

MEMO TO: J L Green

DATE: 8th May 1990

cc: B R R Johnston

FROM: *L*R Brentnall -

SUBJECT: 555's - Canada

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Further to Mac Harrison's response of 23rd April, I have had an opportunity to discuss the matter with Bruce. I summarise below our comments:-

1. Imperial's estimate of volume potential is lower than mine.
2. Imperial's required profit margin is far higher than my estimate of 10%, namely 16% of net invoice.
3. Utilising these figures, the NMC is reduced to a loss of £75,000 in the first year and a profit of £20,000 in Year 5 assuming our pricing forecast is correct i.e. 5% per year.
4. As suspected, if we utilise Imperial's services we will be subject to the full C-51 laws requiring our ingredients to be divulged.

Can we discuss?



DICK BRENTNALL

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