

Licensed to Kill, Inc. 2003 Annual Report



We're Rich, You're Dead! TM

Dear Shareholder

For Licensed to Kill, Inc, 2003 was a year of great significance – after all, it was the year that we incorporated our deadly corporation!

We may not have been around 100 years like our major competitors, but our lack of experience is made up by the height of our ambition, which is – as our articles of incorporation clearly state – to manufacture and market tobacco products in a way that each year kills over 400,000 Americans and 4.5 million other people worldwide.

2003: A Year of Investment

It's been an exciting first year, with many promising business developments at home and abroad. Not surprisingly, the majority of our profits came from overseas sales with continued strong sales to youth and women. We are proud to say that we returned lots of \$\$\$ to our shareholders, while we paid our tobacco growers around the world little or nothing for their toils.

And we continue efforts on our legislative and litigation fronts, floating millions of dollars to legislators in order to buy their votes – an important part of being an active corporate citizen in this democracy of, by, and for corporations. We're glad to report that all the politicians we've paid off have voted in favor of protecting our industry from those who oppose homicidal corporations. They have helped us by overturning existing tobacco control laws and by passing weak, pro-industry legislation.

Domestic Tobacco

We look forward to increases in the sales of our Licensed to Kill cigarette brands in the United States, particularly to underage youth. We have made some significant changes to the way we package cigarettes and introduced some new brands that we think will be particularly appealing to youth (but subtle enough that adults won't catch on). Even though we have created a new product line labeled "decreased harmful substances in cigarette smoke", we admit that this is a smokescreen intended to maintain sales. There are still many harmful chemicals in this product that lead to asthma, lung cancer and other tobacco related illnesses that can cause death. But frankly, our corporation is only concerned about the "health" of our stock value – not human health. And we know our stockholders are too!

International Tobacco

We are proud that our L2K cigarette is rapidly gaining market share against Altria/Philip Morris's Marlboro brand and British American Tobacco's Benson & Hedges brand. Like our competitors, our corporation continues to avoid tobacco advertising bans and regulations by "brand stretching" in all sectors of the world from sponsoring rock concerts, sports events, passing out tobacco shirts to youth and creating cool L2K clothing stores. In 2004, China will be our next target. Imagine the profits if we can convert one third of the world's cigarette smokers in China to our brands – and then expand the market further! This is an untapped market indeed.

Food Products

While we started off solely as a tobacco company, guided by the philosophy that we did not need to hide our deadly business behind food subsidiaries like our main competitor, we had a change of heart half way through the year and decided to dabble with a few products, e.g. GOREO cookies, sTang orange drink, ADENOID mints, ImBalance bars, and Honeytomb cereal.

Eventually, we hope to acquire more food products so we will have control over the majority of the food sector. This way, we will be able to profit from smokers and non-smokers alike, and subtly but favorably influence media coverage of tobacco issues by buying advertising space for our food products.

Litigation and Legal Action

So far we have successfully avoided litigation, likely because we are so upfront and brutally honest about our business. We don't have a long history of lies and manipulation like our primary competitors. That said, we live in a very litigious society and we expect that it is only a matter of time before we are sued for having a total disregard for public health and people who die from our tobacco products. We are already planning a counter lawsuit, if such a case should arise, which will focus on our constitutional right to market death if we want to. Corporations are, after all, considered legal persons according to the law.

Delivering Long-Term Shareholder Value

We are confident that Licensed to Kill will continue to grow by leaps and bounds in the coming years. Towards that end, our promise to you is that we will continue to aggressively market our lethal tobacco products to youth and women around the world, addicting thousands of new smokers each and every day.

I want to thank all of our employees including our greedy executives, our exploited tobacco farmers, and our "cigarette girls" around the world. We would not be the powerful company we are today without them. We plan to offer lavish bonuses and million dollar awards to our top executives (while continuing to deny a living wage to our poorest employees around the world).

