

PRESS RELEASE

Source: Imperial Tobacco Ltd

IMPERIAL TOBACCO REACTS SWIFTLY TO ADVERSE COURT DECISION AND BEGINS TO REMOVE ADVERTISING MATERIAL FROM RETAIL STORES

Montreal, January 15, 1993

Within hours of the delivery of the Quebec Appeal court decision reinstating the Tobacco Product Control Act, declared unconstitutional last July by the Quebec Superior Court, Imperial Tobacco Ltd announced it had already begun removing its remaining tobacco branded advertising material from retail stores so as to comply with the Appeal Court decision.

"All of our sales representatives have been instructed to begin the process of removing the tobacco advertising material from all retail outlets, there are thousands of them in Canada, and to do nothing else until the job has been completed", said Imperial Tobacco Ltd President and Chief Operating Officer Don Brown. "The process will be completed as soon as possible", said the President.

Commenting on the judgement itself, Brown made the following statement: "Obviously we are disappointed with this decision of the Quebec court of Appeal. The judgement rendered today deals with extremely complex legal issues, and we will study it with the care it deserves.

"We are particularly troubled that the majority of the Court found the TPCA compatible with the Canadian Charter of Rights and Freedoms, especially since the lower Court had rendered a contrary judgement in unusually strong terms. The majority did this, accepting that the federal government had failed to prove that advertising has any effect on consumption, by holding that there need be no evidence that the ad ban will accomplish any purpose, but only a possibility that it might.

"We find this an unwelcome approach to Charter-guaranteed freedoms.

"Further, it is well worth noting the comments expressed by dissenting Appeal Court Justice Brossard who, reflecting the views of Mr Justice Chabot, said: 'One can only conclude that the appellant has not established, on the balance of probabilities, or even on the level of mere possibility, the existence of a rational link between advertising and consumption of tobacco products. Even such a possibility, had it been proved, would be as the first judge stressed, very tenuous in light of what is said in the government's own internal documents'. (translation)

Brown continued: "Given the importance of the issues involved, our company is today announcing that it will seek from the Supreme Court of Canada leave to appeal from this judgement. We have sixty days in which to do so. During the appeal process, our company will continue to respect the law".

Imperial Tobacco Ltd is Canada's leading Canadian tobacco product manufacturer. It holds approximately 65 percent of the Canadian domestic cigarette market. It has its

head office in Montreal and is a fully-owned subsidiary of Imasco Ltd, also of Montreal.

Ends.