

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED***

**AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
ROTHMANS, BENSON & HEDGES INC.**

Applicant

**FIFTH REPORT OF THE MONITOR
February 13, 2020**

INTRODUCTION

1. On March 22, 2019, Rothmans, Benson & Hedges Inc. (“**RBH**”, the “**Company**” or the “**Applicant**”) applied for and obtained an initial order (the “**Initial Order**”) under the Companies’ Creditors Amendment Act (“**CCAA**”) that, amongst other things, (i) granted a stay of proceedings in favour of the Applicant and a limited stay of proceedings in favour of members of the PMI Group from certain proceedings and Other Pending Litigation, and (ii) appointed EYI as Monitor of the Applicant in this CCAA proceeding (the “**CCAA Proceeding**”).
2. On April 26, 2019, this Court issued a further amended and restated Initial Order (the “**Second Amended and Restated Initial Order**”) and amongst other things, extended a limited stay of proceedings to the Other Defendants.
3. Pursuant to an Order dated October 2, 2019, the Stay Period was extended to March 12, 2020.

PURPOSE

4. The purpose of this fifth report of the Monitor (the “**Fifth Report**”) is to provide information to this Court with respect to:
 - i) the status of the CCAA Proceeding;

- ii) the actual receipts and disbursements of the Applicant from September 16, 2019 to February 2, 2020;
- iii) the Applicant's updated cash flow forecast for the period from February 3, 2020 to October 4, 2020; and
- iv) the Applicant's request for an order that the stay of proceedings be extended up to and including September 30, 2020.

TERMS OF REFERENCE

5. In preparing this Fifth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Applicant, the Luongo Affidavits (as defined below), and discussions with RBH management (collectively, the "**Information**"). Except as described in this Fifth Report:
- i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited, or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - ii) some of the information referred to in this Fifth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in Chartered Professional Accountants Canada Handbook, has not been performed.
6. Future oriented financial information referred to in this Fifth Report was prepared based on the Company's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

7. Unless otherwise indicated, the Monitor’s understanding of factual matters expressed in this Fifth Report concerning the Applicant and its business is based on the Information, and not independent factual determinations made by the Monitor.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
9. Capitalized terms used but not defined in this Fifth Report are defined in the affidavit of Peter Luongo sworn February 12, 2020 in connection with the stay extension request and his prior affidavits (collectively, the “**Luongo Affidavits**”), the Proposed Monitor’s Pre-filing Report dated March 22, 2019 and the Monitor’s prior reports (together, the “**Monitor’s Reports**”) and the Second Amended and Restated Initial Order.
10. Copies of the Monitor’s Reports, including a copy of this Fifth Report, and all motion records and Orders in the CCAA Proceeding are available on the Monitor’s website at www.ey.com/ca/rbh. The Monitor has also established a toll-free phone number that is referenced on the Monitor’s website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceeding.

OVERVIEW OF THE APPLICANT

11. The Applicant is a private company with its head office in Toronto, Ontario. The ultimate parent of the Applicant is PMI. The Applicant’s two primary business segments include:
 - i) **Traditional Cigarette and Tobacco Product Business** – the Applicant is the second largest supplier of traditional tobacco products in the tax-paid Canadian market. It manufactures and sells cigarettes and fine-cut tobacco, and distributes pipe tobacco and cigar products; and
 - ii) **Reduced Risk Product Business: IQOS** – the Applicant sells and distributes IQOS products to consumers via the Applicant’s owned and 3rd party retail outlets, as well as via an online platform. IQOS is an electronic device that generates a nicotine-containing aerosol by heating tobacco products manufactured for use with the IQOS device.

