

SECTION 2

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Imasco Limited
Five Year Review
Millions of Dollars

ROE
1991

	Actual			1994 Frcst	1995 Est
	1991	1992	1993		
Earnings to Common	\$304.6	353.4	388.5	474.5	533.2
Increase over prior	14%	16	10	22	12
EPS	\$2.56	2.97	3.26	4.00	4.53
Increase over prior	14%	16	10	23	13
Dividends	\$1.28	1.36	1.48	1.56	1.80
Increase over prior	-	6%	9	5	15
Payout ratio	50%	46	45	39	40
Capital expenditures *	\$123.0	170.0	165.0	195.0	260.0
Cash available before pref/debt repayment & share buy-back	\$259.0	201.0	324.0	151.0	101.0
Share buy-back				\$80.0	100.0
Payout ratio based on dividend + buy-back				56%	58%
Return on Equity	12.7%	13.7	13.8	15.4	15.8

* Excludes CT Financial Services.
Increased expenditures planned at ITL and SDM in 1995.

Imasco Limited
Earnings Summary
1994 Forecast and 1995 Preview

AG95
PL

December YTD			
1994 Plan	1994 Frcl	1993 Actual	%
491.0	592.0	462.0	28
329.0	332.0	232.4	43
120.4	125.1	85.3	47
98.1	100.0	100.1	-0
23.1	28.0	33.3	-16
(3.5)	(17.0)	(6.3)	
1,058.1	1,160.1	906.7	28
54.8	55.1	55.1	0
62.7	61.8	45.2	37
176.0	185.0	171.4	8
764.7	858.2	635.1	35
280.0	291.2	192.2	62
0.0	41.0	0.0	
39.6	40.6	34.1	19
445.1	485.4	408.8	19
12.2	10.9	20.3	-46
432.9	474.5	388.5	22
\$3.63	\$4.00	\$3.26	23
192.3	193.0	145.1	33
45.7	45.8	23.4	96
46.8	46.8	42.9	9
92.6	92.7	66.3	40
27.8	32.4	19.0	71
120.4	125.1	85.3	47

Earnings from Operations

Imperial Tobacco	640.0	592.0	8
CT Financial Services	374.6	332.0	13
Hardee's	131.7	125.1	5
Shoppers Drug Mart	100.0	100.0	0
Genstar Development	28.0	28.0	0
The UCS Group	0.0	(17.0)	
Earnings from Operations	1,274.3	1,160.1	10
Goodwill Amortization	55.1	55.1	
Other Costs and Admin.	59.0	61.8	-5
Interest Expense	169.0	185.0	-9
Pre-Tax Earnings	991.2	858.2	15
Income Taxes	359.0	291.2	23
ITL Surtax	48.6	41.0	18
Minority Interest	41.2	40.6	1
Net Earnings	542.5	485.4	12
Preferred Dividends	9.3	10.9	-15
Net to Common	533.2	474.5	12

Earnings per Share

CT Fin. - Net to Common

Hardee's - US \$	48.0	45.8	5
F.F.M. - US \$	60.0	46.8	7
Total US \$	98.0	92.7	6
Exchange	33.7	32.4	4
Total Cdn \$	131.7	125.1	6

December YTD		
1995 Est	1994 Frcl	%
640.0	592.0	8
374.6	332.0	13
131.7	125.1	5
100.0	100.0	0
28.0	28.0	0
0.0	(17.0)	
1,274.3	1,160.1	10
55.1	55.1	
59.0	61.8	-5
169.0	185.0	-9
991.2	858.2	15
359.0	291.2	23
48.6	41.0	18
41.2	40.6	1
542.5	485.4	12
9.3	10.9	-15
533.2	474.5	12
\$4.53	\$4.00	13
215.0	193.0	11
48.0	45.8	5
60.0	46.8	7
98.0	92.7	6
33.7	32.4	4
131.7	125.1	6

IMASCO LIMITED - PREVIEW 1995

ASSUMPTIONS

Imperial Tobacco Limited

- ▲ Long-term industry decline of 2.5% is the most likely scenario
- ▲ Industry decline to be offset by share gain
- ▲ Pricing 3% in late 1994
- ▲ Cost inflation, including wages 3%
- ▲ Significant savings from activity based costing and manufacturing productivity

CT Financial

- ▲ Target growth in book of business of \$6.0 billion (aggressive)
- ▲ Growth in market share to continue in 1995 (0.4% to 10.9%)
- ▲ Spread to be lower in 1995 (approximately 2.25%)
- ▲ Continue FTE reduction but less than 1994 (approximately 200)
- ▲ Expense ratio to decline 1.3% to 65.0%
- ▲ Provisions to decline to \$110 from \$125
- ▲ ROE to increase 11.5% from 10.0% in 1994
- ▲ Capital spending of \$140 to include \$48 for (SST) Sales and Service Branch System

Assumptions cont'd

Hardee's

- ▲ Same restaurant sales growth of 2%
- ▲ Testing of revised positioning based on segmentation work in mid 1994
- ▲ Cost reduction programs to continue
- ▲ System growth to be predominately through franchisees

