

Company Number : 01860181

IMPERIAL TOBACCO LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2020

IMPERIAL TOBACCO LIMITED

Company Information

Directors

J M Downing
O R Tant
T R W Tildesley
M A Wall

Company Secretary

T M Williams

Registered Number

01860181

Registered Office

121 Winterstoke Road
Bristol
BS3 2LL

Independent Auditors

Ernst and Young LLP
Statutory Auditors
1 More London Place
London
SE1 2AF
United Kingdom

IMPERIAL TOBACCO LIMITED

Strategic Report

The Directors present their Strategic Report together with the Directors' Report and audited financial statements of Imperial Tobacco Limited (the Company) for the year ended 30 September 2020.

Review of the business

The principal activity of the Company is the marketing, distribution and sale of tobacco, tobacco-related and next generation products. The Company is also a holding company and intermediate parent company for the majority of the operating subsidiaries of the Imperial Brands PLC Group (the Group).

The Company is a wholly owned indirect subsidiary of Imperial Brands PLC, which is the ultimate parent company within the Group. The Company results incorporate both the UK trading of the Group and the head office functions, with key performance indicators being focussed on the UK market trading. Key performance indicators used by management to monitor the UK trading element only are detailed below.

| | 2020 | 2019 | Movement |
|-----------------------|-------|-------|----------|
| Market share (%) | 40.5% | 40.6% | 10bps |
| Net revenue (£m) | 631 | 570 | 11% |
| Operating profit (£m) | 431 | 405 | 6% |

Year on year volumes increased 0.6 billion stick equivalents. This is mainly due to a growth in market size of 4.6 percent, partially offset by market share decline over the same period, reducing from 40.6 percent to 40.5 percent. Market volumes grew as a result of lower illicit volumes and consumers staying at home. The market benefited from a temporary change in UK anti-forestalling arrangements, allowing for greater stock profits ahead of the excise increase in March 2020. While overall share was down, we achieved improving share trends in the second half driven by Lambert & Butler and Golden Virginia. The share momentum was partly limited by some share loss following the characterising flavours ban.

Net revenue comprises tobacco revenue less duty and similar items, excluding peripheral products. In addition to the UK trading revenue of £4,190 million (2019: £3,933 million), the Company recognised £295 million (2019: £277 million) licence fee income and £22 million (2019: £18 million) revenue from NGP products.

In addition to tobacco operating profit of £431 million (2019: £405 million) for the UK trading business, the Company recognised operating income in respect of licence fees and head office royalties and an operating profit in the NGP business of £2 million (2019: £23 million loss). These are offset by impairments of investments of £29 million (2019: £2,630 million).

The principal risks and uncertainties of the Company, are considered to be the following:-

- Market risk;
- Customer focus;
- Legal and regulatory compliance;
- Product supply;
- People and organisation;
- Financial management;
- Market execution;
- Innovation;
- Capital allocation;
- Delivery of transformation projects;
- Litigation.

These risks, and mitigating actions taken by the Company, are detailed on pages 42-59 of the Group's Annual Report which does not form part of this report. In the normal course of business, the Group is also exposed to market, liquidity and credit risk. The Group's financial risk management policy is discussed in the Financial Risk Factors section of the Group's Annual Report, which does not form part of this report. The Group's Annual report is available at www.imperialbrandsplc.com.

The operating subsidiaries of the Company are shown in note 28. The Company operates an overseas branch in France.

IMPERIAL TOBACCO LIMITED

Strategic Report

Financial results

The results for the Company show profit for the financial year of £668 million (2019: £643 million), operating profit of £616 million (2019: loss of £1,936 million) and revenue of £4,507 million (2019: £4,228 million). Total equity at 30 September 2020 is £15,545 million (2019: £14,510 million).

The Directors do not propose a final dividend (2019: £nil). The aggregate dividends on the ordinary shares recognised as a charge to the Statement of Changes in Equity during the year amounts to £nil (2019: £nil).

Future developments

The Company believes it is well placed to continue in its market leading position in the UK due to its broad product and brand portfolio and the initiatives in the value and economy cigarette, fine cut tobacco and next generation product (NGP) sectors. This, along with the Company's continued commitment to drive sales growth by ensuring that the Company's brand and products evolve in line with changing consumer dynamics, should provide further opportunities to grow operating profits. The Company holds investments in the Group's trading entities, providing substantial dividend income annually.

Statement on Section 172 of the Companies Act 2006

The ongoing sustainable success of the business is dependent on our relationship with a wide range of stakeholders, including consumers, employees, suppliers, retailers, governments and non-governmental organisations.

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

Building and maintaining trust with our stakeholders underpins the success and reputation of the Company. Through stakeholder collaboration we aim to develop the Company, minimise our environmental impact, make a positive social contribution and uphold high standards of governance. The output of our stakeholder engagement activities is shared with the Board and taken into consideration when making business decisions.

The Company is involved in Group wide stakeholder focused initiatives to consider the needs of stakeholders. These include appointing a dedicated workforce engagement director sitting on the Group board, supply chain strategy reviews to mitigate human rights abuses, customer visits and market deep dives.

This section of the report provides an overview of the dialogue we had with our key stakeholders during the year.

| Stakeholder | What matters to these stakeholders | Engagement in 2020 |
|-------------|--|--|
| Consumer | <ul style="list-style-type: none">• Choice and satisfaction• Product quality and availability• Innovation• Potentially less harmful Next Generation Products• Affordability and value• Responsible marketing practices• Impact of COVID-19 | <ul style="list-style-type: none">• Consumer panel testing• Ongoing focus on product stewardship• Consumer services• Product innovation and quality investments |

IMPERIAL TOBACCO LIMITED

Strategic Report

Statement on Section 172 of the Companies Act 2006 (continued)

| Stakeholder | What matters to these stakeholders | Engagement in 2020 |
|-------------------------------|---|---|
| Employees | <ul style="list-style-type: none"> • Impact of COVID-19 • Health, safety and wellbeing • Support for local communities • Flexible ways of working • Reward • Business change explained • Career development opportunities • Diversity, inclusion and belonging • Ethics and responsibility • How we manage our ESG responsibilities | <ul style="list-style-type: none"> • Regular Group, functional and local communications • Group CEO town hall meetings and market visits (mostly virtual in the second half) • Regular communications from the Group Board and ExCom • Employee engagement surveys • Explaining the role of the new Group Workforce Engagement Director • Training, development and learning programmes • Feedback from Group surveys and town hall meetings used by the Board to develop future engagement activities |
| Governments and wider society | <ul style="list-style-type: none"> • Reliable taxation and excise revenues • Public health impacts • Countering illicit trade and youth access • Responsible use of natural resources • Community investment • Impact of COVID-19 | <ul style="list-style-type: none"> • Collaboration with law enforcement agencies to combat illicit trade • Submissions to peer reviewed journals • Science-based carbon reduction targets • Sustainability reporting • CDP environmental disclosure • Board approval of Modern Slavery Statement • Group Audit Committee and Board review of tax audits and litigation and approval of provisions |
| Retailers | <ul style="list-style-type: none"> • A diverse portfolio of quality products • Profitable growth opportunities • Expert sales and technical advice • Effective account management • Support to address illicit trade and underage sales • Impact of COVID-19 | <ul style="list-style-type: none"> • Customer loyalty programmes • Support for youth access prevention • Support to ensure regulatory compliance • Investment in anti-illicit trade investigations • Data and insights gathered from Group CEO market visits shared with Board and informed strategic review |
| Suppliers | <ul style="list-style-type: none"> • Fair contract and payment terms • Impact of COVID-19 • Business continuity • Environmental, Social and Governance performance • Maximising quality tobacco yields • Collaboration opportunities | <ul style="list-style-type: none"> • Supplier qualification programme • Vendor rating system and engagement • Sustainable Tobacco Programme enhancements • Ongoing engagement and performance reviews • Carbon emissions webinar • Leaf Partnership funds |

Consumers

Millions of adults worldwide choose to enjoy our tobacco and NGP products. Meeting their expectations of quality and understanding their evolving needs is vital for the long-term sustainable growth of our business. Engagement with consumers this year has continued to inform brand and product investment decisions.

The Board is briefed regularly on our product portfolio in both NGP and tobacco and how these meet adult consumer expectations. Together with market deep dives these assist the Board in understanding how its decisions impact consumer satisfaction and post purchase experiences.

IMPERIAL TOBACCO LIMITED

Strategic Report

Employees

The Company's employment policies aim to attract, retain, train and motivate the very best people, recognising that this can be achieved only through offering equal opportunities and giving fair consideration to applications for employment, career development and promotion without having regard to an employee's gender, race, religion, age or disability. These policies also cover the continuation of employment and appropriate training for employees who become disabled during their employment.

To ensure employees can share in our success, the Company offers competitive pay and benefit packages linked, wherever possible, to performance. Employees are encouraged to build an ownership stake in Imperial Brands PLC shares, with a number of employee share plans offered during the year.

The Company is committed to providing an environment that encourages the continuous development of all its employees through skills enhancement and training programmes.

Employees are kept aware of the financial and economic factors affecting the performance of the Company. The Company provides employees systematically with information on matters of concern to them, and consults employees or representatives on a regular basis so views of employees are taken into account when making decisions. To progress this aim further employee representatives are briefed on pan-European issues through the Imperial Tobacco European Employee Works Council.

Information concerning employees and their remuneration is given in note 6 to the financial statements.

Governments & wider society

We are transparent about the way we operate and seek to work together with a broad range of authorities and non-governmental organisations to address challenges and realise opportunities. Throughout the year, we continued to engage on regulatory issues and other areas of shared interest. During the coronavirus lockdown we increased engagement with a multitude of societal stakeholders to better understand how we could provide support.

The Board and Audit Committee receive regular updates covering anti-illicit trade activities, the status of engagement with taxation authorities, excise matters, litigation and evolving product regulation in respect of both tobacco and NGP.

Streamlined Energy and Carbon Reporting (SECR)

The Company is exempt from the UK Streamlined Energy and Carbon Reporting (SECR) regulations. The performance of the Imperial Brands PLC Group in respect of these regulations can be found in the Group's annual report on page 22.

Retailers

We seek to develop partnerships that recognise the commercial objectives of retailers and the importance of responsible sales practices. This year's engagement included explaining our customer loyalty programmes and regulatory developments. In the second half, the focus shifted to discuss how we were maintaining product supply in a COVID-19 environment.

IMPERIAL TOBACCO LIMITED

Strategic Report

Suppliers

We maintain strong relationships with our tobacco, non-tobacco and NGP suppliers to ensure sustainable supply and business continuity. We seek to work with suppliers to identify and action opportunities to improve our collective impact on society. This year we engaged with key suppliers on carbon emissions and reduction targets.

The Board reviews our supply chain strategies, including actions to mitigate supply disruption. The Board reviews the Modern Slavery Statement and activities to eliminate child labour to address the risk of human rights issues across our supply chain.

COVID-19

Imperial Brands Group continues to be impacted by the global Coronavirus (COVID-19) pandemic, which resulted in unprecedented government restrictions on the normal operations of the Group and Company across many countries. The restrictions put in place initially resulted in a number of office and factory closures. The Company has responded by adapting working practices through activities such as strengthening our IT infrastructure and accelerating the roll-out of software to facilitate remote team-working, as well as encouraging a more flexible approach. There have been modifications to working practices including changing shift patterns to ensure appropriate infection controls and social distancing for employees in manufacturing facilities. As a result of this, manufacturing plants have continued to operate and the Company is able to both produce and distribute product to customers to meet demand, while complying with all necessary safety precautions to protect staff and business partners from the risks arising from the pandemic.

To date, the observable impacts on the Company's activities have been limited to low level changes in credit risk in the duty free and travel retail operations area. The Company is not aware of any post year end impairments to its investments specifically associated with the impact of the pandemic.

Brexit

The UK formally exited from the European Union (EU) on 31 January 2020, and entered into a transition trading arrangement until 31 December 2020. On 30 December 2020, after the end of the accounting period, a trade deal was agreed between the UK and EU. The Company has considered the potential impacts of the trade deal and does not expect any material adverse consequences from the UK's exit from the EU.

On behalf of the Board



T R W Tildesley
Director
31 March 2021

IMPERIAL TOBACCO LIMITED

Directors' Report

The Directors submit their report together with the Strategic Report and audited financial statements of the Company for the year to 30 September 2020.

Future developments and going concern

Future developments are set out in the Strategic Report.

The Directors are satisfied that the Company has adequate resources to meet its operational needs for the foreseeable future. The Company has net current liabilities of £8,518 million as at 30 September 2020, including £8,364 million relating to intra-group payables and receivables. The Directors of the Company have assurances of unconditional committed financial support from Imperial Brands PLC, the ultimate parent company, and that this will continue for at least 12 months from the date of signing of the financial statements. Imperial Brands Plc has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 140 of the Imperial Brands Plc Annual Report for the year ended 30 September 2020. The Directors, having made inquiries are satisfied that there has been no deterioration in the ability of the Group to provide financial support since this date. Therefore the Directors continue to adopt the going concern basis in preparing the financial statements.

Financial risk management policy

Financial risk management policies are detailed in the Strategic Report.

Share capital

Details of the Company's share capital are shown in note 21 to the financial statements.

Dividends

As set out in the Strategic Report, the Directors do not propose a final dividend (2019: £nil). No interim dividends have been paid (2019: £nil).

Qualifying third party indemnity provisions

Imperial Brands PLC has purchased Directors' and Officers' liability insurance that has been in force during the financial year and is currently in force at the date of approval of these financial statements. The Directors of the Company have the benefit of this insurance, which is a qualifying third party indemnity provision as defined by the Companies Act 2006.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J M Downing
O R Tant
T R W Tildesley
M A Wall

Employees

The Company's policy on involving UK employees in its affairs is set out in the Strategic Report.

Suppliers, customers and others

The Company's need to foster business relationships with suppliers, customers and others is set out in the Strategic Report.

IMPERIAL TOBACCO LIMITED

Directors' Report

Statement of Corporate Governance Arrangements

Imperial Brands PLC Group is compliant with the 2018 UK Corporate Governance Code which has been adopted for the Company for the year ending 30 September 2020. The details can be found in the Group's annual report on pages 62 and 63 which do not form a part of these financial statements, but is available at www.imperialbrandsplc.com.

Branches outside the UK

The Company operates an overseas branch in France.

Post balance sheet events

The impact of the Covid-19 pandemic in 2020 which continues to affect operations in 2021 and the mitigating actions taken by the Company are described within note 2 - Basis of Preparation - Going Concern.

A legal case has been filed against the Imperial Brands PLC Group and five of its subsidiaries, including the Company, in December 2020 relating to human rights issues in Malawi. Note 23 - Post balance sheet events contains further details.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in FRS 101 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

IMPERIAL TOBACCO LIMITED

Directors' Report

Statement of Directors' responsibilities in respect of the financial statements (continued)

Disclosure of information to Auditors

In the case of each Director in office at the date the Directors' Report is approved:

- so far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- they have each taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Independent Auditors

In the absence of a notice proposing that the appointment of Ernst & Young LLP as Auditors of the Company should be brought to an end, the Auditors will be deemed to be re-appointed for the next financial year.

On behalf of the Board



T R W Tildesley

Director

31 March 2021

IMPERIAL TOBACCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL TOBACCO LIMITED

Opinion

We have audited the financial statements of Imperial Tobacco Limited for the year ended 30 September 2020 which comprise Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 2 to 9, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

IMPERIAL TOBACCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL TOBACCO LIMITED

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 8 and 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

IMPERIAL TOBACCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL TOBACCO LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

The image shows a handwritten signature in black ink that reads "ERNST & YOUNG LLP". The signature is written in a cursive, flowing style.