We thank our employees for a year of tobacco success! And we thank you, our shareholders, for investing in our corporation. Your hunger for more wealth, at the expense of global public health, is what fuels our quest for ever-increasing profits.

Rich Fromdeth
Chairman of the Board and
Chief Executive Officer
March 1, 2004

Note: This annual report details our company's business activities between April 2003-March 2004

“Responsibility”

Compliance and Integrity

License to Kill pursues its objectives of making money and pleasing our shareholders by following our company policies and abiding by all laws set by the state of VA. We don't let minor distractions, like public health issues, get us off track from our real objective of making money and keeping our cushy executive jobs.

Products

License to Kill is dedicated to addressing issues related to our products. For example, we have implemented youth smoking prevention programs. While we strive to look good in the public eye, we assure our shareholders that all prevention programs are unsuccessful in reducing youth smoking rates. We understand the importance of youth as potential customers, and would do nothing to jeopardize the opportunity to make profit gains for our company. Youth are our company's future!

Workplace

We are committed to providing a safe and healthy workplace so our employees can manufacture a product that is unsafe and unhealthy.

Contributions

License to Kill is a leader in corporate giving - and not just giving sickness, misery, and despair. We also donate to many important charitable causes. Last year alone, we donated to organizations focused on relieving world hunger. License to Kill is committed to addressing the hunger problem because people who starve to death can't buy our tobacco products. Domestic violence is also a real concern for us because we want nothing distracting consumers from using our high quality products. Also, our industry has found it worthwhile to give society the impression that we care about women lives – to cover up the fact that more women die of lung cancer (caused by our products) than from breast cancer.



Licensed to Kill-sponsored orphanage in Kazakhstan

But orphans are our special concern. Our L2K orphanage provides a unique opportunity to make us look like heroes and all round good guys. And at the same time, we do have a special responsibility to orphans since our products cause kids to become orphans.

Our PR campaign slogan: *We don't just build the orphanage... we fill it too!*

Environment

We are dedicated to environmental practices that will promote a healthy environment, with the exception of clean indoor air. Our philanthropy in this area helps obscure the fact that our products are the main cause of indoor air pollution.

2003 Business Review

Note: Licensed to Kill, Inc has chosen not to list actual sales volumes in this review, but we assure our shareholders that our company is in excellent financial status, with stock value skyrocketing during the past year!

Domestic Tobacco

Licensed to Kill, Inc exhibited strong growth last year. When a corporation starts from zero, it can only go up! In particular, Licensed to Kill (L2K), our premier cigarette brand, has proven highly successful with American high school students.

And early in 2004, we launched a brand new cigarette brand, SLAVE™, for the African-American target market. The brand's slogan: *You Used to Pick It, Now You Smoke It!*

For more information about our domestic brands, see PRODUCT LIST at end of report

International Tobacco

While Licensed to Kill is making headway in the domestic market, it is the international market where are future really lies. Over the past year, company executives have traveled extensively around the world – Mexico, Senegal, Nigeria – to spread the word about our deadly brands, such as Global Massacre™, Serial Killer™, WOMD™, and Throat Hole™, to name a few. In particular, we found Nigerians to be very receptive to our global mission. *For more information on our expansion into West Africa, see APPENDIX A*

