	FY15	Foreign Exchange	Constant Currency Growth	FY16	Constant Currency Δ
Growth Markets	1,449	57	62	1,568	+4.3%
USA Market	707	113	657	1,477	+92.9%
Returns Markets North	2,649	64	(68)	2,645	-2.6%
Returns Markets South	1,446	73	(42)	1,477	-2.9%
Total Returns Markets	4,095	137	(110)	4,122	-2.7%
Total Group	6,251	307	609	7,167	+9.7%

TOBACCO ADJUSTED OPERATING PROFIT



£m	FY15	Foreign Exchange	Constant Currency Growth	FY16	Constant Currency Δ
Growth Markets	409	25	9	443	+2.2%
USA Market	375	64	384	823	+102.4%
Returns Markets North	1,475	39	(75)	1,439	-5.1%
Returns Markets South	636	35	(16)	655	-2.5%
Total Returns Markets	2,111	74	(91)	2,094	-4.3%
Total Group	2,895	163	302	3,360	+10.4%

GROWTH BRANDS



		FY16	FY15	Actual Δ	Constant Currency Δ
Market share	%	7.7	7.2 ^R	+50bps	
Net revenue	£m	3,265	2,862	+14.1%	+10.1%
Percentage of Group volumes	%	54.7	50.9	+380bps	+380bps
Percentage of tobacco net revenue	%	45.6	45.8	-20bps	+20bps

SPECIALIST BRANDS



		FY16	FY15	Actual Δ	Constant Currency Δ
Net revenue	£m	1,042	693	+50.2%	+43.6%
Percentage of tobacco net revenue	%	14.5%	11.1%	+340bps	+340bps

GROWTH MARKETS



		FY16	FY15	Actual Δ	Constant Currency Δ
Market share	%	6.4	6.9 ^R	-50bps	
Net revenue	£m	1,568	1,449	+8.2%	+4.3%
Adjusted operating profit	£m	443	409	+8.3%	+2.2%
Growth Brand % of net revenue	%	47.2	47.0	+20bps	
Growth Brand volume	bn SE	46.0	46.4	-0.8%	

USA MARKET



		FY16	FY15	Actual Δ	Constant Currency Δ
Market share	%	9.2			
Net revenue	£m	1,477	707	+108.9%	+92.9%
Adjusted operating profit	£m	823	375	+119.5%	+102.4%
Growth Brand % of net revenue	%	18.6	13.7	+490bps	
Growth Brand volume	bn SE	6.1	3.1	+99.4%	

RETURNS MARKETS



		FY16	FY15	Actual Δ	Constant Currency Δ
Market share	%	26.1	27.0 ^R	-90bps	
Net revenue	£m	4,122	4,095	+0.7%	-2.7%
Net revenue per '000 SE	£	23.51	22.08	+6.5%	+2.9%
Adjusted operating profit	£m	2,094	2,111	-0.8%	-4.3%
Growth Brand % of net revenue	%	54.6	50.9	+370bps	

RETURNS MARKETS NORTH



		FY16	FY15	Actual Δ	Constant Currency Δ
Market share	%	24.0	25.6 ^R	-160bps	
Tobacco net revenue	£m	2,645	2,649	-0.2%	-2.6%
Net revenue per '000 SE	£	28.01	25.76	+8.7%	+6.1%
Adjusted operating profit	£m	1,439	1,475	-2.4%	-5.1%
Growth Brand % of net revenue	%	57.2	53.6	+360bps	

RETURNS MARKETS SOUTH



		FY16	FY15	Actual Δ	Constant Currency Δ
Market share	%	29.1	29.0 ^R	+10bps	
Net revenue	£m	1,477	1,446	+2.1%	-2.9%
Net revenue per '000 SE	£	18.27	17.51	+4.3%	-0.8%
Adjusted operating profit	£m	655	636	+3.0%	-2.5%
Growth Brand % of net revenue	%	50.0	46.0	+400bps	

		FY16	FY15	Actual Δ	Constant Currency Δ
Distribution fees	£m	809	749	+8.0%	+2.8%
Adjusted operating profit	£m	176	154	+14.3%	+9.1%
Margin	%	21.8	20.6	+120bps	+120bps