Marcus Butler (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London
31 March 2021

IMPERIAL TOBACCO LIMITED

Income Statement

For the year ended 30 September

| (In £ million) | Note | 2020 | 2019 |
|---|------|----------------|---------|
| Revenue | 4 | 4,507 | 4,228 |
| Duty and similar items | | (3,559) | (3,363) |
| Other cost of sales | | (130) | (125) |
| Cost of sales | | (3,689) | (3,488) |
| Gross profit | | 818 | 740 |
| Distribution, advertising and selling costs | | (162) | (139) |
| Impairment of investments | 5 | (29) | (2,630) |
| Restructuring costs | 5 | (32) | (22) |
| Other administrative income | | 21 | 115 |
| Administrative and other (expenses)/income | | (11) | 93 |
| Operating profit/(loss) | 5 | 616 | (1,936) |
| Income from shares in group undertakings | | 514 | 2,931 |
| Finance income | 7 | 352 | 23 |
| Finance costs | 8 | (615) | (305) |
| Other finance income - pensions | 20 | 11 | 17 |
| Net finance costs | | (252) | (265) |
| Profit before taxation | | 878 | 730 |
| Tax on profit | 9 | (210) | (87) |
| Profit for the financial year | | 668 | 643 |

IMPERIAL TOBACCO LIMITED

Statement of Comprehensive Income

For the year ended 30 September

| (In £ million) | Note | 2020 | 2019 |
|--|------|------|------|
| Profit for the financial year | | 668 | 643 |
| Other comprehensive income/(expense) | | | |
| Exchange movements | | 107 | (3) |
| Items that may be reclassified to profit and loss | | 107 | (3) |
| Actuarial gain/(loss) on pension scheme | 20 | 268 | (65) |
| Deferred tax relating to actuarial movement on pension scheme | | (51) | 11 |
| Items that will not be reclassified to profit and loss | | 217 | (54) |
| Other comprehensive income/expense for the year, net of tax | | 324 | (57) |
| Total comprehensive income for the year | | 992 | 586 |

IMPERIAL TOBACCO LIMITED

Balance Sheet

At 30 September

| (In £ million) | Note | 2020 | 2019 |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Intangible assets | 11 | 58 | 61 |
| Investments | 12 | 24,164 | 23,523 |
| Property, plant and equipment | 13 | 19 | 17 |
| Right of use assets | 14 | 39 | - |
| | | 24,280 | 23,601 |
| Current assets | | | |
| Retirement benefit assets - amounts falling due after more than one year | 20 | 879 | 536 |
| Inventories | 15 | 78 | 34 |
| Debtors: amounts falling due within one year | 16 | 346 | 435 |
| Cash at bank and in hand | | 14 | 11 |
| | | 1,317 | 1,016 |
| Provisions for liabilities | 18 | (7) | (6) |
| Lease liabilities | 14 | (3) | - |
| Creditors: amounts falling due within one year | 17 | (9,825) | (10,018) |
| Net current liabilities | | (8,518) | (9,008) |
| Total assets less current liabilities | | 15,762 | 14,593 |
| Provisions for liabilities | 18 | (22) | - |
| Deferred tax liabilities | 19 | (159) | (83) |
| Lease liabilities | 14 | (36) | - |
| Net assets | | 15,545 | 14,510 |
| Equity | | | |
| Called up share capital | 21 | 19 | 19 |
| Share premium account | | 11,643 | 11,620 |
| Retained earnings | | 3,883 | 2,871 |
| Total equity | | 15,545 | 14,510 |

The notes on pages 17 to 69 are an integral part of these financial statements.

The financial statements on pages 13 to 69 were approved by the Board of Directors on 31 March 2021 and signed on its behalf by:



T R W Tildesley
Director

Company Number : 01860181

IMPERIAL TOBACCO LIMITED

Statement of Changes in Equity

For the year ended 30 September

| (In £ million) | Called up share capital | Share premium account | Retained earnings | Total equity |
|---|----------------------------|--------------------------|----------------------|---------------|
| At 1 October 2019 | 19 | 11,620 | 2,871 | 14,510 |
| Premium on issuing shares | - | 23 | - | 23 |
| Profit for the financial year | - | - | 668 | 668 |
| Exchange movements | - | - | 107 | 107 |
| Actuarial expense on pension scheme | - | - | 268 | 268 |
| Deferred tax relating to actuarial movement on pension scheme | - | - | (51) | (51) |
| Other comprehensive expense | - | - | 324 | 324 |
| Total comprehensive income | - | - | 992 | 992 |
| Transactions with owners | | | | |
| Costs of employees' services compensated by share schemes | - | - | 20 | 20 |
| At 30 September 2020 | 19 | 11,643 | 3,883 | 15,545 |
| At 1 October 2018 | 19 | 11,620 | 2,262 | 13,901 |
| Profit for the financial year | - | - | 643 | 643 |
| Exchange movements | - | - | (3) | (3) |
| Actuarial gain on pension scheme | - | - | (65) | (65) |
| Deferred tax relating to actuarial movement | - | - | 11 | 11 |
| Other comprehensive income | - | - | (57) | (57) |
| Total comprehensive income | - | - | 586 | 586 |
| Transactions with owners | | | | |
| Costs of employees' services compensated by share schemes | - | - | 23 | 23 |
| At 30 September 2019 | 19 | 11,620 | 2,871 | 14,510 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of the Company for the year ended 30 September 2020 were authorised for issue by the board of directors on 31 March 2021, and the balance sheet was signed on the board's behalf by T R W Tildesley. Imperial Tobacco Limited is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales.

These financial statements were prepared in accordance with the Companies Act 2006, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest million pounds (£m) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of Imperial Brands PLC, registered in the United Kingdom. The results of the Company are included in the consolidated financial statements of Imperial Brands PLC which are available from 121 Winterstoke Road, Bristol, BS3 2LL or on its website www.imperialbrandsplc.com.

Going concern

The Directors are satisfied that the Company has adequate resources to meet its operational needs for the foreseeable future. The Company has net current liabilities of £8,518 million as at 30 September 2020, including £8,364 million relating to intra-group payables and receivables. The Directors of the Company have assurances of unconditional committed financial support from Imperial Brands PLC, the ultimate parent company, and that this will continue for at least 12 months from the date of signing of the financial statements. Imperial Brands Plc has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 140 of the Imperial Brands Plc Annual Report for the year ended 30 September 2020. The Directors, having made inquiries are satisfied that there has been no deterioration in the ability of the Group to provide financial support since this date. Therefore the Directors continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to Companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101), and FRS 101 as issued by the Financial Reporting Council, on a going concern basis. The financial statements have been prepared consistently during the current and preceding year, except for newly applicable standards.

The financial statements have been prepared on the historical cost basis, except as described in the accounting policies on foreign currency and investments below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the period and of assets and liabilities at the balance sheet date. The key estimates and assumptions are set out in note 3 Critical Accounting Estimates and Judgements. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgement at the date of the financial statements. In the future, actual experience may deviate from these estimates and assumptions. This could affect future financial statements as the original estimates and assumptions are modified, as appropriate, in the year in which the circumstances change.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

2. Accounting policies (continued)

Basis of preparation of financial statements (continued)

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available in the preparation of the financial statements, as detailed below:

- Paragraph 38 of IAS 1 'Presentation of financial statements' - comparative information requirements in respect
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment'; and
 - (iii) paragraph 118(e) of IAS 38 'Intangible assets' - reconciliations between the carrying amount at the beginning and end of the period;
- The following paragraphs of IAS 1 'Presentation of financial statements':
 - (i) 10(d) - statement of cash flows;
 - (ii) 10(f) - a statement of financial position as at the beginning of the preceding period when an entity applied an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements;
 - (iii) 16 - statement of compliance with all IFRS;
 - (iv) 38A - requirement for minimum of two primary statements, including cash flow statements;
 - (v) 38B-D - additional comparative information;
 - (vi) 40A-D - requirements for a third statement of financial position;
 - (vii) 111 - cash flow information; and
 - (viii) 134-136 - capital management disclosures;
- IAS 7 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting Policies, changes in accounting estimates and errors' - requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective;
- Paragraph 17 of IAS 24 'Related party disclosures' - key management compensation;
- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- IFRS 7 'Financial Instruments: Disclosures'.
- Paragraph 58 of IFRS 16 'Leases', provided that the disclosure details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities in total.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet date.

Transactions in currencies other than pound sterling are initially recorded at the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates ruling at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement with exchange differences arising on trading transactions being reported in operating profit, and those arising on financing transactions being reported in net finance costs.

The carrying amounts of foreign currency investments are translated at the rates of exchange ruling at the balance sheet date and resulting exchange differences are offset against exchange gains or losses on the translation of intra-group borrowings in reserves, through the Statement of Comprehensive Income.

The Company holds fair value hedges against certain investments. Gains or losses on these hedges, that are regarded as highly effective, are taken to the income statement, where they offset gains or losses on translation of the investments within net finance income / costs.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

2. Accounting policies (continued)

Revenue

Revenue comprises the invoiced value for the sale of goods and services net of sales taxes, rebates and discounts. Revenue is based on the completion of performance obligations that constitute the delivery of goods and completion of services. The performance obligation is recognised as complete at the point in time when products have been delivered to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Performance obligations associated with services, which include fees for distributing certain third party products, are linked to the delivery of those services. Income arising from the licencing or sale of intellectual property, occurring in the ordinary course of business, is treated as revenue. Licencing revenue will be recognised over the period of the licence while revenue is recognised immediately on the sale of intellectual property where that represents a long-term right to use the asset.

Payments are made to both direct and indirect customers for rebates, discounts and other promotional activities. Direct customers are those to which the Company supplies goods or services. Indirect customers are other entities within the supply chain to the end consumer. Rebates and discounts are deducted from revenue. Where the contract with customers has an entitlement to variable consideration due to the existence of retrospective rebates and discounts, revenue is estimated based on the amount of consideration expected to be received. This estimation is a determination of the most likely amount to be received using all known factors including historic experience. Typically there is a high degree of certainty over the amount of retrospective rebates/discounts paid due to relatively low year on year variations in the volume and pattern of product sales. As the provision of distribution services typically involves product delivery tasks undertaken in a short period of time, revenue and any associated rebates and discounts relating to these services do not normally span an accounting year end.

Payments for promotional activities will also be deducted from revenue where the payments relate to goods or service that are closely related to or indistinct from associated sales of goods or services to that customer. The calculated costs are accrued and accounted for as incurred and matched as a deduction from the associated revenues (i.e. excluded from revenues reported in the Company's income statement).

Duty and similar items

Duty and similar items includes duty and levies having the characteristics of duty. As the duty is a production tax, duty is included in revenue and in cost of sales in the income statement.

Income from subsidiary

Dividend income from subsidiary entities is recognised in the period in which the right to receive payment is established.

Interest

Interest payable and receivable is recognised in the income statement on an accrual basis.

Taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in the shareholders' funds, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous periods.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

2. Accounting policies (continued)

Taxes (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax is measured on a non-discounted basis.

Dividends

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

Intangible assets

Intangible assets are shown in the balance sheet at historical cost less accumulated amortisation and impairment. Costs incurred after initial recognition are included in the assets' carrying amounts or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably.

Intangible assets comprise software and intellectual property. Intangible assets are amortised so as to write down the initial costs of each asset to its residual value on a straight line basis over its estimated useful life of between 3 and 20 years.

Investments

Investments held as fixed assets comprise the Company's investment in subsidiaries and are predominantly shown at historic purchase cost less any provision for impairment. The exception is when a fair value hedge is in place whereby the investment is revalued at the rate prevailing at the period end, with any foreign exchange movement taken to the net finance income / costs.

Impairment of Investments

Investments are tested for impairment annually to ensure that the carrying value of the investment is supported by their recoverable amounts.

Property, plant and equipment

Property, plant and equipment are shown in the balance sheet at historical cost less accumulated depreciation and impairment. Costs incurred after initial recognition are included in the assets' carrying amounts or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation is provided on other property, plant and equipment so as to write down the initial cost of each asset to its residual value over its estimated useful life as follows:

| | | |
|-----------------------------|----------------|----------------------------------|
| Land and buildings | up to 50 years | straight line |
| Plant and machinery | 5 - 17 years | straight line / reducing balance |
| Fixtures and motor vehicles | 3 - 4 years | straight line |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

2. Accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in first out (FIFO) method. The cost of finished goods comprises costs incurred bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle that obligation, and a reliable estimate of the amount can be made.

A provision for restructuring is recognised when the Company has approved a detailed formal restructuring plan, and the restructuring has either commenced or has been publicly announced, and it is more likely than not that the plan will be implemented, and the amount required to settle any obligations arising can be reliably estimated. Future operating losses are not provided for.

Financial Instruments

Receivables held under a hold to collect business model are stated at amortised cost. Receivables held under a hold to sell business model, which are expected to be sold via a non-recourse factoring arrangement are separately classified as fair value through profit or loss, within trade and other receivables.

The calculation of impairment provisions is subject to an expected credit loss model, involving a prediction of future credit losses based on past loss patterns. The revised approach involves the recognition of provisions relating to potential future impairments, in addition to impairments that have already occurred. The expected credit loss approach involves modelling of historic loss rates, and consideration of the level of future credit risk. Expected loss rates are then applied to the gross receivables balance to calculate the impairment provision.

Cash and cash equivalents include cash in hand and deposits held on call, together with other short-term highly liquid investments.

Retirement benefit schemes

The Company participates, together with other group companies, in a pension scheme for its employees, the Imperial Tobacco Pension Fund (the Scheme), which is of a defined benefit type. As it has not been possible to identify the underlying assets and liabilities attributable to each participating company on a consistent and reasonable basis the Company recognises the entire Scheme in these financial statements as the "sponsoring company" in the Scheme.

The amount recognised in the balance sheet is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of the scheme assets to the extent that they are demonstrably recoverable either by refund or a reduction in future contributions. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

2. Accounting policies (continued)

Retirement benefit schemes (continued)

The service cost of providing retirement benefits to employees during the year is charged to operating profit. Past service costs are recognised immediately in operating profit, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time.

All actuarial gains and losses, including differences between actual and expected returns on assets and differences that arise as a result of changes in actuarial assumptions, are recognised immediately in full in the statement of comprehensive income for the period in which they arise. An interest charge is made in the income statement by applying the rate used to discount the defined benefit obligations to the net defined benefit liability of the schemes.

For defined contribution schemes, contributions are recognised as an employee benefit expense when they are due.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant and are expensed over the vesting period, based on the number of instruments that are expected to vest. For plans where vesting conditions are based on total shareholder returns, the fair value at the date of grant reflects these conditions. Earnings per share and net revenue vesting conditions are reflected in the estimate of awards that will eventually vest. Where applicable the Company recognises the impact of revisions to original estimates in the income statement, with a corresponding adjustment to equity. Fair values are measured using appropriate valuation models, taking into account the terms and conditions of the awards.

New accounting standards and interpretations

With effect from 1 October 2019, the Company has adopted IFRS 16 'Leases' to contracts which are, or contain, leases of assets. There have been no other new standards or amendments which became effective for the current reporting period that have had a material effect on the Company.

IFRS 16 'Leases'

IFRS 16 replaced IAS 17 'Leases'. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases on their balance sheets as lease liabilities with corresponding right of use assets. Lease costs are recognised in the income statement as depreciation and interest, rather than entirely as an operating cost.

IFRS 16 was applied using the modified retrospective method, to contracts that were previously identified as operating leases in accordance with IAS 17 and IFRIC 4. There was no restatement of prior periods.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

2. Accounting policies (continued)

New accounting standards and interpretations (continued)

Impact of IFRS 16 'Leases'

The impact on adoption of IFRS 16 to the Company's balance sheet at 1 October 2019 was the recognition of £43 million right of use assets, a reduction in lease prepayments of £1 million, and lease liabilities included within non-current and current liabilities of £39 million. There was no impact on retained earnings.

| (In £ million) | As reported at 30 September 2019 | IFRS 16 Adjustment | On adoption at 1 October 2019 |
|--------------------------------|--|-----------------------|-------------------------------------|
| Right of use assets | - | 43 | 43 |
| Current assets | | | |
| Debtors | 435 | (1) | 434 |
| Current Liabilities | | | |
| Creditors | (10,018) | (3) | (10,021) |
| Non-current liabilities | | | |
| Lease liabilities | - | (39) | (39) |
| Other net assets | 24,093 | - | 24,093 |
| Net assets | 14,510 | - | 14,510 |

The Company has lease contracts relating to property and other (which predominantly relates to motor vehicles). Before the adoption of IFRS 16, the Company, as lessee, classified each of its leases at the inception date as either a finance lease or an operating lease. All leases within the Company were previously classified as operating leases; no finance leases were held. In prior periods, for the operating leases, the leased assets were not capitalised and the lease payments were recognised either in the cost of sales or distribution, advertising and selling costs line items of the income statement on a straight-line basis over the lease term. Upon adoption of IFRS 16, the Company, as a lessee, applied a single recognition and measurement approach for all leases, except for short term leases, low value assets and other elections mentioned below in the practical expedients section. The Company recognised lease liabilities for future lease payments and right of use assets which represented the right of use the underlying leased assets.

The impact of IFRS 16 to the Company results for the year ending 30 September 2020 increased depreciation by £4 million relating to the depreciation on the new right of use assets and increased finance costs by £2 million relating to the interest expense on the lease liabilities recognised. Lease expense recognised in the cost of sales and distribution, advertising and selling costs expenses line items in the consolidated income statement reduced by approximately £5 million. There was £1 million reduction to cash outflows from operating activities and cash outflows from financing activities increased by £2 million.

