

Imperial Tobacco Limited/Limitée



3810, rue St-Antoine Street
Montréal, P.Q. H4C 1B5
(514) 932-8161
P.O. Box 8500 C.P.
Montréal, P.Q. H3C 3L8
Cable/Câble 'Telimp'
Telex/THex 055-60873
Fax (514) 939-0432

SENT VIA FAX (011-44-4837-56100)

November 27, 1989

Mr. R. Brentnall
B.A.T. (U.K. and Export) Ltd.
Export House
Woking, Surrey GU21 1YB
ENGLAND

Dear Richard:

In response to your fax of November 21 regarding 3-5's - Vancouver.

Item # 1 - I would estimate 1% of domestic sales should be used to forecast duty free sales.

Items # 2, # 3, # 4 are answered on the attachment headed, "Imported Cigarettes, U.K. to Canada".

Item # 5 - there will be no end consumer change in the selling price and VAT will not change any provincial tax structures.

Item # 6 - We try to maintain a position of price increases which are in line with inflation. For the past few years, inflation has run between 4.5% - 5% per annum.

Hopefully, the information provided will assist you in your planning.

Kind regards,

Richard Ward
Manager, Duty Free & Export Sales

Att.

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