IMPERIAL TOBACCO GROUP PLC

Interim Non-Statutory Financial Statements

under Sections 836 and 838 of the Companies Act 2006

Eight months to 31 May 2011

Company Number. 3236483

Imperial Tobacco Group PLC

Contents

COMPANY PROFIT AND LOSS ACCOUNT unaudited
for the eight months to 31 May 2011

£ million	Notes	8 months to 31 May 2011	Year to 30 September 2010
Administrative and other expenses		(6)	(9)
Operating loss		(6)	(9)
Income from shares in Group undertakings		2,500	700
Profit on ordinary activities before interest and taxation		2,494	691
Interest receivable and similar income	2	184	299
Profit on ordinary activities before taxation		2,678	990
Taxation	3	-	-
Profit for the period	8	2,678	990

All activities derive from continuing operations

The Company has no recognised gains or losses other than those included in the profits and losses above and therefore no separate statement of total recognised gains and losses has been presented

Imperial Tobacco Group PLC

COMPANY BALANCE SHEET unaudited
at 31 May 2011

£ million	Notes	**31 May 2011**	30 September 2010
Fixed assets			
Investments in subsidiaries	5	**3,035**	3,035
Current assets			
Debtors	6	**3,579**	3,976
Cash		**2,496**	48
		6,075	4,024
Net assets		**9,110**	7,059
Capital and reserves			
Called up share capital	7	**107**	107
Share premium	8	**5,833**	5,833
Profit and loss account	8	**3,170**	1,119
Equity shareholders' funds	9	**9,110**	7,059

The financial statements on pages 1 to 5 were approved by the Board of Directors on 28 June 2011 and signed on its behalf by

Alison Cooper
Director

Robert Dyrbus
Director

NOTES TO THE INTERIM NON-STATUTORY FINANCIAL STATEMENTS

1 Basis of Preparation

The results for the eight months to 31 May 2011 are unaudited The comparative information for the year ended 30 September 2010 is derived from the audited accounts of the Company as delivered to the Registrar of Companies The Auditors' Report on those statements was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006 These financial statements do not constitute the statutory financial statements of the Company

The Company's principal accounting policies are as stated in the Annual Report and Accounts for the year ended 30 September 2010

2 Interest receivable and similar income

£ million	**8 months to 31 May 2011**	Year to 30 September 2010
Interest receivable		
Group undertakings	**184**	299
	184	299

3 Taxation

Factors affecting the tax charge for the period

The tax assessed for the period is lower (2010 lower) than the average enacted standard rate of corporation tax in the UK (27 0 per cent) expected to apply for the financial year to 30 September 2011 The current period tax rate arises from profits being taxed at 28 0 per cent until 31 March 2011 and 26 0 per cent thereafter The differences are explained below

£ million	**8 months to 31 May 2011**	Year to 30 September 2010
Profit on ordinary activities before taxation	**2,678**	990
Profit on ordinary activities multiplied by average enacted standard rate of corporation tax in the UK of 27 0% (2010 28 0%)	**723**	277
Effects of		
UK-UK transfer pricing adjustment	**-**	(212)
Group relief	**(48)**	131
Non taxable income included in profit and loss account	**(675)**	(196)
Total current tax	**-**	-

The corporate tax charge for the period has been reduced by £48 million (2010 credit reduced by £131 million) to nil due to group relief surrendered for nil consideration from other Imperial Tobacco Group PLC companies

Factors that may affect future tax charges

The current tax charge for the period is reduced by the surrender of group relief There is no guarantee that the surrender of group tax losses will occur in the future

The March 2011 United Kingdom Budget Statement included proposals to reduce the rate of UK corporation tax from 28 per cent to 23 per cent by 1 April 2014 This will be achieved by a 2 per cent reduction on 1 April 2011 followed by a reduction of 1 per cent per annum until 1 April 2014

NOTES TO THE INTERIM NON-STATUTORY FINANCIAL STATEMENTS

4 Dividends

Dividend per share in respect of financial period

Pence	**8 months to 31 May 2011**	Year to 30 September 2010	Year to 30 September 2009
Interim	**28.1**	24 3	21 0
Final	-	60 0	52 0
Total	**28.1**	84 3	73 0

Final dividends are recognised as a liability in the period in which the dividends are approved by shareholders, while interim dividends are recognised in the period in which the dividends are paid

Amounts recognised as distributions to ordinary equity holders in the period

£ million	**8 months to 31 May 2011**	Year to 30 September 2010
Final dividend paid in the period in respect of previous financial year	**608**	527
Interim dividend	-	246
	608	773

The declared interim dividend for 2011 amounts to a total dividend of £285 million based on the number of shares ranking for dividend at 31 March 2011, and will be paid on 19 August 2011

5 Investments Held as Fixed Assets

Cost of shares in Imperial Tobacco Holdings (2007) Limited

£ million	**8 months to 31 May 2011**	Year to 30 September 2010
At beginning of period	**3,035**	1,035
Additions	-	2,000
At end of period	**3,035**	3,035

6 Debtors: Amounts Falling Due Within One Year

£ million	**31 May 2011**	30 September 2010
Amounts owed by Group undertakings	**3,579**	3,976

Amounts owed by Group undertakings are unsecured, have no fixed date for repayment and are repayable on demand

NOTES TO THE INTERIM NON-STATUTORY FINANCIAL STATEMENTS

7 Called Up Share Capital

£ million	31 May 2011	30 September 2010
Authorised		
56,040,000,000 ordinary shares of 10p each (2010 56,040,000,000)	**5,604**	5,604
Issued and fully paid		
1,067,942,881 ordinary shares of 10p each (2010 1,067,942,881)	**107**	107

8 Reserves

£ million	Share premium account	Profit and loss account
At 1 October 2010	5,833	1,119
Profit for the period	-	2,678
Dividends	-	(608)
Purchase of own shares	-	(19)
At 31 May 2011	**5,833**	**3,170**

Treasury shares

During May 2011 the Company recommenced its share buyback programme purchasing 880,000 ordinary shares in Imperial Tobacco Group PLC for a total cost (including expenses) of £19 million In addition, during the eight months to 31 May 2011 1,235,000 shares were gifted to the Employee Share Ownership Trusts (year to 30 September 2010 1,912,000) The total number of shares held in treasury at 31 May 2011 is 49,214,000 (30 September 2010 49,569,000), representing 4 6 per cent (30 September 2010 4 6 per cent) of the issued share capital The shares purchased to date have not been cancelled but are held in a separate treasury reserve and represent a deduction from equity shareholders' funds

9 Reconciliation of Movements in Shareholders' Funds

£ million	8 months to 31 May 2011	Year to 30 September 2010
Profit for the period	**2,678**	990
Dividends	**(608)**	(773)
Purchase of own shares	**(19)**	-
Movement in equity shareholders' funds	**2,051**	217
Opening equity shareholders' funds	**7,059**	6,842
Closing equity shareholders' funds	**9,110**	7,059