

CONFIDENTIAL

MSIntelligence™
Diagnostic Market Surveys

Norway Q2-2013 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 (89,683 sticks)
- Dates of collection: May 30th – June 12th, 2013
- 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 49.2% (45.4% in 2012; 39.5% in 2011)
- The highest non domestic incidence was found in Bergen (54.9%) and Kristiansand (54.7%)
- Among all packs, 14.2% are Duty Free products (a large decrease vs. 2012 at 23.6%); 11.4% are Poland variant (a large increase vs. 2012 at 3.0%) and 7.6% are Sweden variant (vs. 10.3% in 2012)
- Total Counterfeit incidence of 2.9% which is a large increase vs. 2012 at 0.2%. Majority of counterfeit packs found are Sweden and Duty Free market variants

BAT

- Genuine Non Domestic incidence 26.3%
- Counterfeit incidence 6.7%

IMPERIAL

- Genuine Non Domestic incidence 33.6%
- No Counterfeit packs were collected

JTI

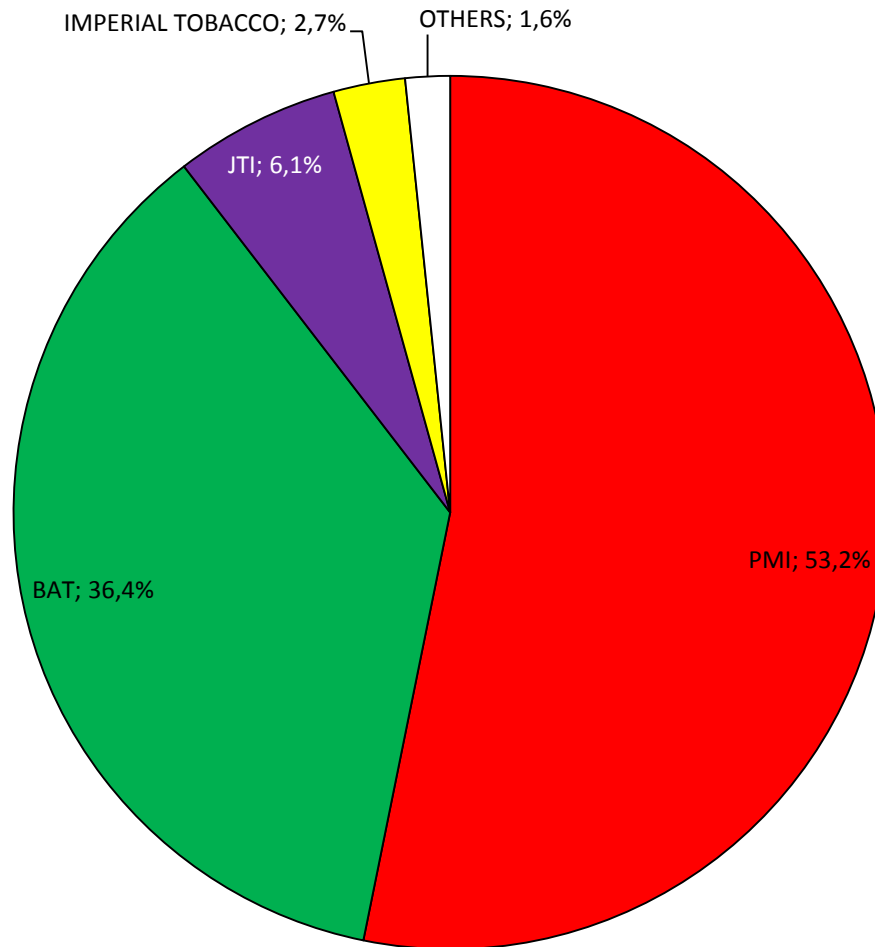
- Genuine Non Domestic incidence 62.2%
- No Counterfeit packs were collected

