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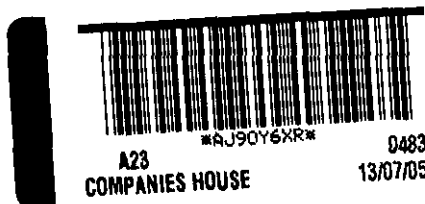
Company Number : 319259

Newglade International
Directors' Report and Financial Statements
Year Ended 30 September 2004

R. Dyball

Trevor Martin Williams

Trevor Martin Williams
Director



Christopher Deft

Christopher Deft
Company Secretary

DIRECTORS AND OTHER INFORMATION

Board of Directors as at 30 September 2004

R Dyrbus	(British)
F A Rogerson	(British)
T M Williams	(British)

Company Secretary as at 30 September 2004

T M Williams (resigned 16 April 2004)
C Deft (appointed 16 April 2004)

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 2004.

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 2003. 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.

Results

The profit and loss account of the company for the year ended 30 September 2004 is set out on page 6.

Dividends and retention

The directors do not recommend the payment of a dividend for the year.

Post balance sheet events

There have been no significant post balance sheet events.

Directors

The names of persons who were directors at any time during the year ended 30 September 2004 are set out below. Unless indicated otherwise they served as directors for the full year.

P G Daly	(Resigned 1 June 2004)
F A Rogerson	
R C Hannaford	(Resigned 30 September 2004)
R Dyrbus	
T M Williams	(Appointed 16 April 2004)

Directors' interests in shares (beneficial and family interests)

The only declarable beneficial interests, including family interests, of the directors and secretary in office at 30 September 2004 in the share capital of the company and other group companies in the Imperial Tobacco Group PLC group as at 1 October 2003 (or date of appointment, if later) and 30 September 2004 were:

	Ordinary shares			Sharesave options			Contingent rights to ordinary shares (LTIP and Share Matching Scheme shares)		
	Balance at 1/10/03	Balance at 30/9/04	Balance at 7/7/05	Balance at 1/10/03	Balance at 30/9/04	Balance at 7/7/05	Balance at 1/10/03	Balance at 30/9/04	Balance at 7/7/05
C Deft	6,576	6,036	5,386	2,008	2,008	2,008	4,793	4,793	4,632
T M Williams	7,001	6,452	6,452	3,578	3,578	4,423	7,337	6,787	6,432
F A Rogerson	66,270	76,430	84,093	2,008	2,008	2,008	80,904	85,576	93,274
R Dyrbus	186,603	197,996	206,702	1,477	1,049	1,049	190,157	172,312	158,527

¹ Or date of appointment if later.

² T M Williams interests are shown from 1/10/03 as he was Secretary until 18/4/04 and a Director thereafter.

Full details of changes in the directors contingent rights to ordinary shares and sharesave options, since 30 September 2004, are set out below.

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 1/10/03	Granted during year	Vested during year	Weighted average exercise price £	Balance at 30/9/04	Range of exercisable dates of options held at 30/9/04
C Deft	2,008	-	-	8.24	2,008	1/8/2007 - 31/1/2008
	2,008	-	-		2,008	
T M Williams	2,804	-	-	3.61	2,804	1/8/2005 - 31/1/2006
	774	-	-	8.22	774	1/8/2008 - 31/1/2009
	3,578	-	-		3,578	
F A Rogerson	2,008	-	-	8.24	2,008	1/8/2007 - 31/1/2008
	2,008	-	-		2,008	
R Dyrbus	802	-	(802)	4.83	-	1/8/2004 - 31/1/2005
	675	-	-	8.22	675	1/8/2006 - 31/1/2007
	-	374	-	10.08	374	1/8/2007 - 31/1/2008
	1,477	374	(802)		1,049	

1 Or date of appointment if later.

On 23/5/2005 T M Williams was granted an option over a further 845 ordinary shares at an exercise price of £11.73 exercisable between 1/8/2010 and 31/1/2011

