



**Annual General Meeting**  
**Imperial Tobacco Group PLC**  
**2 February 2010**

# Iain Napier

## Chairman

# FY09 Results Summary

## *strong performance*



- Cigarette volumes up 10% to 322bn
- Profit from operations up 32% to £2,933m
- £2bn\* reduction in our debt position
  - no refinancing requirements until July 2012
- H2 organic profit growth of 7%
- Earnings per share up 18% to 161.8p
- Full year dividend per share up 16%\*\* to 73.0p

*Note: Results are adjusted and presented on our usual basis; \*excluding the impact of foreign exchange; \*\*after adjusting the FY08 Interim dividend for the rights issue*

# FY09 Cigarette Highlights

## *key brand performances*



- **Davidoff up 12%**



- **Gauloises Blondes up 1%\***



- **West down 8%**



- **JPS up 11%**



- **Maxim up 10%**



- **Fine up 21%**



*Note: \*Full 12 months comparative for FY08; adjusted for timing of shipments*

# FY09 Integration

*a year of achievement*

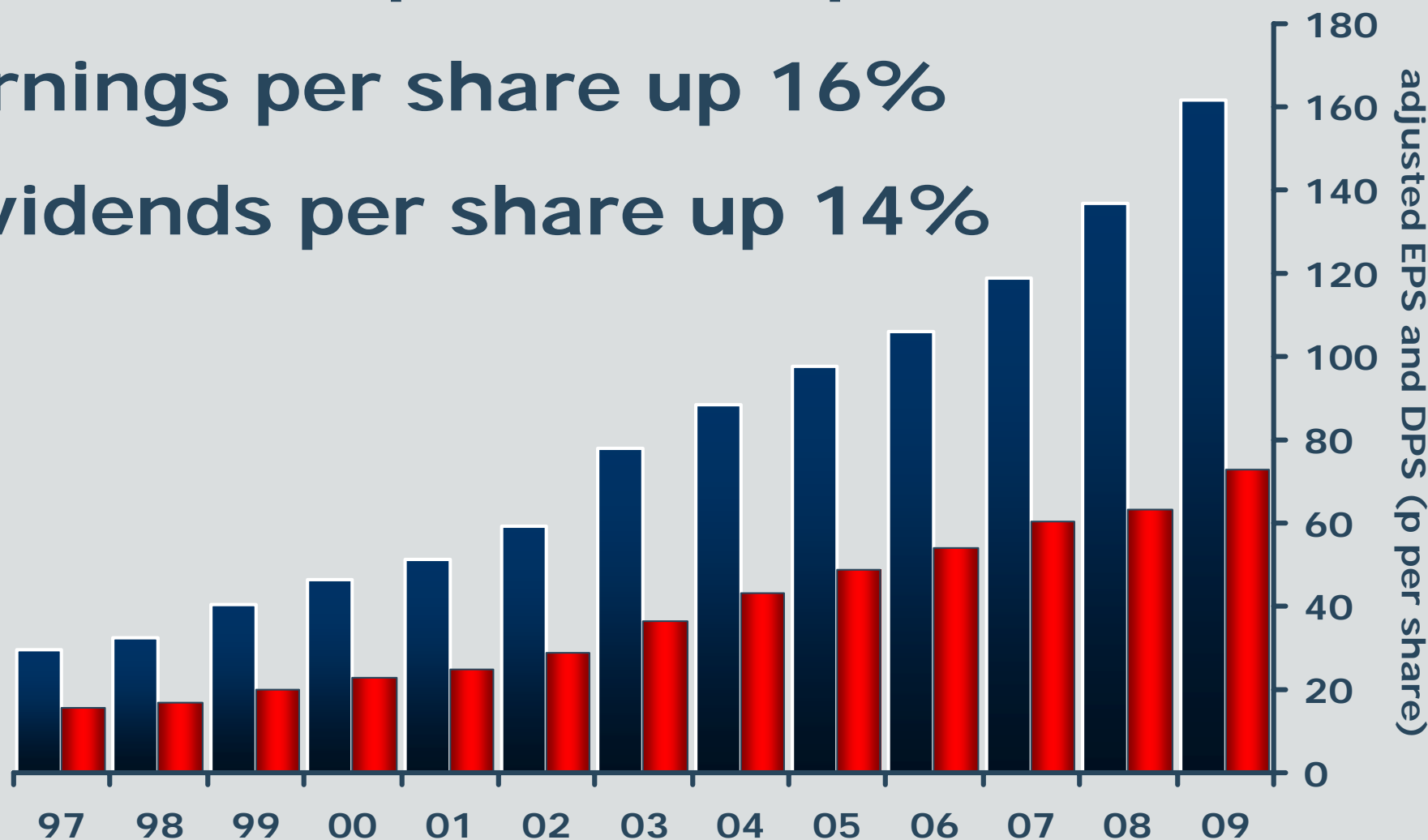
- **Excellent progress on integration**
  - **specific European projects**
  - **alignment of processes and systems**
- **€190m of cumulative synergies in FY09**
- **€300m synergies in FY10**
- **FY12 cost synergies of €400m**
- **Net revenue synergies of €60m in FY11**