PMI

- Genuine Non Domestic incidence 57.0%
- Counterfeit incidence 0.9%

Results – Total sample

Share of Sample by Company

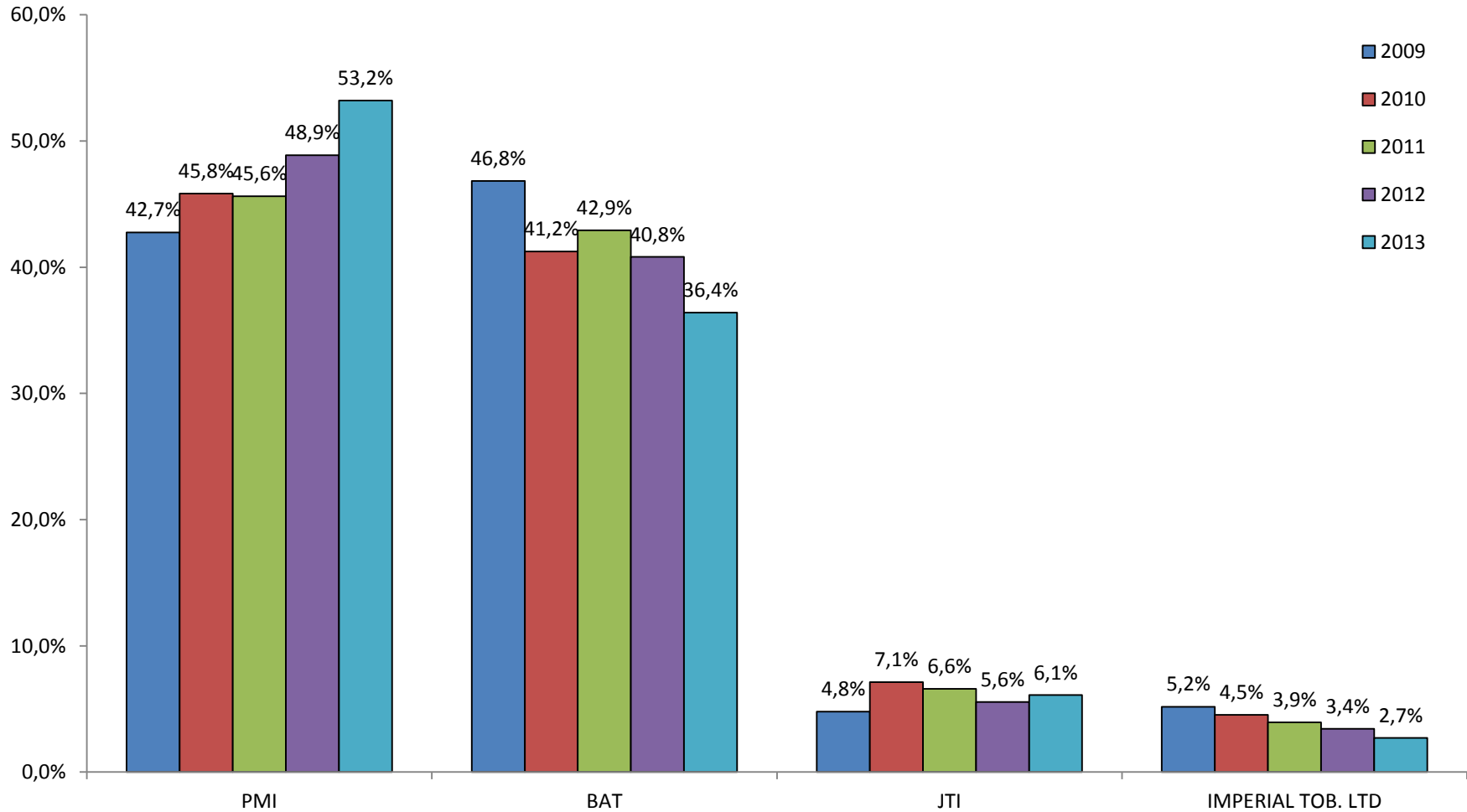


N= 89,683 sticks; 5,000 packs.

