

**bwit**

INTERNAL CORRESPONDENCE

LOUISVILLE

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FROM:                G. Stephenson

DATE:                January 26, 1981

SUBJECT:             Preliminary MPC (Bruell Presentation)

Attached is a copy of the worldwide sales and spend information  
which John Howley presented to Mr. Bruell and Mr. Wright.

I thought this might be of some interest.

  
R.G.S.

/eh

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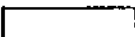
# INTERNATIONAL FILTER CIGARETTE SALES

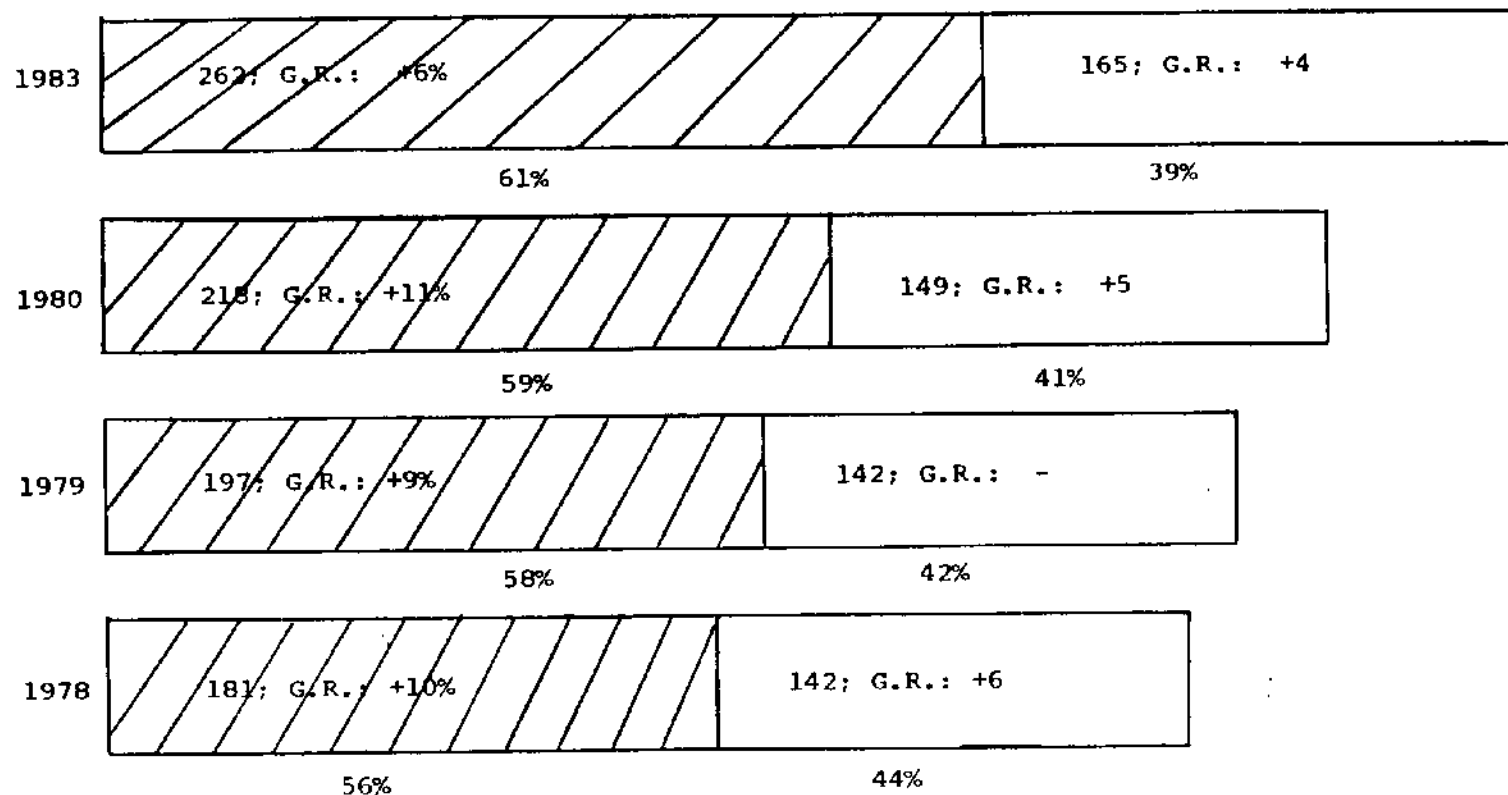
U.S. -V- U.K.

