

CONFIDENTIAL

MSIntelligence™
Diagnostic Market Surveys

Norway Q2-2012 Industry Market Survey

Empty Discarded Pack Collection

Survey Objectives and Methodology

Objectives



Objectives

- **Provide an indication on the incidence of non-domestic or illicit cigarettes**
 - ✓ Tax paid and non tax paid cigarettes from other countries
 - ✓ Counterfeit cigarettes
- **Gain information related to non-domestic or illicit cigarettes by**
 - ✓ Companies
 - ✓ Brand families
 - ✓ Market variants
 - ✓ Cities/Regions

Participating companies:

- ✓ Philip Morris International
- ✓ British American Tobacco
- ✓ Imperial Tobacco Limited
- ✓ JT International

Limitations and Caution

- Homes and workplaces are not covered
- No information on counterfeit incidence of non-participating companies
- The survey is designed to focus on trends rather than incidence at a single point in time

Survey Objectives and Methodology Overview



Empty Discarded Pack (EDP) collection

- Random collection from streets and easy access bins
- Any brand and market variant
- Sampling plan of 8 largest cities.
- Total sample: 5,000 packs (89,587 sticks)
- Dates of collection: May 27th – June 9th, 2012
- Agency: MSIntelligence

Survey Objectives and Methodology

Regional Split

City	Sample (packs)
OSLO	2,012
BERGEN	866
TRONDHEIM	579
STAVANGER	419
BAERUM	376
KRISTIANSAND	273
FREDRIKSTAD	248
TROMSO	227
	5,000



*Population of selected cities represents 30.6% of total Norway population.

Executive Summary

Key Findings

Industry

- Non-domestic incidence keeps rising at 45.4% on a stick-based calculation (39.5% in 2011; 37.9% in 2010)
- The highest non domestic incidence was found in the cities of Baerum (51.5%) and Bergen (50.0%).
- Among all packs, 23.6% are Duty Free products (19.8% in 2011; 16.8% in 2010), 10.3% are Sweden variant (12.0% in 2011; 10.5% in 2010) and 3.0% are Poland variant (2.5% in 2011; 2.2% in 2010).

BAT

- Genuine Non Domestic incidence 31.4%
- Counterfeit incidence 0.1%

JTI

- Genuine Non Domestic incidence 35.6%
- No Counterfeit packs were collected

IMPERIAL

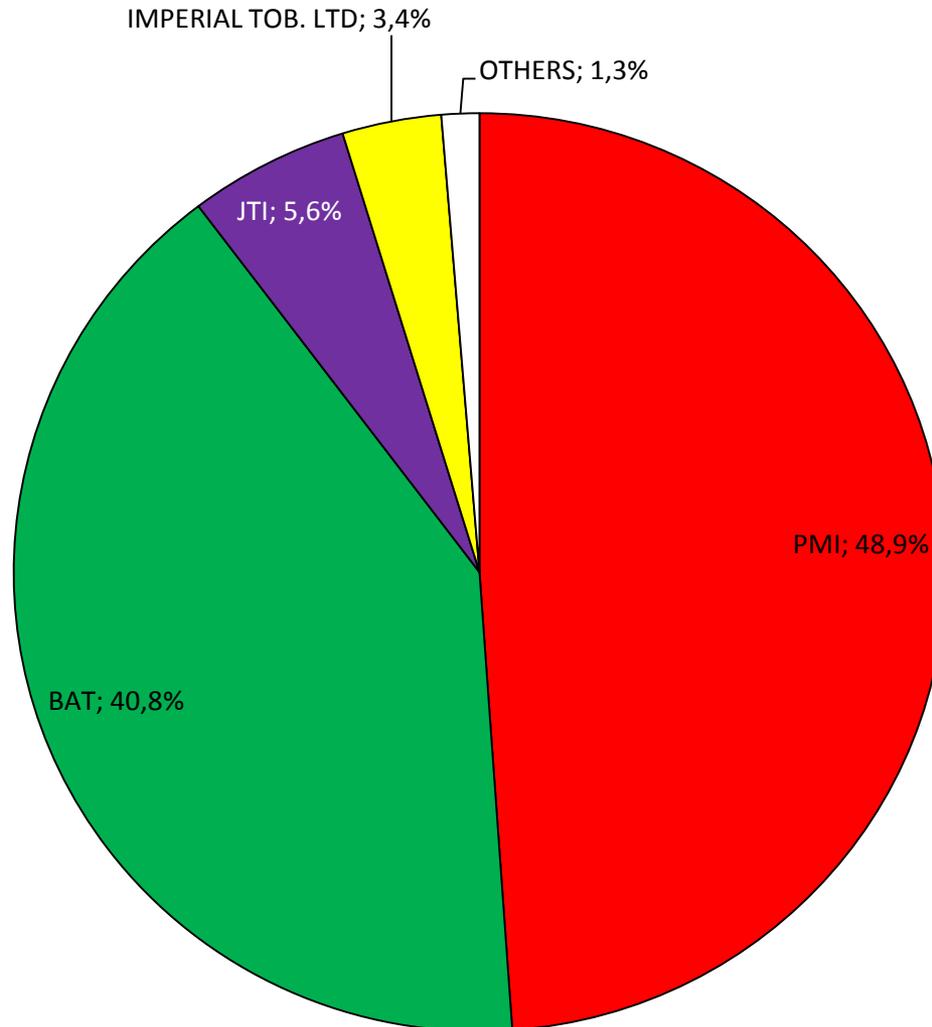
- Genuine Non Domestic incidence 57.7%
- Counterfeit incidence 0.6%