Norway, 2013-Q2 Industry Market Survey

Results – Total sample

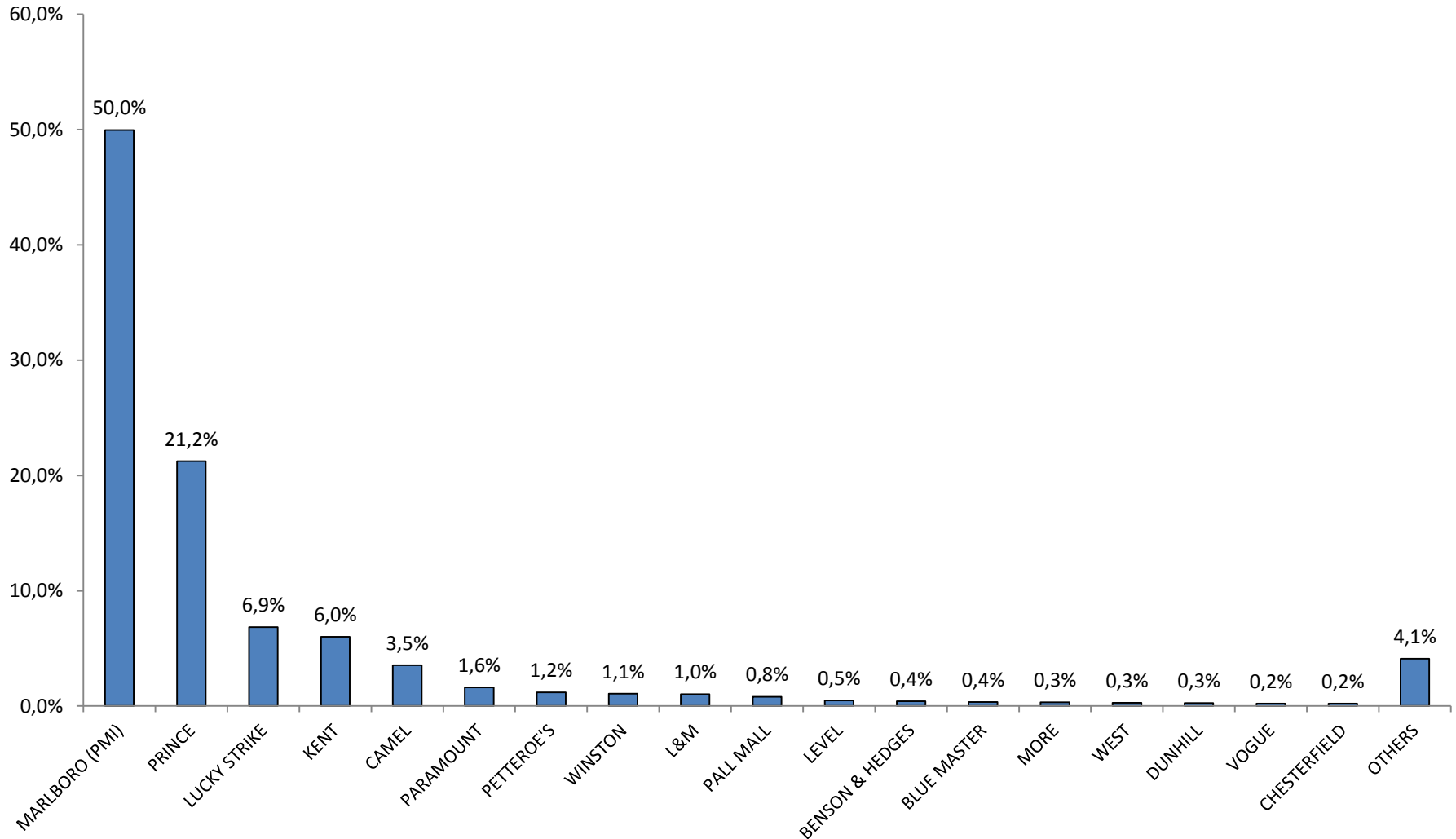
Share of sample by Company - Trends



N2009=88,958; N2010=87,761; N2011=88,483; N2012=89,587; N2013=89,683 sticks.

Results – Total sample

Share of sample by Brand family



N= 89,683 sticks; 5,000 packs.
OTHERS are all brands with less than 10 packs.

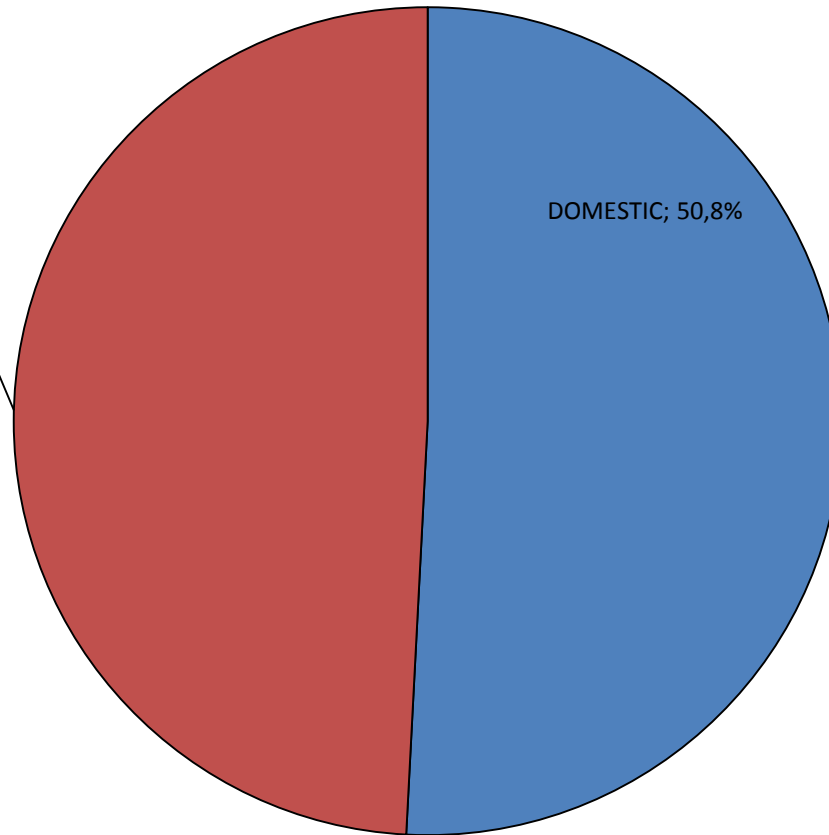
Results – Total sample

Non Domestic Incidence

NON-DOMESTIC; 49,2%

DOMESTIC; 50,8%

- Includes all counterfeit packs of participating companies:
- counterfeit non domestic packs 2.9%.
 - counterfeit domestic packs 0%.