The Company's new accounting policies upon adoption of IFRS 16 are detailed below. The weighted average incremental borrowing rate applied in discounting lease commitments was 4.8%.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

2. Accounting policies (continued)

New accounting standards and interpretations (continued)

Right of use assets

The Company recognises right of use assets, within property, plant and equipment, at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments which depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments include the exercise of purchase options if determined reasonably certain to be exercised and termination payments if the lease term reflects the exercise of an option to terminate.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate, defined as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accumulation of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term in cost of sales or distribution, advertising and selling costs.

Short term leases, leases of low value assets and practical expedients applied

The Company has applied a number of practical expedients permitted by IFRS 16. These include;

- the exclusion of leases where the lease term ends within 12 months of the commencement of the lease or date of initial application; and
- the exclusion of leases of low value assets, defined as those of less than US\$5,000.

In addition, on initial application, the Company has elected to;

- apply hindsight in determining the lease term if the contract contains options to extend or terminate the lease;
- exclude initial direct costs from the measurement of the right of use asset; and
- use a single discount rate to a portfolio of leases with reasonably similar characteristics.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

2. Accounting policies (continued)

New accounting standards and interpretations (continued)

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term in cost of sales or distribution, advertising and selling costs.

Reconciliation between Minimum Lease commitments as at 30 September 2019:

£ million unless otherwise indicated

| | |
|---|-------------|
| Minimum lease commitments at 30 September 2019 | (61) |
| Discounted to present value | 19 |
| Capitalised as lease liabilities at 1 October 2019 | (42) |
| Prepaid leases reclassified from receivables | (1) |
| Capitalised as right of use assets at 1 October 2019 | (43) |

IFRIC 23 'Uncertainty over Income Tax Treatments

IFRIC 23 'Uncertainty over income tax treatments' was adopted on 1 October 2019. The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. The adoption of this interpretation has not had a material effect on the Company's net assets or results.

New accounting standards and interpretations not yet in issue

A number of the current net investment hedges held by the Company are potentially impacted by the impending reforms to the calculation of the Interbank Offered Rates (IBOR). The amendments to IFRS 9, IAS 39 and IAS 7 - Interest Rate Benchmark Reform, effective for the year commencing 1 October 2020, give relief which will allow these hedges to continue to be treated as effective, with no changes to hedged positions.

Following the announcement of the potential discontinuation of LIBOR after the end of 2021, the Company has commenced an evaluation of the valuation of its floating rate debt and derivative positions maturing after that date. The evaluation project is ongoing and has not yet concluded. The Company currently expects that an appropriate alternative basis for the calculation of interest will be available in the event LIBOR is no longer used.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

3. Critical accounting estimates and judgements

The Company makes estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may deviate from these estimates and judgements. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year are discussed below.

Provisions

The Company holds provisions where appropriate in respect of estimated future economic outflows, principally for restructuring activity, track and trace products and return provisions (for example the characterising flavour ban) which arise due to past events. Estimates are based on management's judgement and information available at the balance sheet date. Actual outflows may not occur as anticipated, and estimates may prove to be incorrect, leading to further charges or releases of provisions as circumstances dictate.

Impairment of investment in subsidiaries

The Company holds investments in subsidiary undertakings, the value of which is assessed on an annual basis. Estimates of future cashflows are used to provide valuations of the subsidiary entities, and where there are indications that the current carrying value of the investment is greater than the valuation of the business, impairment of the investment may be required.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the accounting estimates affect the carrying values reported in the financial statements. If business conditions were different, or if different assumptions were used in the calculation of accounting estimates, it is possible that different amounts could be reported.

Retirement Benefits

Accounting for retirement benefits uses a number of accounting estimates. The valuation of the scheme requires estimates of various market, demographic and mortality assumptions, which are fully reviewed by external actuaries. Full disclosure of the estimates used in retirement benefit accounting is included within note 20.

4. Revenue

The Company is engaged in the marketing, distribution and sale of tobacco and tobacco-related products, and the marketing and sales of next generation products (NGP).

Revenue is attributed solely to UK activities and accordingly no geographical analysis of revenue, operating profit or capital employed is shown.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

5. Operating profit

Operating profit is stated after (crediting)/charging:

| (In £ million) | 2020 | 2019 |
|--|------|-------|
| Changes in inventories of finished goods and work in progress (pre-duty) | (15) | (1) |
| Amortisation | 8 | 7 |
| Depreciation expense of right of use assets | 4 | - |
| Depreciation | 4 | 5 |
| Impairment of investments | 29 | 2,630 |
| Restructuring costs | 32 | 22 |

Restructuring and integration charges above of £32 million (2019: £22 million) relate mainly to the Group's cost optimisation programmes. These charges cover mainly employee costs.

During the current year the Company has assessed the carrying value of its investments at 30 September 2020, and recorded an impairment in its investment in Imperial Tobacco Management Luxembourg sarl of £29 million.

During the prior year, following receipt of a dividend of £2,335m the Company impaired its investment in Imperial Tobacco Management Luxemburg sarl by £2,335 million. The Company also recorded an impairment in Imperial Tobacco Management Luxembourg sarl of £57 million, and an impairment of £238 million in its investment in Altadis Middle East FZCO.

Analysis of fees payable to Ernst and Young and its associates 2020 & PricewaterhouseCoopers LLP and its associates 2019

| (In £ million) | 2020 | 2019 |
|---|------|------|
| Audit of the Company financial statements | 0.1 | 0.1 |

Ernst & Young LLP was appointed the Company auditor for the year ended 30 September 2020. Accordingly, comparative figures in the table above for the year ended 30 September 2019 are in respect of remuneration paid to the Group's previous auditor, PricewaterhouseCoopers LLP and other member firms of PricewaterhouseCoopers International.

No non-audit services were provided by the Auditors.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

6. Directors and employees

Employment costs

| (In £ million) | 2020 | 2019 |
|--------------------------------|------|------|
| Wages and salaries | 105 | 121 |
| Social security costs | 15 | 10 |
| Other pension costs (note 20) | 25 | 27 |
| Share-based payments (note 24) | 14 | 16 |
| | 159 | 174 |

Pensions cost comprise £21 million cost (2019: £23 million) in respect of the defined benefit scheme, and £4 million costs (2019: £4 million cost) in respect of the defined contribution scheme.

Average number of persons (including Directors) employed by the Company during the year

| Number of employees by activity | 2020 | 2019 |
|---------------------------------|------|------|
| Production | 81 | 88 |
| Selling and distribution | 639 | 641 |
| Administration | 231 | 248 |
| | 951 | 977 |

Directors' emoluments

| (In £ thousand) | 2020 | 2019 |
|-----------------------------------|--------------|--------------|
| Emoluments | 2,981 | 2,753 |
| LTIP annual vesting ¹ | 435 | - |
| SMS annual vesting ¹ | 100 | 124 |
| Total aggregate emoluments | 3,516 | 2,877 |

¹ During the year, one Director (2019: one) exercised share options, and received shares under the Long Term Incentive Plan (LTIP) and Share Matching Scheme (SMS). No former Directors (2019: nil) additionally exercised share options under the LTIP scheme during the year. A total of 5,597 shares with a market value of £100,261 were exercised, moreover, none of the 5,597 shares relate to the highest paid director.

The total aggregate emoluments of the highest paid Director were £1,713,725 (2019: £1,399,901), including LTIP payments of £152,086 (2019: £nil) and pension benefits of £195,000 (2019: £191,360).

The Company did not pay any emoluments to past Directors (2019: nil). No pension payments were made to former Directors.

Directors' pensions

Retirement benefits are accruing under a defined benefit scheme, in respect of qualifying services of all of the Company's Directors, with the exception of any Director whose services to the Company commenced after 30 September 2010 in which case retirement benefits are accruing on a defined contribution basis.

The Company contributions paid to the UK defined contribution scheme in respect of three Directors (2019: three) were £14,000 (2019: £20,000).

The highest paid Director in continuing service is a member of the UK defined contribution scheme and the value of their accrued Retirement Account if they had left service at the year end was £284,030 (2019: £266,133).

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

7. Finance income

| (In £ million) | 2020 | 2019 |
|--|------------|-----------|
| Interest receivable from Group undertakings | 2 | 1 |
| Fair value gains associated with re-translation of investments | 350 | - |
| Fair value gains associated with hedges on foreign currency movements on investments | - | 22 |
| | 352 | 23 |

8. Finance costs

| (In £ million) | 2020 | 2019 |
|---|------------|------------|
| Interest payable to Group undertakings | 257 | 279 |
| Interest payable on bank deposits | 6 | 4 |
| Interest on lease liabilities | 2 | - |
| Fair value losses associated with re-translation of investments | - | 22 |
| Fair value losses associated with hedges on foreign currency movements on investments | 350 | - |
| | 615 | 305 |

9. Tax on profit

Analysis of charge in the year

| (In £ million) | 2020 | 2019 |
|---|------------|-----------|
| Current tax | | |
| UK corporation tax on profits for the year | 86 | 82 |
| Controlled foreign company charge | 27 | 6 |
| Adjustments in respect of prior years | 72 | (19) |
| Total current tax | 185 | 69 |
| Deferred tax | | |
| Origination and reversal of timing differences | 3 | 2 |
| Adjustments in respect of prior years | (2) | 2 |
| Impact of change in tax rate on deferred tax assets | (1) | - |
| Impact of change in tax rate on pension scheme | 11 | - |
| Movement in respect of pension scheme | 14 | 14 |
| Total deferred tax | 25 | 18 |
| Total tax | 210 | 87 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

9. Tax on profit (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is higher (2019: lower) than the standard rate of corporation tax in the UK of 19.0 per cent (2019: 19.0 per cent). The differences are explained as follows:

| (In £ million) | 2020 | 2019 |
|---|------------|-----------|
| Profit before taxation | 878 | 730 |
| Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.0 per cent (2019: 19.0 per cent). | 167 | 139 |
| Tax effects of: | | |
| Group relief claimed | (48) | (53) |
| Movement in respect of pension scheme | 14 | 14 |
| Income not subject to tax | (98) | (557) |
| Adjustments in respect of prior years | 70 | (17) |
| Controlled foreign company charge | 27 | 6 |
| Adjustments in respect of current year | 68 | 556 |
| Remeasurement of deferred tax - change in UK tax rate | 10 | (1) |
| Total tax charged to the income statement | 210 | 87 |

The corporation tax for the year has been adjusted by £48 million (2019: £53 million) due to the claim of group relief for nil consideration from (2019: nil consideration) other Imperial Brands PLC subsidiaries. Further adjustments to the tax charge include £5 million (2019: £500 million) as a permanent difference arising from investment impairments booked in the year.

Movements in current tax liability

| (In £ million) | 2020 | 2019 |
|---------------------------------------|------------|------------|
| As at 1 October | 153 | 162 |
| Charged to the income statement | 185 | 69 |
| Cash paid and balance sheet movements | (127) | (78) |
| As at 30 September | 211 | 153 |

Factors affecting future tax charges

The current year tax rate of 19.0 per cent arises from profits being taxed at 19.0 per cent for the year to 30 September 2020.

The prior period tax rate of 19.0 per cent arises from profits being taxed at 19.0 per cent until 30 September 2019. At 30th September 2019 a further reduction to 17.0 per cent on 1 April 2020 was enacted at the balance sheet date.

It was announced in the March 2020 budget that the corporation tax rate of 19.0 per cent was to be maintained, and this was substantively enacted on 17th March 2020. The tax impact of this on the opening deferred tax liability is an increase of £9.7 million.

As announced in the Chancellor's Budget on 3rd March 2021, the UK corporation tax rate is expected to increase to 25% from 1st April 2023. The effect of this increase, if applied to the deferred tax balance at 30th September 2020 would be to increase the deferred tax liability by £50.2m.

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Notes to the Financial Statements

9. Tax on profit (continued)

The Company continues to monitor developments in relation to EU State Aid investigations. On 25 April 2019, the EU Commission's final decision regarding its investigation into the UK's Controlled Foreign Company regime was published. It concludes that the legislation up until December 2018 does partially represent State Aid. The UK Government has appealed to the European Court seeking annulment of the EU Commission's decision. The Company, along with a number of UK corporates, has made a similar application to the European Court. The UK Government is obliged to collect any State Aid granted pending the outcome of the European Court process. Although the Company believes that it has no liability in respect of this issue, under a range of different interpretations of the EU Commission's decision the Company has previously disclosed that preliminary calculations indicated a range of potential liabilities depending on the basis of calculation of up to £300 million. In December 2019 HMRC issued guidance on the quantification of any potential State Aid, and subsequently requested the Company, in line with other corporates, submit an assessment of potential State Aid. Whilst the Company's position remains that no State Aid has been received, based on its submission to HMRC a potential liability of c.£100 million was reported. Based on HMRC accepting our assessment, it is expected they will seek recovery of the £100 million. On the basis the Company believes no State Aid arises, no provision has been made at this time. If payment is required, based on current advice a receivable in the same amount would be recorded. Interest would be chargeable on any recovery. Based upon current advice the Company does not consider any provision is required in relation to any other EU State Aid investigation.

10. Dividends

| (In £ million) | 2020 | 2019 |
|---|----------|----------|
| Interim dividend paid 2020 of £nil per share (2019: £nil) | - | - |
| Total ordinary share dividend paid | - | - |

The Directors do not propose a final dividend (2019: £nil).

11. Intangible assets

| (In £ million) | Intellectual property and product development | Software | Total |
|--|---|-----------|-----------|
| Cost | | | |
| At 1 October 2019 | 4 | 77 | 81 |
| Additions | 4 | 1 | 5 |
| Disposals | - | - | - |
| At 30 September 2020 | 8 | 78 | 86 |
| Accumulated amortisation and impairment | | | |
| At 1 October 2019 | - | 20 | 20 |
| Amortisation charge for the year | - | 8 | 8 |
| Disposals | - | - | - |
| At 30 September 2020 | - | 28 | 28 |
| Net book value | | | |
| At 30 September 2020 | 8 | 50 | 58 |
| At 30 September 2019 | 4 | 57 | 61 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

12. Investments

| (In £ million) | Shares in subsidiary undertakings |
|-----------------------------|-----------------------------------|
| At 1 October 2019 | 23,523 |
| Additions | 23 |
| Impairment | (29) |
| Exchange movements | 647 |
| At 30 September 2020 | 24,164 |

During the year the company acquired a further investment in Imperial Tobacco España of £23 million.

As part of the year end impairment review, the Company has recorded an impairment in Imperial Tobacco Management Luxembourg sarl of £29 million. The Directors believe that the carrying value of the investments is supported by their underlying assets and expected cashflows.

13. Property, plant and equipment

| (In £ million) | Plant and machinery | Fixtures and motor vehicles | Total |
|----------------------------------|---------------------|-----------------------------|-----------|
| Cost | | | |
| At 1 October 2019 | 15 | 56 | 71 |
| Additions | 2 | 4 | 6 |
| Disposals | - | (5) | (5) |
| At 30 September 2020 | 17 | 55 | 72 |
| Accumulated depreciation | | | |
| At 1 October 2019 | 7 | 47 | 54 |
| Depreciation charge for the year | - | 4 | 4 |
| Disposals | - | (5) | (5) |
| At 30 September 2020 | 7 | 46 | 53 |
| Net book value | | | |
| At 30 September 2020 | 10 | 9 | 19 |
| At 30 September 2019 | 8 | 9 | 17 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

14. Right of use assets and lease liability

| (In £ million) | Land and buildings | Fixtures and motor vehicles | Total |
|--|--------------------|-----------------------------|-----------|
| Cost | | | |
| At 1 October 2019 (on adoption of IFRS 16) | 41 | 1 | 43 |
| At 30 September 2020 | 41 | 1 | 43 |
| Accumulated depreciation | | | |
| At 1 October 2019 | - | - | - |
| Depreciation charge for the year | 3 | 1 | 4 |
| At 30 September 2020 | 3 | 1 | 4 |
| Net book value | | | |
| At 30 September 2020 | 38 | - | 39 |
| At 30 September 2019 | - | - | - |

Right of use assets consist of assets leased by the Company.

The movement in Lease liabilities in the year were as follows:

| (In £ million) | Lease Liabilities |
|--|-------------------|
| At 1 October 2019 (on adoption of IFRS 16) | 42 |
| Cash flow | (5) |
| Accretion of interest | 2 |
| At 30 September 2020 | 39 |

All leases are held in GBP.

