

APPENDIX E

Pricing

Duties and Taxes - National

Import Duty - 20% of FOB price less FCI
Federal Excise Duty - \$27.475 per mille - flat rate
Federal Sales Tax - 19% of DFCL plus Import Duty plus FED
Federal Excise Tax - \$21.376 per mille - flat rate

Provincial Taxes - British Columbia

Provincial Tobacco Tax - current rate \$50.00 per mille -
payable by Wholesaler

Provincial Sales Tax - current rate 6% but not applicable to
tobacco products at present.

Average Imperial KS Invoice price - \$17.97 per carton.

Retail Price per pack Canadian brands - between \$3.09 and \$4.10
dependent upon outlet policy.

Approximately 10 cents difference in price between 100's/KS/Standard.

Imported brands (almost wholly US) approximately 80 cents dearer per
pack.

Imperial generally increase prices once a year (March) in line with
inflation. (Inflation has been consistent in last few years @
4.5%). VAT will be introduced in 1991 but should not affect overall
pricing structures.

301587512