

- NEWS RELEASE -

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REPORTS OF RETAIL LOSSES FROM TOBACCO BILL HIGHLY EXAGGERATED

Edmonton - Media reports of retail losses of up to 12 million dollars resulting from the passage of provincial legislation to outlaw tobacco retail displays or "powerwalls" are highly exaggerated, according to information obtained by Action on Smoking & Health.

Data supplied by Canadian tobacco manufacturers under Health Canada reporting requirements show that Alberta retailers received 11.8 million dollars from tobacco companies last year for stocking and displaying their products. The same data shows that tobacco industry payments to retailers in provinces that have outlawed powerwalls have remained largely unaffected. For example, payments to retailers in Saskatchewan have declined by only 5 percent since the province's powerwall ban took effect in 2004.

"Reports of the loss of tobacco company promotional payments to retailers following a powerwall ban have been grossly exaggerated" said Les Hagen, executive director. "Tobacco companies are still paying retailers handsomely to ensure that their products are adequately stocked in provinces with a powerwall ban. While some retailers will need to pay for new cabinets to keep tobacco products out of sight, many stores have already installed locking cabinets at their checkouts for theft and insurance purposes".

ASH also contends that shifting consumer traffic resulting from a ban on tobacco sales in pharmacies will offset any immediate sales losses resulting from a powerwall ban in other retail locations such as convenience stores and gas stations.

"The Alberta government is implementing the proposed bill in the best possible manner to reduce the financial impact of a powerwall ban on retailers" Hagen added. "Alberta will be the first province to implement a powerwall ban and a tobacco sales ban in pharmacies at the same time. This coordinated approach will greatly reduce any potential impact on remaining tobacco retailers due to increased consumer traffic."

Although pharmacies will obviously lose tobacco sales and revenues under the proposed Tobacco Reduction Act, ASH notes that the pharmacy tobacco sales ban in Ontario did not affect pharmacy closures in the year following the implementation of the ban in 1995.

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Ontario pharmacies simply replaced tobacco with other popular consumer products such as vitamins and cosmetics.

A few years ago, 77% of Alberta pharmacists voted in support of a tobacco sales ban in pharmacies following a referendum conducted by the Alberta College of Pharmacists. Both the Alberta Pharmacists Association and the Alberta College of Pharmacists have called for a ban on tobacco sales in any premises containing pharmacies.

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