



BAT INDUSTRIES

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PRESS ANNOUNCEMENT

29th November 1984

IMASCO

B.A.T Industries p.l.c. announces that its subsidiary BATUS Investments Inc. of Louisville, Kentucky, is to invest approximately £99 million in the purchase of shares of its Canadian associate, Imasco Limited. The effect of this would be to increase total B.A.T Industries Group shareholding in Imasco from 40 per cent to approximately 44 per cent.

This move reflects B.A.T Industries' belief that there is a growing climate of confidence in Canada and that the proposed relaxation of investment controls make this an appropriate place for this significant investment.

Imasco is a large and successful company with interests in tobacco, retailing and fast food in both Canada and the US. In the year ending March 1984, system-wide sales (including franchise operations) were in excess of \$Can. 5,000 million and its operating earnings were \$Can. 339 million. Earlier this year Imasco purchased Peoples Drug Stores, a large chain centred on Washington D.C., and on 14th November Imasco announced an agreement to purchase Rea and Derick, a drug store chain mainly operating in Pennsylvania.

Imasco will issue 3.4 million of its Common Shares at \$Can. 46.25 per share to BATUS Investments. This issue will increase Imasco's equity by 6.6 per cent and so strengthen its ability to finance future acquisitions in Canada and the United States.

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