

FINANCIAL STATEMENTS
for the year ended 30 September 2004

COMPANY INFORMATION

Business Address:

9 Blackheath Park
Range Road
Blackheath
Cape Town
7700

Postal Address:

Private Bag X36
Sunninghill
2157

The report and statements set out below comprise the annual financial statements presented to the members:

CONTENTS

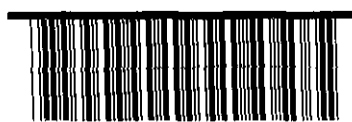
Page

Profit and loss account	2
Balance sheet	3
Notes to the cash flows	4
Notes to the accounts	5 - 7

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

The financial statements have been prepared using the historical cost convention.



IMPERIAL TOBACCO SOUTH AFRICA (S.A.)

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2004

	Notes	2004 R	2003 R
Revenue	1	<u>1 463 133</u>	<u>2 220 802</u>
Operating profit/(loss) before interest and taxation		(927 715)	22 924 014
Interest received		<u>722</u>	<u>815</u>
Profit/(loss) before taxation		(926 993)	22 924 829
Taxation	8	-	-
Operating profit/(loss) after taxation	2	(926 993)	22 924 829
Accumulated loss at beginning of year		<u>(70 716 294)</u>	<u>(93 641 123)</u>
Accumulated loss at end of year		<u>(71 643 287)</u>	<u>(70 716 294)</u>

IMPERIAL TOBACCO SOUTH AFRICA (S.A.)

BALANCE SHEET

as at 30 September 2004

	Notes	2004 R	2003 R
Fixed assets	6	-	-
Current assets		117 748	561 469
Debtors	7	44 631	354 617
Bank and cash balances		73 117	206 852
Current liabilities due within one year		(71 757 388)	(71 274 116)
Amounts owed to parent company and fellow subsidiary undertakings		(71 724 034)	(71 212 731)
Other creditors		(33 354)	(61 385)
Net current liabilities		(71 639 640)	(70 712 647)
		(71 639 640)	(70 712 647)
Equity shareholders' funds		(71 639 640)	(70 712 647)
Called up share capital	3	3 647	3 647
Profit and loss account		(71 643 287)	(70 716 294)
		(71 639 640)	(70 712 647)

Approved by the directors on 23 JUN 2005 ~~2004~~

R Dymally
DIRECTOR

IMPERIAL TOBACCO SOUTH AFRICA (S.A.)

CASH FLOW STATEMENTS

for the year ended 30 September 2004

	Notes	2004 R	2003 R
Cash flow from operating activities			
Cash receipts from customers		1 153 146	1 929 136
Cash paid to suppliers and employees		(1 287 603)	(2 352 910)
Cash generated from operations	9	(134 457)	(423 774)
Interest received		722	815
Tax paid		-	-
Net cash inflow/(outflow) from operating activities		(133 735)	(422 959)
Cash flow from investing activities			
Purchase of property, plant and equipment		-	74 562
Net cash inflow/(outflow) from investing activities		-	74 562
Cash flow from financing activities			
Proceeds from interest bearing borrowings		-	-
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(133 735)	(348 397)
Cash and cash equivalents at beginning of year		206 852	555 249
Cash and cash equivalents at end of year		73 117	206 852

IMPERIAL TOBACCO SOUTH AFRICA (S.A.)

NOTES TO THE ACCOUNTS

as at 30 September 2004

1 **Revenue**

Revenue represents the net amounts charged or chargeable in respect of services rendered, excluding value added tax.

2 **Operating profit after taxation**

The company made a loss after taxation of R926 993, and the directors do not recommend that payment of any dividend.

2004	2003
R	R

3 **Share capital**

Authorised, allotted, called up and fully paid
100 000 shares of US\$ 0,01

<u>3 647</u>	<u>3 647</u>
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4 **Exchange rate**

The exchange rate as at year-end was S.A. Rand 11.7400 / £ Sterling.

5 **Parent company**

The ultimate parent undertaking of Imperial Tobacco South Africa S.A. is Imperial Tobacco Group PLC, a company incorporated in Great Britain and registered in England and Wales, whose consolidated financial statements may be obtained from P O Box 244, Upton Road, Bristol BS99 7 UJ.

IMPERIAL TOBACCO SOUTH AFRICA (S.A.)

NOTES TO THE ACCOUNTS – continued as at 30 September 2004

	2004 R	2003 R
6 Plant and equipment		
Motor vehicles		
Carrying value beginning of year	-	29 578
Depreciation charge	-	(5 771)
Disposals	-	(23 807)
Carrying value at end of year	-	-
Cost	-	-
Accumulated depreciation	-	-
Computer equipment		
Carrying value at beginning of year	-	4 138
Depreciation charge	-	(4 138)
Carrying value at end of year	-	-
Cost	22 211	22 211
Accumulated depreciation	(22 211)	(22 211)
Total fixed assets	-	-
7 Accounts receivable		
VAT receivable	44 631	330 817
Other receivables – deposits	-	23 800
	44 631	354 617
8 Taxation		

No provision for taxation was made since the company had an estimated tax loss of R53 455 259 (2003 : R52 530 019) for the year under review.

IMPERIAL TOBACCO SOUTH AFRICA (S.A.)

NOTES TO THE ACCOUNTS – continued
as at 30 September 2004

	2004	2003
	R	R
9 Cash flow from operations		
Profit/(loss) before taxation and interest	(927 715)	22 924 014
Depreciation	-	9 909
Profit on sale of assets	-	(50 755)
Foreign exchange difference	863 159	(23 017 570)
	<u>(64 556)</u>	<u>(134 402)</u>
Increase/decrease in debtors	(41 870)	(291 667)
Increase/decrease in creditors	(28 031)	2 295
	<u>(134 457)</u>	<u>(423 774)</u>