



Unlocking Our Potential

Fewer, bigger, better execution

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Group Sales Director

My Journey



Unlocking Our Potential



1. Sales Growth Drivers... fewer, bigger, better execution



2. Customer Engagement... leveraging shopper & customer insights



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Priority Sales Growth Drivers



Total Tobacco portfolio of Global, Regional and Local brands targeting core consumer needs



Margin growth from superior Excise and BPPC capability



Consumer needs based game-changing and scalable innovation



A customer-centric route to market which maximizes Availability and Customer Advocacy

Fewer, Bigger, Better Execution



Prioritise key initiatives



Scale initiatives



Sustainability

Reinvestment for Growth



Our Key Assets

Brand
Equity

Total
Tobacco

Market
Footprint

People

High quality investments, high returns

- Investment in growth
- Investment efficiency
- Scale ideas within/across markets

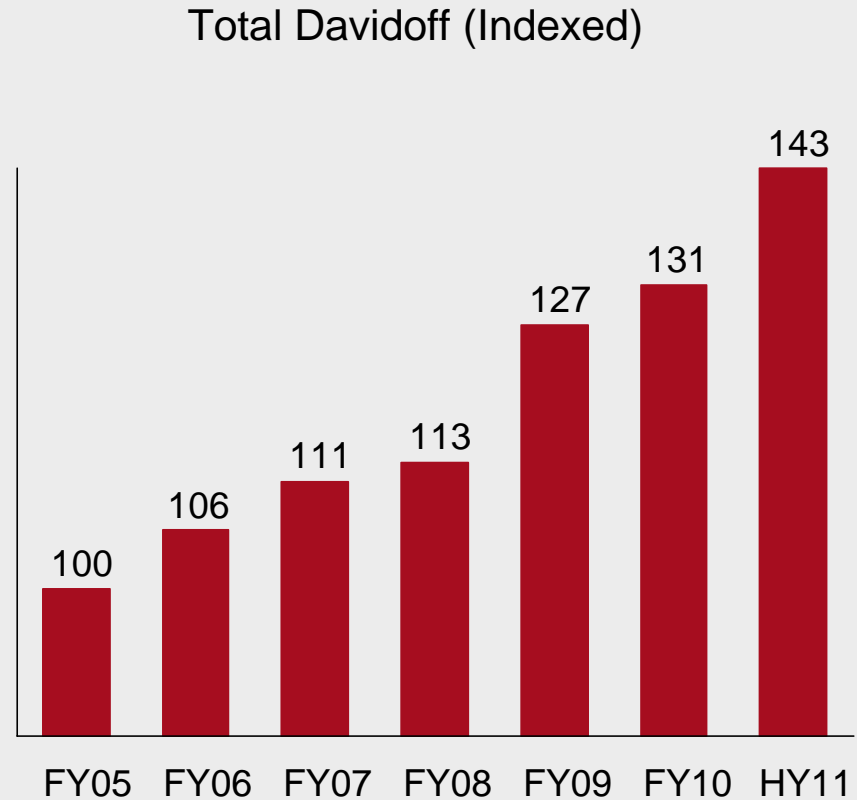
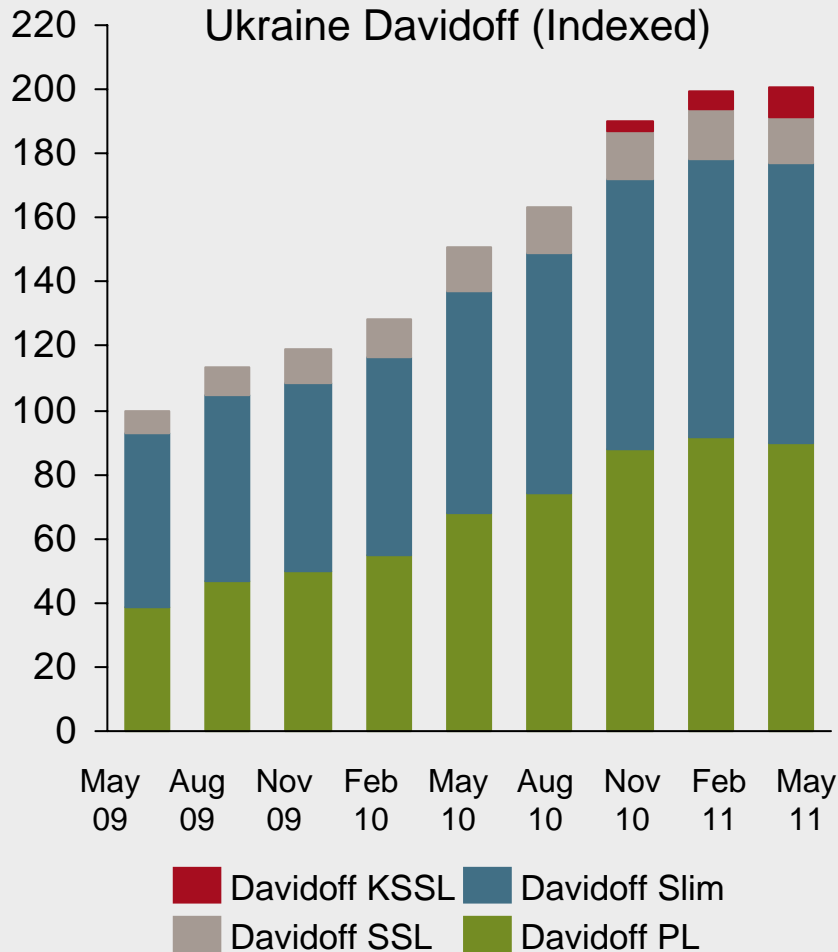
Performance management