PMI

- Genuine Non Domestic incidence 54.9%
- Counterfeit incidence 0.4%

Results – Total sample

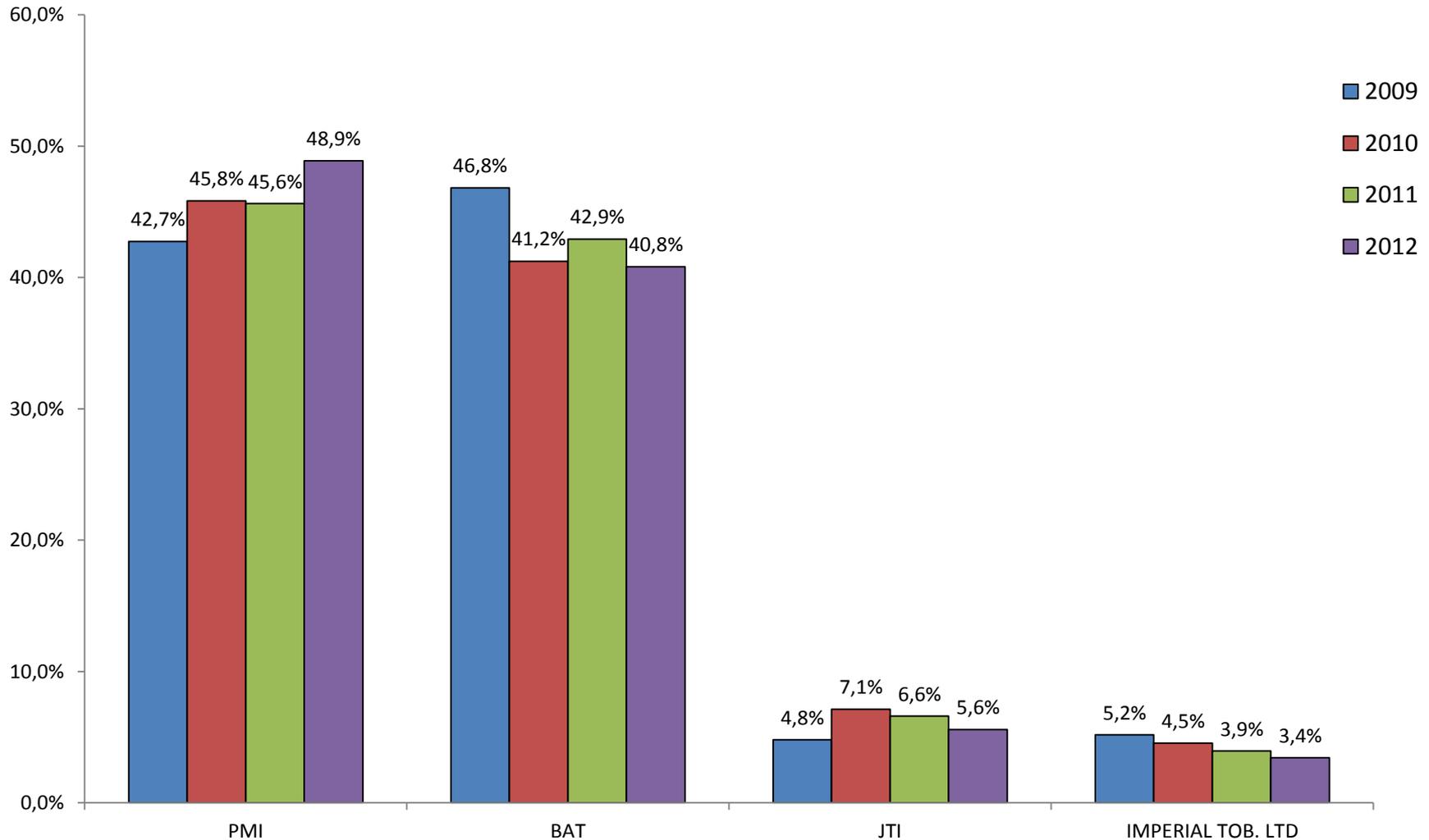
Share of Sample by Company



N= 89,587 sticks; 5,000 packs.

