



Investors  
Lunch meeting

Presentation

Paris, January 13th, 2005  
London, January 24th, 2005

# Detailed current debt

million €	31/12/03	30/09/04	Proforma acquisitions
Bonds	1 100	1 100	1 100
Securitization	537	537	537
LT Loans	950	750	750
Others	44	39	39
<b>Total LT</b>	<b>2 631</b>	<b>2 426</b>	<b>2 426</b>
Commercial Paper	250	250	250
ST loans	176	157	157
<b>Total ST</b>	<b>426</b>	<b>407</b>	<b>407</b>
<b>GROSS DEBT</b>	<b>3 057</b>	<b>2 833</b>	<b>2 833</b>
Cash and equivalents	1 021	1 294	750
<b>NET DEBT</b>	<b>2 036</b>	<b>1 539</b>	<b>2 083</b>
			+ 544

million €	Etinera	Balkan Star	Acquisitions
Acquisition price	566	242	808
Target cash/(debt)	224*	40	264
<b>Net price</b>	<b>342</b>	<b>202</b>	<b>544</b>

\* Actual target cash for Etinera as of September 30, 2004 is € 419 million. Disclosed figure of €224 million includes the €195 million excise taxes and VAT payment anticipation which will take place in December '04. This amount will be recovered end of January '05.

# Sound credit ratios

	2003	Q3 2004	Q3 PROFORMA
Net debt	2 036.0	1 539.0	2 083.0
Net debt / EBITDA	1.9x	1.4x	1.8x
EBITDA / Net Interest	12.3x	13.7x	11.2x
FFO / Net debt	36%	47%	35%

	S&P	Moody's
Corporate Rating	A-	Baa1
Outlook	Negative	Stable

## Methodology :

- 2003 = actual
- Q3 2004 - Net debt = actual - EBITDA, Interest and FFO of Q3 restated for Full Year
- FFO = EBITDA less net interest plus dividend received from associates less income tax less restructuring - all items on a cash basis
- Q3 proforma : Q3 corrected to take into account acquisitions of Balkan Star and Etinera - cost of acquisition +/- cash or debt of target

# Liquidity position (proforma)

million €	30/09/04	2004	2005	2006	2007	2008	2009	2010
Bonds	1 100					- 600		
Securitization	537		- 537					
LT Bilateral loans €	227	- 100			- 50		- 77	-
LT Bilateral loans \$	66	- 20	- 20	- 20	- 6			
LT Syndicated loan MAD	454				- 88	- 113	- 113	- 139
LT bilateral loans MAD	3	- 1	- 1	- 1		-		
Leasings	39	- 2	- 4	- 4	- 4	- 4	- 4	- 17
<b>Total LT</b>	<b>2 426</b>	<b>- 123</b>	<b>- 562</b>	<b>- 25</b>	<b>- 148</b>	<b>- 717</b>	<b>- 194</b>	<b>- 156</b>
Commercial Paper	250							
ST loans	157							
<b>Total ST</b>	<b>407</b>							
<b>GROSS DEBT</b>	<b>2 833</b>							
Cash and equivalents	- 750							
<b>NET DEBT</b>	<b>2 083</b>							

COVERAGE OF ST DEBT	
<b>Within 1 year debt</b>	<b>555</b>
Cash available	750
Undrawn credit lines	1 250
<b>Available less 1 year debt</b>	<b>1 445</b>

## Note :

- Within 1 year debt does not include securitization, which matures in december 2005; it however includes a 100 m € loan repaid by anticipation in december 04
- Credit lines have recently been restructured with the signing of a 5 years 1.2 bn € syndicated facility - this line provides financial flexibility to the Group for its debt management

# Rating Agencies assessments

**STANDARD  
& POOR'S**  
*Setting the Standard*

**Corporate : A-**

**Bonds : BBB+**

**CPs : A2**

- Sept 22nd, 2004 : **A-** corporate rating (negative outlook) reaffirmed, waiving of negative watch
- Sept 1st, 2003 : Bond issue rated **BBB+**, in consideration of Altadis SA debt being structurally subordinated to that of subsidiaries
- June 2, 2003: outlook changed to negative for the long-term **A-** rating following the RNTM acquisition. **A-2** short-term rating affirmed
- March 20, 2002: rating initiated at A- (long term) and A-2 (short term)



**Moody's Investors Service**

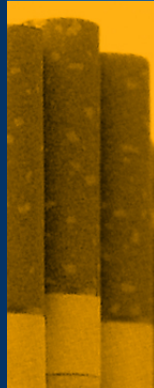
**Corporate : Baa1**

**Bonds : Baa1**

**CPs : P2**

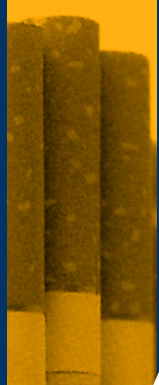
- Sept 1st, 2003 : Bond issue rated **Baa1**, in line with Corporate rating
- June 3, 2003: long-term rating lowered to **Baa1** following the RNTM acquisition. Outlook is stable. **P-2** short-term rating affirmed
- May 14, 2002: short-term rating initiated at P-2 / March 20, 2002: long-term rating initiated at A3