12. The Applicant provides employment or consultant work to approximately 755 employees and 76 contractors in Canada¹.

STATUS OF THE CCAA PROCEEDING

Operational Update

13. Since the granting of the Initial Order, the Applicant, with the assistance of the Monitor, has been operating on a business as usual basis, subject to the Second Amended and Restated Initial Order, and continues to operate its cash flow positive Business for the benefit of all stakeholders.
14. The Applicant, with the assistance of the Monitor, has responded to suppliers regarding the CCAA Proceeding as needed.
15. Pursuant to the Professional Fees Disclosure Order dated May 16, 2019, the Monitor continues to disclose the Monitor's and its counsel's professional fees and disbursements and the Applicant's counsel's professional fees and disbursements to the requesting parties.

Appointment of Representative Counsel

16. On December 10, 2019, a Court Order (the "**Representative Counsel Order**") was issued appointing The Law Practice of Wagner & Associates, Inc. (the "**Representative Counsel**") to represent the TRW Claimants (as defined in and subject to the terms of the Representative Counsel Order).
17. A copy of the Representative Counsel Order and the associated Endorsement can be found on the Monitor's Website. Additional details and background in respect of the motion leading to the Court Order is provided in the Joint Motion Record posted on the Monitor's Website.
18. Since their appointment, Representative Counsel has been actively participating in the mediation process.

¹ As of December 31, 2019

Update on Mediation

19. The Tobacco Applicants have continued to populate separate data rooms with financial information to advance mediation discussions with key stakeholders. The Applicant has responded to stakeholder questions and requests for additional information. Stakeholder advisors have been admitted to the data rooms after execution of non-disclosure agreements. The Monitor continues to work with the Applicant to populate the Applicant's data room with financial and other information, as requested.
20. Since the last Monitor's report, the Court-Appointed Mediator, with the assistance of the monitors, continues to conduct mediation meetings and engage in discussions with the Tobacco Applicants and the key stakeholders. The mediation negotiations are confidential; however, the parties continue to advance the mediation process to facilitate a global settlement of the Tobacco Claims.

ACTUAL RECEIPTS AND DISBURSEMENTS FOR THE PERIOD SEPTEMBER 16, 2019 TO FEBRUARY 2, 2020

21. For the period from September 16, 2019 to February 2, 2020, RBH had total receipts of approximately \$1,081.9 million and total disbursements of approximately \$883.4 million for net cash flow of approximately \$198.5 million.
22. Actual net cash flow was favourable to forecast by \$8.8 million. Significant items contributing to this overall favourable variance were as follows:
 - i) a permanent unfavourable variance of \$52.3 million in Collection of Accounts Receivable primarily as a result of lower sales volume during the period;
 - ii) an unfavourable timing variance of \$6.7 million in Other Receipts primarily due to an intercompany receipt received in the subsequent period;
 - iii) an unfavourable permanent variance of \$2.7 million in Third Party Operating Costs relating to higher than forecast operating disbursements during the forecast period;

- iv) a favourable timing variance of \$7.4 million of Leaf Purchases primarily as a result of leaf purchases being re-timed to the subsequent period;
 - v) a favourable variance of \$7.2 million in post-filing intercompany payments comprised of: (i) a permanent difference of \$3.8 million primarily related to lower intercompany royalties and service fees and (ii) timing of \$3.4 million as certain intercompany payments have been re-timed to be paid in the subsequent period;
 - vi) a permanent favourable variance of \$27.9 million in Corporate Income Taxes primarily as a result of lower than forecast 2019 income tax payable. RBH's 2019 income tax liability reflects a deduction for the deposit posted with the registry of the Court of Appeal of Quebec under the Deposit Posting Order;
 - vii) a permanent favourable variance of \$21.9 million in Taxes (Excise/Duty/GST/PTT) primarily as a result of lower production and sales volumes during the period; and
 - viii) a favourable variance of \$3.5 million in Restructuring Costs, of which approximately \$3.0 million is a permanent variance as professional fees were lower than forecast, and approximately \$0.5 million is a timing variance as certain professional fees are to be settled later than originally forecast.
23. A summary of the Applicant's actual receipts and disbursements as compared to the projection set out in the Third Report for the period of September 16, 2019 to February 2, 2020, is attached as Appendix "A" to this Fifth Report.