Results – Total sample

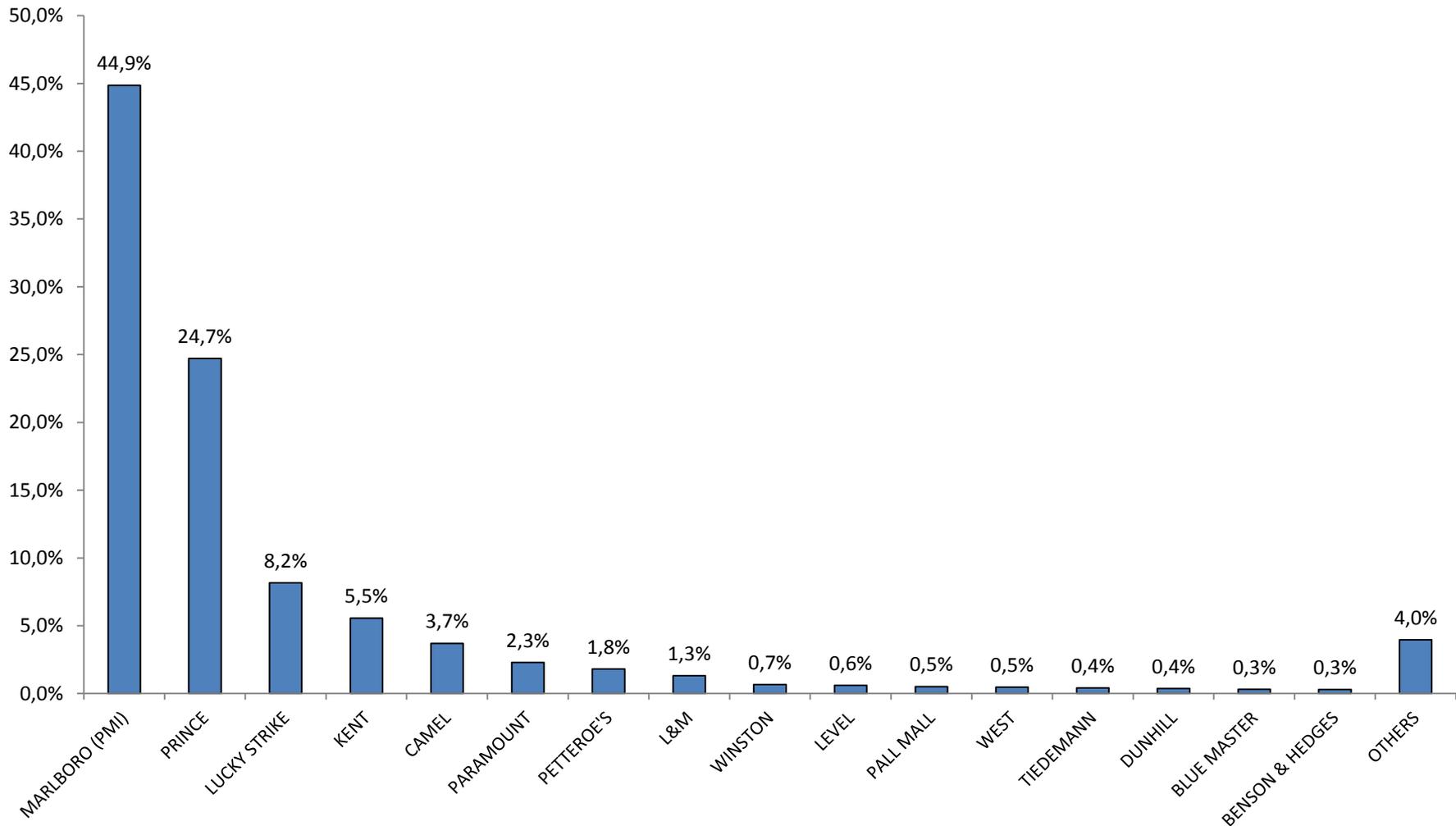
Share of sample by Company - Trends



N2009= 88,958; N2010= 87,761; N2011= 88,483; N2012= 89,587 sticks.

Results – Total sample

Share of sample by Brand family



N= 89,587 sticks; 5,000 packs.

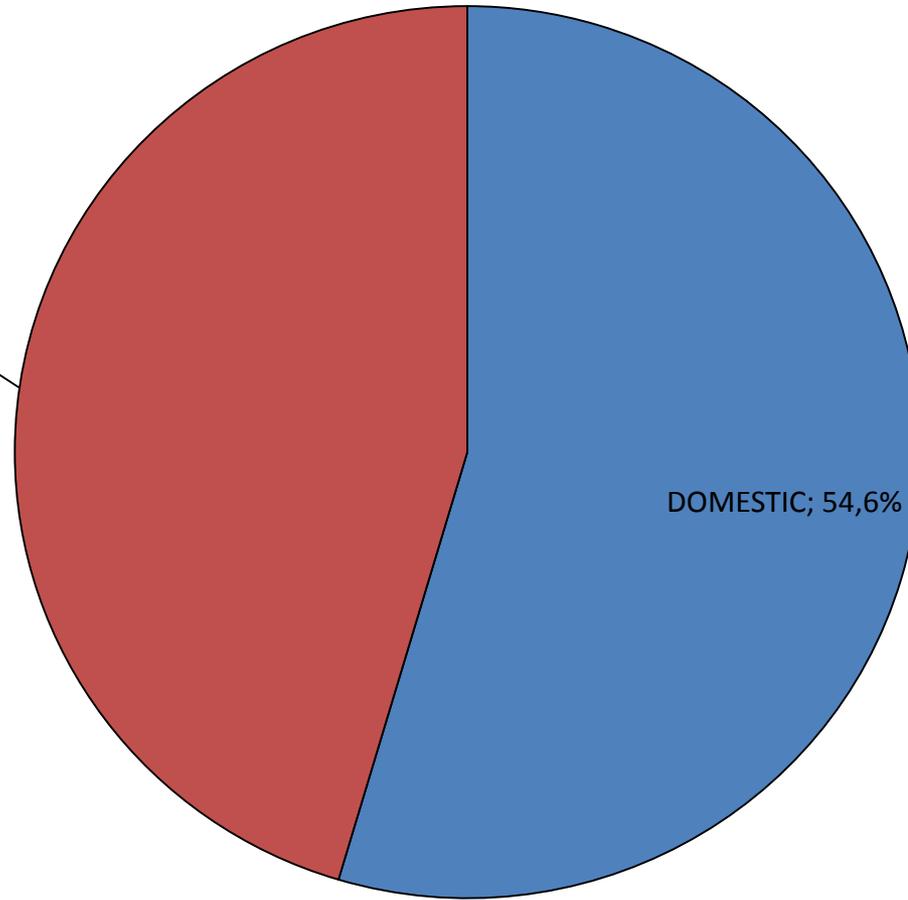
OTHERS are all brands with less than 10 packs.

Results – Total sample

Non Domestic Incidence

NON-DOMESTIC; 45,4%

- Includes all counterfeit packs of participating companies:
- counterfeit non domestic packs 0.2%.
 - counterfeit domestic packs 0%.

