

press release

22 September 2010

Investing in tobacco companies can be harmful to an investor's portfolios
health

- Imperial Tobacco is on track to meet 2010 forecasts
- The tobacco company experiences weakness in volumes in Spain, USA, Russia and the Ukraine
- The Share Centre lists Imperial Tobacco as a 'sell', favouring British American Tobacco

Nick Raynor, investment adviser at The Share Centre, explains why Imperial Tobacco is a 'sell' for investors, despite being on track to meet 2010 targets.

"Imperial Tobacco has seen volumes in fine cut tobacco increase 6% for the final six months of 2010 and so is on track to meet forecasts for the year. However, the good news ends there. Revenue has slowed in line with the sector over the last six months and we are now seeing weaker volume levels in Spain, USA, Russia and the Ukraine.

"We continue to list Imperial Tobacco as a 'sell' for investors as we favour British American Tobacco (BAT) from the sector. BAT offers better opportunities for growth and is also paying a higher dividend.

"Defensive investors will appreciate the stability of BAT, but we currently list it as a 'hold' as better returns could be found outside the sector. Investors should remember - investing in tobacco companies could be as harmful to your portfolio as smoking their products is to your health."

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Risk Warnings:

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#)

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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