



**Imperial Tobacco Group PLC
1999 Accounts**

Financial Highlights

(in £'s million)	1999	1998	1997
Turnover	4,494 up 12%	4,029	3,878
Operating profit	518 up 19%	436	391
UK operating profit	330 up 3%	319	312
International operating profit	188 up 61%	117	79
Pre-tax profit	400 up 23%	325	307
Profit after tax	287 up 24%	231	212

(in pence)	1999	1998	1997
Basic earnings per share	55.5 up 25%	44.5	40.7
Diluted earnings per share	55.2 up 24%	44.4	40.7
Dividend per share	27.5 up 18%	23.4	21.4

Summary financial statement

The directors of Imperial Tobacco Group PLC have pleasure in presenting the summary financial statement for the year ended 25 September 1999.

Summary directors' report

The principal activities of the group, a review of its operations, the progress it has made in the year under review and likely future developments are set out in the Chairman's Statement and the Operating and Financial Review.

The financial results for the year ended 25 September 1999 are summarised below.

Directors

In accordance with Article 113 of the company's Articles of Association, Mr A G L Alexander, Mr S P Duffy and Mr C A C Inston retire at the annual general meeting and being eligible, offer themselves for re-election.

Financial results and dividends

The profit after taxation for the financial year was £287m as shown in the summary consolidated profit and loss account.

The directors have declared dividends as follows:

Ordinary shares (in £'s million)	1999	1998
Interim paid, 8.8p per share (1998: 7.6p)	46	39
Proposed final, 18.7p per share (1998: 15.8p)	96	82
Total ordinary dividends, 27.5p per share (1998: 23.4p)	142	121

The final dividend will be paid on 11th February 2000 to shareholders whose names are on the register of members at the close of business on 10th December 1999.

Summary financial statement

This financial statement is a summary of information in the Annual Report and Accounts 1999. As such, it does not contain sufficient information to allow for a full understanding of the results of the group and state of affairs of the company and the group as would be provided by full financial statements. For further information, the full annual accounts, the auditors' report on those accounts, and the directors' report should be consulted. Those shareholders who receive only the Annual Review but would like to receive, free of charge, the Annual Report and Accounts for this year and/or all future years should write to the company's registrars, or Citibank Shareholder Services, the ADR Depositary.

Auditors

The auditors' report on the Annual Report and Accounts of the group was unqualified and did not contain a statement under either section 237(2) of the Companies Act 1985 (accounting records or returns inadequate or accounts not agreeing with records and returns) or section 237(3) (failure to obtain necessary information and explanations).

Auditors' statement to the members of Imperial Tobacco Group PLC

We have examined the summary financial statements, which is set out on the following pages.

Respective responsibilities of directors and auditors

The summary financial statement is the responsibility of the directors. Our responsibility is to report to you our opinion on its preparation and consistency with the annual financial statements and directors' report.

Basis of opinion

We conducted our work in accordance with Auditing Guideline, "The auditors' statement on the summary financial statement" adopted by the Auditing Practices Board.

Opinion

In our opinion the summary financial statement is consistent with the annual financial statements and the directors' report of Imperial Tobacco Group PLC for the year ended 25th September 1999 and complies with the requirements of section 251 of the Companies Act 1985, and the regulations made thereunder.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Bristol

29th November 1999

Consolidated profit and loss accountfor the year ended 25th September 1999

(In £'s million)	Notes	1999	1998	1997
Turnover	1	4,494	4,029	3,878
Duty in turnover	2	(3,292)	(3,081)	(3,044)
Costs and overheads less other income	3	(684)	(512)	(443)
Operating profit	1	518	436	391
Net interest	5	(118)	(111)	(84)
Profit on ordinary activities before taxation		400	325	307
Taxation	6	(113)	(94)	(95)
Profit on ordinary activities after taxation		287	231	212
Dividends	7	(142)	(121)	(111)
Retained profit for the year	19	145	110	101
Earnings per ordinary share (in pence)				
Basic	8	55.5	44.5	40.7
Diluted	8	55.2	44.4	40.7
Dividends per ordinary share (in pence):				
Interim		8.8	7.6	7.2
Proposed final		18.7	15.8	14.2

The turnover and profit figures above are directly related to continuing operations. There is no difference between the profit as shown above and that calculated on an historical cost basis.

Statement of Total Recognised Gains and Losses

(In £'s million)	1999	1998	1997
Profit on ordinary activities after taxation	287	231	212
Exchange adjustments on retranslation of:			
- net investments including goodwill	(56)	40	(2)
- related borrowings	52	(39)	-
Taxation (debit)/credit on unhedged borrowings	(3)	12	-
Total recognised gains for the year	280	244	210

Consolidated Balance Sheetat 25th September 1999

(In £'s million)	Notes	1999	1998
Fixed Assets			
Intangible assets	9	145	-
Tangible assets	10	171	139
Investments	11	18	9
		334	148
Current assets			
Stocks	12	361	295
Debtors	13	262	420
Investments	11	147	142
Cash		204	72
		974	929
Creditors: amounts falling due within one year	14	(1,402)	(1,566)
Net current liabilities		(428)	(637)
Total assets less current liabilities		(94)	(489)
Creditors: amounts falling due after more than one year	14	(1,342)	(1,144)
Provisions for liabilities and charges	16	(40)	(28)
Net liabilities		(1,476)	(1,661)
Capital and reserves			
Called up share capital	17	52	52
Profit and loss reserve	19	(1,528)	(1,713)
Shareholders' funds	27	(1,476)	(1,661)

Consolidated Cash Flow Statement

for the year ended 25 September 1999

(In £'s million)	Notes	1999	1998	1997
Net cash inflow from operating activities	24	623	665	162
Returns on investments and servicing of finance				
Interest received		28	11	6
Interest paid		(149)	(109)	(80)
Net cash outflow from returns on investments and servicing of finance		(121)	(98)	(74)
Taxation		(107)	(78)	(15)
Capital expenditure and financial investment				
Purchase of tangible and intangible fixed assets		(62)	(31)	(33)
Sale of tangible fixed assets		1	1	1
Purchase of fixed asset investments		(12)	(5)	(4)
Net cash outflow from capital expenditure and financial investment		(73)	(35)	(36)
Acquisitions and disposals				
Payments to acquire businesses	20	(134)	(669)	(168)
Net cash acquired with businesses		-	7	-
Net cash outflow from acquisitions and disposals		(134)	(662)	(168)
Equity dividends paid		(128)	(113)	(37)
Net cash inflow/(outflow) before management of liquid resources and financing		60	(321)	(168)
Management of liquid resources				
Increase in investments held as current assets		(5)	(27)	(19)
Financing				
Debt due within one year – (decrease)/increase in short-term borrowings		(160)	490	184
Debt due beyond one year – increase/(decrease) in borrowings		241	(166)	62
Net cash inflow from financing		81	324	246
Increase/(decrease) in cash in the year		136	(24)	59