

Competition Tribunal File No: CT-2013-007

The Competition Tribunal

In the matter of an Application by Safa Enterprises Inc.

doing business as My Convenience Store

for an order pursuant to Section 103.1

of the Competition Act, RSC 1985 c. C-34, as amended

granting leave to bring an application pursuant to

Section 76 of the Competition Act

COMPETITION TRIBUNAL
TRIBUNAL DE LA CONCURRENCE

FILED / PRODUIT

CT-2013-07
October 15, 2013

Jos LaRose for / pour
REGISTRAR / REGISTRAIRE

OTTAWA, ONT

17

BETWEEN:

Safa Enterprises Inc.

Applicant

AND:

Imperial Tobacco Company Limited.

Respondent

REPLY SUBMISSIONS OF THE APPLICANT

PURSUANT TO SECTION 103.1 OF THE *COMPETITION ACT*

Adnan Mustafa

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AND TO:

John Pecman

Commissioner of Competition

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AND TO:

Imperial Tobacco Company Limited

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REPLY SUBMISSIONS OF THE APPLICANT

PURSUANT TO SECTION 103.1 OF THE COMPETITION ACT

1. This reply addresses arguments raised in ITCL's Representations that SEI's 103.1 application did not meet the test for leave in respect of the "directly affected", Respondent ITCL's conduct was/is "Pro-competition", and "sufficient credible evidence to a *bona fide* belief that the practice of ITCL conduct could be subject to order under section 76 of the *Competition Act* ("Act").

Sufficient Credible Evidence Exists That SEI Has Been "Directly and Adversely Affected" By ITCL's Conduct

2. ITCL has acknowledged in paragraph 12 in its Written Representation that SEI is not on ITCL's Preferred Pricing Program ("PPP"), in paragraph 39 claims that ITCL's conduct is pro-competitive and in paragraph 38 acknowledged that SEI had to reduce its prices (at or below cost) to stay competitive with NHM. The Written Representations makes it clear and evident that SEI had to reduce its prices to or below cost because PPP was offered to SEI's direct competitor (New Hasty Market "NHM").
3. In paragraph 3 ITCL suggested that there is no longer a legal requirement for suppliers to treat competing customers, purchasing like product in like quantities, equally in terms of price. In other words, PPP offered to NHM is not based on quantity. SEI repeatedly requested ITCL to provide PPP's policy so that SEI will be able to participate in this program but SEI was never provided the policy for this program and even now ITCL has **failed to provide the Tribunal** the policy of its PPP.
4. For the reasons that NHM was offered the program, SEI was rejected even though SEI fulfilled the same conditions (a.b.c.d...) as NHM. Infact, ITCL is claiming that it can do it and it will continue doing it in paragraph 41 that ITCL ...engaged in lawful price discrimination.
5. As per written Representations, PPP is not based of quantity. If that is the case then why the Applicant was not selected in this program considering all the other factors mentioned in the letter (Exhibit J submitted with the Affidavit of Adnan Mustafa, the letter of Regional Sales Manager, Thierry Schmidt, dated January 25, 2013) were same and the distance between SEI and NHM is less than 15 feet (same geographical location Exhibit K with the Affidavit of Adnan Mustafa) and SEI has shown its willingness, capability and motivation, this is evident discrimination towards SEI that is affecting Applicant's business.