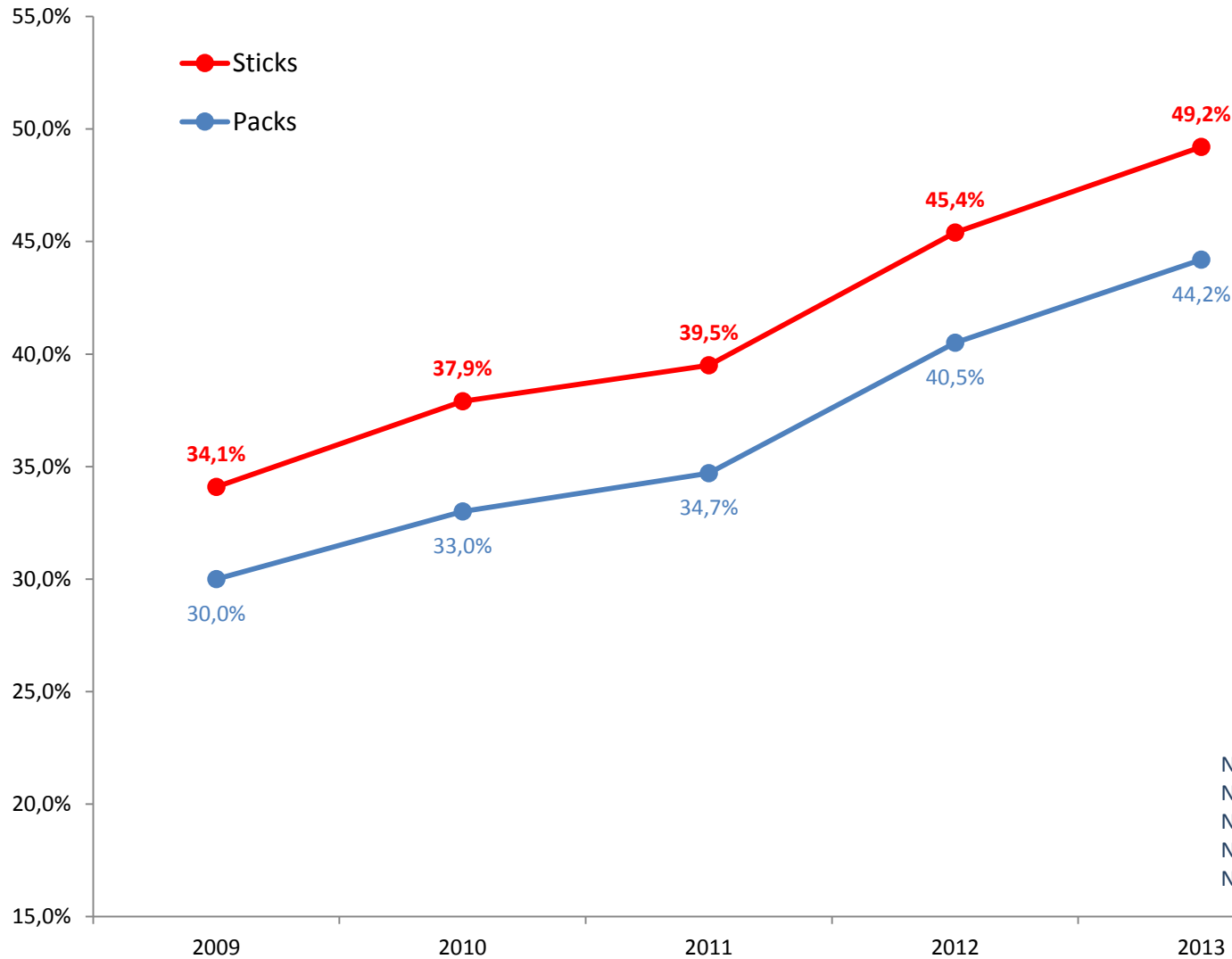


N= 89,683 sticks; 5,000 packs.

Norway, 2013-Q2 Industry Market Survey

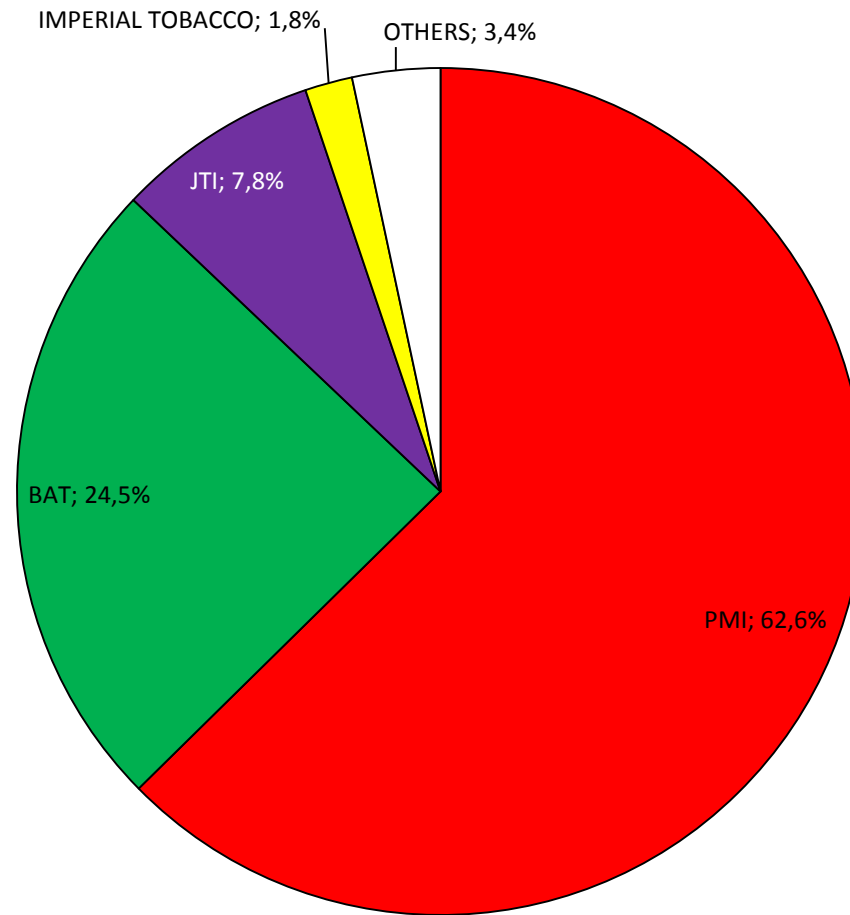
Results – Total sample

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.
N2013= 89,683 sticks; 5,000 packs.

