

Company Number . 319259

FC24868

902317/60

Newglade International
Directors' Report and Financial Statements
Year Ended 30 September 2006



DIRECTORS AND OTHER INFORMATION

Board of Directors as at 30 September 2006

R Dyrbus	(British)
M R Phillips	(British)
T M Williams	(British)
A J Cooper (appointed 1 October 2005)	(British)

Company Secretary

R L Gibbs (appointed 1 October 2006)
C Deft (resigned 30 September 2006)

Registered Office

First Floor
Fitzwilton House
Wilton Place
Dublin 2
Ireland

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Wilton Place
Dublin 2
Ireland

Solicitors

William Fry & Sons
Fitzwilton House
Wilton Place
Dublin 2
Ireland

Report of the Directors

The Directors present herewith their report and audited financial statements for the year ended 30 September 2006

Directors' responsibilities statement for the financial statements

Irish Company law requires the Directors to prepare financial statements for each financial period 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 financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements 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 books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963 to 2006. 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.

Books of account

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account include the use of systems and procedures appropriate to the business and the employment of competent and reliable persons. During the year and as at the year end, the books of account were kept at the following address: PO Box 244, Upton Road, Bristol, BS99 7UJ, England.

Principal activity

The Company is engaged in the provision of finance to Imperial Tobacco group companies.

Review of business

The Company continued to provide finance to Imperial Tobacco group companies. There was no significant change in the nature of the business during the period. The profit and loss account of the Company for the year ended 30 September 2006 is set out on page 8.

Risks and uncertainties

The nature of the Company's activities means there are large debtor balances. All significant debts are from other Imperial Tobacco group companies, and the Directors are satisfied that all balances are collectable.

Future developments

The year end financial position was considered satisfactory and the Directors expect that the present activity will be sustained for the foreseeable future.

Dividends and retention

The Directors have declared dividends as follows:

(In €000's)	2006	2005
Proposed final in respect of 2005	-	11,000
Interim paid, 27 September 2006	5,000	-
	5,000	11,000

Post balance sheet events

There have been no significant post balance sheet events.

Directors

The Board of Directors as at 30 September 2006 is shown on page 1. A J Cooper was appointed to the Board on 1 October 2005.

Directors' interests in shares (beneficial and family interests)

The only declarable beneficial interests, including family interests, of the Directors in office at 30 September 2006 in the share capital of the Company and other group companies in the Imperial Tobacco Group PLC group as at 1 October 2005 (or date of appointment, if later) and 30 September 2006 were:

	Ordinary shares		Share save options		Contingent rights to ordinary shares (LTIP and Share Matching Scheme shares)	
	Balance at 1/10/05	Balance at 30/09/06	Balance at 1/10/05	Balance at 30/09/06	Balance at 1/10/05	Balance at 30/09/06
R Dyrbus	206,703	213,944	1,049	776	158,527	170,047
M R Phillips	4,077	6,360	484	484	5,861	16,599
T M Williams	7,318	6,238	1,619	1,619	6,432	5,761
A J Cooper	34,213	40,523	1,125	670	61,914	65,949

Report of the Directors

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 participants who have contracted to save up to £250 per month over a period of three or five years.

	Balance at 1/10/05	Granted during year	Exercised during year	Exercise price £	Balance at 30/9/06	Range of exercisable dates of options held at 30/9/05
R Dyrbus	675	-	(675)	8.22	-	1/8/2006 - 31/1/2007
	374	-	-	10.08	374	1/8/2007 - 31/1/2008
	-	402	-	13.95	402	1/8/2009 - 31/1/2010
	<u>1,049</u>	<u>402</u>	<u>(675)</u>		<u>776</u>	
M R Phillips	484	-	-	11.73	484	1/8/2008 - 31/1/2009
	484	-	-		484	
T M Williams	774	-	-	8.22	774	1/8/2008 - 31/1/2009
	845	-	-	11.73	845	1/8/2010 - 31/1/2011
	<u>1,619</u>	<u>-</u>	<u>-</u>		<u>1,619</u>	
A J Cooper	1,125	-	(1,125)	8.22	-	1/8/2008 - 31/1/2007
	-	670	-	13.95	670	1/8/2009 - 31/1/2010
	<u>1,125</u>	<u>670</u>	<u>(1,125)</u>		<u>670</u>	

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 Trusts. 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 Imperial Tobacco group. For R Dyrbus, as a Director of Imperial Tobacco Group PLC, there is an additional performance criteria for the additional shares to vest in that the average growth in basic EPS of Imperial Tobacco Group PLC over the retention period is in excess of 3 per cent per annum.

