

IMPERIAL TOBACCO PENSION TRUSTEES
(SLOANE STREET) LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2003

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Company Registration Number 4415137



IMPERIAL TOBACCO PENSION TRUSTEES (SLOANE STREET) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2003

DIRECTORS' REPORT

The directors present their report and the financial statements for the period 11 April 2002 to 30 September 2003.

Principal Activities and Business Review

The company was incorporated on 11 April 2002. The company is a property investment company.

As at 30 September 2003 the ultimate parent company of the company was Imperial Tobacco Group PLC.

Results

The company did not trade during the period 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.

Directors

The director who held office during the period was:

W G Mather (appointed 12 April 2002)

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 parent company, on 12 April 2002 and 30 September 2003 were as follows: -

	<u>Ordinary Shares</u>		<u>SAYE Options</u>		<u>Contingent Rights in Ordinary Shares (LTIP & Sharematching)</u>	
	<u>12/4/02</u>	<u>30/9/03</u>	<u>12/4/02</u>	<u>30/9/03</u>	<u>12/4/02</u>	<u>30/9/03</u>
W G Mather	41,648	52,893	-	2,008	60,467	61,869

Directors' Share Options

The company does not operate an Executive Share Option Scheme, however directors are eligible to participate in the Imperial Tobacco Group PLC Savings-Related Share Option Scheme. Under this Scheme, options are granted at a discount of up to 20% to the market price at the date of invitation, to participants who have contracted to save up to £250 per month over a period of three or five years.

	Balance at <u>25/4/02</u>	Option Grant Price (pence)	Granted in period	Exercised in period	Balance at <u>30/9/03</u>	<u>Exercisable Dates</u>
W G Mather	-	824	2,008	-	2,008	1/8/07-31/1/08

There have not been any changes since 30 September 2003.

Directors' Conditional Awards Under the Long Term Incentive Plan

	Balance at <u>25/4/02</u>	Conditional Awards in <u>Period</u>	Vested or Lapsed in <u>Period</u>	Balance at <u>30/9/03</u>	<u>Performance Period</u>
W G Mather	8,841	1,741	(10,582)	-	December 99-December 02
	8,277	1,630	-	9,907	November 00-November 03
	7,473	1,472	-	8,945	November 01-November 04
	-	6,908	-	6,908	November 02-November 05

The performance criterion in respect of the December 99-December 02 shares was fully met and an option to take up 10,582 shares vested on 9 January 2003 and was exercised on the same day.

Following the 2 for 5 rights issue by Imperial Tobacco Group PLC on 1 May 2002, the entitlements of the conditional awards for the performance periods December 1999 – December 2002, November 2000 – November 2003 and November 2001 – November 2004 were adjusted accordingly.

Directors' Contingent Rights under the Share Matching Scheme

	Balance at <u>25/4/02</u>	Contingent Rights Arising in <u>Period</u>	Vested in <u>Period</u>	Balance at <u>30/9/03</u>	<u>Expected Vesting Date</u>
W G Mather	13,938	2,694	(16,632)	-	January 2003
	12,557	2,422	-	14,979	January 2004
	9,381	1,812	-	11,193	January 2005
	-	294	-	294	August 2007
	-	9,643	-	9,643	January 2006

No rights lapsed during the period nor have there been any changes since 30 September 2003.

Following the 2 for 5 rights issue by Imperial Tobacco Group PLC on 1 May 2002, the entitlements of the contingent rights for the vesting dates January 2003, January 2004 and January 2005 were adjusted accordingly.

Imperial Tobacco Group PLC's mid market share price at the close of business on 30 September 2003 was £9.81, the range of the mid market price during the period was £8.74 to £11.60.

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.

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.

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 year.

The directors confirm 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 period ended 30 September 2003, that applicable Accounting Standards have been followed and that the financial statements have been prepared on the historical cost basis.

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 period ended 30 September 2003.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'R J Nelson-Smith', is written over a horizontal line.

R J Nelson-Smith
Secretary

IMPERIAL TOBACCO PENSION TRUSTEES (SLOANE STREET) LIMITED
BALANCE SHEET
30 SEPTEMBER 2003

	<u>Note</u>	<u>2003</u> £	<u>2002</u> £
Amount Owed by Holding Company		1	1
		—	—
		£1	£1
		—	—
Represented by:			
Share Capital	4	£1	£1
		—	—

- (a) For the period ended 30 September 2003 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 as at the end of the financial period, and of its profit or loss for the financial period, in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of directors on 6 October 2003 and signed on its behalf by:


W G Mather
Director

IMPERIAL TOBACCO PENSION TRUSTEES (SLOANE STREET) LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD 11 APRIL 2002 TO 30 SEPTEMBER 2003

1. Basis of Accounting

The financial statements 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 period 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 prepared a cash flow statement under the exemptions conferred by FRS1.

4. Share capital

	<u>2003</u>	<u>2002</u>
<u>Authorised</u>		
Ordinary Shares of £1 each	£100	£100
	—	—
<u>Issued</u>		
Ordinary Shares of £1 each	£1	£1
	—	—

5. Directors and Employees

No directors' emoluments were paid during the period.

The director is a member of a Long Term Incentive Plan under which shares in Imperial Tobacco Group PLC may be received.

The company had no employees during the period.

6. Ultimate Parent Company

At 30 September 2003 the company's ultimate parent company and controlling party was Imperial Tobacco Group PLC a company registered in England and Wales. Copies of the consolidated financial statements of Imperial Tobacco Group PLC can be obtained from The Secretary, Imperial Tobacco Group PLC, PO Box 244, Southville, Bristol, BS99 7UJ.