

## JOHN PLAYER SPECIAL

### OVERALL ANALYSIS (millions)

<u>Millions</u>	<u>1990 Actual</u>	<u>1991 Budget</u>	<u>1991 YTD Mar.</u>	<u>% YTD 1991/90</u>	<u>% YTD 1991 vs. Budget</u>
Far East	666.1	955.1	247.2	46.4	44.8
Europe	365.5	355.6	47.3	-35.1	-26.1
M. East	2.2	3.8	0.9	+80.0	-
Africa	489.4	566.8	117.9	-1.2	-12.9
W. Hem.	496.3	534.3	114.9	-9.5	14.9
<b>TOTAL</b>	<b>2019.5</b>	<b>2415.6</b>	<b>528.2</b>	<b>8.1</b>	<b>12.1</b>

#### JPS K.S. VIRGINIA.

About 40.3% of the total JPS family is contributed by this version. The major growth market for the brand is in South Africa where the brand sold 340.6 mn. in 1990 and the current YTD figures show a modest growth.

#### JPS U.S. K.S.

About 27.3% of the total JPS sales is contributed by this version of the brand. The major markets for this version in 1990 were Japan (226 mn.), Mexico (203 mn.) and Brazil (99 mn.).

#### JPS LIGHTS/MILDS.

JPS Lights 100's was launched in Turkey and JPS Lights in K.S. version was launched in South Korea fourth quarter 1990.

The brand was also launched in Caracas, Venezuela in April 1990. The brand is showing a progressive trend.

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REGIONAL ANALYSIS

Far East Summary:

	1990 <u>ACT</u>	1991 <u>BUD</u>	% DIFF VS <u>1990</u>	ACT YTD MAR <u>1991</u>	% YTD OVER <u>1990</u>	% TOTAL JPS <u>SALES</u>	% SHARE DOM <u>MKT</u>
Malaysia	67.4	282.5	319.1	49.6	-	3.3	0.4
Japan	362.6	412.0	13.6	92.2	-7.1	17.9	-
S. Korea	14.3	99.0	592.3	-	-	0.7	-
Australia	159.8	104.8	-34.4	24.0	-33.0	7.9	-

(a) Malaysia:

JPS KS Virginia has been launched in Malaysia at below mainstream King size price. The brand has been supported by discounted price offers and TV commercials strengthening the JPS brand name.

(b) Japan:

JPS KS and JPS Mild., both US blended, are exclusively supported by distribution effort. The matt black HL design will be introduced to a test market during the second half of 1991. The brand has a modest growth over last year.

(c) South Korea:

The KS Lights version of the brand was initially launched with pack shot support. Image support has just recently been introduced. The brands sales performance is below forecast.

(d) Australia:

The brand has two versions, full flavour and Special Milds and are sold in 25 and 30 HL pack versions. Three Lights versions were launched in April 1991 with encouraging initial results.

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**Africa Summary:**

	1990 ACT	1991 BUD	% DIFF VS 1990	ACT YTD MAR 1991	% YTD OVER 1990	% TOTAL JPS SALES	% SHARE DOM MKT
South Africa	475.1	540.0	13.7	86.3	1.1	23.5	1.1

This market has the JPS KS, 95 mm and Lights, the Lights version contributing only 11.1 million of the 1990 sales. JPS KS is in its glossy black pack and is mainly targetted at the same perceived prestige segment of the black market as B & H SF.

The support given to the brand was based on pack and product advertising only. A new campaign is under consideration to give a life style support to the brand.

JPS football sponsorship is another key element of the communication mix.

**Western Hemisphere Summary:**

	1990 ACT	1991 BUD	% DIFF VS 1990	ACT YTD MAR 1991	% YTD OVER 1990	% TOTAL JPS SALES	% SHARE DOM MKT
Venezuela	25.6	66.0	157.8	10.5	-	1.3	0.5

JPS Lights US type version was launched in April 1990 in Caracas and distributed nationally in Nov/Dec 1990. Sales have shown a progressive trend and the brand currently holds an 0.5% market share nationally and 1.1% in the Caracas area where 50% of all cigarettes are sold.

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	1990	1991	% DIFF VS 1990	ACT YTD MAR 1991	% YTD OVER 1990	% TOTAL JPS SALES	% SHARE DOM MKT
EUROPE	ACT	BUD					
Turkey	9.6	20.0	108.3	5.3	-	0.5	-

The brand was launched in a Lights 100 mm version in the last quarter of the year and distribution was restricted to the two major cities (Istanbul and Ankara) only. The brand was supported during the launch period and will be promoted again in the second half of 1991. Sales volumes are above budgetted figures.