6. In other words, the situation before the Tribunal nullifies the philosophy of ITCL as mentioned in the letter of Regional Sales Manager Theiry Schmidt dated January 17, 2013 (Exhibit I with the affidavit of Adnan Mustafa) that the objective of PPP is to offer lower retail prices to consumer rather this program PPP is designed to promote some retailers and to eliminate others that will in turn create adverse effect on the competition in the market.
7. ITCL claims that SEI has alleged ITCL for price discrimination and not for price maintenance provisions of section 76 in paragraph 4, 25, 26; well it is a situation where SEI has to maintain its prices at least above the acquisition cost of ITCL products so it is a case of Price Maintenance and well under the scope of Section 76 of the Act. If SEI is selling ITCL prices at or below cost that cannot be considered above acquisition cost.
8. A question may arise before the Tribunal that why is only SEI bringing an Application before the Tribunal and not any other retailers complained about it; the answer is, due to the conduct of ITCL's PPP the retailers who are not on PPP are forced to buy cigarettes illegally from other retailers who are on ITCL's Preferred Pricing Program.
9. As Tribunal might already know that retailers are required by law to purchase the tobacco products from a manufacturer or supplier who is authorized to sell tobacco products at wholesale to retailers, so the conduct of ITCL is forcing retailers to obtain ITCL products illegally from other retailers and SEI is not willing to obtain these products illegally that is the reason SEI is bringing this Application before the Tribunal.
10. ITCL in paragraph 5 and then in paragraph 30 of its Written Representation said that Section 76 is not intended to, and does not, restrict a manufacturer or supplier from setting, increasing, or decreasing the prices at which it offers its products for resale. As the Tribunal clearly and unequivocally affirmed in *Visa*, Section 76 is not concerned with the input price that a supplier charges to its customer. SEI's Application brought before the Tribunal is not an attempt to reduce ITCL's product prices but is the price discrimination towards the Applicant that is restricting SEI to maintain ITCL's product price at least above acquisition cost and does fall under the provisions of Price Maintenance of Section 76 of the Act.
11. Now it is evident that SEI's business was/is and will be affected because SEI was not on the PPP, so it is the conduct of ITCL that is affecting Applicant's business directly and substantially. The following paragraphs will be focused on how was/is SEI's business was affected in detail.

12. There were two stages in which SEI has been directly, indirectly and substantially affected by the discriminating conduct of ITCL. (Paragraphs 42, 43, 44)
13. This first Stage in Applicant's case will help in understanding How was/is the applicant "directly affected" (loss of business) due to the conduct of ITCL. The following chart explains the selling prices of ITCL's products offered by SEI and NHM before ITCL discriminating conduct was in SEI's knowledge:

Store 1 (SEI)		Store 2 (NHM)	
Brand	Selling Price per pack	Brand	Selling Price per pack
du Muarier	10.00	du Muarier	9.40
Player's	9.50	Player's	9.00
John Players Standard	8.25	John Players Standard	7.40
Peter Jackson	7.75	Peter Jackson	7.25
Vogue	10.00	Vogue	9.50
...		...	

14. Considering that the distance between these 2 stores is less than 15 feet a customer does not have to have a degree in rocket science to decide where to buy the tobacco product after looking into this chart.
15. If a customer has an ability to count his/her money and can differentiate between \$10.00 and \$9.40 he/she will make sensible choice.
16. Why would a customer be willing to pay more for a pack of cigarette manufactured and delivered by the same company at both the stores?
17. The loss of business, in this case, is not limited to the sale of tobacco products only. Most customers who come to buy tobacco also buy lighter, gum, candy, soft drink etc. By being charged higher price for one product, most normal people will make a perception that this store must be charging more for other products as well, even though that is not the case.

18. A customer will not come to store 1 and willing to be charged higher for the same product then store 2 because store 1 is forced to pay \$5.60 more per carton. It is not expected from the customer to understand that the applicant has to make a living and therefore has no choice but to charge more per cigarette instead he/she calls the Applicant names like thief, cheat, highway robbers and others offended slangs that cannot be mentioned before Tribunal.
19. This was exactly going on in the case of the Applicant SEI as their competitor is offering lower prices and causing them loss of business.
20. This second stage will help in understanding How the applicant has been “directly affected” due to the conduct of ITCL by reducing it's prices to stay in the market. The following chart shows changes in prices of ITCL's products offered by SEI after it kept losing customers.

Store 1 (SEI)		Store 2 (NHM)	
Brand	Selling Price per pack	Brand	Selling Price per pack
du Muarier	9.40	du Muarier	9.40
Player's	9.00	Player's	9.00
John Players Standard	7.40	John Players Standard	7.40
Peter Jackson	7.25	Peter Jackson	7.25
Vogue	9.50	Vogue	9.50
...		...	

21. In this stage Store 1 (SEI) had no choice but to reduce the prices to or below cost of ITCL's products to stay in the market as it was constantly losing customers.
22. This reflects how the Applicant was forced to lower its prices for ITCL's product in order to stay in the market. It was/is not because the applicant had/has the ability to do so but had/has no other choice.
23. SEI is suffering from this discriminating conduct by ITCL for almost 2 and half years and trying to convince ITCL that their behavior is directly and substantially affecting SEI's business. Numerous efforts were made to convince ITCL that their conduct was bringing negatives effects on SEI's small family business but they were in vain. At last, SEI had no option but to bring this Application before the Tribunal for justice to be done.

