

FROM: R.D. Brown

TO: Mr. P. Crawford

February 4, 1992

RE: EXPORT OPPORTUNITY - ROMANIA - du MAURIER

We have been approached by a Romanian company, through a Canadian agent, to distribute Canadian made du Maurier cigarettes on the Romanian market.

From our investigation to date, this appears to be a very legitimate opportunity for us. The Romanian company wishes specifically to distribute du Maurier, as the name has some recognition in that country as a Canadian brand, and the potential market is interested in genuine popular Western brands. Old Port or any other non-registered trademark is of no interest.

The attached sheet lists the salient points of the proposal as we know them. Before pursuing this matter, we require that B.A.T. allow the inclusion of Romania as another on the list of markets currently covered by our du Maurier agreement. Royalty and other arrangements would be the same as currently under agreement.

We would appreciate your intervention with the B.A.T. Chairman on our behalf. If you require any further information, please let us know.



RDB/doc
C.A. I. L. Marcier
B. Levitt

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L.T.L. EXPORT OPPORTUNITY - du MAURIER

- Distributor: Global Manufacturing, Construction & Trade SRL Romania
- Agent: Crown Holdings, Montreal
- du Maurier K.S. H/L 20's
- Same pack design as currently sold by us in U.S.
- U.S. Surgeon General's warning sufficient in Romania
- Initial distributor: 600 retail outlets in Romania (out of approximately 40,000 to 50,000 total retail outlets).
- Initial agreement: One 40' container per month (1000 cases = 10,000,000 cigarettes/month)
- \$150.00 U.S. per 10 M case (\$15.00 U.S./M)
- less \$3.00 U.S. per case agent fee (50 cents/M)
- F.O.B. Romania (approx. 30 cents/M)
- Terms: 50% deposit prior to production, balance on delivery
- Crown Holdings also agent for Johnson & Johnson products distributed in Romania by Global Manufacturing. Johnson & Johnson endorses Crown Holdings.
- No up-front investment on our part -- use current packaging and excess capacity.
- This is a test situation in a limited number of retail outlets. We will not enter into an exclusive arrangement with this distributor.

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