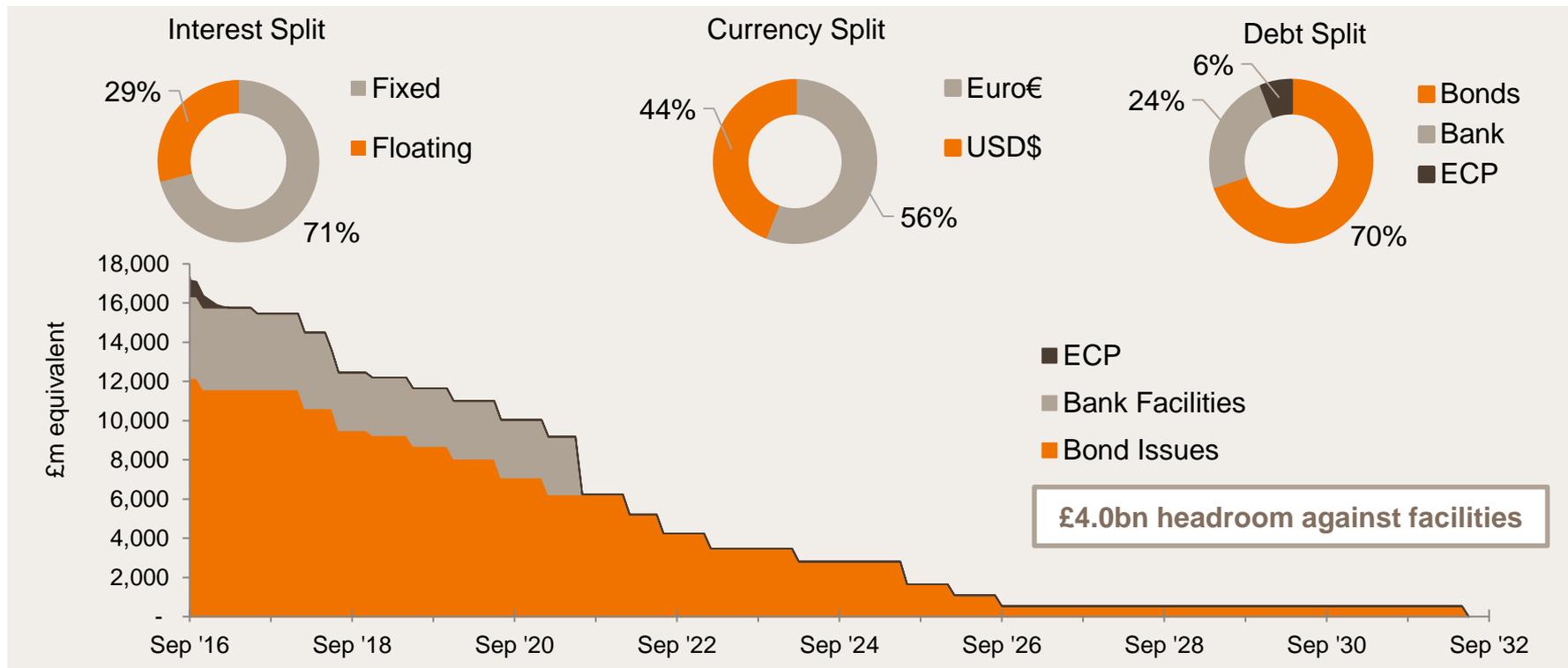
APPENDICES

Financing



FINANCIAL PROFILE

30 September 2016



COMMITTED BANK FACILITIES

30 September 2016



Description	Maturity date	Amount	£m equiv.
Committed 3 Year B Term Loan Acquisition Facility	Jun-18	\$900m	£694m
Committed 3 Year Revolving Credit Facility A ¹	Jul-17	€350m	£301m
Committed 5 Year Revolving Credit Facility B ²	Jul-21		
EUR tranche		€2,835m	£2,441m
GBP tranche		£500m	£500m
Committed 3 Year Term Loan Facility	Jun-18	\$300m	£231m
Total			£4,167m

¹ 1.5 year facility with three 0.5 year extension periods at Imperial's option, the first two of which have been exercised.

² 5 year facility with two 1 year extension periods at the lenders' option, both of which have been exercised.

All facilities are at competitive margins, and there are margin step-ups and utilisation fees applicable to certain tranches.

BOND ISSUES

30 September 2016



Amount	Issuer	Coupon	Issue Date	Maturity Date	£m equiv.	Margin
£450m	Imperial Brands Finance PLC	5.500%	Nov-06	Nov-16	£577m ¹	0.6% ¹
\$1,250m	Imperial Brands Finance PLC	2.050%	Feb-13	Feb-18	£964m	1.1%
€850m	Imperial Brands Finance PLC	4.500%	Jul-11	Jul-18	£732m	1.7%
\$500m	Imperial Brands Finance PLC	2.050%	Jul-15	Jul-18	£386m	1.0%
£200m	Imperial Brands Finance PLC	6.250%	Dec-03	Dec-18	£252m ¹	1.1% ¹
£500m	Imperial Brands Finance PLC	7.750%	Jun-09	Jun-19	£549m	3.7% ¹
€750m	Imperial Brands Finance PLC	5.000%	Dec-11	Dec-19	£646m	2.6%
\$1,250m	Imperial Brands Finance PLC	2.950%	Jul-15	Jul-20	£964m	1.4%
€1,000m	Imperial Brands Finance PLC	2.250%	Feb-14	Feb-21	£861m	1.1%
£1,000m	Imperial Brands Finance PLC	9.000%	Feb-09	Feb-22	£1,026m ¹	5.0% ¹
\$1,250m	Imperial Brands Finance PLC	3.750%	Jul-15	Jul-22	£964m	1.8%
\$1,000m	Imperial Brands Finance PLC	3.500%	Feb-13	Feb-23	£772m	1.1%
£600m	Imperial Brands Finance PLC	8.125%	Sep-08	Mar-24	£664m	3.1% ¹
\$1,500m	Imperial Brands Finance PLC	4.250%	Jul-15	Jul-25	£1,157m	2.2%
€650m	Imperial Brands Finance PLC	3.750%	Feb-14	Feb-26	£560m	1.5%
£500m	Imperial Brands Finance PLC	5.500%	Sep-11	Sep-26	£554m	2.7% ¹
£500m	Imperial Brands Finance PLC	4.875%	Feb-14	Jun-32	£539m ¹	2.1% ¹
Total/Weighted Average Margin					£12,167m¹	2.1%¹