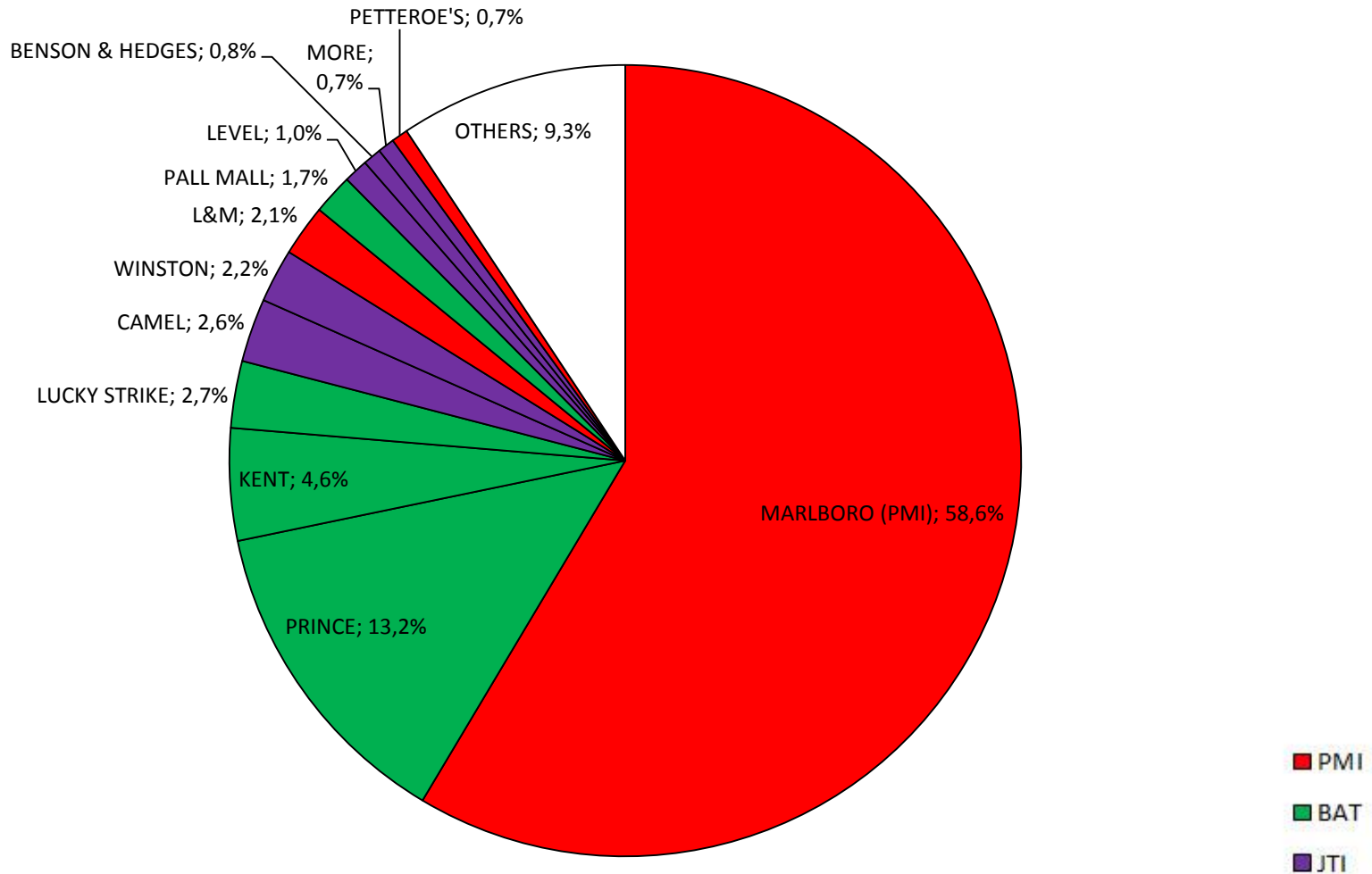
Results – Non Domestic Breakdown by Company



N= 44,101 sticks; 2,211 packs.

