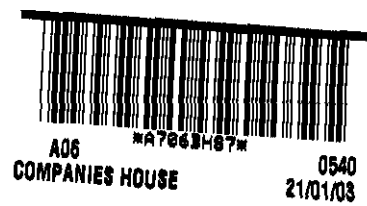


REPORT AND ACCOUNTS

Rizla Limited

28 September 2002

Registered No. 205789



Rizla Limited

Registered No. 205789

DIRECTORS

G Bolt
W Jones

SECRETARY

W Jones

AUDITORS

PricewaterhouseCoopers
31 Great George Street
Bristol
BS1 5QD

REGISTERED OFFICE

Rizla House
Severn Road
Treforest Industrial Estate
Pontypridd
Mid Glamorgan
CF37 5SP

DIRECTORS' REPORT

The Directors present their report and accounts for the year to 28 September 2002.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company did not trade in the year and consequently made neither a profit nor a loss (2001: £nil). The directors do not recommend the payment of a dividend (2001: £nil).

DIRECTORS AND THEIR INTERESTS

The directors of the company who held office during the year to 28 September 2002 were:

G Bolt

R A Cowin (resigned 2 November 2001)

W Jones (appointed 19 November 2001)

Neither director held beneficial interests in the shares of the company at 28 September 2002 nor at any time during the year. The interests of the directors in the shares of Imperial Tobacco Group PLC are as follows:

a) Beneficially owned shares held in the share matching scheme:

	<i>At 29 Sep 2001</i>	<i>Exercised in year</i>	<i>Purchased in year</i>	<i>At 28 Sep 2002</i>
G Bolt	11,815	(1,516)	7059	17,358

b) Directors interests in share options under the sharesave scheme:

	<i>At 29 Sep 2001</i>	<i>Rights adjustment</i>	<i>Granted in year</i>	<i>At 28 Sep 2002</i>	<i>Adjusted weighted average exercise price</i>	<i>Range of exercisable dates</i>
G Bolt	2,242	441	-	2,683	361p	01 July 2003 - 31 December 2003
W.Jones	335	65	-	400	483p	01 August 2004 - 31 January 2005
"	-	-	461	461	824p	01 August 2005 - 31 January 2006

c) Contingent rights to shares under the long term incentive plan :

	<i>At 29 Sep 2001</i>	<i>Granted in year</i>	<i>Vested in year</i>	<i>Rights adjustment</i>	<i>At 28 Sep 2002</i>	<i>Performance period</i>
G Bolt	2,875	-	(2,875)	-	-	-
"	2,972	-	-	585	3,557	December 1999 - December 2002
"	3,277	-	-	645	3,922	November 2000 - November 2003
"	-	3,077	-	606	3,683	December 2001 - December 2004

DIRECTORS' REPORT (continued)

d) Contingent rights to shares under the share matching scheme:

	<i>At 29 Sep 2001</i>	<i>Arising in year</i>	<i>Vested in year</i>	<i>Rights adjustment</i>	<i>At 28 Sep 2002</i>	Expected vesting date
G Bolt	1,516	-	(1,516)	-	-	-
"	3,000	-	-	579	3,579	January 2003
"	7,299	-	-	1,408	8,707	January 2004
"	-	7,059	-	1,364	8,423	January 2005

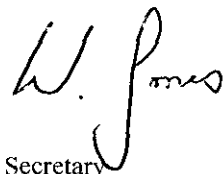
STATEMENT OF DIRECTORS' RESPONSIBILITIES in respect of the accounts

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act. They 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.