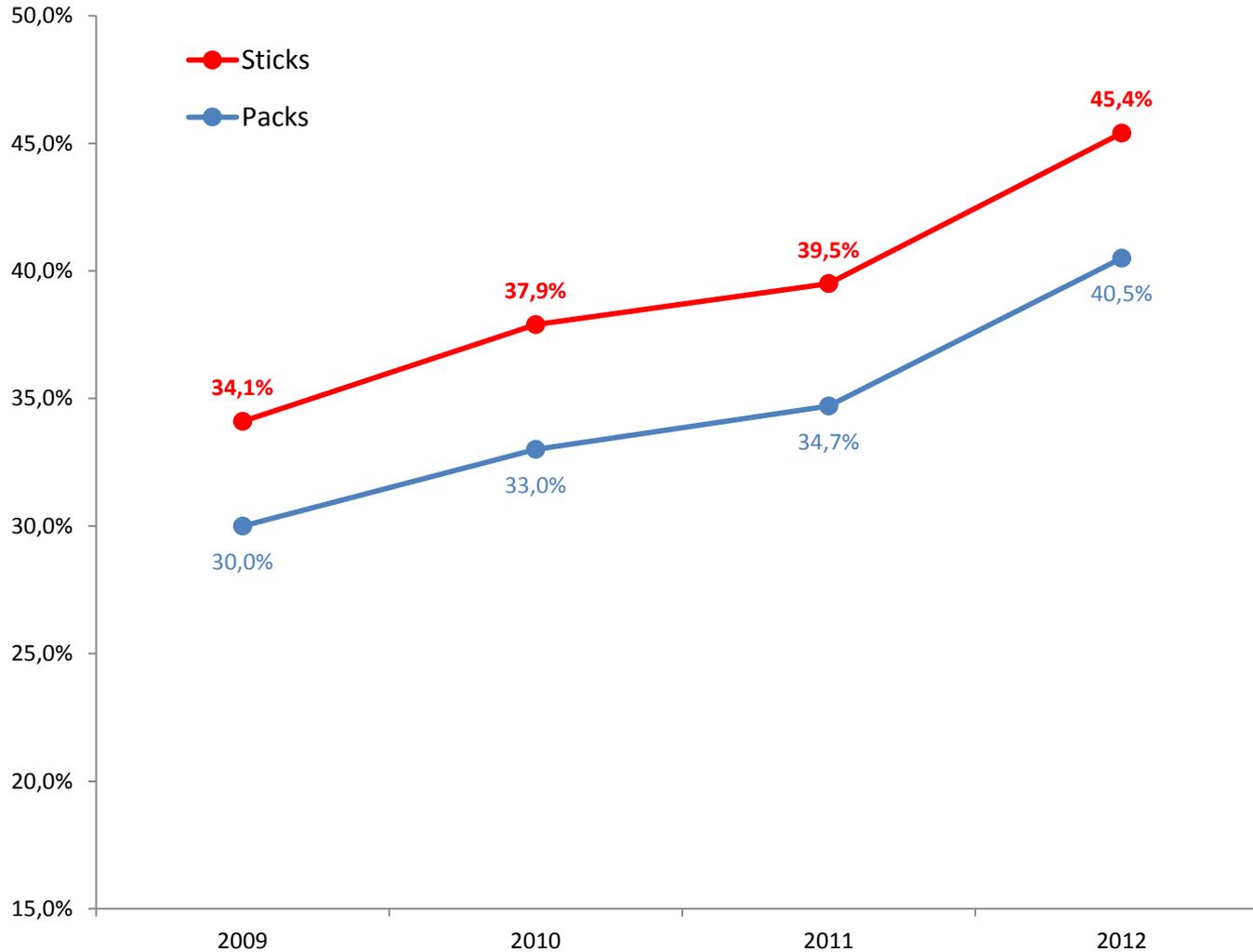


DOMESTIC; 54,6%

N= 89,587 sticks; 5,000 packs.