24. SEI is hoping these two stages that it had to go through will help Respondent ITCL understanding, "How the Applicant is directly affected?" (Paragraphs 43, 44)

25. Before we further discuss Applicant's situation let us see, "**what is Competition?**" We could not find the definition of Competition in the *Competition Act, Sale of Goods Act and Canada Corporations Act*, so we will present the generally and widely accepted definition of Competition in business studies and economics;

"In economics, **Competition** is the rivalry among sellers trying to achieve such goals as increasing **profits**, market share and sales volume by varying the elements of the marketing mix: price, products, distribution, and promotion."

26. So, **profit** is the key element in competition that means if SEI is making zero profit or negative profit then SEI is not in competition or in other words SEI is out of **competition**. This is exactly the happening in Applicant's case due to the discriminatory conduct of ITCL.

27. The other widely accepted definition of competition by Merriam-Webster;

"The effort of two or more parties acting independently to secure the **business** of a third party by offering the most favorable terms."

28. So, **business** is the key element in competition; so let us examine what does **business** means; as we could not find the definition of business in the *Act, Sale of Goods Act and Canada Corporations Act*, we will present the generally and widely accepted definition of **business** in business studies and economics;

"A **business** (also known as **enterprise** or **firm**) is an organization involved in the trade of goods, services, or both to consumer. Businesses are predominant in capitalist economies, where most of them are privately owned and administered to provide service to customers for **profit**";

and/or

"The etymology of "**business**" relates to the state of being busy either as an individual or society, as a whole, doing commercially **viable and profitable work**."

29. So again, **profit** is the key element in business; it means that if SEI is not involved in any viable and profitable commercial activity regarding ITCL's product then SEI is out of competition. AS ITCL claims that SEI has not been directly affected due to the conduct of ITCL, is ITCL waiting for SEI to go out of business completely for it to admit that "yes" SEI was directly affected.

Imperial Tobacco Company Limited's Pro-Competition Theory

30. ITCL claims in its written Representation that the conduct of ITCL resulted in pro-competition in the market where ITCL sells a pack of cigarette to store 1, in this case SEI, for \$9.40 and to the store 2, in this case NHM, for \$8.80 and make NHM sell the same product for \$9.40 and claims that they have created a pro-competition market?
31. May be one day a genius Economist comes along and supports ITCL's pro-competitive theory but **FORTUNATELY** that day is not today. Although, SEI is not in the competition any more for ITCL's product but we will still analyze the pro-competition theory presented by ITCL in its Written Representation and its effects on the competition in the market in the following paragraphs.
32. SEI has no willingness to be a part of ITCL's pro-competitive theory experiment. If SEI has to work with just 2 more companies that support ITCL's theory, Applicant's business will go bankrupt in days.
33. The conduct of ITCL has not increased the competition as ITCL claims (Paras. 36, 39, 43) in the market instead it is a step towards eliminating a competitor from the market. SEI is a small family business and business has to earn enough to sustain and earn some living for the owners which ITCL fails to understand.
34. ITCL expectation from SEI to sell their products at cost makes applicant feel as if ITCL's desire is to make them work for free. ITCL is not a charitable institution and SEI has no intentions of working for ITCL for charity. ITCL is not working for any good cause by manufacturing tobacco products and even if it is charitable institution and SEI is merely collecting charity fund for ITCL even then the collector has a right to cover its administrative cost.

35. Applicant's legal name is Safa Enterprises Inc. doing business as My Convenience Store, even if Applicant is willing to work for charity for someone the decision should remain with the Applicant; no-one can force the Applicant to work for charity for them.
36. Applicant SEI has a right to charge reasonable price for the products acquired from ITCL but if SEI is selling the products acquired from the Respondent ITCL at cost or below cost it cannot be described as reasonable price.
37. SEI rests the decision with the Tribunal to look into the ITCL pro-competitive theory.