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 1/10/03	Contingent rights arising in year	Contingent rights vesting in year	Market price at date of vesting £	Balance at 30/9/04	Expected vesting date
C Deft	1,587	-	-		1,587	January 2005
	294	-	-		294	August 2007
	1,367	-	-		1,367	January 2006
	1,545	-	-		1,545	January 2007
	4,793	-	-		4,793	
T M Williams	2,665	-	(2,665)	10.87	-	January 2004
	2,109	-	-		2,109	January 2005
	294	-	-		294	August 2007
	2,269	-	-		2,269	January 2006
	-	2,115	-		2,115	January 2007
	7,337	2,115	(2,665)		6,787	
F A Rogerson	17,841	-	(17,841)	10.87	-	January 2004
	14,620	-	-		14,620	January 2005
	294	-	-		294	August 2007
	12,857	-	-		12,857	January 2006
	-	13,692	-		13,692	January 2007
	45,612	13,692	(17,841)		41,463	
R Dyrbus	33,377	-	(33,377)	10.87	-	January 2004
	27,397	-	-		27,397	January 2005
	294	-	-		294	August 2007
	24,848	-	-		24,848	January 2006
	-	23,282	-		23,282	January 2007
	85,916	23,282	(33,377)		75,821	

1 Or date of appointment if later.

In respect of the January 2005 award 100 per cent of the award vested on 29 January 2004. The share price on 28 January 2005, the last business day prior to the date of vesting, was £14.02.

On 29 January 2005 contingent rights under the Share Matching Scheme arose in the period in respect of C Deft (1,426), T M Williams (1,754), F A Rogerson (14,893) and R Dyrbus (22,947).

Report of the Directors

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

	Balance at 1 1/10/03	Granted during period	Vested during period	Market price at date of exercise £	Balance at 30/9/04	Performance period
F A Rogerson	12,939	-	(12,939)	10.895	-	November 2000 - November 2003
	11,926	-	-		11,926	November 2001 - November 2004
	10,427	-	-		10,427	November 2002 - November 2005
	-	21,760	-		21,760	November 2003 - November 2006
	<u>35,292</u>	<u>21,760</u>	<u>(12,939)</u>		<u>44,113</u>	
R Dyrbus	38,214	-	(38,214)	10.67	-	November 2000 - November 2003
	36,309	-	-		36,309	November 2001 - November 2004
	29,718	-	-		29,718	November 2002 - November 2005
	-	30,464	-		30,464	November 2003 - November 2006
	<u>104,241</u>	<u>30,464</u>	<u>(38,214)</u>		<u>96,491</u>	

1 Or date of appointment if later.

For outstanding awards, the performance criterion is based on Imperial Tobacco Group PLC's earnings per share (EPS) growth. The award vests on a sliding scale depending on average growth in basic EPS based on an agreed protocol to allow appropriate adjustments for amortisation, exceptional and extraordinary items. The adjustments are confirmed by the auditors after adjusting for inflation over the period of the award. No vesting occurs unless the company's average real EPS growth is positive. Full vesting occurs if real EPS growth is equal to or exceeds 10 per cent. Between these two points the award vests on a straight-line basis. In order to ensure that performance criterion remains challenging for the 2003 award, the proposed 2004 award and for future awards, vesting will only occur if the average real EPS growth exceeds 3 per cent per annum. The upper threshold of 10 per cent real EPS growth will remain unchanged. There is no opportunity to retest if the performance criterion is not achieved.

In respect of the November 2001 - November 2004 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 26 November 2004.

The share price on 20 January 2005, the date of exercise, was £13.78 valuing the awards as follows:

	Award lapsing No. of shares	Award exercised No. of shares over which options granted	Award exercised value £'000
F A Rogerson	-	11,926	164
R Dyrbus	-	36,309	500

On 9 November 2004, November 2004 - November 2007 awards were granted to F A Rogerson (19,351) and R Dyrbus (26,974).

The November 2002 - November 2005 and the November 2003 - November 2006 awards are considered to be too distant from maturity to include a projected value. However, in respect of these awards, Imperial Tobacco Group PLC's adjusted earnings per share have grown by more than 10 per cent in real terms in the financial year and therefore, if this performance is maintained over the relevant performance periods both awards would vest in full.

The middle market price of Imperial Tobacco Group PLC shares at the close of business on 30 September 2004 was £12.04 and the range of the middle market price during the year was £9.67 to £12.86.

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.

There were no contracts or arrangements of any significance in relation to the business of the company in which the directors had any interest, as defined in the Companies Act, 1990, at any time during the year ended 30 September 2004.

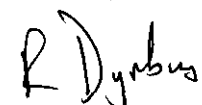
Health, Safety and Welfare at Work Act, 1989

The policy of the company is to ensure the health and welfare of its employees by maintaining a safe place and system of work. This policy, which is set out in the safety statement required by the Safety, Health and Welfare at Work Act, 1989, was fulfilled during the year.