UPDATED CASH FLOW FORECAST

24. The Applicant, with the assistance of the Monitor, has prepared a cash flow forecast (the "**February 2020 Cash Flow Forecast**") for the thirty-five (35) week period from February 3, 2020 to October 4, 2020 (the "**Cash Flow Period**"). A copy of the February 2020 Cash Flow Forecast is attached as Appendix "**B**".
25. As at February 3, 2020, the Applicant had available cash and equivalents of approximately \$2.248 billion.

26. The February 2020 Cash Flow Forecast estimates the Applicant will have total receipts of approximately \$2.149 billion and total disbursements of approximately \$1.586 billion for net cash flow of approximately \$563 million during the Cash Flow Period.
27. The February 2020 Cash Flow Forecast has been prepared by the Applicant for the purpose of the CCAA Proceeding, using probable and hypothetical assumptions as set out below:
- i) Accounts receivable collections have been estimated by the Applicant based on revenue forecasts and customer collection experience;
 - ii) Pre-filing intercompany amounts owing are stayed;
 - iii) Pre-filing amounts owing to third party suppliers and service providers will be paid in the ordinary course;
 - iv) All post-filing goods and services from suppliers and service providers and all post-filing intercompany goods and services will be settled in the ordinary course;
 - v) All outstanding and future wages, salaries, commissions, compensation, vacation pay, bonuses, incentive plan payments, employee and retiree pension and other benefits and related contributions and payments (including, without limitation, expenses related to employee and retiree medical, dental, disability, life insurance and similar benefit plans or arrangements, employee assistance programs and contributions to or any payments in respect of the Registered Pension Plans, the Non-Registered Pension Plans and the RRSP), reimbursement expenses, termination pay, salary continuance and severance pay, all of which is payable to or in respect of employees, independent contractors and other personnel, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements or with Monitor approval will be paid;
 - vi) Restructuring Costs have been forecast based on anticipated run rates and includes an estimate of costs associated with the Court-Appointed Mediator and Representative Counsel. All outstanding fees and disbursements of the Assistants retained or employed by the Applicant will be paid;

- vii) Any payment under or in respect of any Trade Program operated by the Applicant will be paid;
 - viii) Post-filing expenses and capital expenditures necessary for the preservation of the Property or the business including, payments in respect of insurance (including directors' and officers' insurance), maintenance and security services, as well as, certain capital expenditures to replace or supplement the Property or that are otherwise a benefit to the business, will be paid;
 - ix) All statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province or other taxing authority that are required to be deducted from employee wages including, in respect of employee insurance, Canada Pension Plan, Quebec Pension Plan and income taxes will be remitted;
 - x) A tax refund, as a result of RBH claiming a deduction in its 2019 tax filing for the \$226 million deposit posted with the registry of the Court of Appeal of Quebec under the Deposit Posting Order, has been reflected in the forecast;
 - xi) All pre-filing and post-filing Sales & Excise Taxes accrued or collected in connection with the sale of goods and services by the Applicant will be remitted; and
 - xii) Any payments in respect of the Quebec Class Actions and the Other Pending Litigation are stayed.
28. The Monitor understands the Applicant, with the consent of the Monitor, has paid in the ordinary course the pre-filing claims of third-party trade creditors. The Applicant considers such payments to be necessary and desirable for the ongoing operations. The Monitor believes this course of action will preserve the Applicant's operations while it seeks to address the claims asserted against it in the Quebec Class Actions and Other Pending Litigation.
29. On April 24, 2019, Health Canada's *Tobacco Products Regulations (Plain and Standardized Appearance)* came into effect. It is the Monitor's understanding that these regulations mandate, amongst other things, the appearance of tobacco products, their packaging and the

format of the packaging. RBH will continue to assess the impact of these regulations on its Business, including any necessary capital requirements to comply with these regulations.

