

28 November 2017

Imperial Brands statement on Palmer & Harvey

In October 2017 Palmer & Harvey (P&H) entered a period of exclusivity with the Carlyle Group with the intention of securing significant capital investment. We are disappointed to learn that despite Imperial's on-going support, the Directors of P&H have today appointed administrators.

P&H has been a long-standing trading partner in the UK and for several months Imperial has been working to find a solution that provides the business, and its employees, with a sustainable long-term future. Imperial was prepared to explore further alternatives and is disappointed that the other parties have been unable to pursue these to a successful conclusion.

We currently estimate that P&H's decision to enter administration may have a one-off impact on Group operating profit in our current financial year by up to £160 million, the majority of which relates to excise duty which is non-recoverable.

We do not anticipate any significant disruption to our UK operations. We have well-prepared contingency plans which will ensure that the on-going supply to Imperial's retail customers remains unaffected.

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