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**PLAYERS GOLD LEAF**

1. Overall Analysis (Mns.)

	<u>1990 ACTUAL</u>	<u>1991 BUDGET</u>	<u>1991 YTD</u>	<u>% YTD 1991/90</u>	<u>% YTD vs. BUD.</u>
Far East	4995.7	5490.4	1214.1	-2.8	-8.9
M. East	1691.6	1358.9	543.2	+28.3	+42.7
Africa	1194.2	1654.4	260.3	-17.8	-30.1
W. Hem.	53.5	46.2	13.8	+12.2	+22.1
<b>TOTAL</b>	<b>*7935.5</b>	<b>8549.9</b>	<b>**2039.8</b>	<b>+1.9</b>	<b>-2.8</b>

Players Gold Leaf volume has increased by 33% since 1986. A continuation of this positive trend is expected in the foreseeable future. Despite drop in Middle East volume (on account of price increase) PGL is still projected to grow by 7.7% in 1991.

PGL sales in the first quarter 1991 are 1.9% higher than the same period last year. However, they are 2.8% lower than budget. Indications are that in the coming months sales will pick-up and budgetted sales 1991 can be achieved.

Its main consumption centres include Indian sub-continent, Saudi Arabia in Asia and Nigeria and Cameroon in Africa.

Following TSRT decision to reclassify PGL as a Category I brand, a detailed plan has been prepared to up-grade the brand.

// PGL brand potential in China is being checked and depending upon research results, decision regarding its launch in mainland China will be taken by year end.

- \* Includes 0.5 mn. sales in Europe.
- \*\*Includes 8.4 mn. sales in Europe.

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**2. REGIONAL ANALYSIS**

	1990	1991	% diff.	Act.	YTD	%	%	Share
	<u>Actual</u>	<u>Budget</u>	<u>vs. 90</u>	<u>YTD</u>	<u>Over</u>	<u>TOT</u>	<u>Dom.</u>	<u>Mrkt.</u>
				<u>Mar.91</u>	<u>Last %</u>	<u>PGL</u>		
<b>ASIA</b>								
<b>(a) Pakistan:</b>								
PGL	2157.0	2286.0	+6.0	519.0	-12.5	27.1		6.8

The brand received a set back in 1990 as a result of massive price increase, which has effectively placed the brand at price parity with International smuggled brands - PGL sold above SE 555 and Dunhill and marginally below Benson & Hedges and Marlboro. As a result of extra support provided to the brand in the second half of 1990, the brand stabilised in IV quarter 1990. Until international smuggled brand prices rise, PGL price cannot be increased, otherwise the brand will again start sliding.

To capitalise on small but growing "Lights" segment, "Gold Leaf Lights" test market commenced from April 1991.

In an effort to further improve its packaging presentation/printing better quality board will be used by year end.

<b>(b) Bangladesh:</b>	1280.0	1490.0	+16.4	335.0	+17.0	16.1		9.5
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The brand is growing rapidly and its growth is likely to continue. The 1991 sales are anticipated to be 38% higher than 1989 sales. Its sales in first quarter 1991 are 17.0% higher than the same period last year. While retaining its domination of the Premium Price segment, PGL has now become the second largest seller of the market also.

In the second half of 1991, PGL packaging material will be printed on gravure process instead of offset which will further improve pack/carton presentation.

The need for a Lights/Mild variant in this market is currently being studied.

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	1990	1991	% diff.	Act.	YTD	%	% Share
	<u>Actual</u>	<u>Budget</u>	<u>vs. 90</u>	<u>YTD</u>	<u>Over</u>	<u>TOT</u>	<u>Dom. Mrkt.</u>
				<u>Mar.91</u>	<u>Last %</u>	<u>PGL</u>	

(c) Sri Lanka

PGL	1167.0	1361.0	+16.7	292.0	+10.7	14.7	22.2
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In Sri Lanka as well, PGL continues to grow significantly. Its 1991 sales are likely to be 80% higher than 1989 sales.

PGL distribution is being further improved (especially rural areas) and current trends indicate that PGL current year forecast will be exceeded.

PGL Lights is not performing well in this market and corrective measures are under consideration.