30. The Monitor's review of the February 2020 Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the Company. Since the probable and hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the February 2020 Cash Flow Forecast. The Monitor also reviewed the support provided by the Company for the probable and hypothetical assumptions, and the preparation and presentation of the February 2020 Cash Flow Forecast.
31. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:
 - i) the probable and hypothetical assumptions are not consistent with the purpose of the February 2020 Cash Flow Forecast;
 - ii) as at the date of this Report, the probable and hypothetical assumptions developed by the Company are not suitably supported and consistent with the restructuring plans of the Applicant or do not provide a reasonable basis for the February 2020 Cash Flow Forecast, given the probable and hypothetical assumptions; or
 - iii) the February 2020 Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
32. As described in the Terms of Reference above, the February 2020 Cash Flow Forecast is based on assumptions regarding future events and actual results will vary from the information presented even if the hypothetical assumptions occur, and such variations may be material. Accordingly, the Monitor expresses no assurance as to whether the February 2020 Cash Flow Forecast will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the February 2020 Cash Flow Forecast or relied upon by the Monitor in preparing this Report.

33. The February 2020 Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

REQUEST FOR AN EXTENSION OF THE STAY PERIOD

34. The Stay Period is currently set to expire on March 12, 2020. The Applicant is seeking the extension of the Stay Period up to and including September 30, 2020 in order for the Applicant to continue to operate its Business and participate in the process established by the Court-Appointed Mediator to resolve the Global Damages Award and all Other Pending Litigation claims.

35. As described above, the Applicant's February 2020 Cash Flow Forecast projects the Applicant will have sufficient liquidity and generate positive cash flow during the Cash Flow Period.

36. It is the Monitor's view that the Applicant has acted in accordance with the Second Amended and Restated Initial Order and is working diligently and in good faith.

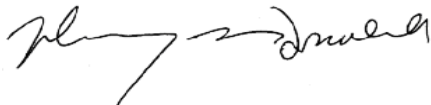
CONCLUSION AND RECOMMENDATION

37. For the reasons outlined in this Fifth Report, the Monitor supports the relief sought by the Applicant in their motion and respectfully recommends that this Court grant an order extending the Stay Period up to and including September 30, 2020.

All of which is respectfully submitted this 13th day of February, 2020.

ERNST & YOUNG INC.
In its capacity as Monitor of
Rothmans, Benson & Hedges Inc.

Per:



Murray A. McDonald
President

Appendix "A"

Rothmans, Benson & Hedges Inc. - September 16, 2019 to February 2, 2020

CCAA Applicant

Forecast Cash Flow - Variances

CAD (Millions)

	Forecast	Actuals	Variances
Start of period	16-Sep-19	16-Sep-19	16-Sep-19
End of period	02-Feb-20	02-Feb-20	02-Feb-20

1 . Receipts & Disbursements

Receipts

Collection of Accounts Receivable	1,115.3	1,063.0	(52.3)
Other Receipts	25.6	18.9	(6.7)

Total Receipts

1,140.9	1,081.9	(59.0)
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Disbursements

Payroll (Gross) and Benefits	37.8	36.7	1.1
Pension and PRB Contributions	5.9	6.0	(0.1)
Third Party Operating Costs	75.9	78.6	(2.7)
Leaf Purchases	11.1	3.7	7.4
Net Intercompany Disbursements	55.1	47.9	7.2
Capex	6.0	4.4	1.6
Corporate Income Taxes	100.0	72.1	27.9
Taxes (Excise / Duty / GST / PTT)	650.8	628.9	21.9
Restructuring Costs	8.6	5.1	3.5

Total Disbursements

951.2	883.4	67.8
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Net Cash Flow

189.7	198.5	8.8
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Opening Available Cash Balance

2,049.4	2,049.4	-
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Closing Available Cash Balance

2,239.1	2,247.9	8.8
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Restricted Cash	31.1	31.1	-
Quebec Security Deposit	226.0	226.0	-