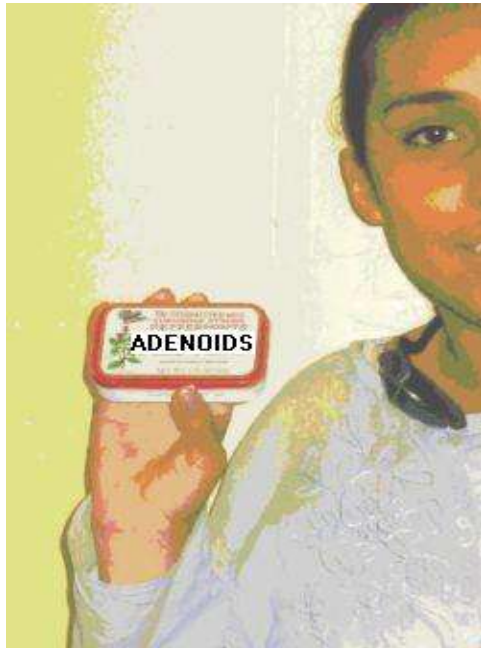
While business is booming around the world, we are ever-vigilant of the threats that loom on the horizon, such as “health” advocates tinkering with international trade treaties in order to exclude tobacco from them. Our company's position is that tobacco is a product just like any other (except that it kills if used as intended), and should be treated just like other products when it comes to international trade treaties. *For more information on our lethal lobbying at international trade negotiations, e.g. WTO and FTAA, see APPENDIX B*

For more information about our international brands, see PRODUCT LIST at end of report

Food

So far, our food sales have been small compared to our tobacco sales, but fast-growing nevertheless. We have been working behind the scenes to thwart a major World Health Organization initiative to encourage countries to regulate the marketing of junk food to

kids. So far, the effort has been successful in weakening WHO's guidelines on the issue. Our tobacco business has given us good training!



One of our most popular confectionary brands is ADENOIDS™ mints, the “furiously strong” mints, as we like to call them.

Named after an enlarged mass of lymphoid tissue at the back of the pharynx characteristically obstructing breathing, we think they are a good complement to our line of deadly cigarette brands.

We have launched a co-branding marketing campaign which encourages consumers to smoke a Global Massacre™ and then pop in an ADENOIDS™ to wash all that smoke down!

Our new “furiously strong” ADENOID mints

Our popular Customer Service Line has received hundreds of inquires about our products over the past year. *For some examples of consumer inquiries and our individualized responses, please see APPENDIX C*

The only challenge that our company has faced in the last year is continuing skepticism that Licensed to Kill, Inc is indeed a real company, incorporated in the Commonwealth of Virginia, with an explicit purpose to manufacture and market tobacco products in a way that each year kills 4.9 million people worldwide. In case there are any lingering doubts among our shareholders on this issue, we have attached a copy of our company's certified articles of incorporation at the end of this report.

We should also mention that in May 22, 2003, we were contacted by Virginia's Assistant Attorney General regarding the nature of our deadly business. We were successfully able to avoid further questions, by pointing out the unfairness of picking on Licensed to Kill vs. other tobacco companies. *Note: a copy of the letter from the Assistant Attorney General and an excerpt of our response followed the articles of incorporation.*

Board of Directors

Rich Fromdeth

Chairman of the Board and Chief Executive Chief Executive Officer
Director since 2004

Corrie “Core” Prutspin

Secretary and Senior Vice President of Corporate Communications
Director since 2004

James Loves Munnee

Registered Agent
Director since 2003

Officers

Rich Fromdeth

Chairman of the Board and
Chief Executive Chief Executive
Officer

Corrie “Core” Prutspin

Secretary and Senior Vice
President of Corporate
Communications

Virginia Slime

Senior Vice President of
Marketing to Women

Noam Morrels

Senior Vice President for Global
Expansion

Lott O. Graives

Chief Financial Officer

Gray Vastone

Director of Nigerian Operations

Rich Grassalamort

Managing Director,
Francophone West Africa

Rico d’Asesino

Managing Director, Latin America

Jen O’Seid

Managing Director, Eastern/Central Europe



Licensed to Kill Execs hang out in Hollywood

Financial Review

Note: The Financial Review was unfortunately not ready for our annual report print deadline. For more information on our sales around the world, please contact our company's Chief Financial Officer, Lott O. Graves at: tobacco@licensedtokill.biz

Shareholder Information

All shareholder inquiries should be directed to our headquarters:

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Credits

Licensed to Kill, Inc thanks the following consulting agencies for their assistance in the writing of this report:

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Youth Leadership Institute (CA)