ACTUAL 1979-1980 -- FORECAST 1983

(Billions)

U.S. 

U.K. 



Source: BAT Millbank

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U.S. INTERNATIONAL BRANDS  
BY SEGMENT  
(1980 - 1983)

	<u>1980</u>		<u>1983</u>	
	<u>TOTAL</u>	<u>% OF</u>	<u>TOTAL</u>	<u>% OF</u>
	(BILLIONS)	TOTAL	(BILLIONS)	TOTAL
<u>FULL-FLAVOR SEGMENT:</u>				
R/L/K	166	73	201	74
EL	<u>9</u>	<u>4</u>	<u>10</u>	<u>4</u>
TOTAL:	175	77	211	78
<u>MILD SEGMENT:</u>				
R/L/K	22	10	27	10
EL	<u>10</u>	<u>4</u>	<u>12</u>	<u>4</u>
TOTAL:	32	14	39	14
<u>MENTHOL SEGMENT:</u>				
R/L/K	7	3	8	3
EL	<u>4</u>	<u>2</u>	<u>4</u>	<u>1</u>
TOTAL:	11	5	12	4
<u>PLAIN SEGMENT:</u>				
	10	4	10	4
<u>TOTAL:</u>	<u>228</u>	<u>100</u>	<u>272</u>	<u>100</u>

SOURCE: BAT MILLBANK

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U.S. INTERNATIONAL BRANDS

BY SEGMENT

(1980 - 1983)

	1980				1983		
	<u>TOTAL</u>	<u>% OF</u>	<u>BWIT</u>		<u>TOTAL</u>	<u>% OF</u>	<u>BWIT</u>
	(BILLIONS)	TOTAL	SHARE		(BILLIONS)	TOTAL	SHARE
<u>ULL-FLAVOR SEGMENT:</u>							
R/L/K	166	73	4		201	74	5
EL	9	4	24		10	4	29
TOTAL:	175	77	5		211	78	6
<u>MILD SEGMENT:</u>							
R/L/K	22	10	43		27	10	50
EL	10	4	73		12	4	68
TOTAL:	32	14	52		39	14	55
<u>MENTHOL SEGMENT:</u>							
R/L/K	7	3	31		8	3	35
EL	4	2	8		4	1	8
TOTAL:	11	5	23		12	4	23
<u>PLAIN SEGMENT:</u>	10	4	30		10	4	34
<u>TOTAL:</u>	<u>228</u>	<u>100</u>			<u>272</u>	<u>100</u>	

SOURCE: BAT MILLBANK

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U.S. INTERNATIONAL BRANDS  
WORLDWIDE SALES  
CHANGES 1980 - 1983  
(BILLIONS)

	1980 VOLUME	1983 VOLUME	BWIT SHARE 1983 %	VOLUME INCREASE	GROWTH OF BAT BRANDS	
					VOLUME	% OF TOTAL U.S. GROWTH
<u>FULL-FLAVOR SEGMENT:</u>	175	211	6	+36	+4.8	13%
<u>MILD SEGMENT:</u>	32	39	55	+ 7	+4.8	69%
<u>MENTHOL SEGMENT:</u>	11	12	23	+ 1	+ .6	60%
<u>PLAIN SEGMENT:</u>	10	10	34	--	+ .3	100%
<u>TOTALS</u>	<u>228</u>	<u>272</u>		<u>+44</u>	<u>+10.5</u>	<u>24%</u>
<u>BWIT SHARE</u>		<u>13.5%</u>	<u>15.1%</u>			

