

TOBACCO

MARKET ASSUMPTIONS

1. ANTI-SMOKING PRESSURES CONTAINED
2. TAX UP BUT MODERATED
3. TOTAL MARKET CONSTANT
  - UP IN DEVELOPING COUNTRIES
  - DOWN IN DEVELOPED WORLD
4. IMPROVED ACCESS TO MONOPOLY MARKETS IN ASIA AND EUROPE
5. SINGLE EUROPEAN MARKET SIGNIFICANT
6. CONTINUING FALL IN DELIVERIES
  - BUT FULL FLAVOUR WILL CONTINUE TO DOMINATE
  - ESPECIALLY US-TYPE BLENDS
7. POLARISATION OF MARKET
  - INTERNATIONAL BRANDS
  - VALUE-FOR-MONEY
8. OVERALL PROFIT LEVELS INFLUENCED BY PHILIP MORRIS AND RJR SITUATIONS

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