

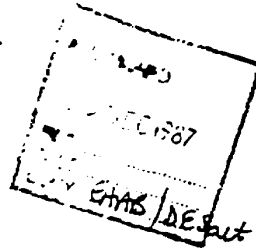
B.A.T Cigarettenfabrik

mbH.



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Mr. A.L. Heard
British-American Tobacco Co. Ltd.
Westminster House
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LONDON SW1P 3JE

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3rd December 1987

Dear Alan,

Fundamental Research Costs

Thank you very much for your letter dated 20th November on fundamental research costs.

We agree to the suggested figure of £ 0.57 million for 1988. However, I have one wish. I would be very grateful if you could advise us next year in the course of August and September on the fee for 1989 because the company planning is finalized in those months.

This year we had budgeted DM 1.3 million and now have to increase it to DM 1.7 million after submitting our final plan to BATIG.

I hope this will be possible.

With kind regards,
yours sincerely,

Ulrich Herter

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