	Balance at 1/10/05	Contingent rights arising	Vested during year	Market price at date of exercise £	Balance at 30/9/06	Expected vesting date
R Dyrbus	24,848	-	(24,848)	16.50	-	January 2006
	23,282	-	-		23,282	January 2007
	294	-	-		294	August 2007
	22,947	-	-		22,947	January 2008
	-	20,111	-		20,111	February 2009
	<u>71,371</u>	<u>20,111</u>	<u>(24,848)</u>		<u>66,634</u>	
M R Phillips	1,637	-	-		1,637	January 2007
	1,879	-	-		1,879	January 2008
	-	2,844	-		2,844	February 2009
	<u>3,516</u>	<u>2,844</u>	<u>-</u>		<u>6,360</u>	
T M Williams	2,269	-	(2,269)	16.50	-	January 2006
	2,115	-	-		2,115	January 2007
	294	-	-		294	August 2007
	1,754	-	-		1,754	January 2008
	-	1,598	-		1,598	January 2009
	<u>6,432</u>	<u>1,598</u>	<u>(2,269)</u>		<u>5,761</u>	
A J Cooper	9,832	-	(9,832)	16.50	-	January 2006
	11,269	-	-		11,269	January 2007
	294	-	-		294	August 2007
	10,984	-	-		10,984	January 2008
	-	9,988	-		9,988	January 2009
	<u>32,379</u>	<u>9,988</u>	<u>(9,832)</u>		<u>32,535</u>	

The middle market price of Imperial Tobacco Group PLC shares at the close of business on 29/09/06, the last trading day prior to the year end, was £17.80 and the range of the middle market price during the year was £15.47 to £18.43.

Report of the Directors

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

The performance criteria for the November 2005 and future awards are split into three elements as follows

First element,

50 per cent of the award with a performance criterion based on average growth in Imperial Tobacco Group PLC's (ITG) basic Earnings Per Share adjusted for certain items based on an agreed protocol, such as significant costs of restructuring (EPS). The adjustments are confirmed by the Auditors after adjusting for inflation over the period of the award. 12.5 per cent of this element (i.e. 6.25 per cent of the total award) vests if ITG's average annual EPS growth, after adjusting for UK inflation (Real Annual EPS Growth) equals 3 per cent and 100 per cent of this element (i.e. 50 per cent of the total award) vests if ITG's Real Annual EPS Growth equals or exceeds 10 per cent. Between these two points this element vests on a straight-line basis.

Second element,

25 per cent of the award with a performance criterion based on Imperial Tobacco Group PLC's Total Shareholder Return (TSR) relative to the FTSE 100 Index (TSR is the total investment gain to shareholders resulting from the movement in share price and assuming dividends are immediately reinvested in shares). The performance criterion for this element is based on a sliding scale depending on TSR achieved over the period of the award. No vesting of this element occurs unless ITG's TSR ranks it in the top 50 of the companies constituting the FTSE 100 Index. At this performance threshold 30 per cent of this element (i.e. 7.5 per cent of the total award) vests. If the return ranks ITG in the top 25 of the Index, this element (i.e. 25 per cent of the total award) vests in full. Between these thresholds this element vests on a straight-line basis.

Third element,

25 per cent of the award with a performance criterion based on Imperial Tobacco Group PLC's TSR relative to a bespoke comparator group. The performance criterion for this element is also based on a sliding scale on TSR achieved over the period of the award. No vesting of this element occurs unless ITG's TSR exceeds that of the bottom six companies constituting the comparator group comprising twelve tobacco and alcohol companies. At this performance threshold, 30 per cent of this element (i.e. 7.5 per cent of the total award) vests. If the return ranks ITG in the top three of the comparator group, this element (i.e. 25 per cent of the total award) vests in full. Between these thresholds this element vests on a straight-line basis.