Results – Total sample

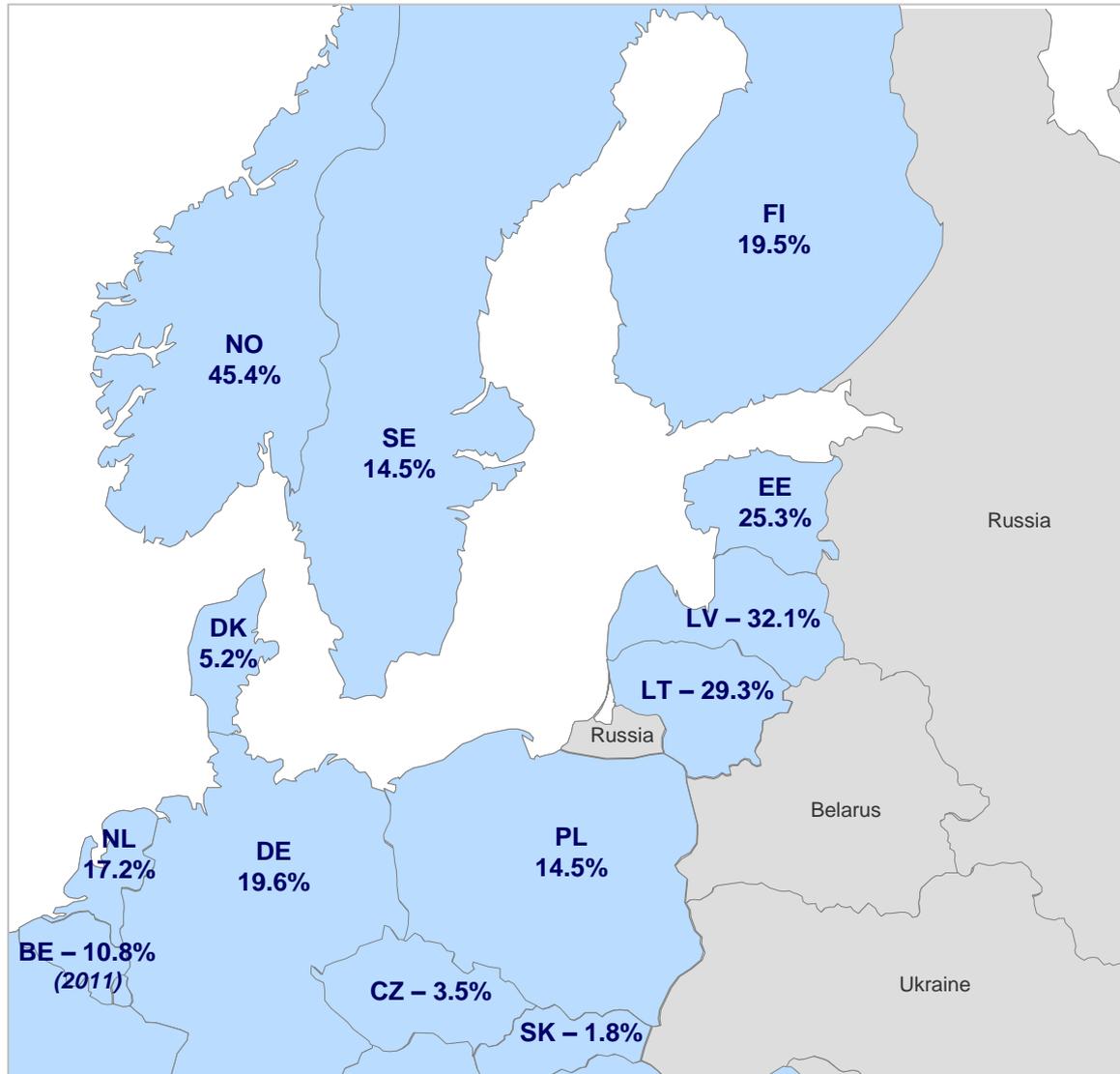
Non Domestic Incidence - Trends



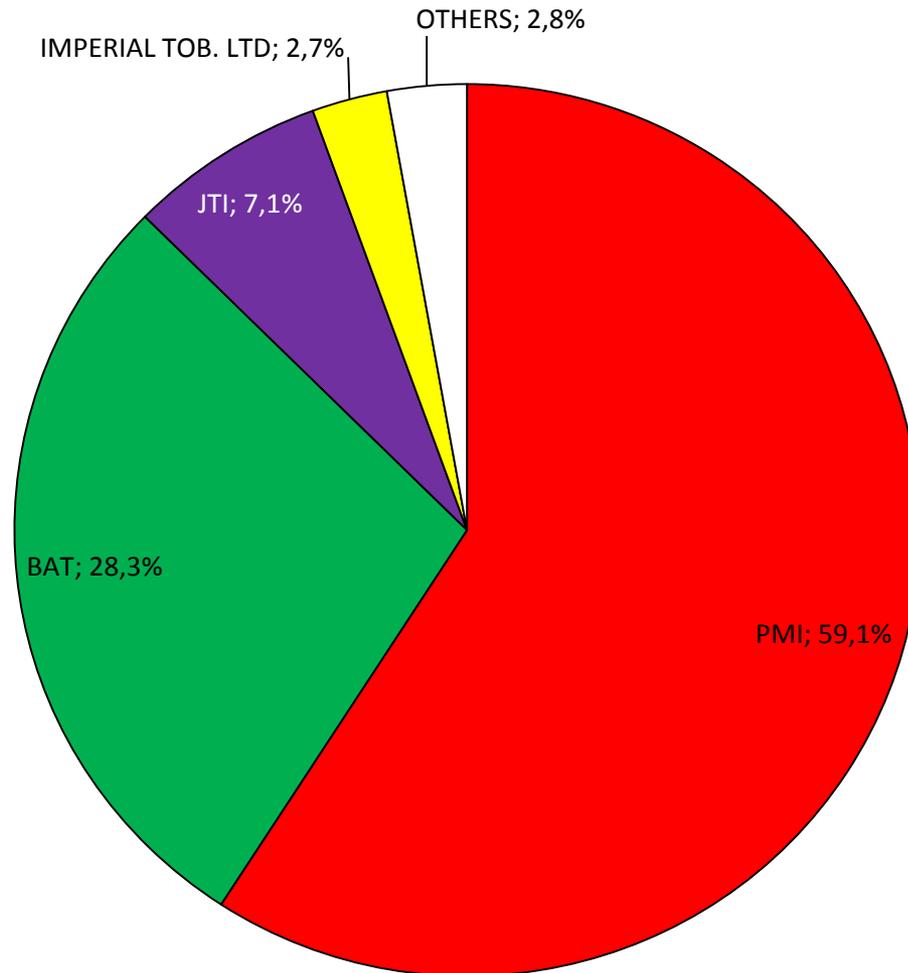
N2009= 88,958 sticks; 4,998 packs.
N2010= 87,761 sticks; 5,000 packs.
N2011= 88,483 sticks; 5,000 packs.
N2012= 89,587 sticks; 5,000 packs.

