

ANNUAL GENERAL MEETING 2018

Imperial Brands PLC

7 February 2018



Mark Williamson

Chairman



Maximise sustainable shareholder returns



Quality Growth from Tobacco Maximisation and Next Generation Products

Strengthen Portfolio right brands

- Radically simplify
- Invest in Growth & Specialist Brands
- Develop blu & e-vapour technologies



Develop Footprint right markets

- Prioritise growth opportunities
- Quality share focus
- Sustain investment

Drive Cost Optimisation

- Simplify operating model
- Lean manufacturing
- Control of overheads

Embed Capital Discipline

- Maximise cash conversion
- Robust capital allocation
 - Investment
 - Dividend
 - Debt repayment

Summary Financials

Adjusted EPS up 7.0%



	£m	% change	% constant currency
Tobacco net revenue (£m)	7,757	+8.2%	-2.6%
Tobacco Adjusted Operating Profit (£m)	3,595	+7.0%	-2.4%
Adjusted EPS (pence)	267.0	+7.0%	-2.2%
Cash conversion	91%		
Net debt reduction* (£bn)	0.8bn		
Dividend per share (pence)	170.7	+10.0%	

ALISON COOPER
Chief Executive



Strategy Delivering

Improving key metrics



Growing quality revenue

Share growth in priority markets	Growth Brand share +80bps	Growth & Specialist Brands 63% of net revenue	Cigars NR +9% Snus NR +8% China JV 2.3 _{bnSE}
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Improving second half

Volume H1: -5.7% H2: -2.6%	Revenue H1: -5.5% H2: +0.1%	EPS H1: -5.9% H2: +0.9%	£130m savings 91% conversion £0.8bn repaid
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USA

Strong performance in cigarettes and cigars

- Focus on strongest equities to drive revenue and profit growth
- Cigarette share gains
 - Winston up 20 basis points
 - Kool up 10 basis points
- Excellent results from mass market cigars
 - Share up 80 basis points to 14.3 per cent
 - Volumes up 23 per cent



UK

Share growth in a challenging market

- Supporting retailers/consumers adapt to regulatory change
- Consistent pricing strategy
- Enhancing distribution
- Players and Gold Leaf driving growth
- Cigarette share at 41.9 per cent, up 80 basis points
- Fine cut tobacco share at 43.4 per cent, up 250 basis points



Significant Opportunity in NGP

Prioritising growth in e-vapour



- Material opportunity in NGP
- Great asset portfolio
- Strong equity in blu
- Enhanced innovation capabilities
- FY18: new products; new markets

Non-Combustible Tobacco

Developing new formats



Oral Tobacco

- Successful snus business
- Iconic brand - Skruf
- Development opportunities



Heated Tobacco

- Consumer trials in December
- Multiple formats under development
- Maintaining optionality



Realising E-vapour Opportunities

Driving growth in FY18; £300m investment



Building Capabilities

- Enhancing consumer insights, distribution and marketing
- Nerudia: expertise in innovation, manufacturing and regulatory compliance



Focused Portfolio

- New formats for FY18
- Improving consumer experience
- Strong equity in blu



Develop Footprint

- Geographic expansion
- 10+ markets in FY18
- 20+ markets in FY19
- Enhanced growth opportunities



CORPORATE RESPONSIBILITY

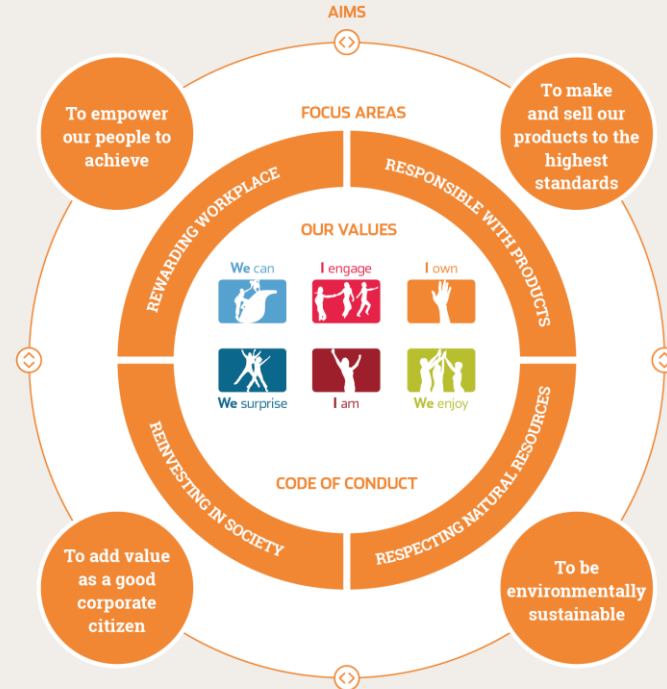
Integral to the way we do business



Consistently improved performance

Received number of Best Employer Awards

84% score in Dow Jones Sustainability Index



Strong Foundation for FY18

Clear strategic focus



- FY17 was an important year of progress
- Tobacco: quality share growth in priority markets
- NGP: gearing up to realise significant growth opportunities
- Sustaining investment through cost and capital discipline
- Dividend growth of 10 per cent for tenth successive year