Lawful Price Discrimination and Upstream Supplier's Control over the Downstream Price Theory by ITCL

38. ITCL in their written Representation has acknowledged their price discrimination "Lawful Price Discrimination" (Paragraphs 41, 42) towards the Applicant SEI, maybe it is but SEI rests this theory with the Tribunal to decide.
39. ITCL claims that price discrimination by a manufacturer or supplier is lawful as long as it is encouraging competition in the market (Paragraphs 39, 43) regardless if a retailer has to reduce the price to or below the cost.
40. If a retailer has to reduce its prices below cost that will be considered as an illegal conduct by that retailer and it is against the law.
41. ITCL is a wholly owned subsidiary of British American Tobacco (Tab 3); we have obtained the Group Income Statement data of British American Tobacco from their 2012 Annual Report and applied the ITCL's pro-competition theory to themselves, which means if ITCL were to offer its tobacco products to the customers at cost and thus increasing competition in the market as suggested by ITCL the results will be as follows:

42. Currently as per British American Tobacco's Group Income Statement reflects the Gross Margins on its products of 78.20% and 77.75% for the year ended December 31, 2012 and 2011 respectively and its Net Profit before taxation of £5,648 million (British Pound) and £4,931 million for the year 2012 and 2011 respectively as shown in Tab 1.
43. If British American Tobacco were to adopt ITCL's proposed and forced pro-competition theory, as it suggests for the Applicant and requesting the Tribunal to acknowledge it, its own Income statement (if other factors remain the same) will reflect the loss of £6,230 million and £7,042 million for the years ended December 31, 2012 and 2011 respectively, so the net effect (decrease) on the income will be (£11,878 million) and (£11,973 million) for the years 2012 and 2011 respectively.
44. We were unable to obtain the Financial Statements of ITCL (Canada division of British American Tobacco) so we used the available data from its mother company, ITCL can get this test done by a Certified Accountant on its Income Statement, they will not find different results than the one described in Tab 2.
45. A corporation, whose own Gross Margin is 78.20% for one year (2012) and it has Net Profit before Taxation of £6,230 million, is expecting, proposing and forcing a small family business whose Gross Margin is 16.85% (Exhibit A, Affidavit of Adnan Mustafa in support of Notice of Motion) to sell its products at zero or negative gross margin and arguing and respectfully requesting the Tribunal to believe that this conduct should be provided a legal cover.
46. ITCL or/and its holding company should impose ITCL's proposed pro-competitive theory for 2 years and set an inspiring example for their customers and see if they can survive. Even in that scenario, regardless of whether they survive they will still have no right to implement this theory on their customers by force.
47. As far as low pricing policy of the Applicant is concerned SEI wants to keep the prices of ITCL's products lower than the prices of SEI's direct competitor (NHM) to increase sales volume but it cannot be possible if SEI's acquisition cost of ITCL's products is higher or equal to NHM's selling prices of ITCL's products. SEI's prices of other companies' tobacco products and other products offered are one of the cheapest in Vancouver.

48. It is very hard for the Applicant to understand why ITCL is not providing the same business opportunity to SEI when it's showing willingness to lower its products' prices which in turn give more volume sales to ITCL's products.
49. SEI's policy is clear, that it is a legal business in BC and it has to sustain and save the interest vested in the business by its shareholder and hard earned honest living for the family within the laws to run a business in Canada.
50. The most focused concern in ITCL Written Representation is ITCL's claim that ITCL's discriminating policy does not have an upstream effect on Applicant's prices (Paragraphs 4, 6, 7, 35, 37, 38, 39, 40). Breaking News for the Respondent is, it has. If ITCL charges a higher price for its products from the Applicant then Applicant is restricted to maintain its price higher than the acquisition cost as per prevailing laws at the moment in Canada.
51. How did ITCL ascertain that the Applicant SEI is satisfied with the current prices of ITCL's products offered to the customers?
52. How did ITCL make sure that SEI has no intentions of further lowering ITCL's product prices if SEI has an ability to do so and will in turn create a real open market competition?
53. The understandable reason is that ITCL has already decided for the Applicant the prices Applicant should maintain and be satisfied. (Paragraphs 4, 6, 37, 38, 40)
54. ITCL in Paragraph 2 of Written Representations questions about SEI's low pricing policy and similarly in Paragraph 38 and 40, implies that because SEI was forced to sell ITCL's products at or below cost it cannot be attributed towards SEI's low pricing policy. In other words, SEI was not going/willing to reduce its prices to or below cost so ITCL made them reduce ITCL's prices by offering PPP to NHM which in their opinion increased competition in the market.
55. Of course, SEI was not going/willing to reduce its prices of ITCL's products at or below cost just to demonstrate its low pricing policy. For example SEI is not going to reduce its prices at or below cost of any other supplier just to show that it has a low pricing policy.

