



*PHYSICIANS FOR A SMOKE-FREE CANADA
MÉDECINS POUR UN CANADA SANS FUMÉE*

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Background

British American Tobacco (BAT) and Imperial Tobacco (ITL)

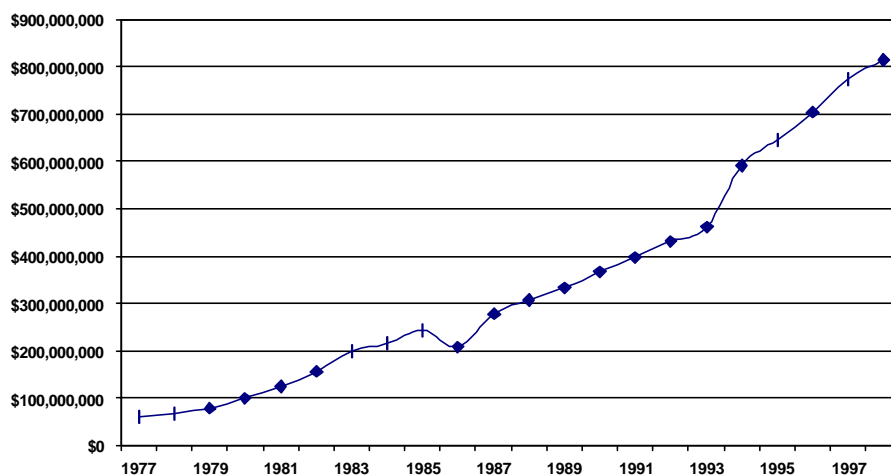
Imperial Tobacco Ltd. is owned by Montreal-based IMASCO Ltd, which also owns Shoppers Drug Mart/Pharmaprix and Canada Trust.

The largest shareholder of IMASCO is BAT (British America Tobacco), which owns a 42% share in IMASCO. In June 1999, BAT made an offer for the remaining 58% share of Imperial Tobacco. BAT shareholders approved the take-over in October 1999; the response of Imasco's shareholders is not yet resolved.

Almost 70% of Canada's manufactured cigarettes are made by Imperial Tobacco. It makes Canada's two most popular brands: du Maurier (29% market share) and Player's (28% market share) as well as Matinee (7% market share).

ITL's dominance of the Canadian market has grown by 40% since 1983, when it manufactured 50% of Canada's cigarettes.

Imperial Tobacco Profits, 1977-1998



Imperial Tobacco's headquarters are in Montreal, with factories in Montreal and Guelph and tobacco processing plants in Aylmer ,Ontario. Imperial reports that it employs 2,000 full-time and 350 seasonal workers.

There are 13 members of IMASCO's board of directors. They are: Purdy Crawford, David Bloom, John Bragg, Donald Brown, James Bullock, Judy Erola, Raymond Guyatt, Charles Hantho, Brian Levitt, Robert Pritchard, Bernard Roy, Ronald Southern, Lynton Wilson.

Imperial Tobacco is one of Canada's most profitable companies. Its valuation, as estimated in the BAT proposal, is \$9 billion dollars. Its profits in 1998 were \$815,000,000 with an after tax price-earnings ratio of 18.7. Imperial Tobacco's Canadian earnings have increased steadily for over 20 years.