For the 2003 and 2004 awards, the performance criterion is based on Imperial Tobacco Group PLC's EPS growth. These awards vest on a sliding scale depending on average growth in basic EPS under the terms of the protocol described above. The EPS 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 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 30/9/06	Performance period
R Dyrbus	29,718	-	(29,718)	16.90	-	November 2002 - November 2005
	30,464	-	-		30,464	November 2003 - November 2006
	26,974	-	-		26,974	November 2004 - November 2007
	-	45,975	-		45,975	November 2005 - November 2008
	<u>87,156</u>	<u>45,975</u>	<u>(29,718)</u>		<u>103,413</u>	
M R Phillips	2,345	-	-		2,345	November 2004 - November 2007
	-	7,894	-		7,894	November 2005 - November 2008
	<u>2,345</u>	<u>7,894</u>	<u>-</u>		<u>10,239</u>	
A J Cooper	9,124	-	(9,124)	16.90	-	November 2002 - November 2005
	10,638	-	-		10,638	November 2003 - November 2006
	9,773	-	-		9,773	November 2004 - November 2007
	-	13,003	-		13,003	November 2005 - November 2008
	<u>29,535</u>	<u>13,003</u>	<u>(9,124)</u>		<u>33,414</u>	

Report of the Directors

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

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 25 November 2006

In respect of the November 2004 - November 2007 award, Imperial Tobacco Group PLC's adjusted Real Average EPS 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

Employee Share Ownership Trusts (ESOTs)

The Imperial Tobacco Group Employee and Executive Benefit Trust (Executive Trust) and the Imperial Tobacco Group PLC 2001 Employee Benefit Trust (2001 Trust) have been established to acquire ordinary shares in Imperial Tobacco Group PLC, by subscription or purchase, from funds provided by the Company to satisfy rights to shares arising on the exercise of share options and on the vesting of the share matching and performance-related share awards. As potential beneficiaries of the Executive Trust, each of the Directors is deemed to have a contingent interest in the 0.9million ordinary shares of Imperial Tobacco Group PLC held by the Executive Trust at 30 September 2006. In addition, T M Williams is also a potential beneficiary of the 2001 Trust and he also has a contingent interest in the 3.3million ordinary shares held by that trust

Auditors

The auditors, PricewaterhouseCoopers, will continue in office in accordance with Section 160(2) of the Companies Act, 1963

On behalf of the board



R L Gibbs
Company Secretary
5 June 2007



R Dyrbus



T M Williams

Independent Auditors' Report to the Members of Newglade International

We have audited the financial statements on pages 8 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 10

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements, in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out on page 2 in the statement of directors' responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act 1990 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and have been properly prepared in accordance with Irish Statute comprising the Companies Acts, 1963 to 2006 We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account We also report to you our opinion as to

- whether the company has kept proper books of account,
- whether the directors' report is consistent with the financial statements, and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting, such a financial situation may exist if the net assets of the company, as stated in the balance sheet, are not more than half of its called up share capital

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and transactions is not disclosed, and where practicable, include such information in our report

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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

Independent Auditors' Report - continued

Opinion

In our opinion, the financial statements,

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs at 30 September 2006 and of its profit for the year then ended, and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2006

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 2 to 5 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 9, are more than half the amount of its called up share capital and, in our opinion, on that basis there did not exist at 30 September 2006 a financial situation which, under section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Dublin
Ireland

Profit and loss account

for the year ended 30 September 2006

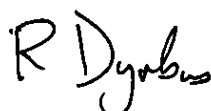
<i>(In €000's)</i>	Notes	2006	2005
Operating profit/(loss)	1	36	(4)
Profit/(loss) on ordinary activities before interest		36	(4)
Interest receivable	2	10,051	8,280
Profit on ordinary activities before taxation		10,087	8,276
Tax on profit on ordinary activities	4	(3,178)	(2,551)
Profit for the year		6,909	5,725
Dividends	5	(16,000)	-
(Loss absorbed)/retained profit for the year		(9,091)	5,725
Balance at beginning of year		11,581	5,856
Balance at end of year		2,490	11,581

In arriving at the loss absorbed for the year all amounts above relate to continuing operations

The company has no recognised gains and losses other than those included in the profit and loss account above and, therefore, no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the loss absorbed for the year stated above and their historical cost equivalent

On behalf of the board



R Dyrbus
5 June 2007



T M Williams

Balance Sheet

at 30 September 2006

<i>(In €000's)</i>	Notes	2006	2005
Current assets			
Debtors amounts falling due after one year	6	308,076	306,047
		308,076	306,047
Creditors amounts falling due within one year	7	(16,086)	(4,966)
Net assets and net current assets		291,990	301,081
Capital and reserves			
Called up share capital	8	124	124
Share premium account	9	289,376	289,376
Profit and loss account		2,490	11,581
Equity Shareholders' funds	10	291,990	301,081

On behalf of the board



R Dyrbus
5 June 2007



T M Williams

Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2006. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland issued by the Accounting Standards Board.