Future minimum lease payments liabilities are analysed as below:

| (In £ million) | Land and buildings | Fixtures and motor vehicles | 2020 Total |
|---|--------------------|-----------------------------|------------|
| Due in less than one year | 4 | 1 | 5 |
| Due between one and five years | 15 | - | 15 |
| Due in more than five years | 35 | - | 35 |
| Total future minimum lease payments payable | 54 | 1 | 55 |
| Effect of discounting | | | (16) |
| Lease liability | | | 39 |

15. Inventories

| (In £ million) | 2020 | 2019 |
|----------------------|------|------|
| Finished inventories | 78 | 34 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

16. Debtors: amounts falling due within one year

| (In £ million) | 2020 | 2019 |
|------------------------------------|------------|------------|
| Trade receivables | 25 | 48 |
| Amounts owed by group undertakings | 321 | 380 |
| Prepayments and accrued income | - | 7 |
| | 346 | 435 |

Amounts owed by group undertakings are unsecured, have no fixed date for repayment and are repayable on demand. Within the £321 million (2019: £380 million), £311 million (2019: £370 million) is denominated in euros.

17. Creditors: amounts falling due within one year

| (In £ million) | 2020 | 2019 |
|---|--------------|---------------|
| Trade payables | 10 | 17 |
| Amounts owed to group undertakings | 8,685 | 9,297 |
| Corporation tax | 211 | 153 |
| Other taxes, duties and social security contributions | 770 | 421 |
| Accruals and deferred income | 149 | 130 |
| | 9,825 | 10,018 |

Amounts owed to group undertakings are unsecured and due within a year. Within the £8,685 million (2019: £9,297 million), £3,250 million (2019: £3,104 million) is denominated in euros.

18. Provisions for liabilities

| (In £ million) | Restructuring | Other | Total |
|-----------------------------|---------------|-----------|-----------|
| At 1 October 2019 | 4 | 2 | 6 |
| Charged in the year | 6 | 22 | 28 |
| Utilised in the year | (3) | (1) | (4) |
| Unused amounts reversed | (1) | - | (1) |
| At 30 September 2020 | 6 | 23 | 29 |

| (In £ million) | 2020 | 2019 |
|----------------|-----------|----------|
| Current | 7 | 6 |
| Non-current | 22 | - |
| | 29 | 6 |

The restructuring provision relates primarily to the costs associated with ongoing transformation programs within Finance and IT functions.

Other provisions relate primarily to the Characterising Flavour ban in the EU.

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Notes to the Financial Statements

19. Deferred tax

The provision for deferred tax consists of the following deferred tax assets / (liabilities):

| (In £ million) | 2020 | 2019 |
|--|-------|------|
| Deferred tax assets due within 12 months | 2 | 1 |
| Deferred tax assets due after more than 12 months | 6 | 7 |
| Deferred tax liabilities due after more than 12 months | (167) | (91) |
| | (159) | (83) |

Deferred tax asset/(liability)

| (In £ million) | Excess of capital allowances | Short-term timing differences | Retirement benefits | Total |
|---|------------------------------|-------------------------------|---------------------|-------|
| At 1 October 2019 | 7 | 1 | (91) | (83) |
| Charged to the income statement | (1) | 1 | (25) | (25) |
| Credited to the statement of comprehensive income | - | - | (51) | (51) |
| At 30 September 2020 | 6 | 2 | (167) | (159) |

| (In £ million) | Excess of capital allowances | Short-term timing differences | Retirement benefits | Total |
|--|------------------------------|-------------------------------|---------------------|-------|
| At 1 October 2018 | 11 | 2 | (89) | (76) |
| Charged to the income statement | (4) | (1) | (13) | (18) |
| Charged to the statement of comprehensive income | - | - | 11 | 11 |
| At 30 September 2019 | 7 | 1 | (91) | (83) |

20. Retirement benefit assets - amounts falling due after more than one year

The Company participates, together with other Group companies, in a pension scheme for its employees, the Imperial Tobacco Pension Fund (ITPF) (the Scheme), which is of a defined benefit type. The assets of the Scheme are held in trustee administered funds. The Scheme provides retirement benefits primarily on the basis of members' final salary and length of service. As it has not been possible to identify the underlying assets and liabilities attributable to each participating company on a consistent and reasonable basis the Company recognises the entire Scheme in these financial statements as the "sponsoring company" in the Scheme.

The Scheme operates under trust law and is managed and administered by the Trustees on behalf of the members in accordance with the terms of the Trust Deed and Rules and relevant legislation. The Scheme's assets are held by the trust.

Annual increases in benefits in payment are dependent on inflation so the main uncertainties affecting the level of benefits payable under the Scheme are future inflation levels (including the impact of inflation on future salary increases) and the actual longevity of the membership.

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20. Retirement benefit assets (continued)

The contributions paid to the Scheme are set by the Scheme Actuary every three years. The Scheme Actuary is an external consultant, appointed by the Trustees. Principal factors that the Scheme Actuary will have regard to include the covenant offered by the Company, the level of risk in the Scheme, the expected returns on the Scheme's assets, the results of the funding assessment on an ongoing basis and the expected cost of securing benefits if the fund were to be discontinued.

The latest valuation of the ITPF was carried out as at 31 March 2019 when the market value of the invested assets was £4,137 million. Based on the ongoing funding target the total assets were sufficient to cover 110 per cent of the benefits that had accrued to members for past service, after allowing for expected future pay increases. The total assets were sufficient to cover 106 per cent of the total benefits that had accrued to members for past service and future service benefits for current members. In compliance with the Pensions Act 2004, Imperial Tobacco Limited and the Trustee agreed a scheme-specific funding target, a statement of funding principles and a schedule of contributions accordingly.

Following the valuation, the level of employer's contributions to the scheme was reduced from £85 million per year to £65 million per year for the year to 31 March 2021. A dynamic contribution schedule has also been agreed, such that Company's contribution will reduce or increase depending upon the Fund's valuation going forward. Further contributions were agreed to be paid by the Company in the event of a downgrade of the Group's credit rating to non-investment grade by either Standard & Poor's or Moody's. In addition, surety guarantees that were provided with a total value of £600 million have been reduced to £225 million following the latest valuation and a parental guarantee with Imperial Brands PLC remains in place.

The main risk for the Group in respect of the ITPF is that additional contributions are required if the investment returns are not sufficient to pay for the benefits (which will be influenced by the factors noted above). The level of equity returns will be a key determinant of overall investment return. The investment portfolio is also subject to a range of other risks typical of the asset classes held, in particular exposure to equity markets, credit risk on bonds and exposure to the property market.

The IAS 19 liability measurement of the defined benefit obligation (DBO) and the current service cost are sensitive to the assumptions made about future inflation and salary growth levels, as well as the assumptions made about life expectation. They are also sensitive to the discount rate, which depends on market yields on sterling denominated AA corporate bonds. The main differences between the funding and IAS 19 assumptions are a more prudent longevity assumption for funding and a different approach to setting the discount rate. A consequence of the ITPF's investment strategy, with a significant proportion of the assets invested in equities and other return-seeking assets, is that the difference between the market value of the assets and the IAS 19 liabilities may be relatively volatile.

The ITPF has a pension surplus on the IAS 19 measure, in line with IFRIC 14, recognition of the net asset on the fund is only appropriate where it can be recovered. The ITPF trust deed gives the Group an ability to receive a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up the Fund or otherwise augment the benefits due to the Fund's members. Based on these circumstances, any net surplus in this scheme is recognised in full.

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Notes to the Financial Statements

20. Retirement benefit assets (continued)

The aggregate IAS 19 position is as follows:

| (In £ million) | 2020 | | | 2019 | | |
|---|----------------|--------------|-------------|---------|--------|-------|
| | DBO | Assets | Total | DBO | Assets | Total |
| At 1 October | (3,880) | 4,416 | 536 | (3,380) | 3,902 | 522 |
| Consolidated income statement (expense)/income | | | | | | |
| Current service cost | (18) | - | (18) | (16) | - | (16) |
| Past service cost - plan amendments | - | - | - | (3) | - | (3) |
| Cost of termination benefits | - | - | - | (1) | - | (1) |
| Net interest income/(expense) on net defined benefit (liability)/asset | (69) | 80 | 11 | (96) | 113 | 17 |
| Administration costs paid from plan assets | - | (3) | (3) | - | (3) | (3) |
| (Cost)/income recognised in the income statement | (87) | 77 | (10) | (116) | 110 | (6) |
| Remeasurements | | | | | | |
| Actuarial gain/(loss) due to liability experience | 26 | - | 26 | 61 | - | 61 |
| Actuarial (loss)/gain due to financial assumption changes | 263 | - | 263 | (599) | - | (599) |
| Return on plan assets excluding amounts included in net interest income above | - | (21) | (21) | - | 473 | 473 |
| Remeasurement effects recognised in other comprehensive income | 289 | (21) | 268 | (538) | 473 | (65) |
| Cash | | | | | | |
| Employer contributions | - | 85 | 85 | - | 85 | 85 |
| Employee contributions | (1) | 1 | - | (1) | 1 | - |
| Benefits paid from plan assets | 163 | (163) | - | 155 | (155) | - |
| Net cash | 162 | (77) | 85 | 154 | (69) | 85 |
| At 30 September | (3,516) | 4,395 | 879 | (3,880) | 4,416 | 536 |

Assets and liabilities recognised on the balance sheet

| (In £ million) | 2020 | 2019 |
|--------------------------------|----------------|---------|
| Retirement benefit assets | 4,395 | 4,416 |
| Retirement benefit liabilities | (3,516) | (3,880) |
| | 879 | 536 |

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Notes to the Financial Statements

20. Retirement benefit assets (continued)

Retirement benefit scheme costs charged to operating loss

| (In £ million) | 2020 | 2019 |
|--|-----------|-----------|
| Defined benefit costs in operating profit | 21 | 23 |
| Defined contribution costs in operating profit | 4 | 4 |
| Total retirement scheme costs in operating profit | 25 | 27 |

Split as follows in the income statement:

| (In £ million) | 2020 | 2019 |
|--|-----------|-----------|
| Distribution, advertising and selling costs | 8 | 8 |
| Administrative and other expenses | 17 | 19 |
| Total retirement scheme costs in operating loss | 25 | 27 |

Key figures and assumptions used in the Scheme

| (In £ million unless otherwise indicated) | 2020 | 2019 |
|--|---------|---------|
| Defined benefit obligation | 3,516 | 3,880 |
| Fair value of scheme assets | (4,395) | (4,416) |
| Net defined benefit asset | (879) | (536) |
| Current service cost | 18 | 16 |
| Employer contributions | 85 | 85 |
| Principal actuarial assumptions used (% per annum) | | |
| Discount rate | 1.7 | 1.8 |
| Future salary increases | 2.9 | 3.1 |
| Future pension increases | 2.9 | 3.1 |
| Inflation | 2.9 | 3.1 |

| | 2020 | | 2019 | |
|---------------------------------|------|--------|------|--------|
| Life expectancy at age 65 years | Male | Female | Male | Female |
| Member currently aged 65 | 21.1 | 22.7 | 22.1 | 23.7 |
| Member currently aged 50 | 22.0 | 23.8 | 23.3 | 25.5 |

Sensitivity analysis for key assumptions at the end of the reporting year

Sensitivity analysis is illustrative only and is provided to demonstrate the degree of sensitivity of results to key assumptions. Generally, estimates are made by re-performing calculations with one assumption modified and all others held constant.

| % increase in DBO | 2020 | 2019 |
|---|------|------|
| Discount rate: 0.5% decrease | 8.7 | 9.3 |
| Rate of inflation: 0.5% increase | 7.0 | 7.7 |
| One year increase in longevity for a member currently age 65, corresponding changes at other ages | 4.9 | 4.9 |

The sensitivity to the inflation assumption change includes corresponding changes to the future salary increases and future pension increases assumptions, but is assumed to be independent of any change to discount rate.

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Notes to the Financial Statements

20. Retirement benefit assets (continued)

Sensitivity analysis for key assumptions at the end of the reporting year (continued)

An approximate split of the major categories of the Scheme assets is as follows:

| (In £ million unless otherwise indicated) | 2020 | | 2019 | |
|---|------------|-----------------------------|------------|-----------------------------|
| | Fair value | Percentage of Scheme assets | Fair value | Percentage of Scheme assets |
| Equities | 1 | - | 497 | 11 |
| Bonds - index linked government | 2,344 | 53 | 1,912 | 43 |
| Bonds - corporate and other | 693 | 16 | 666 | 15 |
| Property | 533 | 12 | 563 | 13 |
| Absolute return | 809 | 18 | 732 | 17 |
| Other - including derivatives, commodities and cash | 15 | 1 | 46 | 1 |
| Fair value of scheme assets before deferred tax | 4,395 | 100 | 4,416 | 100 |

The primary investment objective is to invest the ITPF's assets in an appropriate and secure manner such that members' benefit entitlements can be paid as they fall due. Specifically the ITPF targets an expected return in excess of the growth in the liabilities, which in conjunction with the contributions paid is consistent to achieve and maintain an ongoing funding level of at least 100 per cent on a buy-out basis by 2028.

The majority of the assets are quoted. Absolute return pooled funds are in overseas, non-quoted assets.

There is now no self-investments in the Imperial Brands PLC shares following termination of the mandates that previously held these shares. As in previous years, the value of ground leases have been allocated to the property asset class.

21. Called up share capital

| (In £ million) | 2020 | 2019 |
|--|------|------|
| Authorised, allotted, called up and fully paid | | |
| 18,831,140 ordinary shares of £1 each (2019: 18,831,139) | 19 | 19 |

22. Capital commitments

| (In £ million) | 2020 | 2019 |
|--|------|------|
| Property Plant & Equipment | 23 | 4 |
| Operating leases | - | 61 |
| Intangibles | 82 | 60 |
| Contracted future expenditure but not provided in the financial statements | 105 | 125 |

23. Post balance sheet events

The Company reviews outstanding legal cases following developments in the legal proceedings at each balance sheet date, considering the nature of the litigation, claim or assessment; the legal processes and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought; the progress of the case; the opinions or views of legal counsel and other advisers; experience of similar cases; and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

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Notes to the Financial Statements

23. Post balance sheet events (continued)

To the extent that the Company's assessments at any time do not reflect subsequent developments or the eventual outcome of any claim, its future financial statements may be materially affected, with a favourable or adverse impact upon the Company's operating profit, financial position and liquidity.

In June 2020 Imperial Brands responded to a claimant law firm's allegations of human rights issues in the Malawian tobacco supply chain, which included allegations relating to child and forced labour. In December 2020 a claim was filed in the High Court against Imperial Brands plc and five of its subsidiaries, including Imperial Tobacco Limited, by a group of tobacco farm workers. Together with the other Imperial entities, Imperial Tobacco Limited intends to defend these claims. At present the Group is not in a position to evaluate the likely outcome or financial impact and therefore we have not provided anything in the accounts to reflect an economic outflow associated with this claim.

In March 2021 additional bonds covered by the guarantee scheme were issued with a face value of EUR1,000 million. Note 26 Guarantees provides further details of the guarantee scheme.

24. Share schemes

The Group operates four types of share-based incentive programmes, designed to incentivise staff and to encourage them to build a stake in the Group.

Share Matching Scheme

The purpose of the Share Matching Scheme is to encourage eligible employees to acquire and retain Imperial Brands PLC ordinary shares.

Directors and a proportion of the Company's management may elect to invest any proportion of their Share Matching Scheme Eligible Bonus in Imperial Brands PLC ordinary shares to be held by the Employee Benefit Trusts. Provided the shares are left in the Trusts for three years and the individual remains in employment within the Group, the individual will retain the original shares, including dividend roll-up, and receive additional shares on a one-for-one basis.

Long Term Incentive Plan (LTIP)

Annual conditional awards have been made to Directors and other senior executives. The conditional awards, which vest three years after grant, including dividend roll-up, are subject to the satisfaction of specified performance criteria measured over a three year performance period. Further information relating to the performance criteria and the terms of the LTIP are set out in the Annual Report of Imperial Brands PLC.

Sharesave Plan

Under the International Sharesave Plan the Imperial Brands PLC Board may offer options to purchase ordinary shares in Imperial Brands PLC to employees who enter into a savings contract. The price at which options may be offered varies depending on local laws, but will not be less than 80 per cent of the closing mid-market price of an Imperial Brands PLC ordinary share on the London Stock Exchange on the day prior to invitation. The options may normally be exercised during the six months after expiry of the savings contract, three years after entering the Plan.

Under the UK Sharesave Plan, which is part of the Group's International Sharesave Plan, the Imperial Brands PLC Board may offer options to purchase ordinary shares in Imperial Brands PLC to UK employees who enter into an HM Revenue and Customs approved Save as You Earn (SAYE) savings contract. The options may normally be exercised during the six months after the expiry of the SAYE contract, three years after entering the UK Sharesave Plan.

