Pipes GOB rosee

8 February 1994

PWDW/NJF

Mr G Gundersen Orlik Tobacco Company SA Tobaksvejen 1 DK 5610 ASSENS Postbox 50 Denmark

Dear Georg

Thank you very much for your kind hospitality and assistance last month.

Please find attached a copy of the minutes for our meeting. I will send you both the updated blend sheets and the flavours and casings recipes once they have been completed.

Adrian would like to organise a visit to the Holstebro factory on the 3rd of May to finalise any outstanding business and to see the BATUKE products being manufactured.

Could you please confirm whether the above date is suitable.

With best regards

Yours sincerely

A

PWD WALSHE

Minutes of the Annual Meeting with Orlik Tobacco Company BATUKE Blends and Leaf Issues

The meeting was held on the 20th January 1994

Those present:

BATUKE::

Adrian Barnes and Patrick Walshe

ORLIK: :

George Gundersen and Mogen Jacobsen

1. Forward Blend Assessments

The blends for 1994 have been finalised and copies of the new blend sheets will be sent to Orlik.

Bangladesh tobaccos will remain in blends 107, 167 and 263. Consequently Orlik will require two 20st containers of BASH, the first in April 1994 and the second in January 1995.

2. Grade Substitutions - General

Due to shipping problems IYX1BH will temporarily be substituted with MX1BH in blend 263.

ZBBH is an acceptable substitute for ZMF3H.

Samples of BAD2K and BAO2K will be sent to Orlik.

3. Grade Substitutions - Brazil

The demise of the Korean market led to increased inclusions of Brazilian tobaccos in the blends. The smoking quality of these blends is acceptable but in order to spread the risk suitable alternatives are being sought.

MF2OHS was offered as a substitute but due to the low quality of the 1993 packing a decision on this grade will be deferred until the reception of the 1994 crop.

4. Grade Anomalies

The BLH2H'92 appeared to be off style and has a similar colour line to a BLMF3H. However stocks of this grade have been exhausted.

5. Three Nuns

The experimental blends were comparable in smoking terms to the Ogdens version. Differences were noted in the visual appearance, with the Ogdens blend having a higher inclusion of black tobaccos. The BATUKE blend carried its distinctive Perique nose. New blends will be developed substituting the Perique with a higher inclusion of Black Cavendish or processed fire cured tobacco.

BATUKE to request Ogdens permission to use their flavour and for confidential disclosure of ingredients for AMGP approval.

6. Flavours and Casings

No significant differences were found between the BATUKE and Orlik recipes. Updated recipes will be sent to Orlik.

7. Pipe Tobacco Process Sheets

The process sheets will be updated following a visit to the Holstebro Factory (where BATUKE products are manufactured) mid year.

10. Golden Virginia- Consumer Complaints

Concerns have been raised that the smoking quality of Golden Virginia is different from the UK product. This issue will be examined in detail during the Holstebro visit later in the year. However some factors are unique to BATUKE:

- i) The length of time on the shelf (up to two years).
- ii) The high moisture at packing (related to i) above).
- iii) Differences in flavour formulation.

Product examined at the meeting which is older than eight months is noticeably darker and more uniform in colour. To stop this change in colour a considerable drop in pack moisture content would be required. This is seen as undesirable.

11. Consumer Complaints

Complaints about wadding in Gold Block and puncturing of Golden Virginia packets will be investigated and resolved by Orlik and reported on during the coming year.

12. New Packaging

Orlik has developed a laminated pouch with a similar tobacco moisture loss to overwrapping but with better barrier properties. Additionally the new pouch is not electrostatic, consequently dust and small particles will not stick to it.

The new packaging will be in use from July 1994 onwards.

14. Infestation

No problems with infestation were reported. Situated around the factory are both moth traps and insecticide "foggers", there were no tobacco traps evident.

15. Videos

Orlik has requested a copy of the BATUKE "Infestation" video and the "Kenya Leaf Growing" video.