



IMPERIAL TOBACCO GROUP PLC
PO Box 244, Southville, Bristol BS99 7UJ

Dear Shareholder

ANNUAL GENERAL MEETING OF IMPERIAL TOBACCO GROUP PLC

I am pleased to inform you that our ninth Annual General Meeting is to be held at the Bristol Marriott Hotel City Centre on Tuesday, 31 January 2006 at 2.30pm. The formal notice of the Meeting, particulars of the resolutions on which you can vote and details of the administrative arrangements we have made for the Meeting are set out in this circular.

I appreciate that you may not be able to attend the Meeting but, as all resolutions will be voted on by a poll this year, you can use your vote by completing the proxy form enclosed. You may, if you wish, appoint your proxy electronically at www.sharevote.co.uk. You will need your personal voting reference number shown on your proxy form.

Your Directors believe that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders and unanimously recommend shareholders to vote in favour of all the resolutions set out in the attached notice. Your Directors will be voting in favour of the resolutions in respect of their own shareholdings.

If you have sold or transferred all of your shares in the Company, please pass this document and the accompanying proxy form to the purchaser, or transferee, or to the agent through whom the transfer was effected for transmission to the purchaser or transferee.

You will find enclosed our Annual Report for the financial year ended 30 September 2005. This details our achievements in the last financial year and your Board's plans for the future direction of the Company. I hope you find it informative and interesting.

For the safety and comfort of those attending the Meeting, large bags, other large items, cameras and recording equipment **will not** be allowed into the auditorium. Small bags may be searched before you are permitted to take them into the auditorium. Cloakroom facilities will be provided. However for security reasons the hotel may not accept bags or other large items. Please ensure mobile phones are switched off during the Meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Derek C Bonham'.

Derek C Bonham
Chairman

NOTICE OF THE NINTH ANNUAL GENERAL MEETING OF IMPERIAL TOBACCO GROUP PLC

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT AN INDEPENDENT ADVISOR.

This document lists the resolutions to be voted on at the Company's Annual General Meeting that will be held on Tuesday, 31 January 2006. The meeting is due to start at 2.30pm. However, the doors to the Meeting will be open from 1.30pm and you may wish to arrive by 2.00pm to ensure that you are able to take your seat in good time for the start of the Meeting.

Notice is hereby given that the ninth Annual General Meeting of Imperial Tobacco Group PLC will be held at the Bristol Marriott Hotel City Centre, 2 Lower Castle Street, Old Market, Bristol, BS1 3AD on Tuesday, 31 January 2006 at 2.30pm for the transaction of the following business:

ORDINARY BUSINESS

Resolution 1

THAT the Accounts for the financial year ended 30 September 2005, together with the Directors' and Auditor's reports thereon, be received.

Resolution 2

THAT the Directors' Remuneration Report for the financial year ended 30 September 2005, together with the Auditor's report thereon, be received and approved.

Resolution 3

THAT a final dividend for the financial year ended 30 September 2005 of 39.5 pence per ordinary share of 10 pence each payable on 17 February 2006 to those shareholders on the register at the close of business on 20 January 2006 be declared.

Resolution 4

THAT Mr A G L Alexander be re-elected as a Director of the Company.

Resolution 5

THAT Mr D C Bonham be re-elected as a Director of the Company.

Resolution 6

THAT Mr C R Day be elected as a Director of the Company.

Resolution 7

THAT Dr P H Jungels be re-elected as a Director of the Company.

Resolution 8

THAT Mr G L Blashill be elected as a Director of the Company.

Resolution 9

THAT PricewaterhouseCoopers LLP be reappointed as Auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

Resolution 10

THAT the Directors be authorised to set the remuneration of the Auditors.

SPECIAL BUSINESS

To consider and, if thought fit, pass resolutions 11 to 19 as ordinary resolutions and resolutions 20 and 21 as special resolutions:

Resolution 11

THAT in accordance with section 347C of the Companies Act 1985 (the "Act"), the Company is hereby authorised to:

- i. make donations to EU political organisations, as defined in section 347A of the Act, not exceeding £25,000 in total; and
- ii. incur EU Political Expenditure, as defined in section 347A of the Act, not exceeding £25,000 in total, during the period commencing on the date of this resolution and ending on 30 April 2007 or, if sooner, the conclusion of the Annual General Meeting of the Company held in 2007.

Resolution 12

THAT in accordance with section 347D of the Act Imperial Tobacco Limited, being a wholly-owned subsidiary of the Company, is hereby authorised to:

- i. make donations to EU political organisations, as defined in section 347A of the Act, not exceeding £25,000 in total; and
- ii. incur EU Political Expenditure, as defined in section 347A of the Act, not exceeding £25,000 in total, during the period commencing on the date of this resolution and ending on 30 April 2007 or, if sooner, the conclusion of the Annual General Meeting of the Company held in 2007.