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Notes to the Financial Statements

24. Share schemes (continued)

Discretionary Share Awards Plan (DSAP)

Under the DSAP, one-off conditional awards are made to individuals to recognise exceptional contributions within the business. Awards, which are not subject to performance conditions and under which vested shares do not attract dividend roll-up, will normally vest on the third anniversary of the date of grant subject to the participant's continued employment. The limit of an award under the DSAP is capped at 25 per cent of the participant's salary at the date of grant. Shares used to settle awards under the DSAP will be market purchased.

Analysis of the charge to the income statement

| (In £ million) | 2020 | 2019 |
|---------------------------------|-----------|-----------|
| Share Matching Scheme | 2 | 3 |
| Long Term Incentive Plan | 10 | 11 |
| Sharesave Plan | 1 | 1 |
| Discretionary Share Awards Plan | 1 | 1 |
| | 14 | 16 |

Reconciliation of movements in awards/options

| | | | | | 2020 |
|--|-----------------------|-------------|------------------|-------------|---|
| Thousands of shares unless otherwise indicated | Share Matching awards | LTIP awards | Sharesave awards | DSAP awards | Sharesave weighted average exercise price (£) |
| Outstanding at 1 October 2019 | 240 | 2,229 | 260 | 21 | 19.27 |
| Granted | 76 | 1,154 | 348 | - | 12.37 |
| Lapsed/cancelled | (7) | (413) | (203) | - | 18.97 |
| Exercised | (211) | - | - | (11) | 17.45 |
| Outstanding at 30 September 2020 | 98 | 2,970 | 405 | 10 | 13.49 |
| Exercisable at 30 September 2020 | - | - | 8 | - | 29.62 |

| | | | | | 2019 |
|--|-----------------------|-------------|------------------|-------------|---|
| Thousands of shares unless otherwise indicated | Share Matching awards | LTIP awards | Sharesave awards | DSAP awards | Sharesave weighted average exercise price (£) |
| Outstanding at 1 October 2018 | 424 | 1,539 | 231 | 22 | 24.28 |
| Granted | 66 | 1,091 | 202 | 9 | 17.45 |
| Lapsed/cancelled | (13) | (322) | (169) | (1) | 23.82 |
| Exercised | (237) | (79) | (4) | (9) | 24.10 |
| Outstanding at 30 September 2019 | 240 | 2,229 | 260 | 21 | 19.27 |
| Exercisable at 30 September 2019 | - | - | 13 | - | 29.68 |

The weighted average Imperial Brands PLC share price at the date of exercise of awards and options was £12.53 (2019: £25.96). The weighted average fair value of Sharesave options granted during the year was £2.45 (2019: £3.54).

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Notes to the Financial Statements

24. Share schemes (continued)

Summary of awards/options outstanding at 30 September 2020

| Thousands of shares unless otherwise indicated | Number of awards/ options outstanding | Vesting period remaining in months | Exercise price of options outstanding (£) |
|--|---|--|---|
| Share Matching Scheme | | | |
| 2018 | 31 | 5 | n/a |
| 2019 | 32 | 17 | n/a |
| 2020 | 35 | 29 | n/a |
| Total awards outstanding | 98 | | |

| Thousands of shares unless otherwise indicated | Number of awards/ options outstanding | Vesting period remaining in months | Exercise price of options outstanding (£) |
|--|---|--|---|
| Long Term Incentive Plan | | | |
| 2018 | 839 | 5 | n/a |
| 2019 | 992 | 17 | n/a |
| 2020 | 1,139 | 29 | n/a |
| Total awards outstanding | 2,970 | | |

| | | | |
|--------------------------|-----|----|-------|
| Sharesave Plan | | | |
| 2017 | 8 | - | 29.62 |
| 2018 | 13 | 10 | 22.24 |
| 2019 | 36 | 22 | 17.45 |
| 2020 | 348 | 34 | 12.37 |
| Total awards outstanding | 405 | | |

| | | | |
|----------------------------------|----|----|-----|
| Discretionary Shares Awards Plan | | | |
| 2017 | - | - | n/a |
| 2018 | 2 | 11 | n/a |
| 2019 | 8 | 17 | n/a |
| Total awards outstanding | 10 | | |

The vesting period is the period between the grant of awards or options and the earliest date on which they are exercisable. The vesting period remaining and the exercise price of options outstanding are weighted averages. Participants in the Sharesave Plan have six months from the maturity date to exercise their option. Participants in the LTIP have up to seven years from the end of the vesting period to exercise their option. The exercise price of the options is fixed over the life of each option.

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Notes to the Financial Statements

24. Share schemes (continued)

Pricing

For the purposes of valuing options to calculate the share-based payment charge, the Black-Scholes option pricing model has been used for the Share Matching Scheme, Sharesave Plan and Discretionary Awards Plan. A summary of the assumptions used in the Black-Scholes model for 2020 and 2019 is as follows:

| | 2020 | | |
|--|----------------|-----------|--|
| | Share matching | Sharesave | |
| Risk-free interest rate | 0.7% | 0.2% | |
| Volatility | 29.0% | 33.8% | |
| Expected lives of options granted | 3 yrs | 3 yrs | |
| Dividend yield | 8.9% | 8.8% | |
| Fair value | £14.00 | £2.45 | |
| Share price used to determine exercise price | £18.25 | £15.20 | |
| Exercise price | n/a | £12.37 | |

| | 2019 | | |
|--|----------------|-----------|---------------|
| | Share matching | Sharesave | DSAP |
| Risk-free interest rate | 1.1% | 1.1% | 0.7-1.1% |
| Volatility | 25.0% | 24.4% | 24.7-26.3% |
| Expected lives of options granted | 3 yrs | 3 yrs | 3 yrs |
| Dividend yield | 6.7% | 6.7% | 6.7% |
| Fair value | £21.72 | £3.54 | £15.65-£21.72 |
| Share price used to determine exercise price | £26.52 | £21.81 | £18.69-£26.52 |
| Exercise price | n/a | £17.45 | n/a |

Market conditions were incorporated into the Monte Carlo method used in determining the fair value of LTIP awards at grant date. Assumptions in 2019 and 2018 are given in the following table.

| (%) | 2020 | 2019 |
|---|-----------|-------------|
| Future Imperial Tobacco Group share price volatility | 20 | 20 |
| Future Imperial Tobacco Group dividend yield | - | - |
| Share price volatility of the tobacco and alcohol comparator group | 14.7-28.3 | 14.9 - 65.6 |
| Correlation between Imperial Tobacco and the alcohol and tobacco comparator group | 22 | 27 |

25. Related party transactions

The Company has taken advantage of the Group exemption under the terms of IAS 24 from disclosing related party transactions with entities that are part of the Group since the Company is a wholly owned subsidiary of Imperial Brands PLC and is included in the consolidated financial statements of the Group, which are publicly available.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

26. Guarantees

Together with Imperial Brands PLC (IB) (the ultimate parent company), the Company acts as guarantor for the following facilities for the benefit of the overall IB Group; six committed credit facilities dated April 2020; bonds issued since September 2008 under various Euro Medium Term Noted Debt Issuance Programmes; bonds issued since February 2013 under the provisions of Sections 144 and Regulation S of the US Securities Act (1933); three uncommitted credit borrowing facilities dated March 2011, May 2017, and August 2017; International Swap and Derivatives Association agreement dated March 2012. In addition, the Company also acts as a guarantor together with IB and various other subsidiaries of IB for an uncommitted borrowing facility dated January 2007.

At 30 September 2020, the contingent liabilities totalled £16,641 million (2019: £16,753 million).

The Directors have assessed the fair value of the above guarantees and do not consider them to be material. They have, therefore, not been recognised on the balance sheet.

27. Brexit

The UK formally exited from the European Union (EU) on 31 January 2020, and entered into a transition trading arrangement until 31 December 2020. On 30 December 2020, after the end of the accounting period, a trade deal was agreed between the UK and EU. The Company has considered the potential impacts of the trade deal and does not expect any material adverse consequences from the UK's exit from the EU.

28. Related undertakings

The ultimate parent undertaking and controlling party of the Company at 30 September 2020 was Imperial Brands PLC, a company incorporated in the United Kingdom and registered in England and Wales. The smallest and largest group in which the results of the Company are consolidated is that headed by Imperial Brands PLC, whose consolidated financial statements may be obtained from the Company Secretary, 121 Winterstoke Road, Bristol, BS3 2LL.

The immediate parent undertaking of Imperial Tobacco Limited at 30 September 2020 was Imperial Tobacco Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, partnerships, associates, and joint ventures, the principal activity, the country of incorporation and the effective percentage of equity owned, as at 30 September 2020 are disclosed below.

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Registered in England and Wales, wholly owned

| Name | Principal activity and registered address |
|--|--|
| Attendfriend Limited | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England |
| British Tobacco Company Limited | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Hypofill Limited | Dormant Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England |
| Imperial Brands Enterprise Finance Limited | Provision of treasury services to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Brands Ventures Holdings Limited | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Brands Ventures Limited ^(xi) | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Investments Limited | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Altadis Limited | Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Capital Assets (1) ^(xi) | Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Capital Assets (2) ^(xi) | Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Capital Assets (3) ^(xi) | Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Capital Assets (4) | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Group Limited | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Holdings (1) Limited ^(iv) | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Initiatives | Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco International Limited | Export and marketing of tobacco products 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Lacroix Limited | Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Overseas (Polska) Limited | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Overseas Holdings (1) Limited ^(viii) | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Registered in England and Wales, wholly owned (continued)

| Name | Principal activity and registered address |
|---|--|
| Imperial Tobacco Overseas Holdings (3) Limited | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Overseas Holdings Limited | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Overseas Limited ^(x) | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Pension Trustees (Burlington House) | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Pension Trustees Limited ^(iv) | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Imperial Tobacco Ventures Limited | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| ITG Brands Limited | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Joseph & Henry Wilson Limited | Licencing rights for the manufacture and sale of tobacco products 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Nerudia Limited | Research and development of e-vapour products Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England |
| Nerudia Trading Limited | Dormant Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England |
| Nerudia Consulting Limited | Research and development of e-vapour products Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England |
| Nerudia Compliance Limited | Dormant Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England |
| Park Lane Tobacco Company Limited | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Rizla UK Limited | Entity ceased trading 121 Winterstoke Road, Bristol, BS3 2LL, England |
| Sensus Investments Limited | Dormant Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England |
| Sinclair Collis Limited ^(iv) | Dormant Distributor of tobacco products in England, Scotland and Wales 121 Winterstoke Road, Bristol, BS3 2LL, England |
| 1213509 B.C. Limited | Canada Holding investments in subsidiary companies Suite 1700. Park Place, 666 Burrard Street, Vancouver, BC. V6C2X8, Canada |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned

| Name | Country of incorporation | Principal activity and registered address |
|---|----------------------------|--|
| 800 JR Cigar Inc | United States of America | Holding investments in subsidiary companies 301 Route 10 East, Whippany, New Jersey, 07981, USA |
| Altadis Canarias SAU ⁽ⁱⁱⁱ⁾ | Spain | Marketing and sale of tobacco products in the Canary Islands C/Comandante Azcarraga 5, Madrid 28016, Spain |
| Altadis Mayotte SAS | France, Mayotte Island | Sales and distribution of tobacco products in Mayotte Island C/o SOMACO, BP 15 - Mamoudzou, 97600, Mayotte |
| Altadis Middle East FZCO | United Arab Emirates | Sales and marketing of tobacco products in the Middle East P.O. Box. No. 261718, Jebel Ali Free Zone, Dubai, 261718, United Arab Emirates |
| Altadis Ocean Indien SAS | France (La Reunion Island) | Sales and distribution of tobacco products in la Reunion Island ZI n° 2 - BP 256 - 97457 Saint Pierre Cedex, La Reunion |
| Altadis S.A.U. | Spain | Manufacture, sales and distribution of tobacco products in Spain Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain |
| AUSA Premium Cigar Holdings inc | United States of America | Holding investments in subsidiary companies c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware. 19808. USA |
| Altadis U.S.A. LLC | United States of America | Dormant c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware. 19808. USA |
| Cacique, SA - Comércio, Importação e Exportação | Brazil | Dormant Rua Marechal Deodoro, 690 - Centro Arapiraca, Alagoas, Brazil |
| Casa Blanca Inc | United States of America | Restaurant 301 Route 10 East, Whippany, New Jersey, 07981, USA |
| Casa de Montecristo Inc | United States of America | Retail Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE, 19808, USA |
| Casa de Montecristo FL LLC | United States of America | Retail C/o Corporation Service Company, 1201 Hayes Street, Tallahassee Florida 32301, USA |
| Casa de Montecristo TN LLC | United States of America | Retail CSC, 2908 Poston Avenue, Nashville, TN 37203, USA |
| Casa de Montecristo TX LLC | United States of America | Retail Corporate Service Company, 211 E. 7th Floor, Suite 260, Austin, Texas, TX 78701, USA |
| Cigar Savor Enterprises LLC | United States of America | Manufacture of tobacco products 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA |
| Coralma International SAS | France | Holding investments in subsidiary companies 143 bd Romain Rolland, Cedex 14, Paris, 75685, France |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

| Name | Country of incorporation | Principal activity and registered address |
|--|----------------------------|--|
| Cuban Cigar Brands BV (v) | Netherlands Antilles | Trademark owner N.V. Fides, 15 Pietermaai, Curaçao, Netherlands Antilles |
| Dunkerquoise des Blends SAS | France | Tobacco processing 143 bd Romain Rolland, Cedex 14, Paris, 75685, France |
| East Side Cigar, Inc | United States of America | Production and distribution of cigars Corporate Service Company, 80 State St, Albany, NY12207-2543, USA |
| Ets L Lacroix Fils NV/SA | Belgium | Manufacture and sale of tobacco products in Belgium Sint-Bavostraat 66, 2610 Wilrijk, Belgium |
| Fontem (Beijing) Technology Solutions Limited ⁽ⁱ⁾ | People's Republic of China | Research and development Room 201, Floor 2, Building 6, Yuan Dong science and technology park, 6 Hepingli North Street, Dong Cheng District, Beijing, 100013, China |
| Fontem Canada Limited ^(vii) | Canada | Import and distribution of tobacco and tobacco related products in Canada Suite 200, 389 Connell Street, Woodstock, NB, E7M 5G5, Canada |
| Fontem Holdings 1 B.V. | The Netherlands | Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands |
| Fontem Holdings 2 B.V. | The Netherlands | Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands |
| Fontem Holdings 3 B.V. | The Netherlands | Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands |
| Fontem Holdings 4 B.V. | The Netherlands | Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands |
| Fontem Holdings B.V. | The Netherlands | Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands |
| Fontem Ventures B.V. | The Netherlands | Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands |
| Huotraco International Limited | Cambodia | Production and marketing of tobacco products No 299, Preah Ang Duong Street, Sangkat Wat Phnom, Khan Daunh Penh, Phnom Penh, Cambodia |
| Imperial Brands Columbia SAS | Columbia | Import and distribution of tobacco and tobacco related products in Columbia TV21 No. 98 05, Bogata D.C. Columbia |
| Imperial Brands Finance France SAS | France | Provision of finance to other Group companies 143 bd Romain Rolland, Cedex 14, Paris, 75685, France |
| Imperial Brands Finance Netherlands B.V. | The Netherlands | Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands |
| Imperial Brands Finland Oy | Finland | Sales and marketing of tobacco products in Finland Poikluomantie 1-3, Piispanristi, 20760, Finland |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