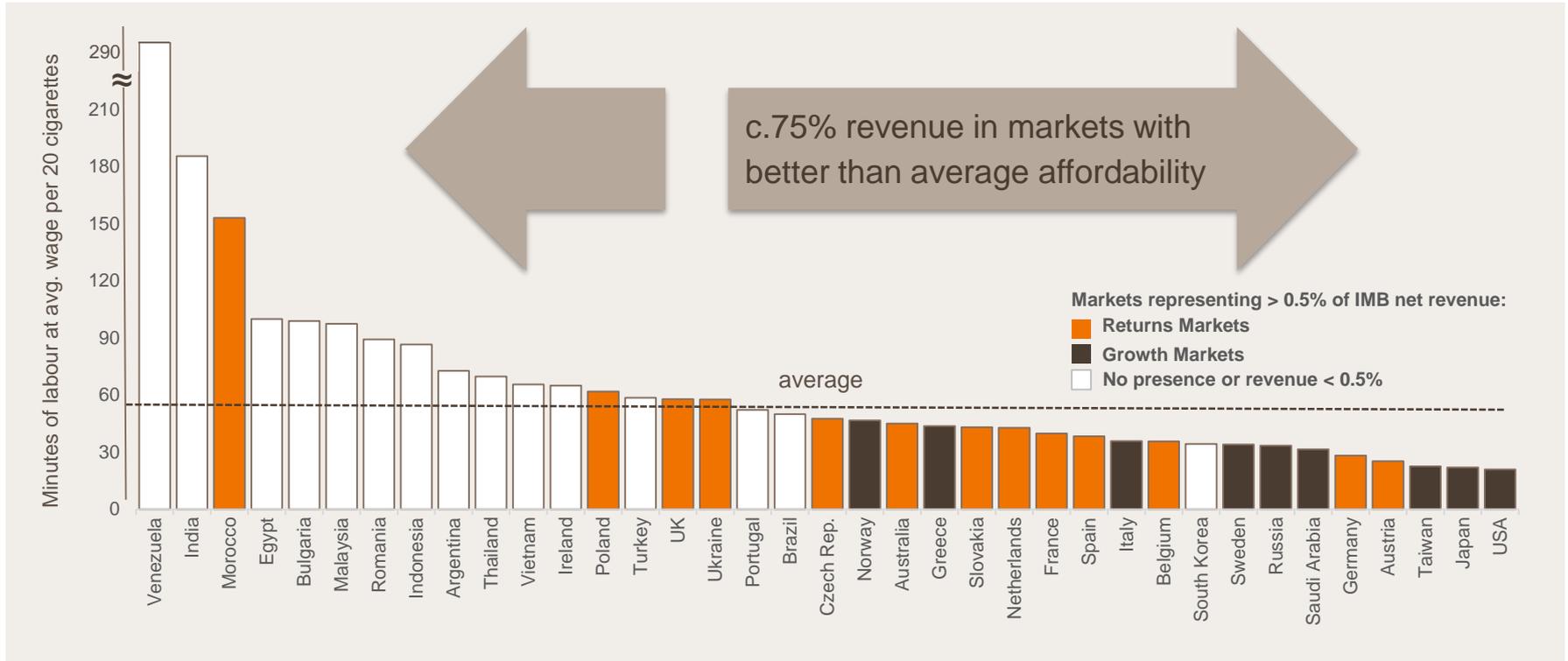
APPENDICES

Other information



DEVELOP FOOTPRINT

Market affordability supports future quality growth



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

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.

RESTATEMENT OF PRIOR PERIODS

H1 Growth & Specialist Brands



		HY16	HY16 Restated
Growth Brand Net Revenue			
USA Market	£m	149	123
Total Group	£m	1,502	1,476
Specialist Brand Net Revenue	£m	490	489
Total tobacco net revenue	£m	3,339	3,339
Growth & Specialist Brands percentage of Net Revenue	%	58.6	57.8

An incorrect apportionment of promotional spend at H1 meant that Growth and Specialist Brand net revenue in the USA was overstated by £26m and £1m respectively.

There was no impact on total net revenue at H1 and FY16 numbers are unaffected.

PRELIMINARY RESULTS 2016

Imperial Brands PLC

8 November 2016

