



**PRESS RELEASE**  
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## **Imperial Tobacco Canada Obtains Creditor Protection**

### **Business as Usual for Employees, Customers, Consumers and Other Stakeholders**

**MONTREAL, March 12, 2019** – Imperial Tobacco Canada, Canada’s leading legal tobacco company, and its affiliates (collectively “Imperial Tobacco Canada” or “the Company”) have obtained an Initial Order from the Ontario Superior Court of Justice granting the Company protection under the *Companies’ Creditors Arrangement Act* (“CCAA”).

This protection will enable the Company to continue to operate in the normal course, thereby generating the cash flow necessary to pay its employees, suppliers and various levels of government — which in 2018 received taxes of approximately \$3.8 billion from the Company.

The Company’s decision to file for protection under the CCAA follows the Quebec Court of Appeal judgment holding the industry liable for a maximum of \$13.6 billion, and the recent decision by one of the other Canadian tobacco companies, JTI-Macdonald, to seek, and subsequently obtain, CCAA protection. If Imperial Tobacco Canada had not also obtained court protection, it could have been required to pay for all or part of JTI-Macdonald’s share of the Quebec judgment, in addition to its own.

Across Canada, tobacco plaintiffs and provincial governments are collectively seeking hundreds of billions of dollars in damages. In seeking protection under the CCAA, the Company will also look to resolve all tobacco litigation in Canada under an efficient and court supervised process.

It will remain business as usual for Imperial Tobacco Canada, its employees, customers and suppliers. In addition, the Company’s products, both cigarettes and potentially reduced risk products, will remain available across the country for adult consumers.

#### **Quebec Class Actions**

On March 1, 2019 the Quebec Court of Appeal upheld a 2015 Quebec Superior Court judgment under which Imperial Tobacco Canada and two other Canadian tobacco companies are jointly and severally liable to pay a maximum of \$13.6 billion in damages to Quebec class action plaintiffs. Imperial Tobacco Canada’s share of the judgment is a maximum of approximately \$9.2 billion. Following the first instance judgment, the Company made an initial deposit of \$758 million in escrow. This amount, as directed by the first instance judge and affirmed by the Court of Appeal, should satisfy any order to pay the claimants.

Imperial Tobacco Canada continues to disagree with the judgments by the Quebec Court of Appeal and the Quebec Superior Court. Canadian consumers and governments have been aware of the health risks associated with smoking for decades, and the Company has always operated and sold its legal products within a regulatory framework dictated by governments.

### **Companies' Creditors Arrangement Act**

Under the terms of the Initial Order, FTI Consulting Canada Inc. will serve as the Court-appointed Monitor of Imperial Tobacco Canada. Additional information regarding Imperial Tobacco Canada's CCAA proceedings will be available on the Monitor's website at <http://cfcanada.fticonsulting.com>

Source: Imperial Tobacco Canada: <http://www.imperialtobaccocanada.com/>

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