Resolution 13

THAT in accordance with section 347D of the Act Imperial Tobacco International Limited, being a wholly-owned subsidiary of the Company, is hereby authorised to:

- i. make donations to EU political organisations, as defined in section 347A of the Act, not exceeding £25,000 in total; and
- ii. incur EU Political Expenditure, as defined in section 347A of the Act, not exceeding £25,000 in total, during the period commencing on the date of this resolution and ending on 30 April 2007 or, if sooner, the conclusion of the Annual General Meeting of the Company held in 2007.

Resolution 14

THAT in accordance with section 347D of the Act Van Nelle Tabak Nederland B.V. (incorporated in The Netherlands), being a subsidiary of the Company, is hereby authorised to:

- i. make donations to EU political organisations, as defined in section 347A of the Act, not exceeding £25,000 in total; and
- ii. incur EU Political Expenditure, as defined in section 347A of the Act, not exceeding £25,000 in total, during the period commencing on the date of this resolution and ending on 30 April 2007 or, if sooner, the conclusion of the Annual General Meeting of the Company held in 2007.

Resolution 15

THAT in accordance with section 347D of the Act John Player & Sons Limited (incorporated in the Republic of Ireland), being a wholly-owned subsidiary of the Company, is hereby authorised to:

- i. make donations to EU political organisations, as defined in section 347A of the Act, not exceeding £25,000 in total; and
- ii. incur EU Political Expenditure, as defined in section 347A of the Act, not exceeding £25,000 in total, during the period commencing on the date of this resolution and ending on 30 April 2007 or, if sooner, the conclusion of the Annual General Meeting of the Company held in 2007.

Resolution 16

THAT in accordance with section 347D of the Act Reemtsma Cigarettenfabriken GmbH (incorporated in Germany), being a wholly-owned subsidiary of the Company, is hereby authorised to:

- i. make donations to EU political organisations, as defined in section 347A of the Act, not exceeding £25,000 in total; and
- ii. incur EU Political Expenditure, as defined in section 347A of the Act, not exceeding £25,000 in total, during the period commencing on the date of this resolution and ending on 30 April 2007 or, if sooner, the conclusion of the Annual General Meeting of the Company held in 2007.

Resolution 17

THAT in accordance with section 347D of the Act Ets L. Lacroix Fils NV/SA (incorporated in Belgium), being a wholly-owned subsidiary of the Company, is hereby authorised to:

- i. make donations to EU political organisations, as defined in section 347A of the Act, not exceeding £25,000 in total; and
- ii. incur EU Political Expenditure, as defined in section 347A of the Act, not exceeding £25,000 in total, during the period commencing on the date of this resolution and ending on 30 April 2007 or, if sooner, the conclusion of the Annual General Meeting of the Company held in 2007.

Resolution 18

THAT the amendments to the rules of the Imperial Tobacco Group Long Term Incentive Plan described in note 18 to this notice and shown in the marked-up version of the rules produced to the meeting and initialled by the Chairman for the purposes of identification be and they are hereby adopted.

Resolution 19

THAT the Directors be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £24,300,000. This authority shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 30 April 2007, save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

Resolution 20

THAT subject to the passing of Resolution 19 set out in the notice of Annual General Meeting of the Company convened for 31 January 2006, the Directors be and are hereby generally and unconditionally empowered to allot equity securities (as defined in section 94 of the Companies Act 1985 (the "Act")) whether for cash pursuant to the authority conferred by Resolution 19 or otherwise in the case of treasury shares (as defined in section 162(3) of the Act), in each case as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (i) the allotment of equity securities in connection with a rights issue, open offer and other pro rata issue in favour of holders of equity securities where the equity securities respectively attributable to the interest of all such holders are proportionate (or as nearly as may be) to the respective number of equity securities held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, treasury shares or any legal or practical problems arising under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory; and
- (ii) the allotment (otherwise than pursuant to sub-paragraph (i)) of equity securities up to a maximum nominal amount of £3,645,000.

This power shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 30 April 2007, unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if in the first paragraph of this resolution the words "That subject to the passing of Resolution 19 set out in the notice of Annual General Meeting of the Company convened for 31 January 2006" were omitted.