# Conclusion



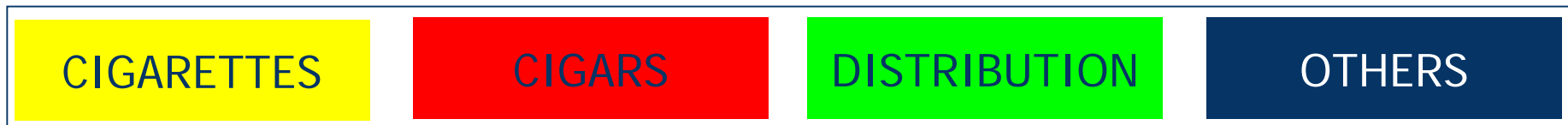
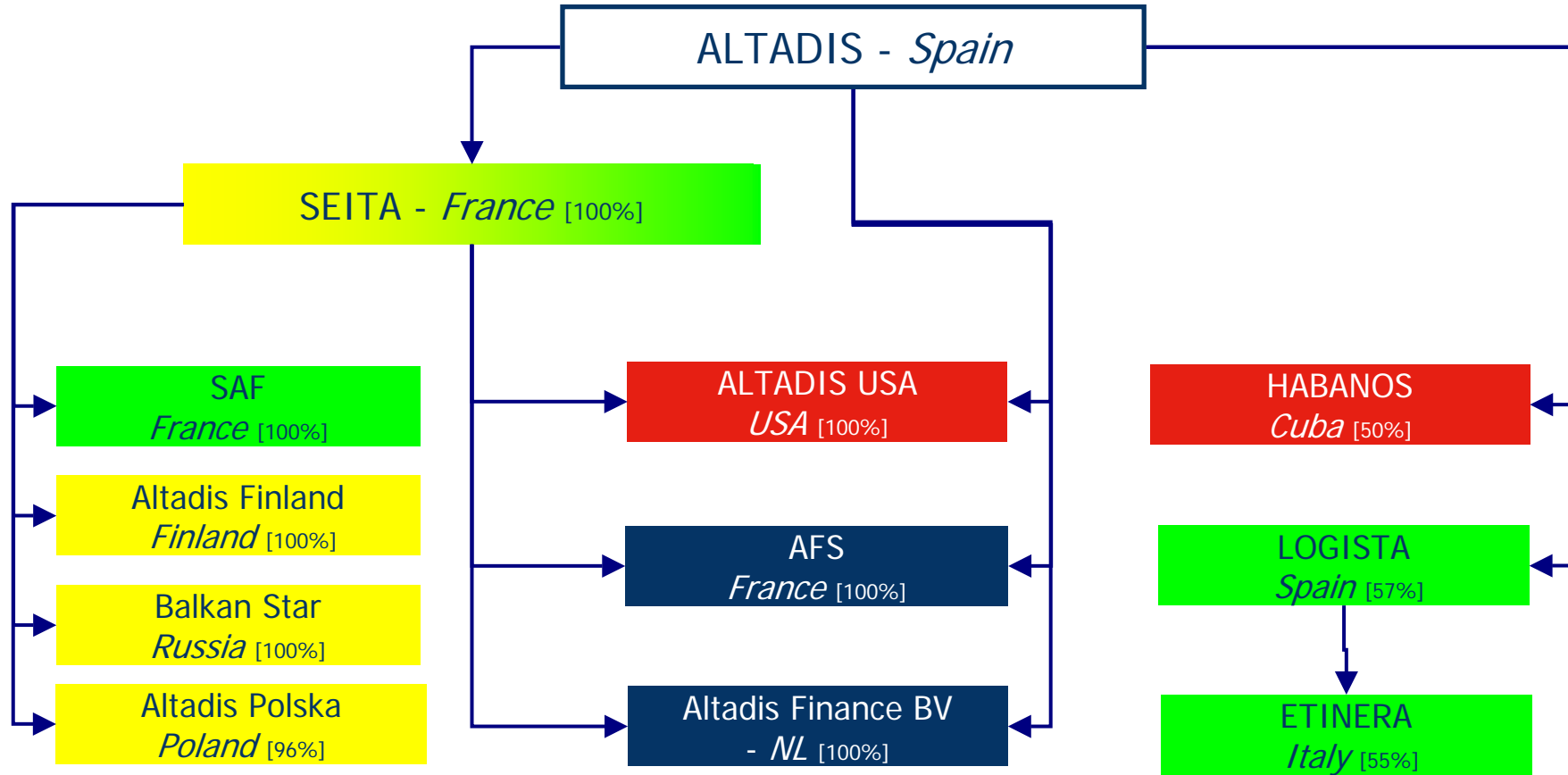
# A continuously strong credit profile

- A leader in profitable home markets : Spain, France, Morocco
- A world-wide leader in the global Cigar Market
- Diversification in Logistics balances business portfolio
- One of the stronger profiles in the tobacco sector
- Absence of US litigation risk
- Excellent potential for higher margins through rationalisation
- Strong track record of rapid and successful integrations
- Strong cash flow allowing fast debt repayment
- Strong platform to international bond markets



# Appendices

# Summarised Group Chart



# Structural Subordination

