

APPENDIX F

555's Pricing and Contribution

To match existing KS Invoice price at Canadian \$ 17.97, the price structure would be as follows:-

		<u>Per Mille</u>
FOB	£	14.09
(rate 1.80)	Canadian \$	25.35
FCI		1.00
CIF		26.35
		=====
DFLC (FOB less FCI)		24.35
Import Duty		4.87
Federal Excise Duty		27.48

Federal Sales Tax Base		56.70
FST @ 19%		10.77
Federal Excise Tax		21.38
FCI		1.00

DPLC		\$ 89.85 = 17.97 per carton
		=====

Assuming a 4.5% price increase per year and a 10% RCD payable to Imperial, contribution would be as follows:-

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
Price	14.085	14.72	15.38	16.07	16.80	17.55
Volume		6500	11500	17000	23500	28100
GIV		95672	176883	273247	394721	493224
RCD		0	0	0	0	0
Variable Cost		31200	55200	81600	112800	134880
Gross contribution		64472	121683	191647	281921	358344
Media/merchandising		46486	16929	17268	17613	17965
Selling Inc in RCD		9567	17688	27325	39472	49322
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NNC		17986	104754	174379	264308	340379

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