(d) Middle East

Saudi Arabia	1095.0	930.0	-15.1	330.4	+37.6	13.8	6.4
Oman	192.0	188.0	-2.0	46.2	+1.0	2.4	8.0
Kuwait	150.0	-	-	-	-	-	-
Dubai	88.0	90.0	+2.3	22.3	-8.2	1.1	9.3

Lower budgeted Saudi Arabia sales in 1991 are on account of the proposed price increase which will force the end price to cross 20 riyal a carton barrier and consequent volume drop. Initial indications are that the brand has absorbed the March 1991 price increase quite well. However, the position will become clearer by mid-year.

With the liberation of Kuwait supplies will resume shortly.

(e) Africa

Nigeria

PGL	917.0	1260.0	+37.3	196.1	-29.1	11.6	12.7
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**JOHN PLAYER SPECIAL - SUMMARY**

**MAJOR MARKETS**

	<u>1990</u> <u>ACTUAL</u>	<u>1991</u> <u>BUDGET</u>	<u>% DIFF</u> <u>VS BUDGET</u>
<b><u>FAR EAST</u></b>			
Australia	159.8	104.8	-34.4
Malaysia	67.4	282.5	319.1
New Zealand	2.5	2.3	-8.0
Japan	362.6	412.0	13.6
South Korea	14.3	99.0	592.3
<b><u>EUROPE</u></b>			
Canary Islands	20.6	18.9	-8.3
Finland	17.9	22.1	23.5
Turkey	9.6	20.0	108.3
<b><u>SOUTH AFRICA</u></b>			
South Africa	475.1	540.0	13.7
<b><u>WESTERN HEMISPHERE</u></b>			
Canada	129.0	131.1	1.6
Brazil	96.5	90.0	-6.7
Chile	3.3	--	-100.0
Panama	1.5	2.0	33.3
Venezuela	25.6	66.0	157.8

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**PLAYERS GOLD LEAF - SUMMARY**

<b>REGION</b>	<b>1990 ACTUAL</b>	<b>1991 BUDGET</b>	<b>1991 YTD</b>	<b>% YTD 91/90</b>	<b>% YTD '91 Vs. BUDGET</b>
<u>Far East:</u>					
Pakistan	2157.0	2286.0	519	-12.5	-4.5
Bangladesh	1280.0	1490.0	335	+17.0	-12.0
Sri Lanka	1167.0	1361.0	292	+10.7	-9.7
<b>TOTAL REGION</b>	<b>4995.7</b>	<b>5490.4</b>	<b>1214.1</b>	<b>-2.8</b>	<b>-8.9</b>
<u>Middle East:</u>					
Saudi Arabia	1095.0	930.0	330.4	+37.6	+16.7
Oman	192.0	188.0	46.2	+1.0	+2.6
Kuwait	150.0	-	-	-	-
Dubai	88.0	90.0	22.3	-8.2	+2.7
<b>TOTAL REGION</b>	<b>1691.6</b>	<b>1358.9</b>	<b>543.2</b>	<b>+28.3</b>	<b>+42.7</b>
<u>Africa:</u>					
Nigeria	917.0	1260.0	196.1	-29.1	-30.5
Cameroon	138.0	162.0	30.5	-17.1	-24.7
<b>TOTAL REGION</b>	<b>1194.2</b>	<b>1654.4</b>	<b>260.3</b>	<b>-17.8</b>	<b>-30.1</b>
<u>Western Hemisphere:</u>					
Argentina	53.5	46.2	13.8	+12.2	+22.1
<b>TOTAL REGION</b>	<b>53.5</b>	<b>46.2</b>	<b>13.8</b>	<b>+12.2</b>	<b>+22.1</b>
<b><u>PGL TOTAL</u></b>	<b>7935.5</b>	<b>8549.9</b>	<b>2039.8</b>	<b>+1.9</b>	<b>-2.8</b>

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Though sales forecast 1991 is 37.3% higher than actual sales 1990, actual current year sales are lower on account of mid-1990 massive price increase; the brand has already stabilised at a smaller volume base from where it is expected to grow in 1991. There is a definite need to improve the "quality" of the brand and corrective measures are in hand.

1990 <u>Actual</u>	1991 <u>Budget</u>	% diff. <u>vs. 90</u>	Act. YTD <u>Mar.91</u>	YTD Over <u>Last %</u>	% TOT <u>PGL</u>	% Share <u>Dom. Mrkt.</u>
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Cameroon

PGL	138.0	162.0	+17.2	31.0	-17.1	1.7	4.5
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The brand is under pressure from Menthol brands in Cameroon. To take advantage of the rapidly growing menthol segment in the country, PGL Menthol is being progressed for launch in October 1991.

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