# Significant Value Creation

*our track record*



- Profit from operations up 18%
- Earnings per share up 16%
- Dividends per share up 14%



Note: % are CAGRS



Earnings per share



Dividends per share



# **Gareth Davis**

## **Chief Executive**

# UK

## *balancing share and profit*



- Net revenue of £893m
- Profit from operations up to £601m\*
- Market environment
  - cigarette market stable at 45.3bn
  - fine cut tobacco market up 19% to 4,450tns
- Market leader: cigarette market share of 45.3%
  - JPS Silver up to 3.3%
  - Richmond & L&B robust
- Market leader: fine cut tobacco share at 58.0%
  - volume growth
  - GV Yellow up to 1.9%
- Regulatory update

*Note: \*Results are adjusted and presented on our usual basis; Imperial estimates and definitions; volume comparatives include Altadis from acquisition date*

# Germany

## *JPS continued growth*



- Net revenue of £826m
- Profit from operations up to £403m\*
- Market environment
  - cigarette market declined by 2% to 85.8bn
  - OTP market up by 9% to 24.500tns
- Cigarette share at 27.3%
  - JPS up to 8.5% share
  - resilient premium performance
- OTP market share at 19.6%

*Note: \*Results are adjusted and presented on our usual basis; Imperial estimates and definitions; volume comparatives include Altadis from acquisition date*

# Spain

## *good domestic performance*



- Net revenue of £610m
- Profit from operations of £275m\*
- Market environment
  - high unemployment
  - cigarette market down 7% to 83.6bn
  - fine cut tobacco up 43% to 5,150tns
- Blond cigarette share at 30.6%
  - growth from Nobel and Ducados Rubio
- Fine cut tobacco share at 42.6%
  - volumes up 52%
  - Origenes launch

*Note: \*Results are adjusted and presented on our usual basis; Imperial estimates and definitions; volume comparatives include Altadis from acquisition date*

# Rest of European Union *cigarette share gains*



- Net revenue of £1,490m
- Profit from operations of £566m\*
- Market environment
  - cigarette market down 4% to 370.4bn
  - fine cut tobacco market up 5% to 38,800tns
- France: blond domestic share growth to 23.9%
- Market share gains:  
Portugal, Greece, Czech Republic, Austria
- FCT growth in Central Europe
- Ongoing snus gains

*Note: \*Results are adjusted and presented on our usual basis; Imperial estimates and definitions; volume comparatives include Altadis from acquisition date*

# Americas

## USA



- Net revenue of £861m
- Profit from operations of £288m\*
- Market environment
  - significant increase in Federal Excise Tax
  - cigarette market down 8% to 326.5bn
- Cigarette market share at 4.2%
  - USA Gold and Sonoma resilient
- Cigar: FET impact
  - premium gains
  - natural wrappers up
  - cost mitigation

*Note: \*Results are adjusted and presented on our usual basis; Imperial estimates and definitions; volume comparatives include Altadis from acquisition date*

# Rest of the World *continued growth*



- Net revenue of £2,138m
- Profit from operations of £617m\*
- Africa & Middle East: Davidoff, Gauloises & Fine up
- Eastern Europe: Davidoff volumes up 16%
- Australia: Horizon progress; JPS launch
- Asia: Taiwan share up to 9.9%

*Note: \*Results are adjusted and presented on our usual basis; Imperial estimates and definitions; volume comparatives include Altadis from acquisition date*

# Logistics

- **Distribution fees of £964m**
- **Profit from operations of £177m\***
- **Tobacco logistics**
  - France ahead of expectations; contract renewals
  - Spain pricing benefit; PMI contract
- **Other logistics**
  - share gains in French wholesale and pharma
  - Spanish lottery contract
  - Cost saving initiatives

*Note: \*Results are adjusted and presented on our usual basis; Imperial estimates and definitions; volume comparatives include Altadis from acquisition date*



# **Trading Update**

## **Quarter ended 31 Dec 2009**

# Outlook for 2010



**“ The overall performance and financial position of Imperial Tobacco for the financial year to 30 September 2010 remains in line with the Board’s expectations.”**



# **Annual General Meeting Imperial Tobacco Group PLC**