56. Thus, the conduct of ITCL has both components of Section 76 of the Act namely to influence upward and discouraged the reduction of prices of ITCL's products offered by Applicant and meet the test under the provisions of Price Maintenance of Section 76 of the Act.
57. As this is the second application (paragraphs 14-21) that is brought before the Tribunal under 76 and the first application that meets all the requirements under Section 76 of the Act, we request the Tribunal to consider it as the first Application under Section 76 that will construct precedent for the future cases.
58. **No one can comprehend the disaster that will come along if Tribunal accepts and ratifies the definition and interpretation of section 76 of the Act provided by ITCL.**
59. This will be start of new feudal system controlled by the manufacturers and suppliers in 21st century and will be the end of small business industry; it will be the manufacturers and suppliers who will decide that who can stay in the market and who cannot.
60. Finally, SEI is seeking an order from the Tribunal in its Notice of Application Paragraph 1 namely;
- (a)the Respondent, Imperial Tobacco Company Limited ("ITCO") prohibit from continuing to discriminate SEI of the low pricing policy awarded to SEI's direct competitor (New Hasty Market "NHM") and accept SEI as a customer on the "same discounted trade terms as SEI's direct competitor NHM", forthwith upon issuance; or
- (b) Applicant SEI seeks and order from Tribunal to direct Respondent ITCO to act according to the law and stop its discriminating policy and accept all the retailers across the board on similar trade terms unless the discounts awarded by the Respondent are volume discounts;
61. The reason for seeking an order either/or was, if Tribunal decides in favor of the Applicant and directs ITCL to prohibit from discrimination towards Applicant and accepts SEI on the "same discounted trade terms as SEI's direct competitor (New Hasty Market "NHM")", then there are more retailers that are framed by ITCL in the same situation, who will be bringing up their Applications before the Tribunal as well, and SEI believes that every retailer should have the same opportunity and the decision should remain with the retailer as to how they want to compete in the market.

The Tribunal Should Exercise Its Discretion To Grant Leave

62. SEI has been suffering for last 2 and half years due to ITCL discriminating conduct and was not provided the same business opportunity and now ITCL is asking the Tribunal to not give an opportunity to ask for justice by dismissing SEI's application on the grounds that SEI has not been directly affected by ITCL's conduct and Section 76 of the Act does not apply in Applicant's case. It is clearly demonstrate from all reasons and arguments discussed above that the Applicant has been and will be directly affected and the conduct of ITCL well fall under the provisions of Price Maintenance of Section 76 of the Act.

63. The Federal Court of Appeal emphasized in *Barcode Systems Inc. v. Symbol Technologies Canada ULC* that the threshold for an applicant obtaining leave is a "low" standard and "not a difficult to meet". The applicant need only provide sufficient credible evidence of what is alleged in order to give rise to a *bona fide* reason for the Tribunal to believe that the Respondent's conduct "could be subject to an order". SEI has provided more than sufficient evidence that it has been directly affected as per subsection 103.1 (7.1) of the Act, and the conduct of ITCL falls well under the provisions of Price Maintenance of Section 76 of the Act.

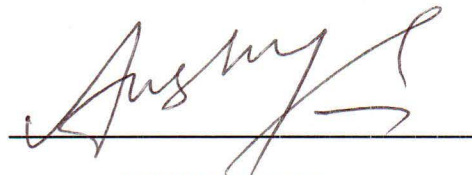
Barcode Systems Inc. v. Symbol Technologies Canada ULC, 2004 FCA 339 at paras. 17,18,20,23

64. ITCL has acknowledged in its Written Representation that the Applicant SEI has been discriminated ("Lawfully Discriminated" paragraph 41) and has been directly affected for not being a part of PPP (Paragraphs 12 and 38). It is ITCL's conduct, as PPP is ITCL's program and has all of the elements of the reviewable practice under Section 76. Therefore, Applicant SEI seeks an interim order from the Tribunal to direct ITCL to stop its discrimination towards the Applicant's business or at least exercise its discretion to grant leave.