SOURCE: BAT MILLBANK

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BROWN & WILLIAMSON INTERNATIONAL  
WORLDWIDE SALES AND EXPENDITURE SUMMARY  
1979 THROUGH 1983  
(MILLIONS)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
TOTAL WORLDWIDE SALES	29,264	30,736	34,546	38,206	41,232
% CHANGE	+ 7.8%	+ 5.0%	+12.4%	+10.6%	+ 7.9%

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BROWN & WILLIAMSON INTERNATIONAL  
WORLDWIDE SALES AND EXPENDITURE SUMMARY  
1979 THROUGH 1983  
(MILLIONS)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
TOTAL WORLDWIDE SALES	29,264	30,736	34,546	38,206	41,232
% CHANGE	+ 7.8%	+ 5.0%	+12.4%	+10.6%	+ 7.9%

IBU EXPENDITURE (US \$000'S)

KENT PARENT	2,673	2,585	3,716	3,974	4,252
KENT GL/SM	657	1,046	1,486	1,709	1,970
KENT III	---	120	473	749	850
TRUE	122	122	50	59	66
OTHER MOORGATE	4	5	5	5	5
VICEROY	1,035	1,080	1,364	1,595	1,789
KOOL	446	505	537	750	815
LUCKY STRIKE	304	432	439	-*	-*
PALL MALL	586	176	267	370	458
OTHER B&W/BAT	---	---	---	---	---
TOTAL EXPENDITURE	5,827	6,071	8,337	9,211	10,205

\*DEPENDENT ON SUCCESS OF LUCKY STRIKE FILTER LAUNCH

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STOY SALES TO U.S.S.R.

1981

(MILLIONS)

	<u>1ST HALF</u> <u>1981</u>	<u>2ND HALF</u> <u>1981</u>	<u>FULL YEAR</u> <u>1981</u>
KENT K.S. S/L	125	200	325
NEWPORT L.S. H/L	125	100	225
PALL MALL K.S. H/L	445	550	995
TOTALS	<u>695</u>	<u>850</u>	<u>1,545</u>

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TOTAL U.S. INTERNATIONAL FILTER BRANDS

BY COMPANY

(1979 - 1980)

	<u>VOLUME (BILLIONS)</u>	<u>% SHARE OF TOTAL</u>	<u>% VOLUME GROWTH</u>
<u>B&amp;W:</u>			
1979	26	13.2	+ 4
1980	28	12.8	+ 8
<u>REYNOLDS:</u>			
1979	49	24.9	+ 2
1980	52	23.9	+ 6
<u>P. MORRIS:</u>			
1979	121	61.4	+15
1980	138	63.3	+14
<u>TOTAL</u>			
1979	197	9%	
1980 (Est.)	218	11%	

SOURCE: BAT MILLBANK

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BWIT EXPORTS BY BRAND

	<u>1979</u>		<u>1980</u>	
	<u>VOLUME</u>	SHARE OF	<u>VOLUME</u>	SHARE OF
	(MILLIONS)	U.S. EXPORTS	(MILLIONS)	U.S. EXPORTS
		%		%
KENT	10,780	12.0	11,228	12.1
KGL	310	.3	602	.6
VICEROY	2,193	2.4	2,297	2.5
PALL MALL	1,347	1.5	1,355	1.5
KOOL	1,293	1.4	1,233	1.3
LUCKY STRIKE	1,125	1.3	1,306	1.4
OTHERS	<u>109</u>	<u>.1</u>	<u>105</u>	<u>.1</u>
TOTAL BWIT	17,157	19.1%	18,126	19.5%

ESTIMATED TOTAL U.S. EXPORTS: 1979 = 89.7 BILLION  
1980 = 93.0 BILLION

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BWIT EXPORTS BY BRAND

	<u>1981</u>	
	<u>BUDGET VOLUME (MILLIONS)</u>	<u>EST. SHARE OF U.S. EXPORTS %</u>
KENT	10.781	11.2
KGL	941	1.0
VICEROY	2.503	2.6
PALL MALL	1.564	1.6
KOOL	1.427	1.5
LUCKY STRIKE	1.492	1.5
OTHERS	<u>112</u>	<u>.1</u>
TOTAL BWIT	<u>18.820</u>	<u>19.5%</u>