Norway, 2013-Q2 Industry Market Survey

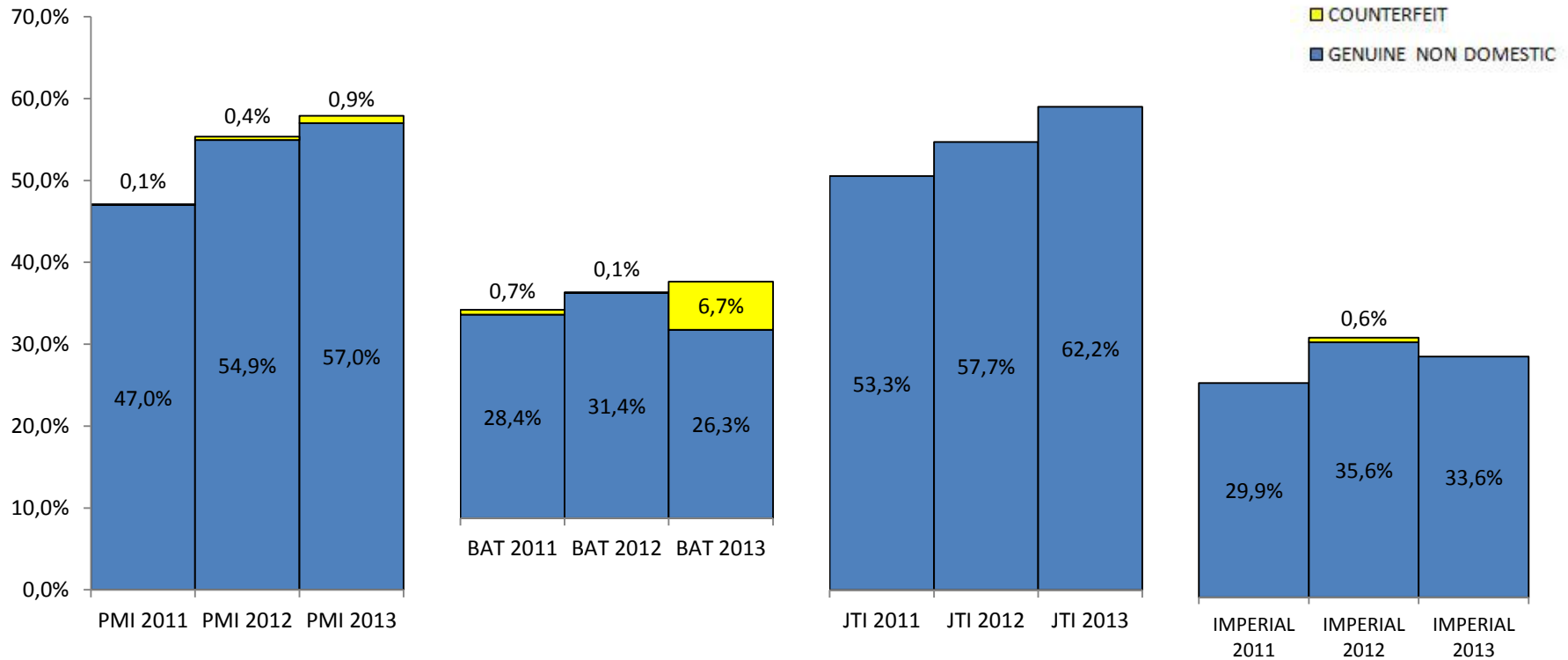
Results – Non Domestic Breakdown by Brand



N= 44,101 sticks; 2,211 packs.
OTHERS are all brands with less than 15 packs.

