

Appendix B

555'S POTENTIAL - BRITISH COLUMBIA

Assumptions

Target Consumers will increase by 8% per annum

Due to Taxation / STD Issues, overall B.C. market will decline 5% over 5 years

Ass market is 90% Modified Virginia; 10% US Blend, assume a modest UK Virginia market share of 3% in Year 1; 10% in Year 5

	1989	1990	1991	1992	1993	1994
Smoking Population	25,723	27,780	30,002	32,402	34,994	37,793
Consumption (Million)	187.3	202.2	218.4	235.9	254.8	275.1
Adjustment for Market Decline (1% per annum)		200.2	214.0	228.8	244.7	261.3
555's Domestic Volume		6.0 (3%)	10.7 (5%)	16.0 (7%)	22.0 (9%)	26.1 (10%)
Duty Free, Vancouver		.5	.8	1.0	1.5	2
Total		6.5	11.5	17.0	23.5	28.1

N.B. Estimates are at the low end of potential and do not take into account any purchases by Canadian residents.

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