

To: Sir Patrick Sheehy

SECRET

Tobacco Market Shares and Margins

PS
FEB 1991

You asked for data by Operating Group to enable you to make a qualitative judgement on the progress in 1990 on market shares and margins.

1. Market Shares

	1989		1990		Notes
	Volume(bns)	Share(%)	Volume(bns)	Share (%)	
BATCo.	261.0	4.91	269.5	5.02	1,2
Brown & Williamson					
- Domestic	59.5	11.36	54.0	10.32	3
- International	33.5	0.63	38.8	0.72	1
BATCF	28.9	21.65	32.2	21.09	4
Souza Cruz	131.1	79.7	134.7	81.3	5
Imasco	27.5	58.0	27.3	60.2	
TOTAL	541.5	10.19	556.5	10.36	1,6

- Notes :
- 1 Market share based on world total (1989 5313bn, 1990 5371bn).
 - 2 For shares in key markets see Appendix A attached.
 - 3 Had the 2.5bn reduction in trade loading not been implemented, the share would have been 10.74%.
 - 4 Shares for West German Domestic market volumes include sales to East Germany (where an 11% share has been achieved) and also exports which have increased by 25%.
 - 5 Volume includes exports 1.4bn 1989 and 1.7bn 1990.
 - 6 BAT Group share of International Filter Brands increased from 17.5% to 17.6%.

2. Margins

Although the margins to net turnover in Brown & Williamson decrease, the margins to gross turnover improve slightly. There is a greater rate of increase in both domestic and international but this is offset by the mix factor and 'others'.

	1989			1990		
	Gross T/O (\$m)	Contribution Margin (\$m)	Margin (%)	Gross T/O (\$m)	Contribution Margin (\$m)	Margin (%)
Domestic	2393	823	34.3	2250	795	35.3
International	572	160	28.0	659	189	28.7
Others	114	(231)	-	144	(232)	-
	3079	752	24.4	3053	752	24.6

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RS/DJA
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Enclosure

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