Resolution 21

THAT in accordance with article 5 of the Company's articles of association and the Companies Act 1985 (the "Act") the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Act to make market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 10 pence each ("Ordinary Shares") on such terms and in such manner as the Directors may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes set out in section 162D of the Act, including for the purpose of its employee share schemes, provided that:

- (i) the maximum number of Ordinary Shares hereby authorised to be acquired is 72,900,000;
- (ii) the minimum price which may be paid for any such share is 10 pence (exclusive of expenses);
- (iii) the maximum price which may be paid for any such share is the higher of the amount equal to 105 per cent of the average of the middle market quotations, or the market values, for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 (in each case exclusive of expenses); and
- (iv) the authority hereby conferred shall, unless previously revoked or varied, expire at the conclusion of the next Annual General Meeting of the Company to be held in 2007 or, if earlier, on 30 April 2007 save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

Registered Office:
PO Box 244
Upton Road
Bristol BS99 7UJ

Registered in England and Wales Number: 3236483

By order of the Board
Matthew R Phillips
Company Secretary

1 December 2005

Notes

1. Only holders of Ordinary Shares are entitled to attend and vote at this Meeting. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him/her. A proxy need not be a member of the Company. A proxy form is enclosed with this notice and instructions for completion are shown on the form. Proxy forms need to be deposited with the Company's Registrars, Lloyds TSB Registrars, not less than 48 hours before the start of the Meeting or any adjournment thereof. Completion of a proxy form does not preclude a member attending and voting in person at the Meeting.
2. The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (Saturdays and public holidays excluded), will also be available for inspection at the place of the Annual General Meeting from 1.30pm on the day of the Meeting until the conclusion of the Meeting:
 - (i) copies of service contracts of the Executive Directors under which they are employed by the Company and the letters of appointment of the Non-Executive Directors;
 - (ii) the Register of Interests of the Directors (and their families) in the share capital of the Company;
 - (iii) the Memorandum and Articles of Association of the Company; and
 - (iv) copies of the rules of the International Sharesave Plan, the Share Matching Scheme, the Long Term Incentive Plan (as amended) and the Employee Benefit Trusts.

The rules of the Long Term Incentive Plan (as amended) will also be available for inspection during normal business hours at the offices of Allen & Overy LLP, One New Change, London EC4M 9QQ on any weekday (Saturdays and public holidays excluded).

3. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.00pm on 29 January 2006 shall be entitled to attend or vote at the aforesaid Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.00pm on 29 January 2006 shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

4. **Electronic proxy appointment through CREST**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for our Annual General Meeting to be held on 31 January 2006 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

EXPLANATORY NOTES

Report and Accounts (Resolution 1)

The Directors of the Company must present the accounts to the Meeting.

Remuneration Committee Report (Resolution 2)

In line with legislation, this vote will be advisory and in respect of the overall remuneration package and not specific to individual levels of remuneration. You can find the Report on page 50 of the Annual Report and Accounts and page 43 of the Annual Review.

Declaration of a dividend (Resolution 3)

A final dividend can only be paid after the shareholders at a General Meeting have approved it. A final dividend of 39.5 pence per Ordinary Share is recommended by the Directors for payment to shareholders who are on the Register at the close of business on 20 January 2006. If approved, the date of payment of the final dividend will be 17 February 2006. An interim dividend of 16.5 pence per Ordinary Share was paid on 5 August 2005. This represents an increase of 6 pence per share, or 12 per cent on the total 2004 dividend.

Re-election of directors (Resolutions 4 to 8)

The Company's Articles of Association require that all directors retire at least every three years and that all newly appointed directors retire at the first Annual General Meeting following their appointment. Furthermore in line with the Combined Code on Corporate Governance, it is the Company's practice that any Non-Executive Director having been in post for nine years or more is subject to annual re-election. At this Meeting Messrs A G L Alexander, D C Bonham, C R Day, G L Blashill and Dr P H Jungels will retire and stand for re-election or election as directors. Short biographies of these Directors are given in the accompanying report. Having considered the performance of and contribution made by each of the Directors standing for re-election the Board recommend their re-election. In addition Messrs S P Duffy and S Huismans will be retiring from the Board at the conclusion of the Annual General Meeting and will not be standing for re-election. Mr G L Blashill was appointed Sales and Marketing Director in February 2005 and subsequently to the Board in October 2005 and is responsible for the Group's entire global sales and marketing activities. He has worked for Imperial Tobacco for 37 years and during that time has held a number of senior sales and marketing positions, including Managing Director UK and Regional Director for Western Europe. Mr G L Blashill's service agreement is terminable on 52 weeks' notice.

Reappointment and remuneration of auditors (Resolutions 9 and 10)

Resolutions 9 and 10 propose the reappointment of PricewaterhouseCoopers LLP as Auditors of the Company and authorise the Directors to set their remuneration.

Authority to make donations to EU political organisations and to incur EU political expenditure (Resolutions 11 to 17)

The Group's ongoing policy is not to make donations to political parties and your Board **will not** use these authorities to do so.

The Companies Act 1985 (the "Act") however includes very broad and ambiguous definitions of political donations and expenditure, which may have the effect of covering some normal business activities. These could include making provision for employees to take paid time off to participate in trade union activities and campaign for and hold public office, sponsorship of industrial forums and involvement in seminars and functions to which politicians may be invited.

