

CAC X - LONDON : CONFERENCE PROGRAMME

The principal aim of the conference will be to discuss strategies for sustaining a rapid rate of growth in Group profits through developments within the Group's chosen areas of activity in Tobacco, Retailing, Pulp/Paper and Financial Services.

The draft programme for the conference is attached and the initials against each item indicate which delegates will be asked to make a formal contribution to the session concerned.

The form of the programme is similar to that for CAC IX with the emphasis in the early items (A-D) being on providing a base of information for the discussions during the later sessions.

Brief summaries of the introductions to the industry sessions will be circulated during February 1987 in order to provide prior information about the issues that will be raised so that delegates can bear these in mind in preparing their own contributions to these sessions.

As in previous years, it is intended that the formal presentations should be kept brief in order to allow the maximum time for discussion.

The following notes indicate the proposed aim and content of each item on the programme.

Item A : Chairman's Introduction

The Chairman will review events and developments since CAC IX and will expand on the aims of CAC X, which will be to discuss options open to the Group:

- (a) To consolidate existing strengths;
- (b) To invest in businesses with good long term prospects.

Item B : Operating Group/Company Reviews

Delegates will be asked to describe the performance of their businesses in 1986 in relation to their objectives and to the previous years performance. They will also be asked to summarise the main issues for their organisation and their plans for 1987/88/89. The suggested form and content for these reviews will be the subject of a separate note.

Item C : Group Financial Forecast

The results which the Group is expected to achieve over the next five years will be summarised. The session will also cover the main financial issues facing the Group and the potential availability of resources for investment in additional growth opportunities.

Item D : Group Strategy Review

The main strategic issues facing the Group will be summarised. The contribution to Group development which should be made by Tobacco, Retail, Paper/Pulp and Financial Services will be discussed and also the contribution that might be made by businesses outside these mainstream activities. The Group's geographical objectives will also be discussed.

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Item E : Paper/Pulp

The Group's objectives for its Paper/Pulp activities will be reviewed and delegates will be asked to consider how their own Paper/Pulp businesses might be expanded, extended and renewed by concentrating resources in those industry sectors which have good growth prospects, where B.A.T Industries can achieve a leadership position and which are sufficiently sizeable to support a major business activity.

Item F : Retail

The form of this session will be similar to that for Paper/Pulp (Item E) with particular emphasis identifying opportunities both to expand the Group's existing businesses and to become established in new markets or with new formats which have growth potential.

Item G : Financial Services

The form of this session will also be similar to that for items E and F with particular emphasis on opportunities to expand the range of financial services being offered by broadening the range of activities in the UK and by becoming established on a significant scale in other countries where B.A.T Industries already has a major presence.

Item H : Tobacco

The first part of this session will consist of presentations on recent developments in the Legal Situation (Mr. Baker), in Epidemiology (Dr. Thornton) and R&D (Mr. Heard).

In the second part of the session, delegates will be asked to consider strategies for ensuring that the Group's Tobacco businesses can continue to provide a major source of profits and cash flow especially over the next 5 years.

Item J : Management Development

Options for improving recruitment, motivation and manager development will be discussed.

Item K : Challenges of the Future

The Chairman will summarise the results of the conference, concentrating particularly on options for specific action to meet the challenge of the future and to achieve the Group's objectives for growth.

RS/DJA
5th January 1987

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