Shoppers Drug Mart

- ▲ Pressure on sales and margins as a result of Wal-Mart openings in second half of 1994. (Approximately 125 former Woolco)
- ▲ Same store sales increase of 2%
- ▲ Ontario tobacco sales included in preliminary 1995 (although will probably be banned on January 1, 1995). Estimated profit impact of excluding Ontario tobacco sales is \$8 to \$10 million

Imasco Limited
System Sales
1994 Forecast and 1995 Preview

ROPS
SALES

December YTD			
1994 Plan	1994 Frct	1993 Actual	

2,720.6	2,523.7	2,859.6	-12
3,796.1	3,749.0	3,702.0	1
6,594.5	6,642.4	6,396.9	4
3,262.9	3,245.1	3,181.5	2
86.1	97.4	98.3	-1
276.6	193.0	288.2	-33
(65.0)	(42.0)	(73.3)	-43
16,671.8	16,408.6	16,453.3	-0

4,242.9	4,065.6	4,180.9	-3
1,201.4	1,194.7	1,149.2	4
(371.5)	(340.0)	(373.4)	-9
5,072.7	4,920.3	4,956.7	-1
1,521.8	1,722.1	1,440.2	20
6,594.5	6,642.4	6,396.9	4

December YTD			
1995 Est	1994 Frct		%

2,599.4	2,523.7	3%
3,824.0	3,749.0	2%
6,788.7	6,642.4	2%
3,310.0	3,245.1	2%
97.0	97.4	-0%
159.1	193.0	-18%
(24.0)	(42.0)	
16,754.2	16,408.6	2%

Imperial Tobacco
CT Financial Services
Hardee's
Shoppers Drug Mart
Genstar Development
The UCS Group
Intercompany

Hardee's
F.F.M.
Intercompany
Total US \$
Exchange
Total Cdn \$

4,146.9	4,065.6	2%
1,254.4	1,194.7	6%
(350.2)	(340.0)	3%
5,051.1	4,920.3	3%
1,737.6	1,722.1	1%
6,788.7	6,642.4	2%

Imasco Limited
 Net Revenues
 1994 Forecast and 1995 Preview

Pages
 REV

December YTD			
1994 Plan	1994 Frcst	1993 Actual	%
1,168.2	1,290.7	1,150.4	12
3,796.1	3,749.0	3,702.0	1
2,608.7	2,685.5	2,625.8	2
187.8	187.9	180.6	4
86.1	97.4	98.3	-1
276.6	193.0	288.2	-33
(65.0)	(42.0)	(73.3)	-43
8,058.5	8,161.5	7,972.1	2

1,176.8	1,134.6	1,259.0	-10
1,201.4	1,194.7	1,149.2	4
(371.5)	(340.0)	(373.4)	-9
2,006.7	1,989.2	2,034.8	-2
602.0	696.2	591.0	18
2,608.7	2,685.5	2,625.8	2

2,720.6	2,523.7	2,869.6	-12
(1,552.4)	(1,233.0)	(1,709.1)	-28
1,168.2	1,290.7	1,150.4	12

Imperial Tobacco
 CT Financial Services
 Hardee's
 Shoppers Drug Mart
 Genstar Development
 The UCS Group
 Intercompany

December YTD		
1995 Est	1994 Frcst	%
1,333.1	1,290.7	3%
3,824.0	3,749.0	2%
2,770.6	2,685.5	3%
193.5	187.9	3%
97.0	97.4	-0%
159.1	193.0	-18%
(24.0)	(42.0)	-43%
8,353.3	8,161.5	2%

Hardee's
 F.F.M.
 Intercompany
 Total US \$
 Exchange
 Total Cdn \$

1,157.2	1,134.6	2%
1,254.4	1,194.7	5%
(350.2)	(340.0)	3%
2,061.5	1,989.2	4%
709.1	696.2	2%
2,770.6	2,685.5	3%

Imperial Tobacco
 Tobacco taxes & duties
 ITL Net Revenues

2,599.4	2,523.7	3%
(1,266.3)	(1,233.0)	3%
1,333.1	1,290.7	3%

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Imasco Limited - 1995 Earnings Preview
Imperial Tobacco Shipments

NOVA
ITL

	1993	1994			1995	%
	Actual	Plan	Frcst	%	Est	
Cigarettes						
Domestic	20.3	18.4	30.2	49	30.7	2
Export / Duty Free	6.3	7.1	0.5	(92)	0.2	
	26.6	25.5	30.7	15	30.9	1
Fine-Cut						
Domestic	2.0	2.0	2.0	(1)	2.0	
Export / Duty Free	0.4	0.4	0.1	(87)	0.1	
	2.4	2.4	2.0	(17)	2.0	
ITL - Total	29.0	27.9	32.7	19	32.9	1
Industry *	54.0	55.6	53.1	(2)	52.1	(2)
Share	53.8%	50.2%	61.5%		63.2%	
CTMC	51.2	47.3	51.7			
Other - estimate of foreign manufactured products, Canadian micro manuf. & raw leaf **	2.8	8.3	1.4			
Industry *	54.0	55.6	53.1			

** The other category was expected to increase significantly in 1994 as a result of contraband. This increase did not materialize due to the reduction in Federal and Quebec/Ontario taxes in February 1994.

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