Empty Pack Surveys – September 2012

Consumption of Non-domestic Cigarettes in Europe

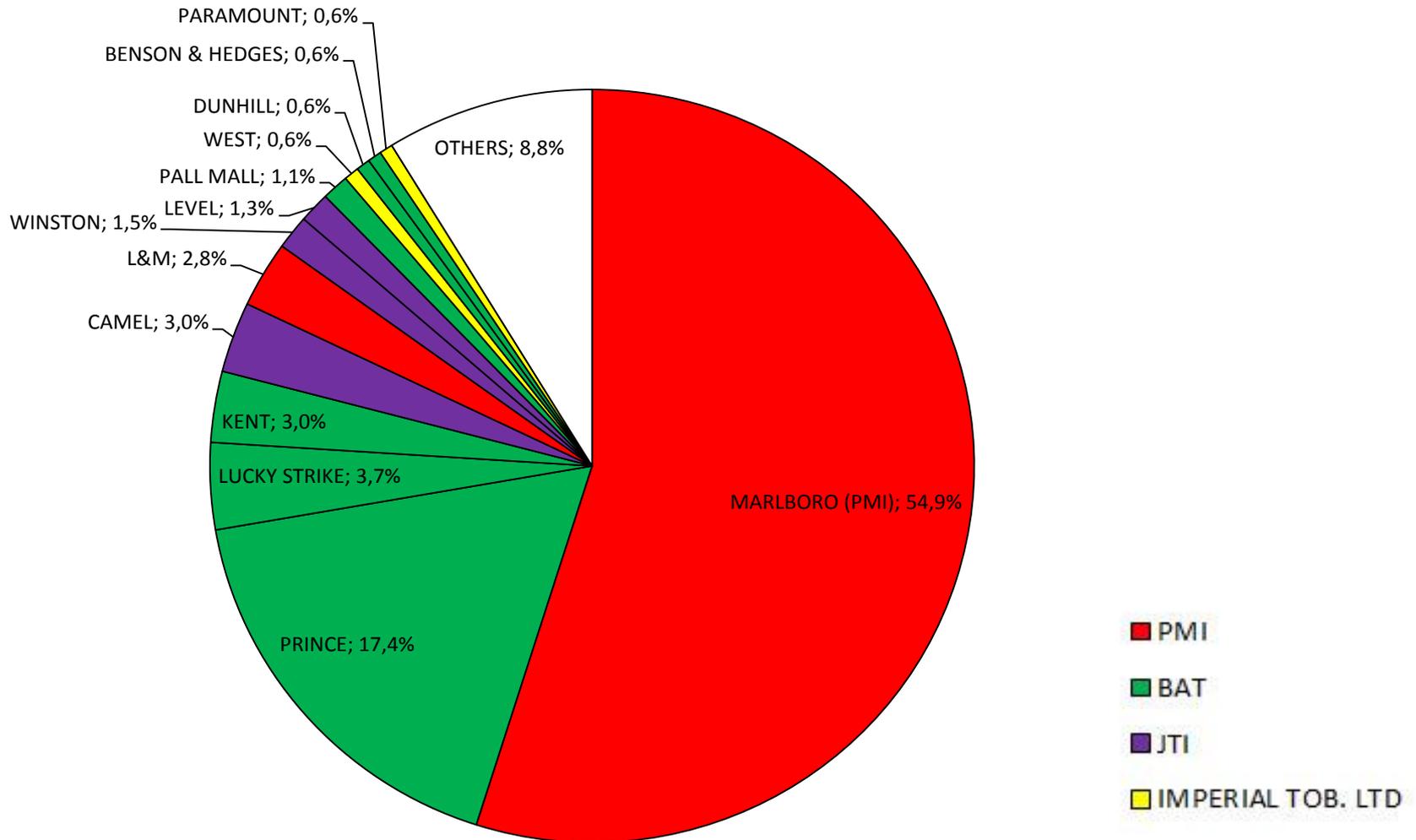


Results – Non Domestic Breakdown by Company



N= 40,676 sticks; 2,026 packs.

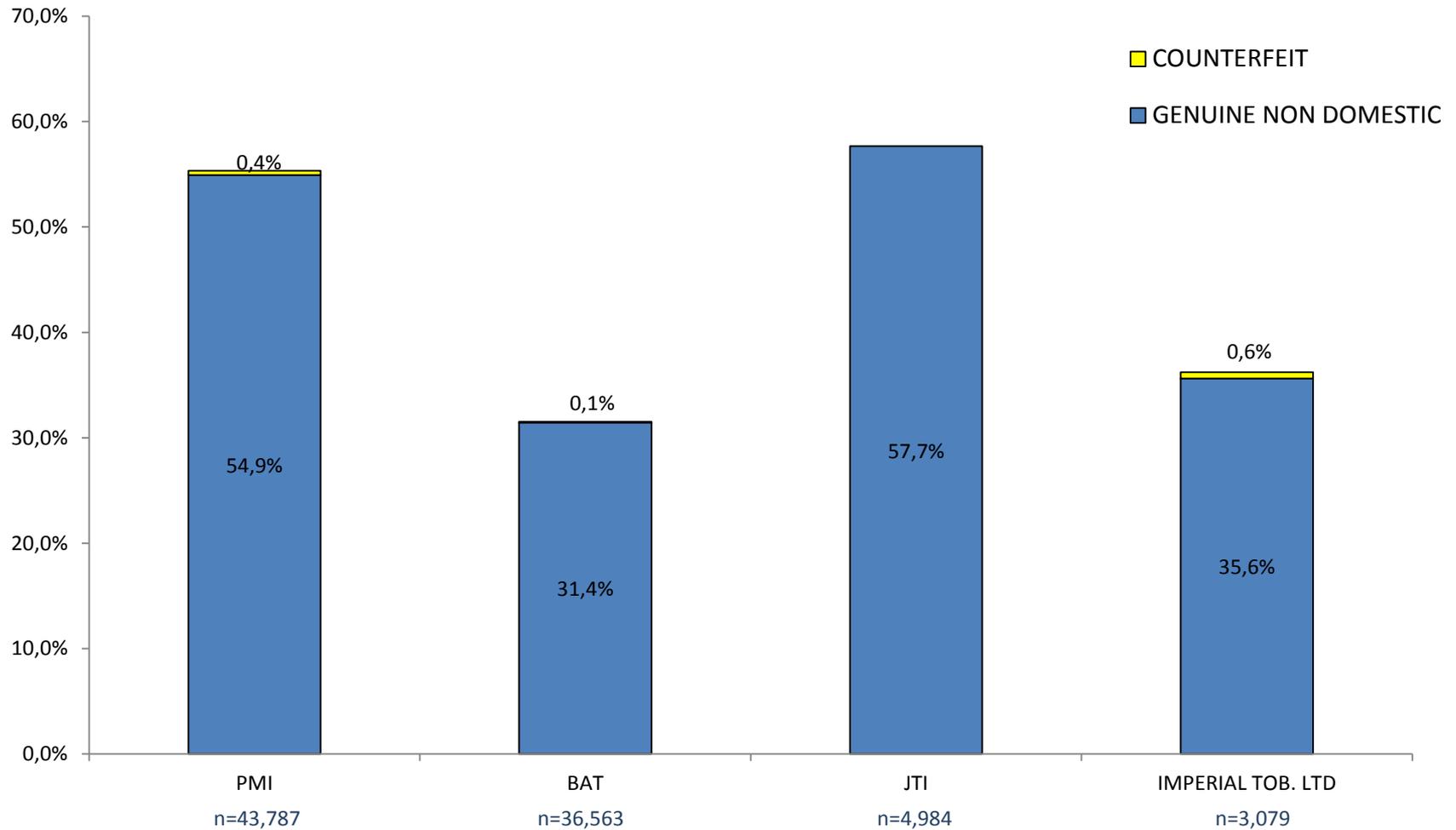
Results – Non Domestic Breakdown by Brand



N= 40,676 sticks; 2,026 packs.
OTHERS are all brands with less than 10 packs.