| Name | Country of incorporation | Principal activity and registered address |
|---|----------------------------|---|
| Imperial Brands Global Duty Free & Export S.L. | Spain | Sale and export of duty-free tobacco products C/Comandante Azcarraga 5, Madrid 28016, Spain |
| Imperial Finance Ireland Limited | Ireland | Provision of finance to other Group Companies 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland |
| Imperial Finance Malta Ltd | Malta | Aragon House Business Centre, St. George's Park, St. Julians, Malta |
| Imperial Nominees Limited (ii) | New Zealand | Trustee Company 124-130, Richmond Street, Petone, Wellington, New Zealand |
| Imperial Tobacco (Asia) Pte. Ltd. | Singapore | Trading of tobacco related products 80 Robinson Road, #02-00, 068898, Singapore |
| Imperial Tobacco (Beijing) Limited ⁽ⁱ⁾ | People's Republic of China | Dormant Rm. 305 D-3F, Vantone Center, Jia No. 6 Chaowai Street, Chaoyang District, Beijing, PRC 100020, China |
| Imperial Tobacco Australia Limited | Australia | Sales and marketing of tobacco products in Australia John Player Special House, Level 4, 4-8 Inglewood Place, Norwest, NSW 2153, Australia |
| Imperial Tobacco Austria Marketing Service GmbH | Austria | Marketing of tobacco products in Austria Zieglergasse 6, A-1070 Vienna, Austria |
| Imperial Tobacco BH doo ⁽ⁱ⁾ | Bosnia-Herzegovina | Marketing and distribution of tobacco products in Bosnia Adema Buce, Sarajevo, 71000, Bosnia & Herzegovina |
| Imperial Tobacco Bulgaria EOOD ⁽ⁱ⁾ | Bulgaria | Manufacture and sale of tobacco products in Bulgaria 15 Henrich Ibsen str, Floor 4, Office 4, Sofia, 1407, Bulgaria |
| Imperial Tobacco CR s.r.o. | Czech Republic | Sales and marketing of tobacco products in the Czech Republic Radlicka 14, Prague 5, 150 00, Czech Republic |
| Imperial Tobacco Distribution EOOD ⁽ⁱ⁾ | Bulgaria | Marketing and distribution of tobacco products in Bulgaria 15 Henrich Ibsen str, Floor 4, Office 4, Sofia, 1407, Bulgaria |
| Imperial Tobacco Distribution Romania srl | Romania | Marketing and distribution of tobacco products in Romania Nicolae Canea Street no. 140-160, EOS Business Park, 1st Floor North, 2nd District, Bucharest, Romania |
| Imperial Tobacco España, S.L.U. | Spain | Holding investments in subsidiary companies C/Comandante Azcarraga 5, Madrid 28016, Spain |
| Imperial Tobacco Estonia OÜ | Estonia | Sale of tobacco products Valge 13, 11145, Tallinn, Estonia |
| Imperial Tobacco Holdings (Netherlands) B.V. | The Netherlands | Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

| Name | Country of incorporation | Principal activity and registered address |
|---|--------------------------|---|
| Imperial Tobacco Intellectual Property Limited | Ireland | Ownership of trademarks 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland |
| Imperial Tobacco International GmbH | Germany | Export and marketing of tobacco products Max-Born-Straße 4, Hamburg, 22761, Germany |
| Imperial Tobacco Ireland Unlimited Company ^(v) | Ireland | Dormant 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland |
| Imperial Tobacco Italia S.r.l. | Italy | Sales and marketing of tobacco products in Italy Via Luca Passi 22, Roma, 00166, Italy |
| Imperial Tobacco Italy S.r.l. | Italy | Holding investments in subsidiary companies Via Luca Passi 22, Roma, 00166, Italy |
| Imperial Tobacco Japan Kabushiki Kaisha | Japan | Sales and marketing of tobacco products in Japan 5-12-7 Shirokane dai, M6 Shirokane dai Building, Minato-ku, Tokyo, Japan |
| Imperial Tobacco Magyarország Dohányforgalmazó Kft (Imperial Tobacco Hungary) | Hungary | Sales and marketing of tobacco products in Hungary Váci út 141, 1138, Budapest, Hungary |
| Imperial Tobacco Management Luxembourg sarl | Luxembourg | Holding investments in subsidiary companies 56 Rue Charles Martel, L-2134, Luxembourg |
| Imperial Tobacco Marketing Sdn Bhd | Malaysia | Trading of tobacco products Symphony Corporatehouse SdnBhd, Level 8 Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia |
| Imperial Tobacco New Zealand Limited | New Zealand | Manufacture and sale of tobacco products in New Zealand 124-130, Richmond Street, Petone, Wellington, New Zealand |
| Imperial Tobacco Norway AS | Norway | Sales and marketing of tobacco products in Norway Ryensvingen 2-4, 0680, Oslo, Norway |
| Imperial Tobacco Polska Manufacturing SA | Poland | Manufacture of tobacco products in Poland Ul. Tytoniowa 2/6, Radom, 26-600, Poland |
| Imperial Tobacco Polska S.A. | Poland | Manufacture and sale of tobacco products in Poland Jankowice, ul. Przemyslowa 1, Pl-62-080, Tarnowo-Podgome, Poland |
| Imperial Tobacco Portugal SSPLC | Portugal | Advertising and support management 144, 7 DT, Avenida da Liberdade, Lisbon, Portugal |
| Imperial Tobacco Production Ukraine ⁽ⁱ⁾ | Ukraine | Manufacture of tobacco products in Ukraine ul. Akademika Zabolotnogo, 35, 03026, Kiev, Ukraine |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

| Name | Country of incorporation | Principal activity and registered address |
|---|--------------------------|--|
| Imperial Tobacco SCG doo Beograd ⁽ⁱ⁾ | Serbia | Marketing and distribution of tobacco products in Serbia Milutina Milankovica 11a, Novi Beograd, Serbia |
| Imperial Tobacco Sigara ve Tutunculuck Sanayi Ve Ticaret A.S. | Turkey | Manufacture of tobacco products in Turkey Kecilikoy OSB, Mah. Ahmet Tutuncuoglu Cad. No: 11, 45030 Yunusemre, Manisa, Turkey |
| Imperial Tobacco Slovakia a.s. | Slovak Republic | Sales and marketing of tobacco products in the Slovak Republic 7A Galvaniho, 824 53 Bratislava, Slovakia |
| Imperial Tobacco Taiwan Co Limited | Taiwan | Sales and marketing of tobacco products in Taiwan 6F 1-2 No.2 Sec 3, Minsheng E Road, Zhongshen District, Tapei, Taiwan Province of China |
| Imperial Tobacco Taiwan Manufacturing Company Limited | Taiwan | Manufacture of tobacco products in Taiwan No 8 Cyunyi Road, Jhunan, MiaoLi County 350, Taiwan Province of China |
| Imperial Tobacco Tutun Urunleri Satis Ve Pazarlama A.S. | Turkey | Sales and marketing of tobacco products in Turkey Kecilikoy OSB, Mah. Ahmet Tutuncuoglu Cad. No: 11, 45030 Yunusemre, Manisa, Turkey |
| Imperial Tobacco Ukraine ⁽ⁱ⁾ | Ukraine | Sales and marketing of tobacco products in Ukraine ul. Akademika Zabolotnogo, 35, 03026, Kiev, Ukraine |
| Imperial Tobacco Volga LLC ⁽ⁱ⁾ | Russia | Manufacture of tobacco products in Russia ul.Tomskaja 7, 400048 Volgograd, Russian Federation |
| Imperial Tobacco West Africa SAS ⁽ⁱ⁾ | Cote D'Ivoire | Holding investments in subsidiary companies Cocody-Nord, Quartier Gendarmerie, TF 5937, 01 B.P. 724 Abidjan |
| Imperial Tobacco Yaroslavl CJSC ⁽ⁱ⁾ | Russia | Manufacture of tobacco products in Russia 22, Pobedy St., 150040 Yaroslavl, 150040, Russian Federation |
| Imperial Tobacco Zagreb doo ⁽ⁱ⁾ | Croatia | Marketing and distribution of tobacco related products in Croatia Gradičanska 30, Zagreb, HR-10000, Croatia |
| IMPTOB South Africa (Pty) Limited | South Africa | Provision of services to other Group companies Suite 107, Beacon Rock, 21 Lighthouse Road, Umhlanga 4319, South Africa |
| International Marketing Promotional Services Limited | Nigeria | Sales and marketing and of tobacco products in Nigeria 13 A, Dapo Solanke Close - Lekki Phase 1, Lagos, Nigeria |
| ITB Corporation Limited | Bahamas | Trademark owner Building of the Canadian Imperial Bank of Commerce, Shirley Street, Nassau, Bahamas |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

| Name | Country of incorporation | Principal activity and registered address |
|---|--------------------------|---|
| ITB Corporation y Cía., S.R.C. | Spain | Trademark owner Calle Antonio Maura número 9, Madrid, 28014, Spain |
| ITI Cigars SL | Spain | Holding investments in subsidiary companies Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain |
| ITL Pacific (HK) Limited | Hong Kong | Manufacture and sale of tobacco and tobacco related products Room 3907-08, 39th Floor, Hopewell Centre, 183 Queens Road East, Wanchai, Hong Kong |
| J & R Tobacco (New Jersey) Corp | United States of America | Sales of tobacco and tobacco related products 301 Route 10 East, Whippany, New Jersey, 07981, USA |
| JAW-Invest Oy | Finland | Trademark owner Poikluomantie 1-3, Piispanristi, 20760, Finland |
| John Player & Sons Limited | Ireland | Sales and marketing of tobacco products in the Republic of Ireland 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland |
| John Player Ireland Pension Trustee Limited | Ireland | Sales and marketing of tobacco products in the Republic of Ireland 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland |
| JR Cigar (DC) Inc | United States of America | Sales of tobacco and tobacco related products 301 Route 10 East, Whippany, New Jersey, 07981, USA |
| JR Cigars.com, Inc. | United States of America | Sales of tobacco and tobacco related products 405 East Market Street, P.O. Drawer 1960, Smithfield, North Carolina, 27577, USA |
| JR Mooresville, Inc | United States of America | Sales of tobacco and tobacco related products 405 East Market Street, P.O. Drawer 1960, Smithfield, North Carolina, 27577, USA |
| JR Tobacco NC, Inc | United States of America | Sales of tobacco and tobacco related products 405 East Market Street, P.O. Drawer 1960, Smithfield, North Carolina, 27577, USA |
| JR Tobacco of America Inc | United States of America | Sales of tobacco and tobacco related products 327, Hillsborough Street, Raleigh, NC, 27603, USA |
| JR Tobacco of Burlington Inc | United States of America | Sales of tobacco and tobacco related products 327, Hillsborough Street, Raleigh, NC, 27603, USA |
| JR Tobacco of Michigan Inc | United States of America | Sales of tobacco and tobacco related products 601, Abbott Road, East Lansing, Ingham, MI, 48823, USA |
| JR Tobacco Outlet Inc | United States of America | Sales of tobacco and tobacco related products 301 Route 10 East, Whippany, New Jersey, 07981, USA |
| JSNM SARL | France | Trademark owner 143 bd Romain Rolland, Cedex 14, Paris, 75685, France |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

| Name | Country of incorporation | Principal activity and registered address |
|--|--------------------------|--|
| La Flor de Copan Honduras SA | Honduras (CA) | Manufacture of handmade premium cigars Zona Libre, Colonia Mejia Garcia, Frente Boulavard, Jorge Bueso Arias, Santa Rosa de Copan, Honduras |
| MYBLU Spain S.L. | Spain | Marketing and sale of e-vaopur products in Spain CR. Robledo de Chavela, S/N. San Lorenzo del Escorial, Madrid, 28200, Spain |
| Los Olvidados SRL | Dominican Republic | Manufacture and distribution of cigars 129, Independencia Street, Santiago, 51000, Dominican Republic |
| MC Management, Inc. | United States of America | Provision of services to other Group companies 301 Route 10 East, Whippany, New Jersey, 07981, USA |
| Meccarillos France, SA | Luxembourg | Holding investments in subsidiary companies Route Des Trois Cantons 9, 8399 Windhof, Luxembourg |
| Meccarillos International, SA | Luxembourg | Holding investments in subsidiary companies Route Des Trois Cantons 9, 8399 Windhof, Luxembourg |
| Meccarillos Suisse, SA | Luxembourg | Holding investments in subsidiary companies Route Des Trois Cantons 9, 8399 Windhof, Luxembourg |
| Millennium Tobacco Unlimited Company | Ireland | Provision of finance to other Group companies 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland |
| Newglade International Unlimited Company | Ireland | Dormant 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland |
| Philippine Bobbin Corporation | Philippines | Manufacture of tobacco related products Cavite Economic Zone, Phase II, Rosario, Cavite, Philippines |
| Real Club de Golf la Herrería S.A. | Spain | Management of golf course CR. Robledo de Chavela, S/N. San Lorenzo del Escorial, Madrid, 28200, Spain |
| Robert Burton Associates Limited | United States of America | Marketing of papers in the US 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, Florida, FL 33309, USA |
| Santa Clara Inc | United States of America | Distribution of cigars 327, Hillsborough Street, Raleigh, NC, 27603, USA |
| Skruf Snus AB | Sweden | Manufacture, marketing, sales of tobacco products in Sweden Kungsgatan 12-14, Floor 7, Stockholm, SE-111 35, Sweden |
| Société Centrafricaine de Cigarettes SA ⁽ⁱ⁾ | Central African Republic | Manufacture and distribution of cigarettes in Central African Republic Rue David Dacko, BP 1446, Bangui, Central African Republic |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

| Name | Country of incorporation | Principal activity and registered address |
|--|--------------------------|--|
| Société Centrafricaine de Distribution Sarl ⁽ⁱ⁾ | Central African Republic | Dormant Avenue Boganda Pk4, Bangui, Central African Republic |
| Société du Mont Nimba Sarl ⁽ⁱ⁾ | Guinee Conakry | Dormant BP 3391, Conakry, Guinea |
| Société Nationale d'Exploitation Industrielle des Tabacs et Allumettes SAS (SEITA) | France | Manufacture and sale of tobacco products in France, and export of tobacco products 143 bd Romain Rolland, Cedex 14, Paris, 75685, France |
| Société pour le Développement du Tabac en Afrique SAS | France | Purchasing company 143 bd Romain Rolland, Cedex 14, Paris, 75685, France |
| System Designed to Africa Sarl | Morocco | Distribution of tobacco products Km 17, Route national de Rabat, Ain Harrouda, Morocco |
| Tabacalera Brands SLU | Spain | Holding investments in subsidiary companies Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain |
| Tabacalera de Garcia SAS | France | Manufacture of cigars in the Dominican Republic 320, Rue Saint-Honore, Paris, 75001, France |
| Tabacalera de Garcia SAS | Dominican Republic | Manufacture of cigars in the Dominican Republic Industrial Free Zone #1, La Romana, Dominican Republic |
| Tabacalera SLU | Spain | Holding investments in subsidiary companies C/Via de los Poblados, 3 Edif. 7-8, Plantas 3a y 4a, Madrid, 28033, Spain |
| Tabacalera USA Inc | United States of America | Holding investments in subsidiary companies Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE, 19808, USA |
| Tahiti Tabacs SASU | France, Papeete (Tahiti) | Distribution of tobacco products in Denmark and Greenland PK 4, 300 Côté mer, 98701 Arue, BP 20692 Papeete, French Polynesia |
| Tobacco Products Fulfillments, Inc. | United States of America | Fulfilment services PK 4, 300 Côté mer, 98701 Arue, BP 20692 Papeete, French Polynesia |
| Tobaccor SAS ^(v) | France | Holding investments in subsidiary companies 143 bd Romain Rolland, Cedex 14, Paris, 75685, France |
| Tobačna 3DVA, trgovsko podjetje, d.o.o. | Slovenia | Retail of products in Slovenia Cesta 24., junija 90, SI 1231 Ljubljana - Črnuče, Slovenia |
| Tobačna Grosist d.o.o. | Slovenia | Marketing and distribution in Slovenia Cesta 24., junija 90, SI 1231 Ljubljana - Črnuče, Slovenia |
| Tobačna Ljubljana d.o.o. ^(v) | Slovenia | Sales and marketing tobacco products in Slovenia Cesta 24., junija 90, SI 1231 Ljubljana - Črnuče, Slovenia |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

| Name | Country of incorporation | Principal activity and registered address |
|---|--------------------------|---|
| Tobamark International SA | France | Trademark owner 143 bd Romain Rolland, Cedex 14, Paris, 75685, France |
| Urex Inversiones SA | Spain | Holding investments in subsidiary companies Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain |
| Universal Brands, S.A. | Spain | Trademark owner C/Comandante Azcarraga 5, Madrid 28016, Spain |
| Van Nelle Tabak Nederland B.V. (x) | The Netherlands | Manufacture and sale of tobacco products in the Netherlands Slachtedijk 28a, 8501 ZA, Joure, Netherlands |
| Van Nelle Tobacco International Holdings B.V. | The Netherlands | Sale of tobacco and tobacco related products Slachtedijk 28a, 8501 ZA, Joure, Netherlands |
| Von Erl. Gmbh (i) | Austria | Sale of e-vapour products in the US and Europe Alte Landstrasse 27, 6060 Hall in Tirol, Austria |

Subsidiaries: Registered in England and Wales, partly owned

| Name | Principal activity and registered address | % owned |
|--|--|---------|
| Altadis New Co Limited | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England | 81.6 |
| Congar International UK Limited | Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England | 81.6 |
| Imperial Brands Enterprise Finance Limited | Provision of treasury services to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England | 81.6 |
| La Flor de Copan UK Limited | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England | 81.6 |
| Tabacalera de Garcia UK Limited | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England | 81.6 |

