

8 November 1988

BHJR/LBJ

Imperial Tobacco Limited
PO Box 6800
Montreal
PQ CANADA
H3C 4L4

For the attention of Madaline O'Brien

Dear Ms O'Brien

1988 RESEARCH AND DEVELOPMENT CHARGES

I enclose a credit note for £ 570,000 cancelling our invoices of 1 June, 1 July and 1 October 1988. These have been substituted by:

1. Traditional Fundamental Research Costs

An invoice for £ 400,000 being the 1988 contribution from Canada for funding of the traditional fundamental research programme.

2. Project 'Greendot'


An invoice for £ 43,401 being the 17% of total cost contribution from Canada for the eight months to August 1988. The annual expenditure on this project is expected to be £ 645,000 (including external market research expenses of £ 85,000), thus your 1988 total contribution should be £ 95,200.

3. Project 'Airbus'

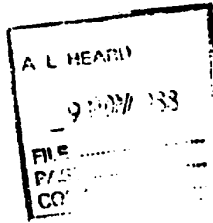
An invoice for £ 27,236 being the 17% of total cost contribution from Canada for the nine months to September 1988. The annual expenditure on this project is expected to be US \$ 964,000 (including net market research expenses of US \$ 58,000), thus your 1988 total contribution should be US \$ 154,000 (£ 90,000).

We look forward to receiving your remittance.

Yours faithfully


B H J Rowles
Management Accountant

cc: Mr A L Heard



Handwritten notes:
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Canada

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