Results – Non Domestic

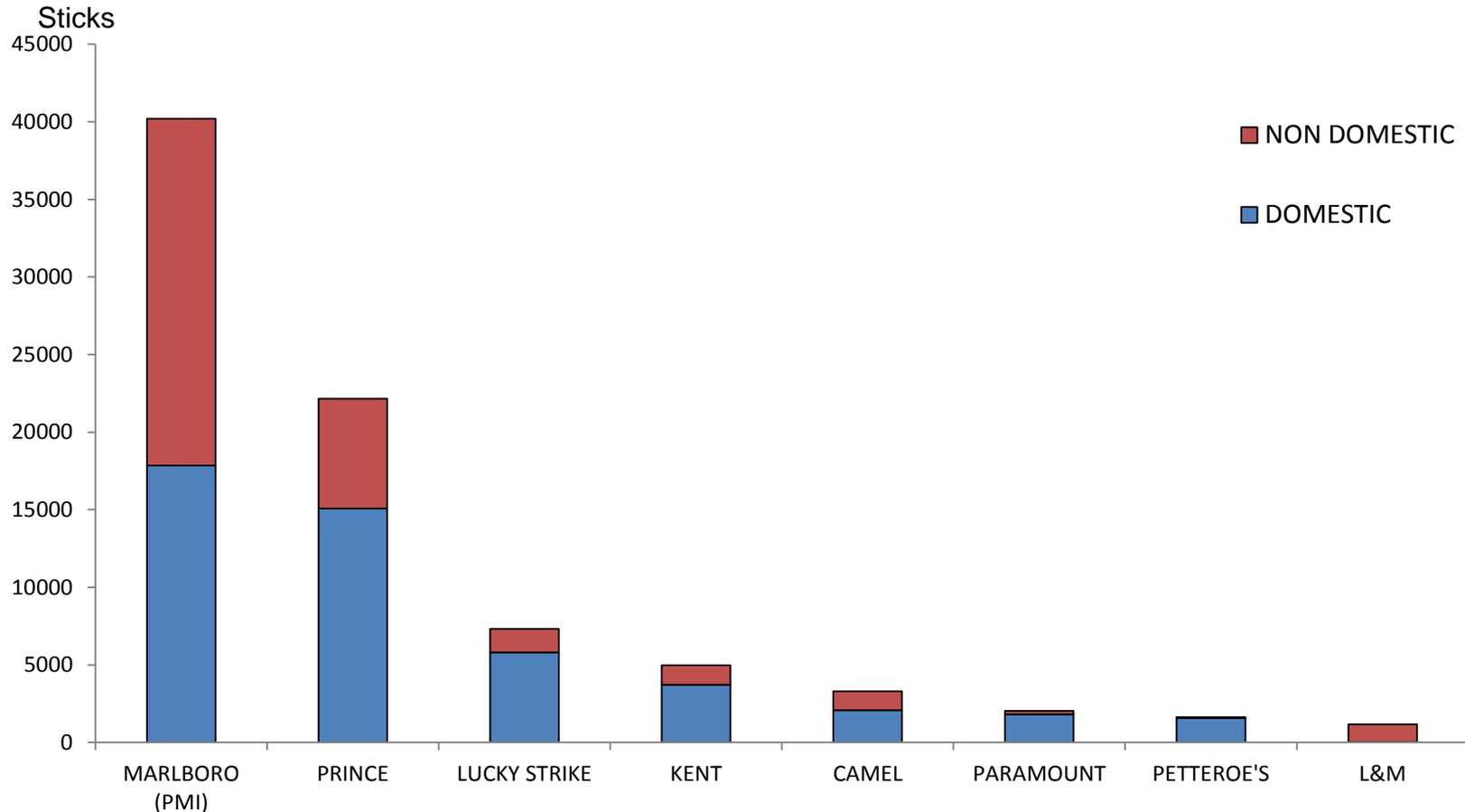
Non Domestic incidence by company



*Other companies have fewer packs than required for reliable statistics.

Results – Non Domestic

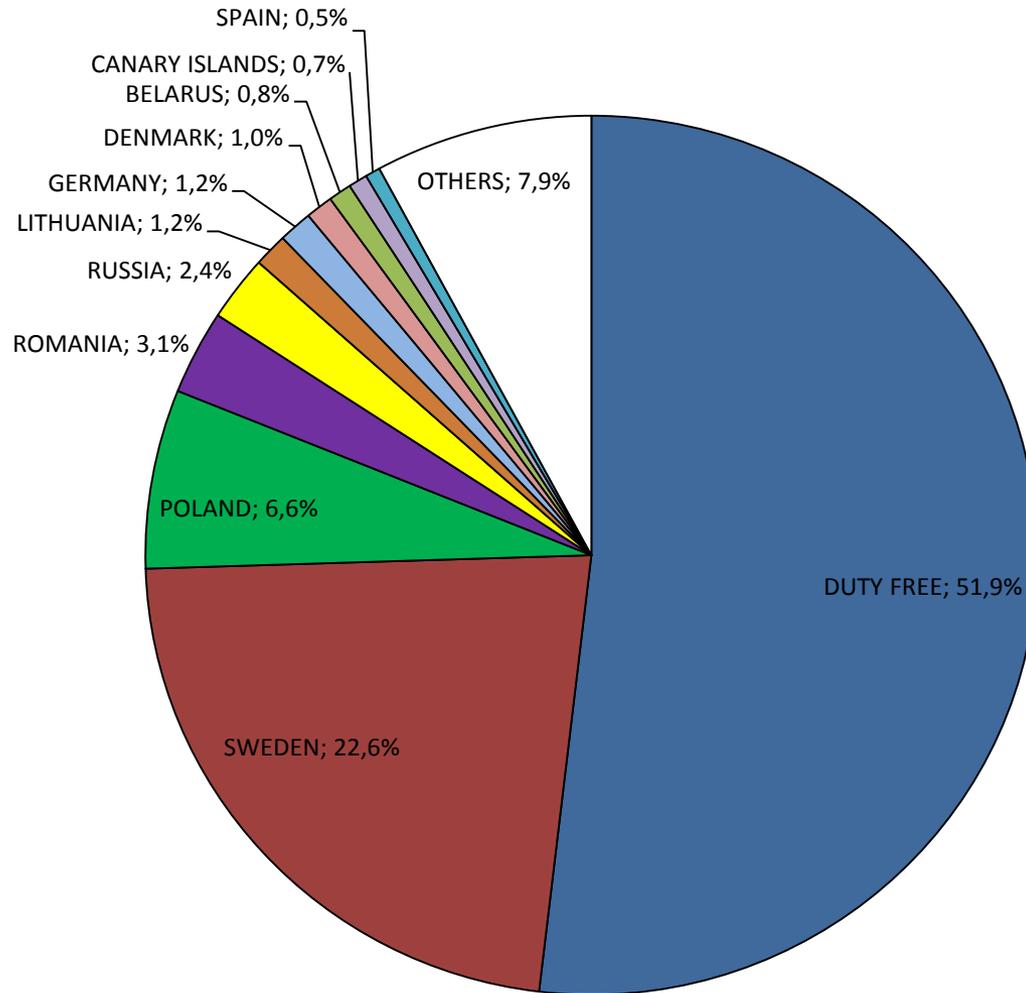
Non Domestic incidence by Brand



	MARLBORO (PMI)	PRINCE	LUCKY STRIKE	KENT	CAMEL	PARAMOUNT	PETTEROE'S	L&M
DOMESTIC	44.4%	68.1%	79.3%	75.1%	62.7%	88.8%	96.5%	1.7%
NON DOMESTIC	55.6%	31.9%	20.7%	24.9%	37.3%	11.2%	3.5%	98.3%

*Only brands with more than 50 packs are shown.