Subsidiaries: Incorporated overseas, partly owned

| Name | Country of incorporation | Principal activity and registered address | % owned |
|---|--------------------------|--|---------|
| Altadis Holdings USA Inc | United States of America | Holding investments in subsidiary companies 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309, USA | 81.6 |
| Altadis Management Services Corporation | United States of America | Trademark service company 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA | 81.6 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|--|---------------------------------------|--|---------|
| Altadis Retail Corporation | United States of America | Trademark owner 300 Delaware Avenue, Ste. 1230, Wilmington, DE, 19801, USA | 81.6 |
| Altadis Shade Company LLC | United States of America | Manufacture and sale of tobacco products in the USA 217 Shaker Road, Somers, CT, 06071, USA | 81.6 |
| Be To Be Pharma, S.L.U | Spain | Distribution of pharmaceuticals Avenida de Europa No.2, Edificio Alcor Plaza/Ala Este Planta 4a - Modulo 3, Alcorcor, Madrid, 28922, Spain | 60.0 |
| CBHC Inc | United States of America | Dormant 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA | 81.6 |
| CdM Hallandale, LLC | United States of America | TBC c/o Corporation Service Company, 1201 Hays Street, Tallahassee, Florida, 32301, USA | 50.0 |
| Commonwealth Brands Inc | United States of America | Manufacture and sale of tobacco products in the USA 301 N. Scales Street, Reidsville, North Carolina, NC27320 USA | 81.6 |
| Commonwealth-Altadis, Inc | United States of America | Sales and distribution of tobacco products in the USA 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA | 81.6 |
| Compagnie Agricole et Industrielle des Tabacs Africains SAS | France | Management company 143 bd Romain Rolland, Cedex 14, Paris, 75685, France | 99.9 |
| Compagnie Agricole et Industrielle des Tabacs de Cote D'Ivoire SA, IL ⁽ⁱ⁾ | Cote D'Ivoire | In liquidation BP 418 - Bouake, Cote d'Ivoire, Cote d'Ivoire | 74.6 |
| Compagnie Réunionnaise des Tabacs SAS | France, St Pierre (La Reunion Island) | Manufacture of cigarettes ZI n° 2 - BP 256 - 97457 Saint Pierre Cedex, La Reunion | 98.6 |
| Compañía de Distribución Integral de Publicaciones Logista SLU ^(iv) | Spain | Distribution of published materials and other products C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain | 50.0 |
| Compañía de Distribución Integral Logista Holdings, S.A. ⁽ⁱⁱⁱ⁾ | Spain | Holding investments in subsidiary companies C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain | 50.0 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|---|--------------------------|---|---------|
| Compañía de Distribución Integral Logista Polska, sp. Z o.o. (SL) | Poland | Distribution of tobacco products in Poland Avenida Jerozolimskie 133/131, 02-304 Warsaw, Poland | 50.0 |
| Compañía de Distribución Integral Logista S.A.U. | Spain | Distribution of tobacco products in Spain C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain | 50.0 |
| Congar International Corp (Delaware) | United States of America | Manufacturing and distribution of mass market cigars Road 14, Km. 72.2, Ave. Antonio R. Barcelo, Cayey, DE, PR 00736, USA | 81.6 |
| Connecticut Shade Corporation | United States of America | Holding investments in subsidiary companies 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA | 81.6 |
| Consolidated Cigar Holdings Inc (vii) | United States of America | Holding investments in subsidiary companies 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309, USA | 81.6 |
| Cyberpoint, S.L.U. | Spain | Distribution of POS software C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain | 50.0 |
| Direct Products Inc (Inactive) | United States of America | Holding investments in subsidiary companies 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309, USA | 81.6 |
| Distribuidora de Ediciones SADE, SAU | Spain | Distribution of published materials and other products in Spain Calle B, esquina calle 4, s/n. Sector B, Polígono Industrial Zona Franca, 08040 Barcelona, Spain | 50.0 |
| Distribuidora de las Rias SA | Spain | Distribution of published materials and other products in Spain Avda. Cerezos, Parcela D-28, Polígono Industrial PO.CO.MA.CO , 15190 Mesoiro, La Coruña, Spain | 50.0 |
| Distribuidora del Este S.A.U. | Spain | Distribution of published materials and other products in Spain calle Frelix Rodriguez de la Fuente, 11, Parque Empresarial de Elche, 03203 Elche, Alicante, Spain | 50.0 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|--|--------------------------|--|---------|
| Distribuidora del Noroeste SL | Spain | Distribution of published materials and other products in Spain C/ Gandarón, 34, interior, Vigo, Pontevedra, 36214, Spain | 50.0 |
| Dronas 2002, SLU | Spain | Industrial parcel and express delivery service Energía, 25-29; Polígono Industrial Nordeste, Sant Andreu de la Barca, Barcelona, 08740, Spain | 50.0 |
| Fontem US, LLC. | United States of America | Sales and marketing of tobacco products in the US Suite 350, 1100 South Tryon Road, Charlotte, NC28203, USA | 81.6 |
| Imperial Tobacco Hellas S.A. | Greece | Sales and marketing of tobacco products in Greece 300 Klisthenous Str, 15344 Gerakas, Attikis, Athens, Greece | 99.5 |
| Imperial Tobacco Sales & Marketing LLC | Russia | Sales and marketing of tobacco products in Russia Degtjarnyi pereulok 4-1, 125009 Moskau, Russian Federation | 95.0 |
| Imperial Tobacco US Holdings BV | The Netherlands | Holding investments in subsidiary companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands | 81.6 |
| Imperial Tobacco TKS a.d. ⁽ⁱ⁾ | Macedonia | Manufacture, marketing and distribution of tobacco products in Macedonia ul 11, Oktomvri 125, P O Box 37, 1000 Skopje, Macedonia | 99.1 |
| Imperial Tobacco TKS a.d. - Dege Kosove | Kosovo | Manufacture, marketing and distribution of tobacco products in Kosovo Ahmet Krasniqi, Obj.Redoni C1 B Nr 23, Prishtina, Republic of Kosovo | 99.1 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|--|--------------------------|---|---------|
| Imprimerie Industrielle Ivoirienne SA ⁽ⁱ⁾ | Cote D'Ivoire | Printing company Zone Industrielle du Banco, Lots No 147-149-150, 01 BP 4124, Yopougon/Abdjan, Cote d'Ivoire | 72.8 |
| ITG Brands Holdco LLC | United States of America | Holding investments in subsidiary companies 714, Green Valley Road, Greensboro, NC 27408, USA | 81.6 |
| ITG Brands, LLC | United States of America | Marketing and distribution of tobacco products in the USA 714, Green Valley Road, Greensboro, NC 27408, USA | 81.6 |
| ITG Cigars Inc | United States of America | Manufacture and sale of cigars in the USA 2601 Tampa East Blvd, Tampa Florida FL33619-8306, USA | 81.6 |
| ITG Holdings USA Inc ^(ix) | United States of America | Holding investments in subsidiary companies C/o The Corporation Trust Co, 1209 Orange Street, City of Wilmington, County of Newcastle, DE 19801, USA | 81.6 |
| La Mancha 2000, S.A., Sociedad Unipersonal | Spain | Logistics services Av. de la Veguilla, 12-Nave A- Parcela S-120, Cabanillas del Campo, Guadalajara, 19171, Spain | 50.0 |
| Lao Tobacco Limited ⁽ⁱ⁾ | Laos | Manufacture and distribution of cigarettes in Laos KM 8, Thadeua Road, P O Box 181, Vientiane, Lao People's Democratic Republic | 53.0 |
| Logesta Deutschland Gmbh, Sociedad Unipersonal | Germany | Long haul transportation in Germany Pilotystrasse, 4, 80538 München, Germany | 50.0 |
| Logesta France SARL | France | Long haul transportation in France Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France | 50.0 |
| Logesta Gestión de Transporte SAU | Spain | Long haul transportation services in Spain C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain | 50.0 |
| Logesta Italia, S.R.L., Sociedad Unipersonal | Italy | Long haul transportation in Italy Via Valadier, 37 - 00193 Roma, Italy | 50.0 |
| Logesta Lusa LDA | Portugal | Long haul transportation in Portugal Expanso da Area Industrial do Passil, Edificio Logista, Lote 1A, Palhava, Alcochete, Portugal | 50.0 |
| Logesta Polska Sp Zoo | Poland | Long haul transportation in Poland Aleje Jerozolimskie 133/32, 02/304 Varsovia, Poland | 50.0 |
| Logista France Holding SA | France | Holding investments in subsidiary companies Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France | 50.0 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|---|--------------------------|--|---------|
| Logista France SAS | France | Holding investments in subsidiary companies Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France | 50.0 |
| Logista Payments, SL | Spain | Provision of financial services C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain | 50.0 |
| Logista Italia Spa | Italy | Long haul transportation in Italy Via Valadier, 37 - 00193 Roma, Italy | 50.0 |
| Logista Pharma SA | Spain | Distribution of pharmaceuticals Industria, 53-65, Poligono Industrial Nordeste, 08740, Sant Andreu de la Barca, Barcelona, Spain | 50.0 |
| Logista Pharma Canarias, SA | Spain | Pharmaceutical products logistics in Canary Islands C/ Entreríos Nave 3; Las Palmas de Gran Canaria, 35600, Spain | 50.0 |
| Logista Promotion et Transport SAS | France | Marketing and distribution of tobacco products in France Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France | 50.0 |
| Logista, Transportes, Transitários e Pharma, Lda., Sociedad Unipersonal | Portugal | Industrial parcel delivery and pharmaceutical logistics in Portugal Expanso da Area Industrial do Passil, Edificio Logista, Lote 1A, Palhava, Alcochete, Portugal | 50.0 |
| Logista-Dis SAU | Spain | Sale of tobacco products in Spain C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain | 50.0 |
| MABUCIG (Manufacture Burkinabe de Cigarette) | Burkina Faso | Manufacture of cigarettes in Burkina Faso Zone Industrielle de Bobo-Dioulasso, Secteur No 19, Rue 19.14 No adressage 55, B.P. 94 - Bobo Dioulasso, Burkina Faso | 72.7 |
| Macotab SAS (Manufacture Corse des Tabacs) | France, Bastia | Manufacture and sales of cigarettes Route Nationale 193, Furiani, 20600, France | 99.9 |
| Manufacture de Cigarettes du Tchad SA | Tchad | Manufacture and distribution of cigarettes in Chad 0502 rue 1039, Arrondissement 1, N'DJamena, Chad | 95.0 |
| Max Rohr, Inc | United States of America | Trademark owner 300 Delaware Avenue, Ste. 1267, Wilmington, DE, 19801, USA | 81.6 |
| Midsid – Sociedade Portuguesa de Distribuição, S.A., Sociedad Unipersonal | Portugal | Wholesale of tobacco and other products Expanso da Area Industrial do Passil, Edificio Logista, Lote 1A, Palhava, Alcochete, Portugal | 50.0 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|--|----------------------------|--|---------|
| MTOA SA ⁽ⁱ⁾ | Senegal | Manufacture and sales of cigarettes in Senegal Km 2-5 Bld du Centenaire de la commune de Dakar, Dakar, Senegal | 97.3 |
| NITAF Limited, IL ⁽ⁱ⁾ | Nigeria | In liquidation 28, Ground Floor, Ajasa Street, Off King George V Road, Onikan, Lagos, Nigeria | 50.0 |
| Promotora Vascongada de Distribuciones SA | Spain | Distribution of published materials and other products in Biscay and Santander C/ Guipúzcoa, 5, Polígono Industrial Lezama Leguizamón, 48450 Echevarri, Vizcaya, Spain | 50.0 |
| Publicaciones y Libros SA | Spain | Publishing company C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain | 50.0 |
| S3T Pte Ltd ⁽ⁱ⁾ | Singapore | Holding investments in subsidiary companies 80 Robinson Road, #02-00, 068898, Singapore | 51.0 |
| SACIMEM SA ⁽ⁱ⁾ | Madagascar | Manufacture of cigarettes in Madagascar 110 Antsirabe - Madagascar, Route d'Ambositra, BP 128, Madagascar | 65.4 |
| SITAB Industries SA ⁽ⁱ⁾ | Cote D'Ivoire | Manufacture of cigarettes in Cote D'Ivoire Rue de l'Industrie - Lot No 19, 01 - BP 607, Bouake, Cote d'Ivoire | 80.5 |
| SITAR Holding SAS | France (La Reunion Island) | Holding investments in subsidiary companies Z.I n2, B.P. 256, 97457 Saint Pierre, Ile de la Reunion, France | 99.0 |
| Société Africaine d'Impression Industrielle SA ⁽ⁱ⁾ | Senegal | Manufacture and distribution of cigarettes in Senegal route de Bel Air - Km 2200, Dakar, Senegal | 99.8 |
| Société Allumettiere Française SAS | France | Manufacture and distribution of cigarettes Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France | 50.0 |
| Société des Cigarettes Gabonaises SA ⁽ⁱ⁾ | Gabon | In liquidation 2381 bld Léon MBA, BP 2175, Libreville, Gabon | 87.8 |
| Société Industrielle et Agricole du Tabac Tropical SA ⁽ⁱ⁾ | Congo | Manufacture and distribution of cigarettes in Congo Avenue de la Pointe Hollandaise, Mpila, BP 50, Brazzaville, Congo | 89.7 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|---|--------------------------|---|---------|
| Société Ivoirienne des Tabacs SA ^{(i) (iii)} | Cote D'Ivoire | Manufacture and distribution of cigarettes in Ivory Coast Cocody-Nord, Quartier Gendarmerie, TF 5937, 01 B.P. 724 Abidjan | 74.1 |
| Société Marocaine des Tabacs SA | Morocco | Manufacture and distribution of cigarettes in Morocco Boulevard La Corniche, Anfa Place, Immeublep Bureaux Batiments Ousst, Casablanca, 20180, Morocco | 99.9 |
| SOCTAM SA ⁽ⁱ⁾ | Madagascar | Manufacture and distribution of cigarettes in Mali 15 Rue Georges V, Mahajanga, Madagascar | 50.5 |
| SOTCHADIS SAS | Chad | Non-trading 502 Rue 1039, BP 852, N'Djamena, Chad | 95.0 |
| Supergroup SAS | France | Wholesale of tobacco products Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France | 50.0 |
| Tabacalera Brands Inc | United States of America | Trademark owner 103 Foulk Road, Suite 253, Wilmington, Delaware, 19803, USA | 81.6 |
| Tabacalera de Garcia Limited | Bermuda | Holding investments in subsidiary companies C/Comandante Azcarraga 5, Madrid 28016, Spain | 81.6 |

Associates: Registered in England and Wales

| Name | Principal activity and registered address | % owned |
|--|--|---------|
| C H (Downton) Limited ^(ix) | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| F J (Downton) Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Hunters & Frankau Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Imperial Tobacco Overseas Holdings (4) Limited | Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England | 42.0 |
| Incentive Marketing Services (UK) Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Associates: Registered in England and Wales

| Name | Principal activity and registered address | % owned |
|--|--|---------|
| Jacon Financial Services Limited ^(ix) | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Joseph Samuel & Son Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Knight Brothers Cigar Shippers Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Lancha House Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Melbourne Hart & Company Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Melbourne Hart Holdings Limited ^(ix) | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Morris & Morris Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Tabaco Torcido Traders Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| The English Import Company Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |
| Tropic Tobacco Company Limited | Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England | 25.0 |