65. SEI request that the proceeding take place in Vancouver and be conducted in English.

All of which is respectfully submitted.

Dated at Vancouver, this 14th day October 13, 2013.

A handwritten signature in black ink, appearing to read 'Adnan Mustafa', is written over a horizontal line.

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TAB 1

Group Income Statement

For the year ended 31 December

	Notes	2012 £m	2011 £m
Gross turnover (including duty, excise and other taxes of £30,682 million (2011: £30,724 million))		45,872	46,123
Revenue	2	15,190	15,399
Raw materials and consumables used		(3,445)	(3,507)
Changes in inventories of finished goods and work in progress		133	81
Employee benefit costs	3(a)	(2,386)	(2,501)
Depreciation, amortisation and impairment costs	3(b)	(475)	(817)
Other operating income	3(c)	245	233
Other operating expenses	3(d)	(3,850)	(4,167)
Profit from operations	2	5,412	4,721
Analysed as:			
– adjusted profit from operations	2	5,681	5,519
– restructuring and integration costs	3(e)	(206)	(193)
– amortisation of trademarks and similar intangibles	3(f)	(63)	(58)
– goodwill impairment	3(g)	–	(273)
– Fox River	3(h)	–	(274)
		5,412	4,721
Net finance costs	4	(456)	(460)
Finance income		49	117
Finance costs		(505)	(577)
Share of post-tax results of associates and joint ventures	5	692	670
Analysed as:			
– adjusted share of post-tax results of associates and joint ventures	2	697	659
– issue of shares and change in shareholding	5	20	28
– smoking cessation programme	5	–	(23)
– gain on disposal of business	5	–	22
– restructuring and integration costs	5	(24)	(4)
– change in post-retirement obligations	5	24	–
– other	5	(25)	(12)
		692	670
Profit before taxation		5,648	4,931
Taxation on ordinary activities	6	(1,526)	(1,556)
Profit for the year		4,122	3,375
Attributable to:			
Owners of the parent		3,841	3,095
Non-controlling interests		281	280
		4,122	3,375
Earnings per share			
Basic	7	198.1p	157.1p
Diluted	7	197.1p	156.2p

All of the activities during both years are in respect of continuing operations.

The accompanying notes are an integral part of the Group Financial Statements.

TAB 2

Group Income Statement
For the year ended 31 December

	2012	2011
	£m	£m
Gross turnover (including duty, excise and other taxes of £30,682 million (2011: £30,724 million))	45,872	46,123
Revenue	3,312	3,426
Raw materials and consumables used	(3,445)	(3,507)
changes in inventories of finished goods and work in progress	133	81
Employee benefit costs	(2,386)	(2,501)
Depreciation, amortisation and impairment costs	(475)	(817)
Other operating income	245	233
Other operating expenses	(3,850)	(4,167)
Profit from operations	(6,466)	(7,252)
Analysed as:		
- adjusted profit from operations	(6,197)	(6,454)
- restructuring and integration costs	(206)	(193)
- amortisation of trademarks and similar tangibles	(63)	(58)
- goodwill impairment	-	(273)
- Fox River	-	(274)
	(6,466)	(7,252)
Net finance costs	(456)	(460)
Finance income	49	117
Finance costs	(505)	(577)
Share of post-tax results of associated and joint ventures	692	670
Analysed as:		
- adjusted share of post tax results of associates and joint ventures	697	659
- issue of shares and change in shareholding	20	28
- smoking cessation programme	-	(23)
- gain on disposal of business	-	22
- restructuring and integration costs	(24)	(4)
- change in post-retirement obligations	24	-
- other	(25)	(12)
	692	670
Profit (loss) before taxation	(6,230)	(7,042)
Taxation on ordinary activities ***** (Zero tax as it is a loss)	-	-
Profit (loss) for the year	(6,230)	(7,042)
Net effect on Net Profit if British American Tobacco adopts ITCL proposal		
Net Profit before Taxation before ITCL's proposal	5,648	4,931
Net Loss after ITCL's proposal	(6,230)	(7,042)
Net Effect Increase (Decrease) in Net Profit	(11,878)	(11,973)

** If ITCL proposition applied on British American Tobacco's Income Statement
Data obtained from British American Tobacco Annual Report 2012 for the calculations
Currency: British Pound

ТАВ 3



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Who we are



BRITISH AMERICAN TOBACCO

Dealing one-on-one with retailers across the country, the members of our sales force are the front line of our Direct to Store Sales (DSS) approach.

