

Trading update

Imperial Tobacco Group PLC (Imperial Tobacco) confirms that the anticipated overall performance and financial position of the Group for the financial year to 30 September 2010 remains in line with management's expectations. The trading trends outlined in the Interim Management Statement on 2 February 2010 have continued.

Our global strategic cigarette brands have performed strongly with both Davidoff and West growing volumes. Gauloises Blondes volumes have also grown after adjusting for the impact of temporary supply chain disruption in the Middle East. We expect our first half cigarette volumes will be down by around four per cent due to this disruption and continued market weakness in some Eastern European countries, the USA and Spain. We expect our cigarette volumes will stabilise in the second half compared to the same period last year.

Our fine cut tobacco business has performed well with first half volumes expected to be up around 10 per cent with the UK, Germany and Central European markets performing particularly well.

Price increases across our portfolio in a number of markets since the start of the financial year have offset the impact of increasing leaf costs.

We expect our working capital to follow its normal pattern with a significant outflow in the first half followed by an unwinding in the second half. For the full year we expect our cash conversion* to be between 90 and 100 per cent.

Imperial Tobacco expects to release its results for the half year ending 31 March 2010 on Tuesday 27 April 2010.

*Cash conversion is defined as cash flow post capital expenditure pre interest and tax measured as a percentage of adjusted profit from operations.

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