Associates: Incorporated overseas

| Name | Country of incorporation | Principal activity and registered address | % owned |
|--|--------------------------|---|---------|
| 5th Avenue Products Trading GmbH ^{(i) (iv)} | Germany | Distribution of Cuban cigars in Germany Schwarzenbergstr. 3-7 ; Waldshut-Tiengen, 79761, Germany | 27.5 |
| Athena IP Vermögensverwaltungs GmbH | Germany | Davidoff cigarette trademark owner Max-Born-Straße 4, Hamburg, 22761, Germany | 48.0 |
| Azur Finances SA | Cameroon | Holding investments in subsidiary companies B.P 1105, Douala, Cameroon | 20.0 |
| Caribbean Cigars Corporation NV ⁽ⁱ⁾ | Curacao | Distribution of Cuban cigars in the Caribbean Hato Economic Zone, Office D-28, Curacao, N.A. | 25.0 |
| Cigar Divan (Cambodia) Company Limited | Cambodia | Retail Raffles Hotel Le Royal 92, Rukhak Vithei Duan Penh, Sangkat Wat Phnom, Phnom Penh. 120211. Cambodia | 25.0 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Associates: Incorporated overseas (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|---|--------------------------|---|---------|
| Compañía Española de Tabaco en Rama SA (Cetarsa) (i) | Spain | Production and sale of raw tobacco Avenida de las Angustias, 20, 10300 Navalmoral de la Mata, Cáceres, Spain | 20.8 |
| Diadema Spa ⁽ⁱ⁾ | Italy | Distribution of Cuban cigars in Italy Via delle Terme Deciane, 10, Partita IVA 01213650995, Codice Fiscale 01374280509, 00153 Rome, Italy | 30.0 |
| Distribuidora de Publicaciones del Sur, S.A. | Spain | Distribution of published materials and other products Carretera de la Esclusa, S/N - Pariela 2, Modulo 4, Sevilla, 41011, Spain | 25.0 |
| Distribución de Publicaciones Siglo XXI, Guadalajara | Spain | Distribution of published materials and other products in Spain Francisco Medina y Mendoza, 2, 19171 Cabanillas del Campo, Guadalajara, Spain | 40.0 |
| Distribuidora Valenciana de Ediciones S.A. | Spain | Distribution of published materials and other products in Valencia Pedrapiquers, 5; Polígono Industrial Vara de Quart, 46014 Valencia, Spain | 25.0 |
| DTPU Kaliman Caribe Dooel Scopje | Macedonia | Distribution of Cuban cigars in Macedonia 5 Luj Pater Str., 1000 Scopje Center, Macedonia | 25.0 |
| Entreprises des Tabacs en Guinée ⁽ⁱ⁾ | Guinée Conakry | Dormant B.P 3391, Conakry, Guinea | 34.0 |
| Havana House Cuban Products Specialist Limited ⁽ⁱ⁾ | New Zealand | Distribution of Cuban cigars in New Zealand Level 16, 66 Wyndham Street, Auckland, New Zealand | 25.0 |
| Havana House Limited ⁽ⁱ⁾ | Canada | Distribution of Cuban cigars in Canada 9 Davies Avenue, Suite 112, Toronto ON, M4M 2A6, Canada | 25.0 |
| Imperial Brands Holdings International B.V. | The Netherlands | Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands | 48.0 |
| Imperial Tobacco Brasil Comércio de Produtos de Tabaco Ltda. | Brazil | Co-ordinating and monitoring of WEST license productions and distribution of tobacco products 5th andar (floor), Av. Brig. Faria Lima 3.729, itaim Bib, Sao Paolo, 04538-905, Brazil | 48.0 |
| Imperial Tobacco EFKA Management GmbH | Germany | Manufacture of tobacco products in Germany Max-Born-Straße 4, Hamburg, 22761, Germany | 48.0 |
| Imperial Tobacco Germany Finance GmbH | Germany | Holding investments in subsidiary companies Max-Born-Straße 4, Hamburg, 22761, Germany | 48.0 |
| Imperial Tobacco Holdings International B.V. | The Netherlands | Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands | 48.0 |
| Imperial Tobacco Kyrgyzstan LLC (i) | Kyrgyzstan | Marketing and distribution of tobacco products in Kyrgyzstan 115, Ibraimov Street, 10th Floor, Business Center 'Asyl-Tash', Bishkek, 720021, Kyrgyzstan | 48.0 |
| Kaliman Caribe doo Beograd | Serbia | Distribution of Cuban cigars in Serbia 5 Igmanska Str., Beograd, Serbia | 25.5 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Associates: Incorporated overseas (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|--|--------------------------|--|---------|
| Kaliman Caribe ood | Bulgaria | Distribution of Cuban cigars in Bulgaria 118 Bulgaria Blvd., Abacus Business Center, fl. 2, 1618 Sofia, Bulgaria | 25.5 |
| Kaliman Caribe Tirana Sh. p.k. | Albania | Distribution of Cuban cigars in Albania Sheraton Tirano Hotel and Tower, Italia Sq., fl. 1, Tirana, Albania | 25.5 |
| Kaliman Caribe yer LLC | Armenia | Distribution of Cuban cigars in Armenia V. Papazyan / 16a/ 17; Yerevan, 0012, Armenia | 25.5 |
| Lippoel Tobacco Corporation International NV | Netherlands Antilles | Distributor of Cuban leaf Pietermaai 123, P.O. BOX 897. Willemstad, Curacao, Netherlands Antilles | 27.5 |
| Logista Libros SL | Spain | Distribution of books Avda. Castilla La Mancha, 2 - Naves 3-4 del Polígono Industrial La Quinta, Cabanillas del Campo, Guadalajara, Spain | 25.0 |
| Maori Tabacs, S.A. ⁽ⁱ⁾ | Andorra | Distribution of Cuban cigars in Andorra Av. Pont De La Tosca, 13, Andorra | 25.0 |
| New Mentality Limited ⁽ⁱ⁾ | British Virgin Islands | In liquidation Portcullis TrustNet Chambers, Road Town, Tortola, 3444, British Virgin Islands | 25.0 |
| Pacific Holding (Thailand) Company Limited ^{(i) (vi)} | Thailand | Holding investments in subsidiary companies 39/7 Soi Ruamrudee 2, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Thailand | 25.0 |
| Phoenicia Beirut SAL ⁽ⁱ⁾ | Lebanon | Retail in Lebanon New Starco Center, Sixth Floor, Beirut Central District, Lebanon | 25.0 |
| Phoenicia TAA Cyprus Ltd ⁽ⁱ⁾ | Cyprus | Distribution of Cuban cigars in the Middle East and Africa 249, 28 Oct Street, Lophitis Business Center, Limassol, 3035, Cyprus | 25.0 |
| Pit Stop Limited ⁽ⁱ⁾ | British Virgin Islands | In liquidation Portcullis TrustNet Chambers, Road Town, Tortola, 3444, British Virgin Islands | 25.0 |
| Promotion et Distribution a Madagascar ⁽ⁱ⁾ | Madagascar | Distribution of cigarettes in Madagascar Tour ZITAL Ankorondrano, Antananarivo, Madagascar | 33.4 |
| Reemtsma Cigarettenfabriken GmbH | Germany | Manufacture and sale of tobacco products in Germany Max-Born-Straße 4, Hamburg, 22761, Germany | 48.0 |
| Reemtsma Kyrgyzstan OJSC (i) | Kyrgyzstan | In liquidation 249 Ibraimov Street, Bishkek, Kyrgyz Republic, | 47.9 |
| SITABAC S.A, | Cameroon | Manufacture and distribution of tobacco products in Cameroon | 21.8 |
| Société Internationale des Tabacs Malgaches ⁽ⁱ⁾ | Madagascar | Leaf processing BP 270, 401 Mahajanga, Madagascar | 47.9 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Associates: Incorporated overseas (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|--|--------------------------|--|---------|
| Société Nationale des Tabacs et Allumettes du Mali SA ⁽ⁱ⁾ | Mali | Manufacture and distribution of cigarettes in Mali Route Sotuba - Z.I., BP 59, Bamako, Mali | 28.0 |
| Terzia SPA | Italy | Wholesale to tobacconists in Italy Via Valadier, 37 - 00193 Roma, Italy | 34.0 |
| The Pacific Cigar (Thailand) Co Limited ^{(i) (vii)} | Thailand | Distribution of Cuban cigars in Thailand 25 Alma Link Building, 2nd Floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Patumwan, Bangkok Metropolis, Bangkok, Thailand | 25.0 |
| The Pacific Cigar Co. (Singapore) Pte Limited ⁽ⁱ⁾ | Singapore | Distribution of Cuban cigars in Singapore 150 Cecil Street, #15-01, 069543, Singapore | 25.0 |
| The Pacific Cigar Company (Australia) Pty Limited ⁽ⁱ⁾ | Australia | Distribution of Cuban cigars in Australia 17/23, Bowden Street Australia, Alexandria, NSW 2015, Australia | 25.0 |
| The Pacific Cigar Company (Macau) Limited ⁽ⁱ⁾ | Macau | Distribution of Cuban cigars in Macau Avenida Praia Grande No. 369-371, Edif. Keng Ou 8 Andar, A, Macau | 25.0 |
| The Pacific Cigar Company (Malaysia) SDN BHD ⁽ⁱ⁾ | Malaysia | Dormant 83A, Jalan SS15/5A, 47500 Subang Jaya, Selangor Darul, Ehsan, 47500, Malaysia | 25.0 |
| The Pacific Cigar Company (New Zealand) Limited ⁽ⁱ⁾ | New Zealand | Distribution of Cuban cigars in New Zealand Level 16, 66 Wyndham Street, Auckland, New Zealand | 25.0 |
| The Pacific Cigar Company Limited ⁽ⁱ⁾ | China | Distribution of Cuban cigars in Asia 21/F., Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong | 25.0 |
| The Pacific Cigar International Co Limited ⁽ⁱ⁾ | British Virgin Islands | Distribution of Cuban cigars in Asia Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands | 25.0 |

Joint Ventures: Incorporated overseas

| Name | Country of incorporation | Principal activity and registered address | % owned |
|--|--------------------------|--|---------|
| Altabana SL ⁽ⁱ⁾ | Spain | Holding investments in subsidiary companies involved in the marketing and sale of Cuban cigars Paseo de la Castellana, 143 - 10ºA, Madrid, 28046, Spain | 50.0 |
| Comercial Iberoamericana SA ⁽ⁱ⁾ | Spain | Wholesale and distribution of tobacco products Paseo de la Castellana, 143 - 10ºA, Madrid, 28046, Spain | 50.0 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Joint Ventures: Incorporated overseas (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|---|--------------------------|---|---------|
| Compañía de Distribución Integral Logista S.A.U. y GTECH Global Lottery, S.L.U., U.T.E. | Spain | Services and distribution C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain | 25.0 |
| Corporación Habanos SA ⁽ⁱ⁾ | Cuba | Export of cigars manufactured in Cuba Centro de Negocios Miramar, Edificio Habana, 3ra. Planta, Avenida 3ra. e/ 78 y 80, C.P.: 11300, Cuba | 50.0 |
| Coprova SAS ⁽ⁱ⁾ | France | Distribution of Cuban cigars in France 171 Avenue Jean Jaures - Paris CEDEX 19, 75927, France | 50.0 |
| Cuba Cigar, S.L. ⁽ⁱ⁾ | Spain | Distribution of Cuban cigars in the Canary Islands Avenida Andrés Perdomo S/N, Edificio de Zona Franca, Planta Baja, Puerto de la Luz (Las Palmas de Gran Canaria), 35008, Spain | 50.0 |
| Cubacigar (Benelux) N.V. ⁽ⁱ⁾ | Belgium | Distribution of cigars in Belgium Reutenbeek, 5 - 3090 Overijse, Belgium | 50.0 |
| Dalso, S.R.L. ⁽ⁱ⁾ | Dominican Republic | Distribution of Cuban cigars in Republic Dominican Avenida Gustavo Mejía Ricart esquina Avenida Abraham Lincoln, Torre Piantini, sexto piso, Ensanche Piantini, Santo Domingo, Distrito Nacional, Dominican Republic | 50.0 |
| Empor - Importação e exportação, SA ⁽ⁱ⁾ | Portugal | Distribution of tobacco products in Portugal Rua João Santos, Lote 2, Lisboa, 1300-325, Portugal | 50.0 |
| Global Horizon Ventures Limited | Hong Kong | Sales and marketing of cigarettes in Asia Room 3907-08, 39th Floor, Hopewell Centre, 183 Queens Road East, Wanchai, Hong Kong | 50.0 |
| Habanos Nordic AB ⁽ⁱ⁾ | Sweden | Distribution of Cuban cigars in Scandinavia August Barks gata 30B SE-42132 Västra Frölunda - Sweden | 50.0 |
| Infifon APS ⁽ⁱ⁾ | Denmark | Holding investments in subsidiary companies 21, INFIFON ApS, Harbour House, Sundkrogsgade, 2100 Copenhagen, Denmark | 50.0 |
| Infifon Hong Kong Limited ⁽ⁱ⁾ | China | Distribution of Cuban cigars in China 21/F, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong | 50.0 |
| Infifon I, BV ⁽ⁱ⁾ | The Netherlands | Holding investments in subsidiary companies Parklaan 34, Rotterdam, 3016 BC, Netherlands | 50.0 |
| Infifon II NV ⁽ⁱ⁾ | Netherlands Antilles | Distribution of Cuban cigars in Russia Van Engelenweg 23, Curaçao, Netherlands Antilles | 50.0 |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

Joint Ventures: Incorporated overseas (continued)

| Name | Country of incorporation | Principal activity and registered address | % owned |
|--|--------------------------|--|---------|
| International Cubana de Tabaco SA ⁽ⁱ⁾ | Cuba | Manufacture of cigarillos in Cuba Ave. Independencia #34501 entre Ave. 345 y 1ª de Mayo, Municipio Boyeros, Ciudad de La Habana, Cuba | 50.0 |
| Intertab SA ⁽ⁱ⁾ | Switzerland | Holding investments in subsidiary companies Société Fiduciaire Suisse-Coopers & Lybrand S.A., Route de la Glâne 107, Villars-sur-Glâne, 1752, Switzerland | 50.0 |
| Promotora de Cigarros SL ⁽ⁱ⁾ | Spain | Sales and marketing of cigars manufactured in Cuba Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain | 50.0 |
| Puro Tabaco SA ⁽ⁱ⁾ | Argentina | Distribution of Cuban cigars in Argentina and Chile Lavalle 445, Piso 1, Buenos Aires, Argentina | 50.0 |
| Top Cigars Corporation LLC ⁽ⁱ⁾ | Russia | Distributor of Habanos in Russia Dimitrovskoe shosse 167, 127204 Moscow, Russian Federation | 50.0 |
| West Tobacco Pte Ltd (i) | Singapore | Dormant 50 Raffles Place #32-01, Singapore Land Tower, 048623, Singapore | 24.0 |
| Xinet SA ⁽ⁱ⁾ | Uruguay | Dormant Ciudadela 1373, Montevideo, Uruguay | 50.0 |

Partnerships

The Group also owns the following partnerships:

| Name | Country | Principal activity, registered address and principal place of business |
|---|--------------------------|--|
| Fabrica de Tabacos La Flor de Copan S de R.L. de CV | Honduras | Holding investments in subsidiary companies Registered address and principal place of business: Apartado Postal 209, Colonia Mejia-García, Santa Rosa de Copán, Honduras |
| Imperial Tobacco (Efka) GmbH & Co. KG | Germany | Manufacture of tubs in Germany Registered address: Postfach 1257, Industriestrasse 6, Trossingen, 78636, Germany Principal place of business: Industriestrasse 6, Postfach 1257, D-78636 Trossingen, Germany |
| Imperial Tobacco Kazakhstan LLP ⁽ⁱ⁾ | Kazakhstan | Marketing and distribution of tobacco products in Kazakhstan Registered address and principal place of business: 3rd Floor, Prime Business Park, 100/2 Furmanov Str, Medeuskiy District, Almaty, 050000, Kazakhstan |
| ITG Brands Holdpartner LP | United States of America | Marketing and sale of tobacco products in United States of America Registered address and principal place of business: 714 Green Valley Road, Greensboro, NC27408, United States of America |

IMPERIAL TOBACCO LIMITED

Notes to the Financial Statements

28. Related undertakings (continued)

The subsidiaries listed were held throughout the year and the consolidated Group financial statements include all the subsidiary undertakings identified. All dormant UK entities have taken the exemption available to not have an audit of their financial statements.

Unless otherwise stated the entities are unlisted, have 1 type of ordinary share capital and a reporting period ending on 30 September each year.

- (i) December year end
- (ii) March year end
- (iii) Listed entity
- (iv) Holding of one type of ordinary share only (where more than one type of share is authorised / in issue).
Only applicable to partly owned entities - percentage ownership is shown in the tables above.
- (v) Holding of two types of ordinary share (where more than one type of ordinary share is authorised / in issue).
Only applicable to 100% owned subsidiaries.
- (vi) Holding of preference shares only
- (vii) Holding of ordinary and preference shares
- (viii) Holding of ordinary and redeemable shares
- (ix) Holding of ordinary and deferred shares
- (x) Holding of two types of ordinary share and redeemable shares

The percentage of issued share capital held by the immediate parent and the effective voting rights of the Group are the same except for Imperial Tobacco Italia Srl where the entire share capital, and therefore 100 per cent of the voting rights, are held by a number of Group companies, and Compañía de Distribución Integral Logista SAU, Logista France SAS, and Logista Italia SpA are 100 per cent owned subsidiaries of Compañía de Distribución Integral Logista Holdings SA, which is itself 50.01 per cent owned by Altadis SAU.