Total Cash + Restricted Cash

2,496.2	2,505.0	8.8
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Appendix "B"

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow						
millions, CAD	3-Feb-20	10-Feb-20	17-Feb-20	24-Feb-20	2-Mar-20	9-Mar-20
	9-Feb-20	16-Feb-20	23-Feb-20	1-Mar-20	8-Mar-20	15-Mar-20
Receipts						
Collection of Accounts Receivable	50.9	50.9	40.9	49.9	50.3	55.3
Other Receipts	0.1	10.9	0.7	2.9	2.0	0.9
Total Receipts	51.0	61.8	41.6	52.8	52.3	56.2
Disbursements						
Payroll (Gross) and Benefits	(1.7)	(3.6)	(3.0)	(4.2)	(2.9)	(1.9)
Pension and PRB Contributions	(0.1)	(1.0)	(0.1)	(0.7)	(0.1)	(0.9)
Third Party Operating Costs	(4.2)	(4.6)	(3.8)	(3.8)	(1.8)	(3.6)
Leaf Purchases	(4.7)	(4.8)	(0.9)	(1.8)	(1.5)	(1.5)
Net Intercompany Disbursements	(1.6)	(0.6)	-	(3.8)	-	(6.7)
Capex	(0.7)	(0.7)	(0.7)	(0.7)	(0.1)	(0.1)
Corporate Income Taxes	-	-	-	-	(14.5)	-
Taxes (Excise / Duty / GST / PTT)	(0.3)	(10.0)	(11.9)	(6.1)	(74.2)	-
Restructuring Costs	(0.8)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total Disbursements	(14.1)	(25.6)	(20.7)	(21.4)	(95.4)	(15.0)
Net Cash Flow	36.9	36.2	20.9	31.4	(43.1)	41.2
Opening Available Cash Balance	2,247.9	2,284.8	2,321.0	2,341.9	2,373.3	2,330.2
Closing Available Cash Balance	2,284.8	2,321.0	2,341.9	2,373.3	2,330.2	2,371.4
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	2,541.9	2,578.1	2,599.0	2,630.4	2,587.3	2,628.5

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow						
millions, CAD	16-Mar-20	23-Mar-20	30-Mar-20	6-Apr-20	13-Apr-20	20-Apr-20
	22-Mar-20	29-Mar-20	5-Apr-20	12-Apr-20	19-Apr-20	26-Apr-20
Receipts						
Collection of Accounts Receivable	55.3	55.3	57.1	46.7	58.4	58.4
Other Receipts	0.1	0.9	1.3	0.7	1.4	0.7
Total Receipts	55.4	56.2	58.4	47.4	59.8	59.1
Disbursements						
Payroll (Gross) and Benefits	(1.5)	(0.5)	(4.4)	(0.5)	(1.8)	(1.4)
Pension and PRB Contributions	(0.1)	(0.1)	(0.7)	(0.1)	(0.5)	(0.3)
Third Party Operating Costs	(3.5)	(3.0)	(3.4)	(4.1)	(4.1)	(4.1)
Leaf Purchases	(1.5)	(1.5)	(0.1)	(0.1)	(0.1)	(0.1)
Net Intercompany Disbursements	-	-	(4.8)	-	(6.7)	-
Capex	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
Corporate Income Taxes	-	-	(14.5)	-	-	-
Taxes (Excise / Duty / GST / PTT)	(27.8)	(0.9)	(84.7)	-	(16.1)	(18.2)
Restructuring Costs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total Disbursements	(34.8)	(6.4)	(113.1)	(5.3)	(29.8)	(24.6)
Net Cash Flow	20.6	49.8	(54.7)	42.1	30.0	34.5
Opening Available Cash Balance	2,371.4	2,392.0	2,441.8	2,387.1	2,429.2	2,459.2
Closing Available Cash Balance	2,392.0	2,441.8	2,387.1	2,429.2	2,459.2	2,493.7
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	2,649.1	2,698.9	2,644.2	2,686.3	2,716.3	2,750.8