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 Dyrbus



T M Williams

8 July 2005

PricewaterhouseCoopers
Wilton Place
Dublin 2
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I.D.E.Box

Independent Auditors' Report to the Members of Newglade International

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 accounting standards generally accepted 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 auditing standards issued by the Auditing Practices Board applicable in 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 and have been properly prepared in accordance with Irish Statute comprising the Companies Acts, 1963 to 2003. 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.

Basis of 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 30 September 2004 and of its results for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2003.

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 4 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 7, 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 2004 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

11 July 2005

Profit and loss account

for the year ended 30 September 2004

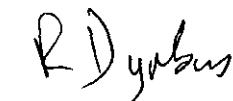
<i>(In €000's)</i>	Notes	2004	2003
Operating profit / (loss)	1	20	(3)
Profit / (loss) on ordinary activities before interest		20	(3)
Interest receivable	2	8,040	94
Profit on ordinary activities before taxation	3	8,060	91
Tax on profit on ordinary activities	4	(2,411)	(24)
Profit on ordinary activities after taxation and retained for the year		5,649	67
Balance at beginning of year		207	140
Balance at end of year		5,856	207

In arriving at the profit retained 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 profit retained for the year stated above and their historical cost equivalent.

On behalf of the board



R Dyrbus



T M Williams


8 July 2005

Balance Sheet

at 30 September 2004

<i>(In €000's)</i>	Notes	2004	2003
Fixed assets			
Financial assets	5	-	289,707
		-	289,707
Current assets			
Debtors: Amounts falling due after one year	6	297,770	-
		297,770	-
Creditors: amounts falling due within one year	7	(2,414)	-
Net current assets		295,356	-
Total assets less current liabilities		295,356	289,707
Net assets		295,356	289,707
Capital and reserves			
Called up share capital	8	124	124
Share premium account	9	289,376	289,376
Profit and loss account		5,856	207
Equity Shareholders' funds	10	295,356	289,707

On behalf of the board



R Dyrbus



T M Williams

8 July 2005

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 2003. 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 "€".

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>	2004	2003
Operating profit / (loss) includes:		
Administration costs	5	3

2 Interest receivable

<i>(In €000's)</i>	2004	2003
Group undertakings	8,040	-
Other interest	-	94
	8,040	94

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging the following:

<i>(In €000's)</i>	2004	2003
Auditors' remuneration	2	3
Directors' remuneration	-	-

The emoluments of the directors are paid by other Imperial Tobacco Group PLC companies which make no recharge to the company. Accordingly, their emoluments are not disclosed in these financial statements.

4 Taxation

Factors affecting current tax charge for the year

<i>(In €000's)</i>	2004	2003
Profit on ordinary activities before taxation	8,060	91
Profit on ordinary activities at the standard tax rate for the year of 30.0% (2003: 13.4%)	2,418	12
Effects of:		
Permanent differences	(7)	1
Different rates on interest income - bank interest charged at 25%	-	11
Current tax charge for the current year	2,411	24

5 Financial assets

<i>(In €000's)</i>	2004	2003
Investment in subsidiary undertaking:		
Unlisted shares at cost	-	289,707

On 1 October 2003 the company disposed of Imperial Tobacco Interests (Netherlands) B.V for €289,707,000 by way of an interest bearing inter-company loan with Imperial Tobacco Cooperatief W.A., a fellow group undertaking of Imperial Tobacco Group PLC.

Notes to the accounts

6 Debtors

<i>(In €000's)</i>	2004	2003
Amounts falling due after more than one year		
Amounts owed by fellow subsidiary undertakings	297,770	-
	297,770	-

7 Creditors

<i>(In €000's)</i>	2004	2003
Amounts falling due within one year		
Amounts owed to fellow subsidiary undertakings	3	-
Corporation tax	2,411	-
	2,414	-

8 Called up share capital

<i>(In €000's)</i>	2004	2003
Authorised		
100,000 ordinary shares of €1.25 each	125	125
Issued		
98,805 (2003: 98,805) ordinary shares of €1.25 each	124	124

9 Share premium account

<i>(In €000's)</i>	2004	2003
	289,376	289,376

10 Reconciliation of movements in shareholders' funds

<i>(In €000's)</i>	2004	2003
Opening equity shareholders' funds	289,707	293,140
Reduction in share premium through redemption of ordinary shares	-	(3,499)
Redemption of ordinary shares	-	(1)
Profit retained for year	5,649	67
Closing equity shareholders' funds	295,356	289,707

Notes to the accounts

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 8 July 2005.