Imperial Tobacco Canada is part of a truly global organization operating in a diverse and highly competitive market. We are committed to operating a sustainable and eco-friendly business whilst maintaining our position as Canada's leading Tobacco Company.

We are a wholly owned subsidiary of British American Tobacco with nearly 550 employees across the country in sales office and at our Montreal head office. We are proud to distribute our high quality brands to some 29, 0000 retailers throughout Canada.

British American Tobacco p.l.c. - the world's most international tobacco group, with more than 55,000 employees worldwide and brands sold in 180 countries.

Adult Smokers, are at the center of our business. We invest in understanding their tastes, preferences, price and where and when you like to buy. We firmly believe that only by meeting their wants we can hope to keep their loyalty to our brands.

Canada has some of the strictest tobacco regulations in the world. And for good reason: tobacco consumption poses real and serious risks to health. Imperial Tobacco Canada supports reasonable and enforceable regulations to govern the manufacture, sale, distribution, and advertising of tobacco products.

We believe, it is all the more important that our business is managed responsibly. Responsible management is integral to our strategy and we are working to pursue our commercial objectives in ways consistent with what is expected from a modern tobacco business.

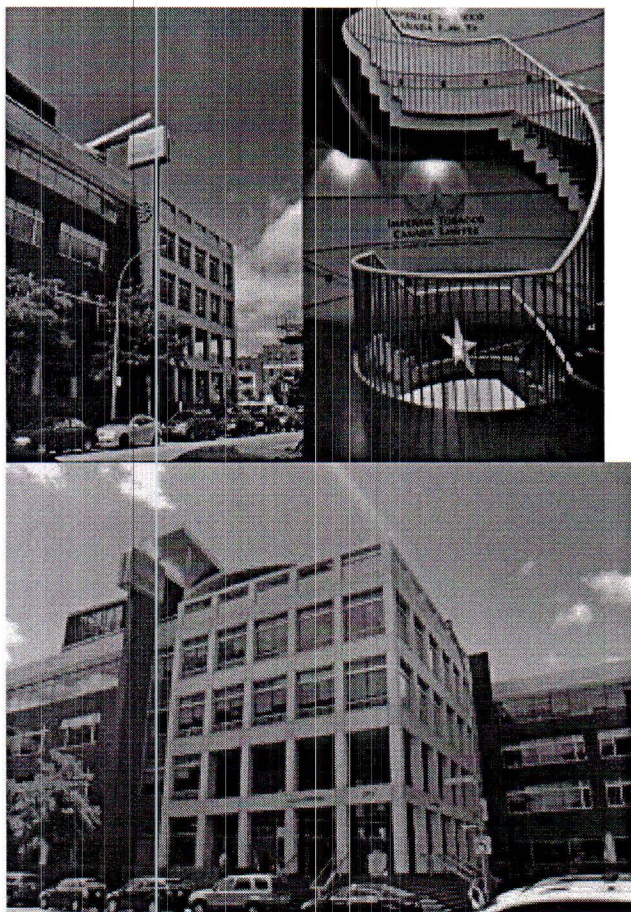
Our President and CEO

See also
Our principles and standards
For retailers



Marie Polet, President and Chief Executive Officer of Imperial Tobacco Canada, was appointed in October, 2011. Marie joined British American Tobacco in Belgium and has been with the Group for over 30 years. Prior to her current assignment, she was Group Head of Strategy & Planning based in London, UK. Marie worked in a number of end market and center based roles across the British American Tobacco Group including General Manager Denmark, General Manager Belgium/Luxemburg and Regional Manager Europe.

Head Office



Opened on May 6, 2002, Imperial Tobacco Canada's head office is located in Montréal's St. Henri district. The five-story building is a modern, functional, and dynamic environment for our employees. Corporate divisions include:

- Marketing
- Human Resources
- Corporate Affairs

- Finance/ IT
- Law

Sales regions

Dealing one-on-one with retailers across the country, the members of our sales force are the front line of our Direct to Store Sales (DSS) approach. Their role is to ensure that the company's products are available to adult consumers in the optimal quantity and freshness. There are three sales regions across Canada:

- Eastern
- Ontario
- Western

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