Accounting convention

The financial statements have been prepared under the historical cost convention. The reporting currency used in these financial statements is the euro denoted by the symbol "€". Where the symbol "£" is used in the directors' report this denotes pounds sterling.

Foreign currencies

Transactions denominated in foreign currencies are translated into euro at rates of exchange ruling on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into euro at rates of exchange ruling at the balance sheet date. Differences arising on translation are included in the results for the period.

Deferred taxation

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Notes to the accounts

1 Operating profit/(loss)

<i>(In €000's)</i>	2006	2005
Operating profit/(loss) includes		
Exchange gains	40	-
Auditors remuneration	(4)	(4)

2 Interest receivable

<i>(In €000's)</i>	2006	2005
Group undertakings	10,051	8,280

3 Directors emoluments

None of the Directors received any emoluments from the Company in respect of the year under review (2005 nil)

The emoluments of the Directors are paid by Imperial Tobacco Limited a wholly owned subsidiary of Imperial Tobacco Group PLC, the ultimate parent company. The Directors' services to the Company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to Imperial Tobacco Limited and the ultimate parent company. Accordingly, no emoluments are disclosed in these financial statements.

4 Taxation

Analysis of charge in the year

<i>(In €000's)</i>	2006	2005
Corporation tax at 30% (2005 30%)		
Current tax charge	3,008	2,483
Adjustments to current tax in respect of prior years	170	68
	3,178	2,551

Factors affecting current tax charge for the year

The tax assessed for the year is higher than the standard higher rate of corporation tax in UK (30.0%). The differences are explained below.

<i>(In €000's)</i>	2006	2005
Profit on ordinary activities before taxation	10,087	8,276
Profit on ordinary activities at the standard tax rate for the year of 30.0% (2005 30.0%)	3,026	2,483
Effects of		
Adjustments to tax charge in respect of prior years	170	68
UK-UK transfer pricing adjustment	(18)	-
Current tax charge for the current year	3,178	2,551

Notes to the accounts

5 Dividends

Dividends payable on the ordinary shares were as follows

<i>(In €000's)</i>	2006	2005
Final dividend for the year ended 30 September 2005	11,000	-
Interim dividend for the year ended 30 September 2006	5,000	-
	16,000	-

6 Debtors

<i>(In €000's)</i>	2006	2005
Amounts falling due after more than one year		
Amounts owed by fellow subsidiary undertakings	308,064	306,047
Other debtors	12	-
	308,076	306,047

7 Creditors

<i>(In €000's)</i>	2006	2005
Amounts falling due within one year		
Amounts owed to fellow subsidiary undertakings	14,581	3,725
Corporation tax	1,501	1,241
Other creditors	4	-
	16,086	4,966

8 Called up share capital

<i>(In €000's)</i>	2006	2005
Authorised		
100,000 ordinary shares of €1 25 each	125	125
Issued		
98,805 (2004 98,805) ordinary shares of €1 25 each	124	124

9 Share premium account

<i>(In €000's)</i>	2006	2005
	289,376	289,376

Notes to the accounts

10 Reconciliation of movements in shareholders' funds

<i>(In €000's)</i>	2006	2005
Opening equity shareholders' funds	301,081	295,356
Loss absorbed for the year	(9,091)	5,725
Closing equity shareholders' funds	291,990	301,081

11 Group membership

The company regards Imperial Tobacco Group PLC, a company incorporated in the United Kingdom, as the ultimate parent company and ultimate controlling party. The immediate parent company is Imperial Tobacco Overseas Limited, incorporated in United Kingdom. Imperial Tobacco Group PLC is the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member. Copies of the ultimate parent company's financial statements may be obtained from Imperial Tobacco Group PLC, PO Box 244, Upton Road, Bristol BS99 7UJ.

12 Cash flow statement

The directors have availed of the exemption contained in Financial Reporting Standard No. 1 "Cash Flow Statements" (revised), which permits qualifying subsidiaries of a parent undertaking, which itself publishes consolidated financial statements which include the subsidiary, not to produce a cash flow statement.

13 Related party transactions

The company has availed of the exemption contained in Financial Reporting Standard No. 8 "Related Party Disclosures" in respect of subsidiary undertakings, where 90% or more of the voting rights are controlled within a group. Consequently, the financial statements do not include disclosure of transactions with entities in the Imperial Tobacco Group PLC group.

14 Approval of the financial statements

The financial statements were approved by the directors on 5 June 2007.