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow						
millions, CAD	27-Apr-20	4-May-20	11-May-20	18-May-20	25-May-20	1-Jun-20
	3-May-20	10-May-20	17-May-20	24-May-20	31-May-20	7-Jun-20
Receipts						
Collection of Accounts Receivable	62.0	76.8	76.8	61.4	76.8	54.8
Other Receipts	0.7	1.0	4.2	1.0	1.0	0.9
Total Receipts	62.7	77.8	81.0	62.4	77.8	55.7
Disbursements						
Payroll (Gross) and Benefits	(2.3)	(1.5)	(1.8)	(1.2)	(2.9)	(1.7)
Pension and PRB Contributions	(0.1)	(0.1)	(0.8)	(0.1)	(0.6)	(0.1)
Third Party Operating Costs	(4.1)	(5.5)	(4.5)	(4.0)	(4.0)	(4.6)
Leaf Purchases	(0.1)	-	-	-	-	-
Net Intercompany Disbursements	(4.5)	-	(6.7)	-	(4.3)	-
Capex	(0.2)	(1.6)	(1.6)	(1.6)	(1.6)	(1.0)
Corporate Income Taxes	(14.5)	-	-	-	-	(14.5)
Taxes (Excise / Duty / GST / PTT)	(113.0)	-	(14.8)	(18.1)	(8.3)	(105.6)
Restructuring Costs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total Disbursements	(139.1)	(9.0)	(30.5)	(25.3)	(22.0)	(127.8)
Net Cash Flow	(76.4)	68.8	50.5	37.1	55.8	(72.1)
Opening Available Cash Balance	2,493.7	2,417.3	2,486.1	2,536.6	2,573.7	2,629.5
Closing Available Cash Balance	2,417.3	2,486.1	2,536.6	2,573.7	2,629.5	2,557.4
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	2,674.4	2,743.2	2,793.7	2,830.8	2,886.6	2,814.5

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow						
millions, CAD	8-Jun-20	15-Jun-20	22-Jun-20	29-Jun-20	6-Jul-20	13-Jul-20
	14-Jun-20	21-Jun-20	28-Jun-20	5-Jul-20	12-Jul-20	19-Jul-20
Receipts						
Collection of Accounts Receivable	54.8	54.8	54.8	49.0	67.7	67.7
Other Receipts	0.9	0.9	0.9	1.7	0.9	1.6
Total Receipts	55.7	55.7	55.7	50.7	68.6	69.3
Disbursements						
Payroll (Gross) and Benefits	(0.4)	(2.0)	(1.8)	(2.8)	(0.4)	(2.0)
Pension and PRB Contributions	(0.8)	(0.1)	(0.3)	(0.3)	(0.6)	(0.1)
Third Party Operating Costs	(4.6)	(4.6)	(4.6)	(3.1)	(3.4)	(5.0)
Leaf Purchases	-	-	-	-	-	-
Net Intercompany Disbursements	-	(6.7)	-	(4.8)	-	(7.4)
Capex	(1.0)	(1.0)	(1.0)	(1.9)	(0.9)	(0.9)
Corporate Income Taxes	-	-	-	(14.5)	-	-
Taxes (Excise / Duty / GST / PTT)	-	(20.1)	(24.5)	(112.7)	-	(14.4)
Restructuring Costs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total Disbursements	(7.1)	(34.8)	(32.5)	(140.4)	(5.6)	(30.1)
Net Cash Flow	48.6	20.9	23.2	(89.7)	63.0	39.2
Opening Available Cash Balance	2,557.4	2,606.0	2,626.9	2,650.1	2,560.4	2,623.4
Closing Available Cash Balance	2,606.0	2,626.9	2,650.1	2,560.4	2,623.4	2,662.6
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	2,863.1	2,884.0	2,907.2	2,817.5	2,880.5	2,919.7

