

**IMPERIAL TOBACCO OVERSEAS B.V.**

Amsterdam, The Netherlands

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 SEPTEMBER 2007**

# **IMPERIAL TOBACCO OVERSEAS B.V.**

## **Balance Sheet**

*(before appropriation of results and expressed in euros)*

	<u>Notes</u>	<u>30 September 2007</u>	<u>30 September 2006</u>
<b><u>FIXED ASSETS</u></b>			
Capitalised bond issue costs and discount	(5)	607,121	1,184,232
Loan receivable from group company	(3)	421,611,822	472,545,128
		<u>422,218,943</u>	<u>473,729,360</u>
<b><u>CURRENT ASSETS</u></b>			
Prepaid interest on bonds		0	53,935
Interest receivable from group companies	(6)	15,283,429	0
Receivables from group companies	(8)	142,000	142,000
Interest receivable from banks		0	6,539
Debtors & prepayments		878	10,364
Tax receivable	(11)	57,756	0
Cash at banks		593,604	2,039,853
		<u>16,077,667</u>	<u>2,252,691</u>
<b><u>CURRENT LIABILITIES</u></b>			
Interest payable on bonds	(7)	14,971,800	0
Due to group companies	(9)	466,615	1,811,881
Tax payable	(11)	0	60,960
Accrued expenses		2,854	7,033
		<u>15,441,269</u>	<u>1,879,874</u>
<b>NET CURRENT ASSETS / ( LIABILITIES)</b>		<u>636,398</u>	<u>372,817</u>
<b><u>LONG-TERM LIABILITIES</u></b>			
Bonds payable	(4)	421,611,822	472,545,128
Deferred income payable to group company	(5)	607,121	1,184,232
		<u>422,218,943</u>	<u>473,729,360</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u><u>636,398</u></u>	<u><u>372,817</u></u>
<b><u>CAPITAL AND RESERVES</u></b>			
	(10)		
Issued Share Capital		18,152	18,152
Retained Earnings		354,665	1,899,451
Dividends paid		0	(1,899,451)
Profit for the Year		263,581	354,665
		<u>636,398</u>	<u>372,817</u>

**IMPERIAL TOBACCO OVERSEAS B.V.**

**Profit and Loss Account**

*(expressed in euros)*

		Year ended 30 September 2007	Year ended 30 September 2006
<b><u>FINANCIAL INCOME / EXPENSES</u></b>			
Interest income on loan to group companies	(3)	30,566,857	34,259,522
Interest expense group companies		(53,335)	(2,961)
Interest income banks		13,948	50,602
Interest expense on bonds	(4)	(30,045,656)	(33,671,747)
Other interest income		1,756	0
Exchange differences		(141,491)	(77,808)
		<u>342,079</u>	<u>557,608</u>
<b><u>OTHER INCOME / EXPENSES</u></b>			
General and administrative expenses		<u>(21,312)</u>	<u>(23,079)</u>
		<u>(21,312)</u>	<u>(23,079)</u>
 <b>PROFIT BEFORE TAXATION</b>			
		<u>320,767</u>	<u>534,529</u>
<b>TAXATION</b>	(11)	(57,186)	(179,864)
<b>NET PROFIT FOR THE YEAR</b>		<u><u>263,581</u></u>	<u><u>354,665</u></u>

## **IMPERIAL TOBACCO OVERSEAS B.V.**

### **Notes to the accounts as at 30 September 2007**

#### **1. General**

The Company is a private limited liability company established on 26 January 1998 and is registered in Amsterdam, The Netherlands. The principal object of the Company is to act as a financing company. The financial year of the Company ends on 30 September. The Company's ultimate holding company is Imperial Tobacco Group PLC, a company incorporated in the United Kingdom.

#### **2. Basis of Presentation**

The accompanying accounts have been prepared in accordance with generally accepted accounting principles.

The provisions of Section 403, Part 9, Book 2 of the Dutch Civil Code have been applied and, consequently, the Company is not required to file its accounts in accordance with the detailed provisions of that Act. Pursuant to the conditions of this Section the Company files with the Commercial Register of the Chamber of Commerce in Amsterdam the consolidated Annual Report of its ultimate parent company Imperial Tobacco Group PLC, Bristol.