By order of the board


Secretary

Independent auditors' report to the members of Rizla Limited

We have audited the financial statements which comprise the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

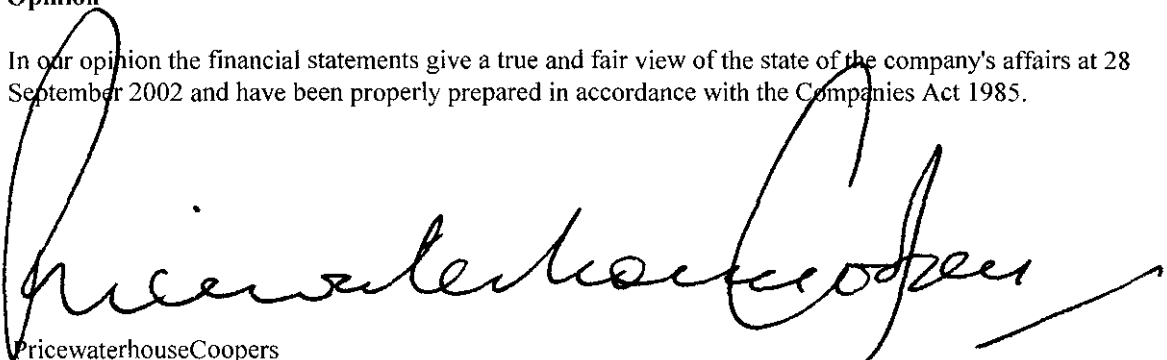
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 28 September 2002 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Bristol

21 November 2002

BALANCE SHEET
at 28 September 2002

	<i>Notes</i>	<i>2002</i> <i>£'000</i>	<i>2001</i> <i>£'000</i>
CURRENT ASSETS			
DEBTORS	2	1,450	1,450
CREDITORS: amounts falling due within one year	3	(300)	(300)
NET ASSETS		<u>1,150</u>	<u>1,150</u>
CAPITAL AND RESERVES			
Called up share capital	4	<u>1,150</u>	<u>1,150</u>
EQUITY SHAREHOLDER'S FUNDS	5	<u>1,150</u>	<u>1,150</u>

The financial statements on pages 6 to 8 were approved by the Board of Directors and signed on its behalf by:

W. Jones Director

21 November 2002 Date

NOTES TO THE ACCOUNTS
for the year ended 28 September 2002

1 PRINCIPAL ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

2 DEBTORS

	<i>2002</i> £'000	<i>2001</i> £'000
Amounts owed by group undertakings	1450	1,450

3 CREDITORS: amounts falling due within one year

	<i>2002</i> £'000	<i>2001</i> £'000
Amounts owed to group undertakings	300	300

4 SHARE CAPITAL

	<i>2002</i> £'000	<i>Authorised</i> <i>2001</i> £'000	<i>2002</i> £'000	<i>Allotted, called up</i> <i>and fully paid</i> <i>2001</i> £'000
Ordinary shares of £1 each	2,000	2,000	1,150	1,150

5 RECONCILIATION OF EQUITY SHAREHOLDER'S FUNDS

	<i>2002</i> £'000	<i>2001</i> £'000
Opening and closing shareholder's funds	1,150	1,150

NOTES TO THE ACCOUNTS
for the year ended 28 September 2002

6 CASH FLOWS

The company has taken advantage of the exemption allowed under FRS 1: Cash Flow Statements (revised 1996), not to include a cash flow statement, as its cash flows are included in the consolidated cash flow statement in the financial statements of Imperial Tobacco Group PLC, which are publicly available.

7 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS8: Related Party Disclosures, from the requirement to disclose information in respect of transactions with entities that are within the Imperial Tobacco Group PLC group on the basis that the company is a subsidiary undertaking which is more than 90% controlled by the ultimate parent undertaking.

8 ULTIMATE AND IMMEDIATE PARENT UNDERTAKING

Rizla Limited is a wholly owned subsidiary of Chilham Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Chilham Limited may be obtained from the Company Secretary, Rizla House, Treforest Industrial Estate, Pontypridd.

At 28 September 2002, the directors regard Imperial Tobacco Group PLC as the ultimate parent undertaking and controlling party. Copies of the consolidated financial statements of Imperial Tobacco Group PLC may be obtained from the Company Secretary, PO Box 244, Upton Road, Bristol.