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow						
millions, CAD	20-Jul-20	27-Jul-20	3-Aug-20	10-Aug-20	17-Aug-20	24-Aug-20
	26-Jul-20	2-Aug-20	9-Aug-20	16-Aug-20	23-Aug-20	30-Aug-20
Receipts						
Collection of Accounts Receivable	67.7	67.7	55.3	69.2	69.2	69.2
Other Receipts	0.9	0.9	1.1	4.2	1.1	1.1
Total Receipts	68.6	68.6	56.4	73.4	70.3	70.3
Disbursements						
Payroll (Gross) and Benefits	(1.1)	(2.6)	(3.8)	(2.0)	(1.1)	(1.2)
Pension and PRB Contributions	(0.1)	(0.4)	(0.1)	(0.7)	(0.3)	(0.3)
Third Party Operating Costs	(4.4)	(4.9)	(4.3)	(5.5)	(5.6)	(4.3)
Leaf Purchases	-	-	-	-	-	-
Net Intercompany Disbursements	-	(4.0)	-	(6.8)	(1.1)	-
Capex	(0.9)	(0.9)	(0.6)	(0.6)	(0.6)	(0.6)
Corporate Income Taxes	-	-	-	-	-	-
Taxes (Excise / Duty / GST / PTT)	(17.7)	(120.1)	-	-	(39.5)	(1.3)
Restructuring Costs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total Disbursements	(24.5)	(133.2)	(9.1)	(15.9)	(48.5)	(8.0)
Net Cash Flow	44.1	(64.6)	47.3	57.5	21.8	62.3
Opening Available Cash Balance	2,662.6	2,706.7	2,642.1	2,689.4	2,746.9	2,768.7
Closing Available Cash Balance	2,706.7	2,642.1	2,689.4	2,746.9	2,768.7	2,831.0
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	2,963.8	2,899.2	2,946.5	3,004.0	3,025.8	3,088.1

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow						
millions, CAD	31-Aug-20	7-Sep-20	14-Sep-20	21-Sep-20	28-Sep-20	3-Feb-20
	6-Sep-20	13-Sep-20	20-Sep-20	27-Sep-20	4-Oct-20	4-Oct-20
Receipts						
Collection of Accounts Receivable	65.8	52.0	65.0	65.0	63.7	2,096.6
Other Receipts	0.9	0.9	0.9	0.9	0.9	52.1
Total Receipts	66.7	52.9	65.9	65.9	64.6	2,148.7
Disbursements						
Payroll (Gross) and Benefits	(2.7)	(0.5)	(1.9)	(1.9)	(2.7)	(69.7)
Pension and PRB Contributions	(0.1)	(0.7)	(0.1)	(0.3)	(0.3)	(12.1)
Third Party Operating Costs	(4.8)	(3.3)	(4.4)	(4.8)	(4.3)	(146.6)
Leaf Purchases	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(19.2)
Net Intercompany Disbursements	(4.6)	-	(8.0)	-	(4.6)	(87.7)
Capex	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(24.0)
Corporate Income Taxes	-	-	-	-	-	(72.5)
Taxes (Excise / Duty / GST / PTT)	(125.4)	-	(16.8)	(21.5)	(119.4)	(1,143.4)
Restructuring Costs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(11.0)
Total Disbursements	(138.3)	(5.2)	(31.9)	(29.2)	(132.0)	(1,586.2)
Net Cash Flow	(71.6)	47.7	34.0	36.7	(67.4)	562.5
Opening Available Cash Balance	2,831.0	2,759.4	2,807.1	2,841.1	2,877.8	2,247.9
Closing Available Cash Balance	2,759.4	2,807.1	2,841.1	2,877.8	2,810.4	2,810.4
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	3,016.5	3,064.2	3,098.2	3,134.9	3,067.5	3,067.5

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ROTHMANS, BENSON & HEDGES INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

FIFTH REPORT OF ERNST & YOUNG INC.

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