ESTIMATED TOTAL U.S. EXPORTS: 1981 = 96.5 BILLION

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BWIT LICENSEE & ASSOCIATED CO.  
SALES BY BRAND\*

	<u>1979</u>		<u>1980</u>	
	<u>VOLUME</u>	<u>SHARE OF</u> <u>U.S. BRANDS</u> <u>MANUFACTURED</u> <u>LOCALLY</u>	<u>VOLUME</u>	<u>SHARE OF</u> <u>U.S. BRANDS</u> <u>MANUFACTURED</u> <u>LOCALLY</u>
	<u>(MILLIONS)</u>		<u>(MILLIONS)</u>	
KENT	4,323	3.7	3,844	2.9
KGL	140	.1	143	.1
VICEROY	2,996	2.6	3,957	2.9
PALL MALL	2,486	2.1	2,767	2.1
KOOL	1,290	1.1	1,226	.9
LUCKY STRIKE	779	.7	646	.5
OTHERS	<u>93</u>	<u>.1</u>	<u>27</u>	<u>--</u>
TOTAL BWIT	12,107	10.3%	12,610	9.4%

ESTIMATED U.S. SALES MANUFACTURED LOCALLY: 1979 = 117 BILLION  
1980 = 135 BILLION

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BWIT LICENSEE & ASSOCIATED CO.

SALES BY BRAND

	<u>1981 VOLUME</u>	
	(MILLIONS)	
KENT	4,670	
KGL	299	
VICEROY	4,517	
PALL MALL	3,916	
KOOL	1,263	
LUCKY STRIKE	775	
OTHER	<u>286</u>	
TOTAL BWIT	<u><u>15,726</u></u>	
CHANGE FROM 1980	<u>+ 3,116</u>	<u>+24.7%</u>
(EXCLUDING U.S.S.R.)	(+ 1,571)	(+12.5%)

MAJOR GAINS

RUSSIA: 1,545 KENT 325; PALL MALL 995; NEWPORT 225.  
CHILE: 379 VICEROY  
MEXICO: 242 VICEROY  
E&W GERMANY: 232 PALL MALL, KENT  
U.K.: 148 KENT  
ITALY: 138 KENT  
SPAIN: 115 KENT

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TOP 25 BAT  
U.S. INTERNATIONAL BRAND MARKETS  
1980

	<u>EST. VOLUME</u>	<u>% OF BUSINESS</u>
1. HONG KONG	3,668.8	11.9%
2. CHILE	2,404.7	7.8
3. MEXICO	2,360.9	7.7
4. W. GERMANY	1,667.4	5.4
5. COLOMBIAN GROUP	1,485.9	4.8
6. U.S. MIL O/S	1,286.7	4.2
7. MIT	993.8	3.2
8. YUGOSLAVIA	963.4	3.1
9. SAUDI ARABIA	933.5	3.0
10. RUMANIA	828.0	2.7
11. MALAYSIA	806.8	2.6
12. AUSTRALIA	744.5	2.4
13. BEL/LUX	633.4	2.1
14. LIBYA	628.8	2.0
15. PARAGUAY	566.6	1.8
16. YEMEN	545.8	1.8
17. ARGENTINA	543.5	1.8
18. NORWAY	541.9	1.8
19. FRANCE	537.5	1.7
20. U.S.T.F. COMM.	502.8	1.6
21. BRAZIL	448.3	1.5
22. SINGAPORE	407.3	1.3
23. JAPAN	383.8	1.2
24. S. AFRICA	372.6	1.2
25. SWITZERLAND	319.2	1.0
	<u>24,575.9</u>	<u>79.9%</u>

TOTAL BWIT BUSINESS FOR 1980 = 30,736 MILLION

SOURCES: BAT MILLBANK; BWIT SHIPMENT & LICENSEE REPORTS

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