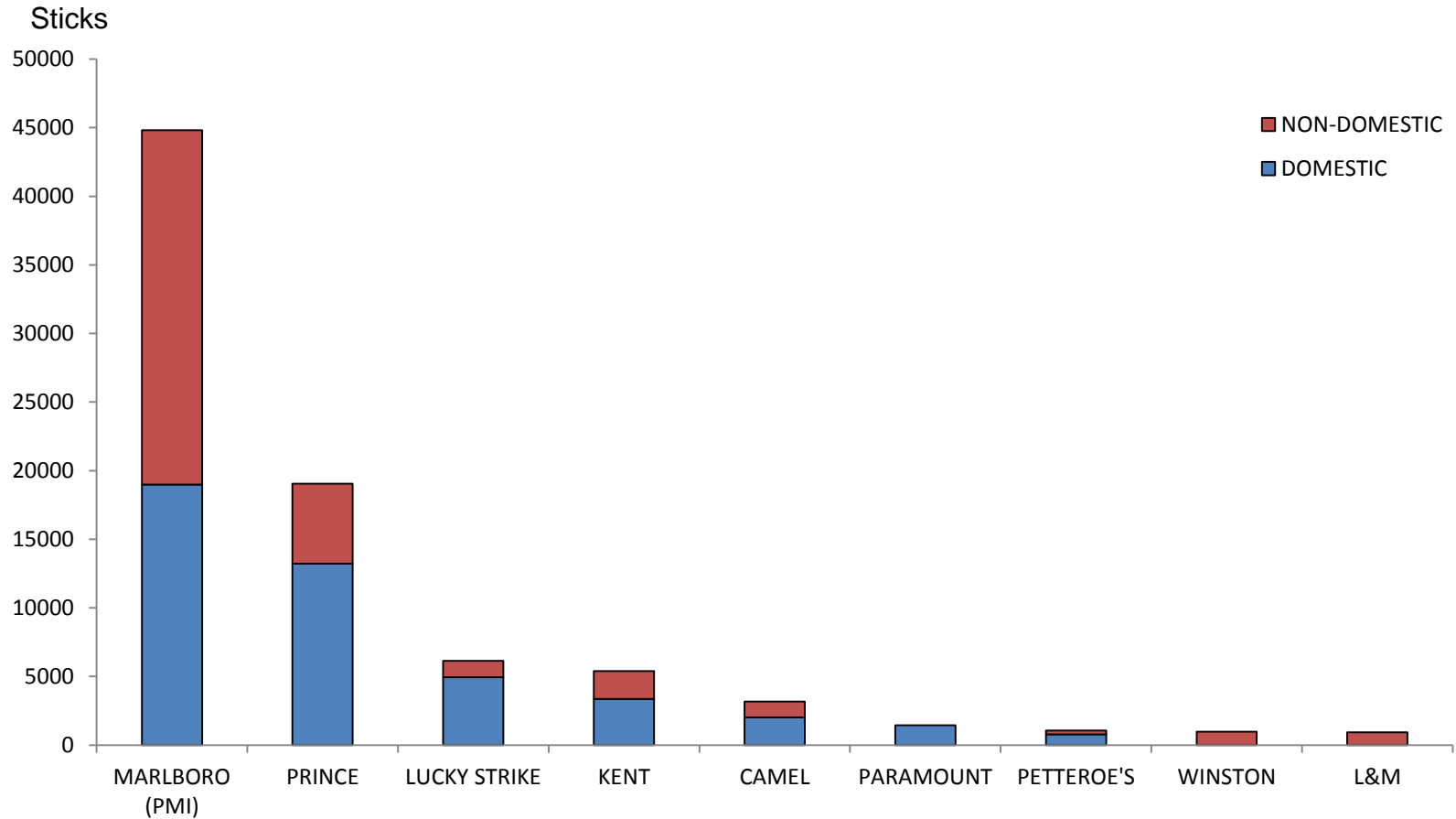
Results – Non Domestic

Non Domestic & CF incidence by company - Trends



Results – Non Domestic

Non Domestic incidence by Brand

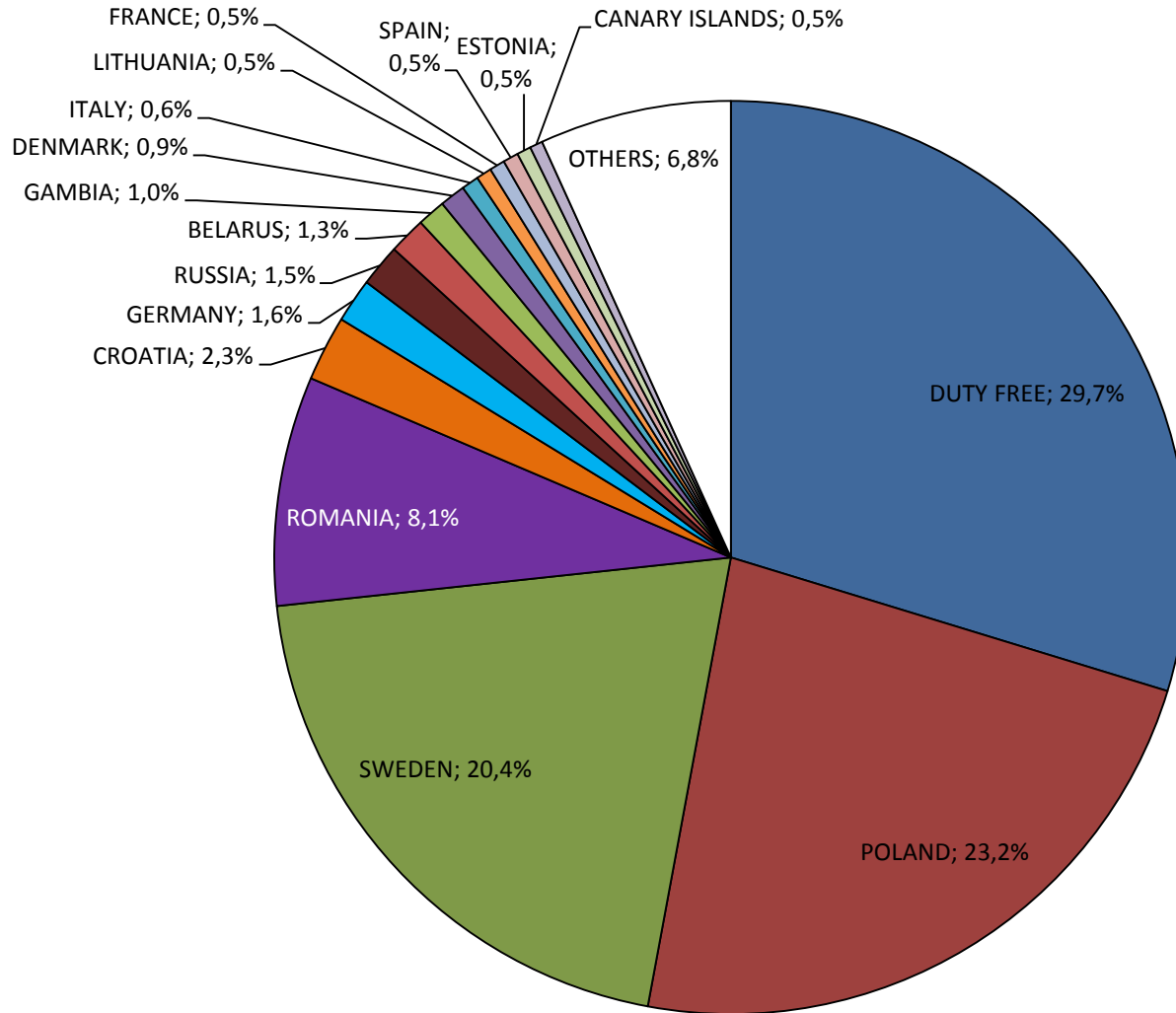


	MARLBORO (PMI)	PRINCE	LUCKY STRIKE	KENT	CAMEL	PARAMOUNT	PETTEROE'S	WINSTON	L&M
DOMESTIC	42.4%	69.5%	80.4%	62.5%	63.8%	100%	72.2%		
NON DOMESTIC	57.6%	30.5%	19.6%	37.5%	36.2%		27.8%	100%	100%

*Only brands with more than 45 packs are shown.