Results – Non domestic Market variant split

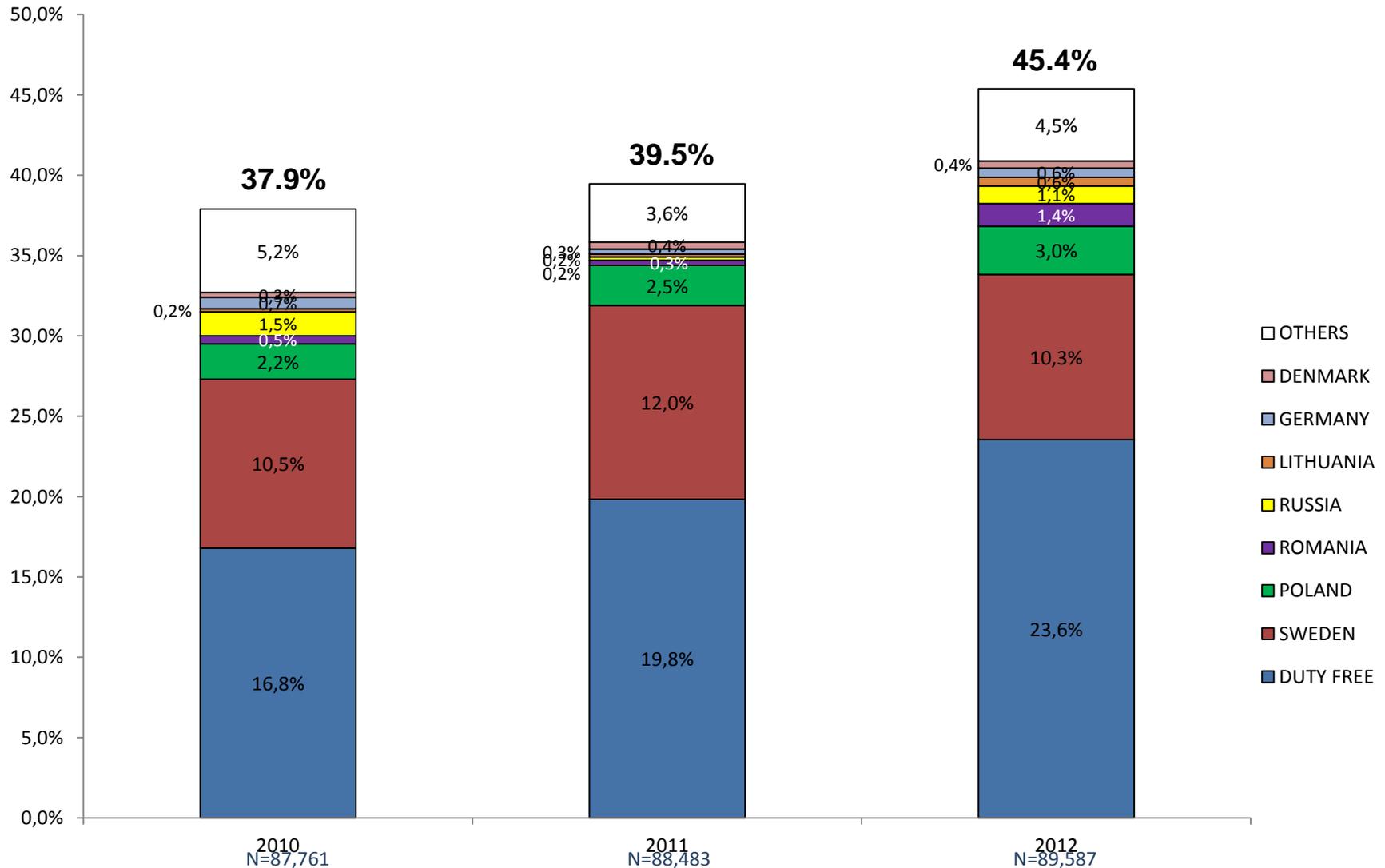


N= 40,676 sticks; 2,026 packs.

OTHERS are all market variants with less than 10 packs.

Results – All Packs Collected

Market variant split - Trends



Results – All Packs Collected

Non Domestic Incidence by City

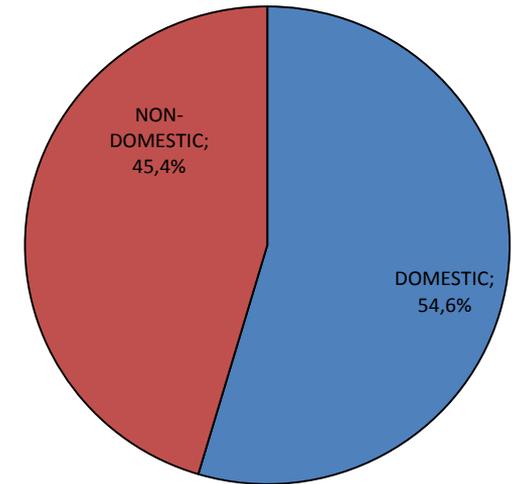


*Cities with ND incidence above the national level of 45.4% are shown in red.
The results are based on stick calculation.

Results – All Packs Collected

Non Domestic Incidence by City - Trends

	2009	2010	2011	2012
BAERUM	36.0%	40.8%	33.1%	51.5%
BERGEN	36.2%	36.3%	37.4%	50.0%
STAVANGER	34.0%	42.6%	35.8%	47.6%
FREDRIKSTAD	34.9%	38.2%	32.6%	46.6%
TRONDHEIM	33.4%	32.1%	36.1%	44.8%
KRISTIANSAND	31.4%	39.5%	45.0%	44.0%
OSLO	33.2%	38.6%	43.4%	43.4%
TROMSO	34.2%	37.6%	40.1%	32.5%



The results are based on stick calculation.