

IMPERIAL TOBACCO PENSION TRUSTEES
(BURLINGTON HOUSE) LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2006

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Company Registration Number 4415137

IMPERIAL TOBACCO PENSION TRUSTEES (BURLINGTON HOUSE) LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report together with the financial statements of the Company for the year to 30 September 2006

Principal activities

The Company was incorporated on 11 April 2002 and the principal activity of the Company is that of property investments

Financial results and dividends

The Company did not trade during the year under review and accordingly no profit and loss account is submitted. The Company has no recognised gains and losses and therefore no separate statement of total recognised gains and losses has been presented

Directorate

The Director who held office during the year was

W G Mather

Directors' interests in shares (beneficial and family interests)

The only declarable interests of the Director in the shares of Imperial Tobacco Group PLC, the ultimate holding company, were as follows -

| | Ordinary shares | | | Sharesave options | | Contingent rights to ordinary shares (LTIP & SMS shares) | | |
|-----------|-----------------|----------|----------|-------------------|----------|--|----------|----------|
| | 1/10/05 | 30/09/06 | 28/11/06 | 1/10/05 | 30/09/06 | 1/10/05 | 30/09/06 | 28/11/06 |
| WG Mather | 52,893 | 52,893 | 52,893 | 2,008 | 2,008 | 44,706 | 38,622 | 36,202 |

The only changes in these holdings between the year end and 28 November 2006 were due to the granting of a November 2006 – November 2009 award on 1 November 2006 and the vesting and sale of the November 2003 – November 2006 award under the Imperial Tobacco Group Long-Term Incentive Plan

Directors' share options

Directors are eligible to participate in Imperial Tobacco Group PLC's savings-related Sharesave Scheme. Under this scheme, options are granted at a discount of up to 20 per cent of the closing mid-market price on the day prior to invitation, to employees who have contracted to save up to £250 per month over a period of three or five years

IMPERIAL TOBACCO PENSION TRUSTEES (BURLINGTON HOUSE) LIMITED

Directors' share options (continued)

| | Balance at 1/10/05 | Granted during year | Exercised during year | Balance at 30/09/06 | Range of exercisable dates of options held at 30/09/06 |
|------------|-----------------------|------------------------|-----------------------------|------------------------|---|
| W G Mather | 2,008 | - | - | 2,008 | 1/08/2007 - 31/01/2008 |

There have been no changes in these holdings since 30 September 2006

Directors' conditional share awards under the Long-Term Incentive Plan

The performance criteria for the November 2005 and proposed future awards are split into three elements based on Imperial Tobacco Group PLC's (ITG's) average growth in basic earnings per share, ITG's Total Shareholder Return (TSR) relative to the FTSE 100 Index and, ITG's TSR relative to a bespoke comparator group. Full details are available in ITG's published statutory accounts.

For 2003 and 2004 outstanding awards, the performance criterion is based on Imperial Tobacco Group PLC's earnings per share (EPS) growth. These awards vest on a sliding scale depending on average growth in basic EPS based on an agreed protocol to allow appropriate adjustments for exceptional and extraordinary items. EPS growth is then adjusted for inflation over the period of the award and all the calculations are confirmed by the Auditors. No vesting occurs unless ITG's real annual EPS growth exceeds 3 per cent. Full vesting occurs if real annual EPS growth is equal to or exceeds 10 per cent. Between these two points the award vests on a straight-line basis.

In respect of the 2002 award which vested in November 2005, no vesting occurred unless real annual EPS growth was positive and full vesting occurred if real annual EPS growth was equal to or exceeded 10 per cent.

There is no opportunity to re-test if the performance criterion is not achieved.

| | Balance at 1/10/05 | Granted during year | Vested during year | Market price at date of exercise £ | Balance at 30/09/06 | Performance period |
|-----------|-----------------------|---------------------------|--------------------------|--|------------------------|-----------------------------|
| WG Mather | 6,908 | - | (6,908) | 17.02 | - | November 2002–November 2005 |
| | 6,721 | - | - | | 6,721 | November 2003–November 2006 |
| | 5,668 | - | - | | 5,668 | November 2004–November 2007 |
| | - | 4,674 | - | | 4,674 | November 2005–November 2008 |

During the year, the November 2002–November 2005 award vested in full.

In respect of the November 2003–November 2006 award, based on Imperial Tobacco Group PLC's earnings per share to the end of the financial year, 100 per cent of the award vested on 18 November 2006. The resulting option was exercised and sold by WG Mather on 20 November 2006 at a price of £18.41 per share.

On 1 November 2006, a November 2006 – November 2009 award of 4,301 shares was granted to WG Mather.