#### **3. Loan receivable**

The company granted a loan amounting to USD 600,000,000 (equivalent to EUR 421,611,822) to Imperial Tobacco Finance PLC on 1 April 1999. The maturity date of the loan is 1 April 2009. The loan bears 7.250% interest and is received semi-annually.

#### **4. Bonds payable**

The company issued on 1 April 1999 guaranteed bonds, due April 2009, amounting to USD 600,000,000 (equivalent in EUR 421,611,822). These bonds are fully guaranteed by the the ultimate parent company Imperial Tobacco Group Plc. Interest is due at 7.125% and is payable semi annually.

#### **5. Capitalised bond issue costs and discount / Deferred income payable to group company**

Bond issue costs and discount have been capitalised and are fully offset by the deferred income payable to IT Finance.

#### **6. Interest receivable from group company**

Half year interest receivable on granted USD 600,000,000 / EUR 421,611,822 loan to IT Finance Plc @ 7.250%.

#### **7. Interest payable on bonds**

Interest payable on issued USD 600,000,000 / EUR 421,611,822 bonds @ 7.125%.

**IMPERIAL TOBACCO OVERSEAS B.V.**

**Notes to the accounts as at 30 September 2007**

**8. Receivable from group companies**

	Year ended 30 September 2007	Year ended 30 September 2006
Imperial Tobacco Australia Holdings B.V.	142,000	142,000
<i>No interest</i>	142,000	142,000

**9. Due to group companies**

	Year ended 30 September 2007	Year ended 30 September 2006
Imperial Tobacco Finance PLC	466,615	1,811,881
<i>Interest: Euro Base rate + 75 bps</i>	466,615	1,811,881

**10. Capital and reserves**

The authorised share capital of the Company, consisting of 90,000 ordinary shares of EUR 1 each, amounts to EUR 90,000. As at 30 September 2007, 18,152 of these shares were issued (EUR 18,152) and fully paid up (2006: also EUR 18,152).

The movements in capital and reserve can be summarised as follows:

	Year ended 30 September 2007	Year ended 30 September 2006
Issued share capital	18,152	18,152
Retained earnings		
Balance at the beginning of the year	1,899,451	1,404,131
Result previous year	354,665	495,320
Dividends paid previous year	(1,899,451)	0
Balance at the end of the year	354,665	1,899,451
Dividend paid this year	0	(1,899,451)
Result for this year	263,581	354,665
Total capital and reserves	<u>636,398</u>	<u>372,817</u>

**IMPERIAL TOBACCO OVERSEAS B.V.**

**Notes to the accounts as at 30 September 2007**

**11. Taxation**

**Factors affecting the current tax charge for the year:**

The tax charge for the year is lower than the standard rate of corporation tax in The Netherlands (approx 26.5%). The differences are explained below.

	Year ended 30 September 2007	Year ended 30 September 2006
Profit/(Loss) on ordinary activities	320,767	534,529
Adj. to interest income to comply with tax ruling	52,362	63,422
Other fiscal corrections / adjustments	2	0
Taxable profit	373,131	597,951
Taxation, appr. 26.5% (FY07), 30.08% (FY06)	(97,218)	(179,864)
Prior year adjustments	40,032 *1)	0
Current tax charge	(57,186)	(179,864)

**\*1)**

Tax charge adjustment related to FY2003/2004, based on the final assessment received.

**Current tax position:**

Current tax payable of € 60,960 at 30 September 2006 has changed to tax receivable of €57,756 at 30 September 2007, mainly due to an overpayment of tax during the year ended 30 September 2007.

**12. Disposal of net income**

According to Article 23 of the Company's Articles of Association, the net income is at the disposition of the General Meeting of shareholders.

**The Management**

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J.A.J. Cant

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A. Pramanik

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Equity Trust Co. N.V.



Amsterdam, The Netherlands, 16 May 2008.