Your Board **will not** use these authorities to make any political donations in the previously accepted sense and **does not** intend to make political donations within the meaning of the Act; however as the penalties for breach of the Act are severe, your Board, in common with other companies, feels it is prudent to seek authority for the Company to make political donations within the meaning of the Act. Since the Act specifically requires that separate authority be sought for subsidiaries that may incur relevant expenditure, there are seven resolutions proposed covering the Company and its major operating subsidiaries within the EU.

Long Term Incentive Plan (Resolution 18)

The rules of the Plan currently provide that an award may not be granted to an individual if that individual will reach his or her "Normal Retirement Age" before the end of the performance period. The Normal Retirement Age for the purposes of the Plan is 65. The performance period currently applicable to awards under the Plan is three years, and therefore, any individual who is age 62 or older may not be granted an award.

It is proposed that the rules of the Plan be amended to remove the provision that individuals may not be granted an award within three years of their Normal Retirement Age, and to replace it with a provision that awards may not be granted to individuals who are within six months of their anticipated retirement date. In accordance with the rules of the Plan, shareholders are being asked to approve this amendment.

The Remuneration Committee has proposed this amendment to the rules of the Plan for three reasons. The amendment will give the Remuneration Committee the flexibility to make awards under the Plan to individuals whom it is intended will continue to work for the Company past the age of 65. The Company has also been advised that the amendment should be made to take account of the introduction in the UK of age discrimination legislation. Finally, the amendment to the rules of the Plan will make the rules consistent with the guidelines of the Association of British Insurers, which require that awards should not be granted within six months of a participant's anticipated retirement date.

When making grants of awards to individuals who are within three years of their anticipated retirement date, the Remuneration Committee will have regard to the individual's ability to contribute to the achievement of the performance criteria. Ordinarily, if a participant in the Plan ceases employment due to retirement (whether at contractual retirement age or earlier with the consent of the company that employs him/her) before the end of the performance period applying to an award, that award will vest proportionally to the period that the participant was employed during the performance period and to the extent that the performance conditions were satisfied at the date of cessation. However, if a participant ceases employment because of retirement within six months of an award being made, the award will lapse in its entirety.

Directors' authority to allot securities (Resolution 19)

Your Directors may only allot Ordinary Shares or grant rights over Ordinary Shares if authorised to do so by shareholders. The authority granted at the last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, this resolution seeks to grant a new authority to the Directors to allot unissued share capital of the Company and will expire at the conclusion of the next Annual General Meeting of the Company in 2007 or, if earlier, on 30 April 2007. There is no present intention of exercising this authority, which would give Directors authority to allot relevant securities up to an aggregate nominal value of £24,300,000, approximately one-third of the Company's issued ordinary share capital as at 1 December 2005.

Disapplication of pre-emption rights (Resolution 20)

Under section 89(1) of the Companies Act 1985, if the Directors wish to allot any of the unissued shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of Ordinary Shares without a pre-emptive offer to existing shareholders. This cannot be done under the Companies Act 1985 unless the shareholders have first waived their pre-emption rights. Resolution 20 asks the shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority will be limited to the issue of shares for cash up to a maximum aggregate nominal value of £3,645,000 (which includes the sale on a non pre-emptive basis of any shares held in treasury), which is equivalent to approximately 5 per cent of the Company's issued ordinary share capital as at 1 December 2005. The Company undertakes to restrict its use of this authority to a maximum of 7.5 per cent of the Company's issued ordinary share capital in any three year period. Shareholders will note that this Resolution also relates to treasury shares and will be proposed as a special resolution.

This resolution seeks a disapplication of the pre-emption rights on a rights issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. If given, the authority will expire at the conclusion of the next Annual General Meeting of the Company in 2007 or, if earlier, 30 April 2007.

Authority to purchase own shares (Resolution 21)

In certain circumstances, it may be advantageous for the Company to purchase its own shares and Resolution 21 seeks the authority from shareholders to continue to do so. The Directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and is in the best interest of the shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority. Save to the extent purchased pursuant to the Treasury Share Regulations 2003, any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly. The Company may hold in treasury any of its own shares that it purchases pursuant to the Treasury Share Regulations 2003 and the authority conferred by this Resolution. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares.

The resolution specifies the maximum number of Ordinary Shares that may be acquired (approximately 10 per cent of the Company's issued ordinary share capital as at 1 December 2005) and the maximum and minimum prices at which they may be bought.

Resolution 21 will be proposed as a special resolution to provide the Company with the necessary authority. If given, this authority will expire at the conclusion of the next Annual General Meeting of the Company in 2007 or, if earlier, 30 April 2007.

The Directors intend to seek renewal of this power at subsequent Annual General Meetings.