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Directors' conditional share awards under the Long-Term Incentive Plan (continued)

The November 2004 – November 2007 and the November 2005 – November 2008 awards are considered to be too distant from maturity for the value to be projected

However, in respect of the November 2004 – November 2007 award, Imperial Tobacco Group PLC's adjusted real average earnings per share growth was 8.7 per cent in the performance period to the end of September 2006 and therefore, if this performance is maintained over the relevant performance period, there would be partial vesting of 77.1 per cent of the award

In respect of the November 2005 – November 2008 award, the first with the three part performance criteria, based upon interim measurement calculations prepared as at 30 September 2006 partial vesting of 38.6 per cent of the first element would occur if this performance were maintained over the performance period. The second and third elements will lapse if the current performance is maintained over the relevant performance period

Directors' contingent rights to shares under the Share Matching Scheme

Directors may elect to invest any proportion of their gross bonus in Imperial Tobacco Group PLC ordinary shares to be held by the Employee Benefit Trust. Provided that the shares elected for are left in the Trust for three years and the individual remains in employment with the Group, the Director would receive the original shares plus additional shares. The matching ratio for bonuses is 1:1 to encourage Directors to build a meaningful shareholding in the Group.

| | Balance at 1/10/05 | Contingent rights arising in year | Vested during year | Market price at date of vesting £ | Balance at 30/09/06 | Expected vesting date |
|------------|-----------------------|--|--------------------------|--|------------------------|-----------------------|
| W G Mather | 9,643 | - | (9,643) | 16.50 | - | January 2006 |
| | 8,532 | - | | | 8,532 | January 2007 |
| | 294 | - | | | 294 | August 2007 |
| | 6,940 | - | | | 6,940 | January 2008 |
| | - | 5,793 | | | 5,793 | February 2009 |

No rights lapsed during the year nor have there been any changes between 30 September 2006 and 28 November 2006

The middle market price of Imperial Tobacco Group PLC shares at the close of business on 29 September 2006, being the last trading day of the financial year, was £17.80 and the range of the middle market price during the year was £15.47 to £18.43

The Company's Register of Directors' interests (which is open to inspection at the Company's registered office) contains full details of Directors' shareholdings and options

IMPERIAL TOBACCO PENSION TRUSTEES (BURLINGTON HOUSE) LIMITED

Annual General Meeting

Pursuant to the Elective Resolution of the Company passed on 30 September 2003 the Company has dispensed with the need to hold Annual General Meetings. Any member of the Company is entitled to require the laying of the accounts before a general meeting on giving due notice to that effect in accordance with Section 253 of the Companies Act 1985.

Summary of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the balance sheet date and of the profit or loss of the Company for that period.

The Directors consider that suitable accounting policies have been used and applied consistently. They also confirm that reasonable judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2006 and that applicable Accounting Standards have been followed.

The Directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

Pursuant to the resolution of the Company passed on 30 September 2003 the Company has dispensed with the need to appoint auditors.

The Company was dormant throughout the financial year ended 30 September 2006.

By order of the Board



D J Lee
Secretary

IMPERIAL TOBACCO PENSION TRUSTEES (BURLINGTON HOUSE) LIMITED
BALANCE SHEET
at 30 September 2006

| | <u>Note</u> | <u>2006</u> £ | <u>2005</u> £ |
|-----------------------------------|-------------|------------------|------------------|
| Amount owed by holding company | | 1 | 1 |
| Net assets | | <u>1</u> | <u>1</u> |
| | | — | — |
| Capital and reserves | | | |
| Called-up share capital | 4 | 1 | 1 |
| Equity shareholders' funds | | <u>1</u> | <u>1</u> |
| | | — | — |

- (a) For the year ended 30 September 2006 the Company was entitled to exemption under Section 249AA(1) of the Companies Act 1985
- (b) Members have not required the Company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985
- (c) The Director acknowledges his responsibility for
- (i) ensuring the Company keeps accounting records that comply with Section 221, and
 - (ii) preparing accounts that give a true and fair view of the state of affairs of the Company for the year ended 30 September 2006, and of its profit or loss for that period, in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to the accounts, so far as applicable to the Company

The accounts were approved by the Board of Directors on 14 December 2006 and signed on its behalf by


W G Mather
 Director

IMPERIAL TOBACCO PENSION TRUSTEES (BURLINGTON HOUSE) LIMITED

Notes to the accounts

1. Basis of accounting

The accounts have been prepared on the historical cost basis and in accordance with applicable Accounting Standards in the United Kingdom

2. Profit and loss account

The Company did not trade during the year and accordingly it made neither a profit nor loss. Therefore, no profit and loss account is submitted

3. Cash flow statement

The Company has not presented a cash flow statement as it has taken advantage of the exemption conferred by FRS1 (revised)

| 4. Share capital | <u>2006</u> | <u>2005</u> |
|--------------------------------|--------------------|--------------------|
| | £ | £ |
| <u>Authorised</u> | | |
| 100 ordinary shares of £1 each | 100 | 100 |
| | — | — |
| <u>Issued</u> | | |
| 1 ordinary share of £1 each | 1 | 1 |
| | — | — |

5. Directors and employees

No Directors' emoluments were paid during the year (2005 nil)

The Company had no employees during the year (2005 nil)

6. Immediate and ultimate parent undertakings

The ultimate parent undertaking and controlling party of Imperial Tobacco Pension Trustees (Burlington House) Limited at 30 September 2006 was Imperial Tobacco Group PLC, a company incorporated in Great Britain and registered in England and Wales, whose consolidated financial statements may be obtained from The Secretary, PO Box 244, Upton Road, Bristol, BS99 7UJ

The immediate parent undertaking of Imperial Tobacco Pension Trustees (Burlington House) Limited at 30 September 2006 was Imperial Tobacco Pension Trustees Limited, a company incorporated in Great Britain and registered in England and Wales