Results – Non domestic

Market variant split

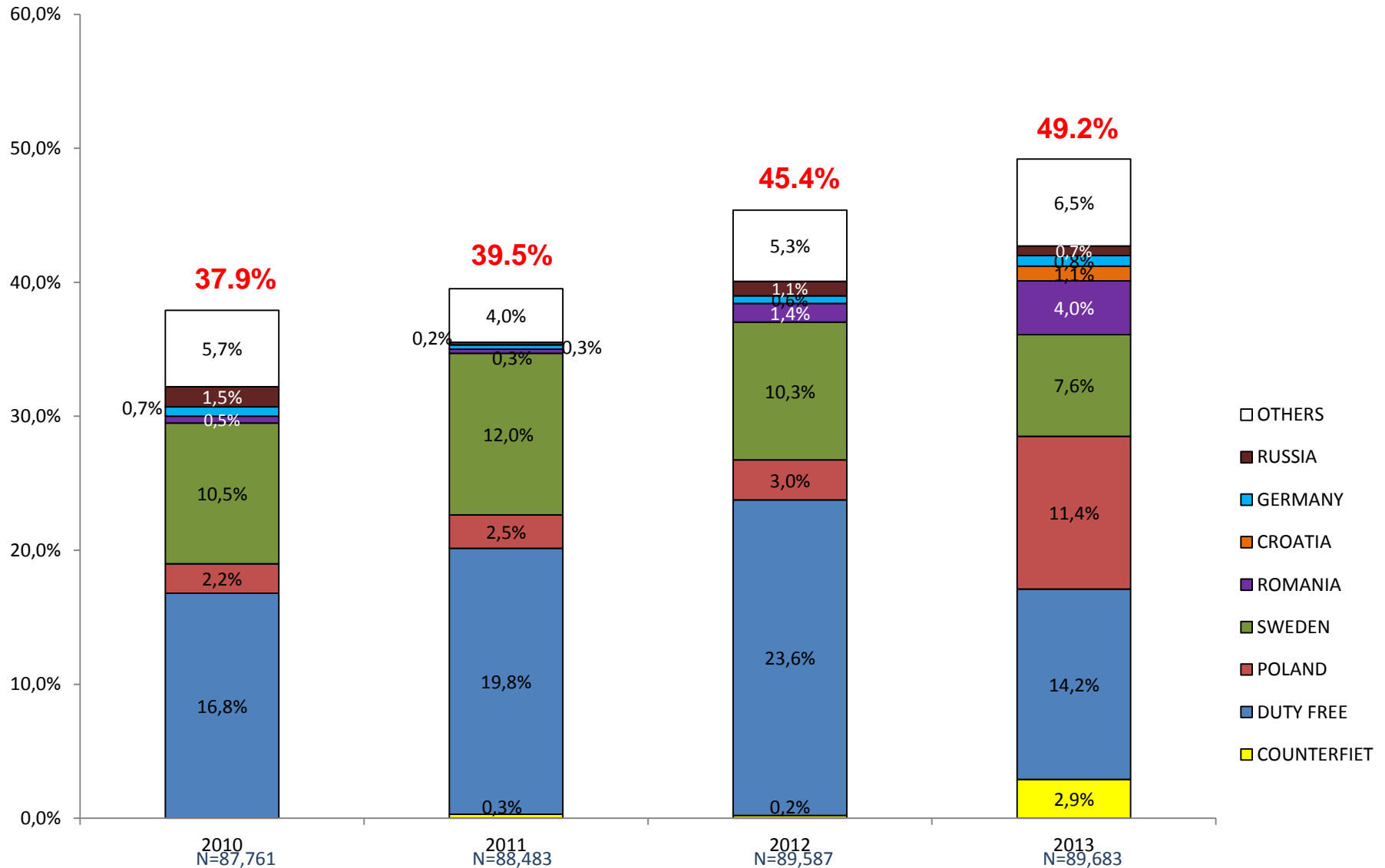


N= 44,101 sticks; 2,211 packs.

OTHERS are all market variants with less than 10 packs.

Results – All Packs Collected

Market variant split - Trends



- OTHERS
- RUSSIA
- GERMANY
- CROATIA
- ROMANIA
- SWEDEN
- POLAND
- DUTY FREE
- COUNTERFIET

Results – All Packs Collected

Non Domestic Incidence by City



*Cities with ND incidence above the national level of 49.2% are shown in red.

Results – All Packs Collected

Non Domestic Incidence by City - Trends

	2009	2010	2011	2012	2013
BERGEN	36.2%	36.3%	37.4%	50.0%	54.9%
KRISTIANSAND	31.4%	39.5%	45.0%	44.0%	54.7%
FREDRIKSTAD	34.9%	38.2%	32.6%	46.6%	49.5%
OSLO	33.2%	38.6%	43.4%	43.4%	48.5%
BAERUM	36.0%	40.8%	33.1%	51.5%	47.6%
TRONDHEIM	33.4%	32.1%	36.1%	44.8%	46.3%
TROMSO	34.2%	37.6%	40.1%	32.5%	45.4%
STAVANGER	34.0%	42.6%	35.8%	47.6%	44.0%

*Cities with ND incidence above the national level of 49.2% are shown in red.