

**28 September 2017**

**On track to meet full year expectations**

- **Increased investment delivering improved share performance in most priority markets**
- **Focus on quality growth with continued share gains from Growth Brands**
- **Stronger second half with volumes outperforming the industry**

Imperial Brands PLC today issues the following trading update ahead of its close period on 1 October 2017.

We are on track to meet earnings expectations for the full year at both constant currency and reported exchange rates.

We continue to invest behind our strategy to drive sustainable growth in a particularly challenging industry environment. The impact of this investment on earnings is mitigated by our cost programmes, pension scheme restructuring and ongoing efficiencies.

Our increased investment is delivering a stronger second half performance with market share gains in most of our priority markets and continued outperformance of our Growth Brands.

In tobacco we are leveraging our strengthened brand portfolio in our priority markets where we have stepped up investment behind our Market Repeatable Model, our codified approach to growing quality market share. This structured approach sits behind our success in driving share improvements, which, in turn, supports our improved top line metrics.

In Next Generation Products, we are gearing up for new launches in an extended footprint in the coming year focused on improving the consumer experience and further building the blu brand.

We expect to deliver strong growth in revenues and earnings at actual currency, with constant currency performance impacted by the significant additional investments in the year. Our cash generation remains strong.

Earlier in the month we took the opportunity to realise value via a further sell-down of our Logista holding, and we are using the proceeds to buy-back shares and reduce debt, redeploying capital in an efficient manner.

Further to overnight media speculation, we confirm that we have been working, together with other stakeholders, to seek to create a sustainable future for the UK wholesaler, Palmer & Harvey, with whom we have a close trading relationship.

The preliminary results for the year ended 30 September 2017 will be announced on 7 November 2017.

ENDS

**Investor Contacts**

Peter Durman +44 (0)7970 328 903  
Mat Slade +44 (0)7811 974 438

**Media Contacts**

Alex Parsons +44 (0)7967 467 241  
Simon Evans +44 (0)7967 467 684

### **Cautionary Statement**

Certain statements in this announcement constitute or may constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is or may be a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those projected or implied in any forward-looking statement. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement. As a result, you are cautioned not to place any reliance on such forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be construed as a profit forecast or profit estimate and no statement in this announcement should be interpreted to mean that the future earnings per share of the Company for current or future financial years will necessarily match or exceed the historical or published earnings per share of the Company. This announcement has been prepared for, and only for the members of the Company, as a body, and no other persons. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this announcement is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.