- Process, Leadership and Organisation Capabilities



Portfolio

Davidoff Driving Premium Growth



HY11 is annualised

Gauloises Success in North Africa



Morocco +13%

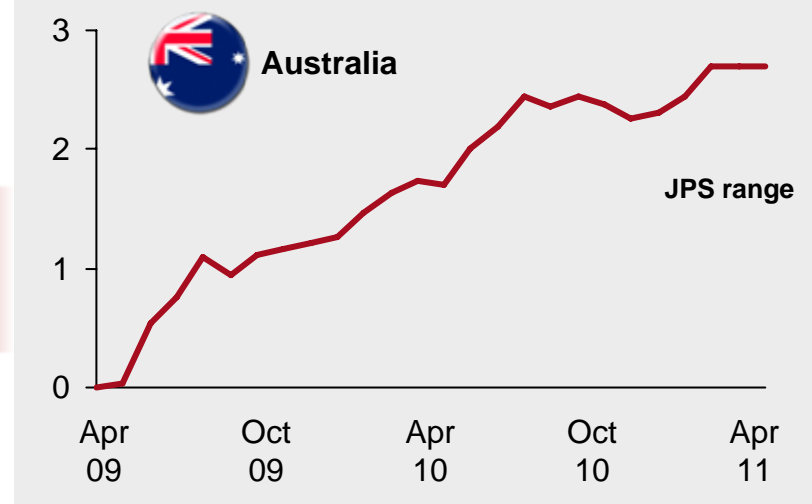
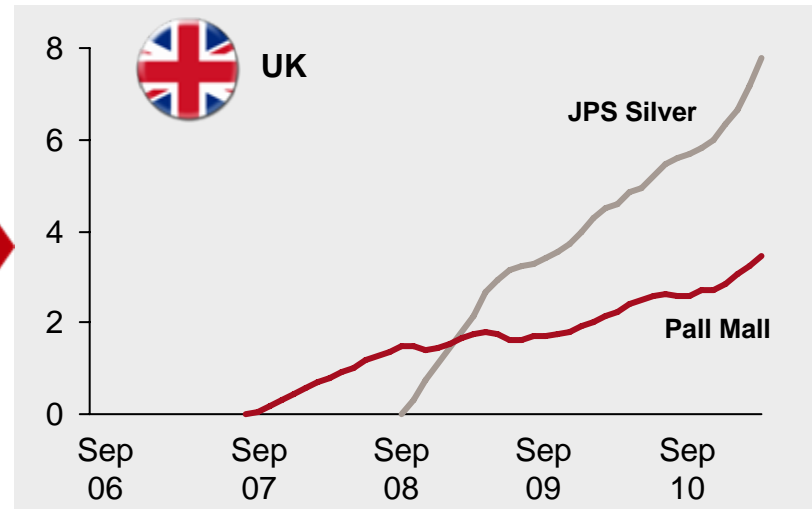
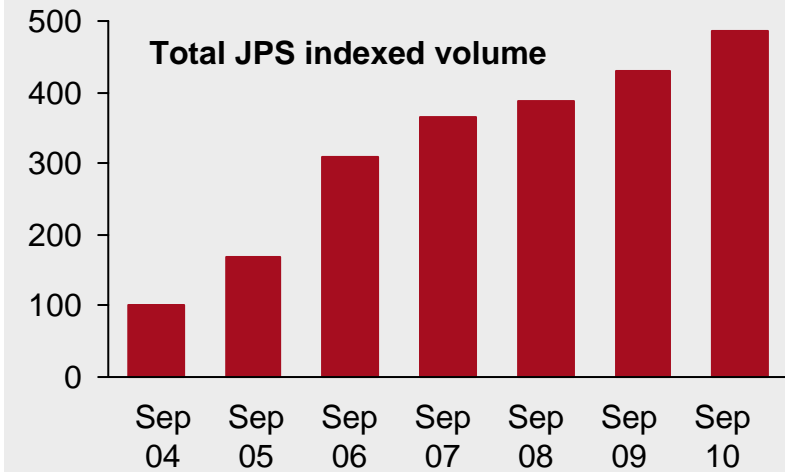
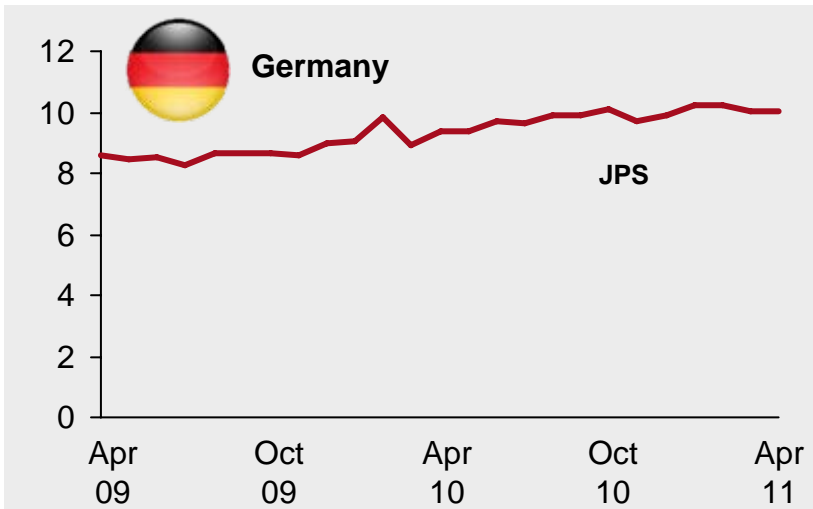
Algeria +40%

Tunisia +36%



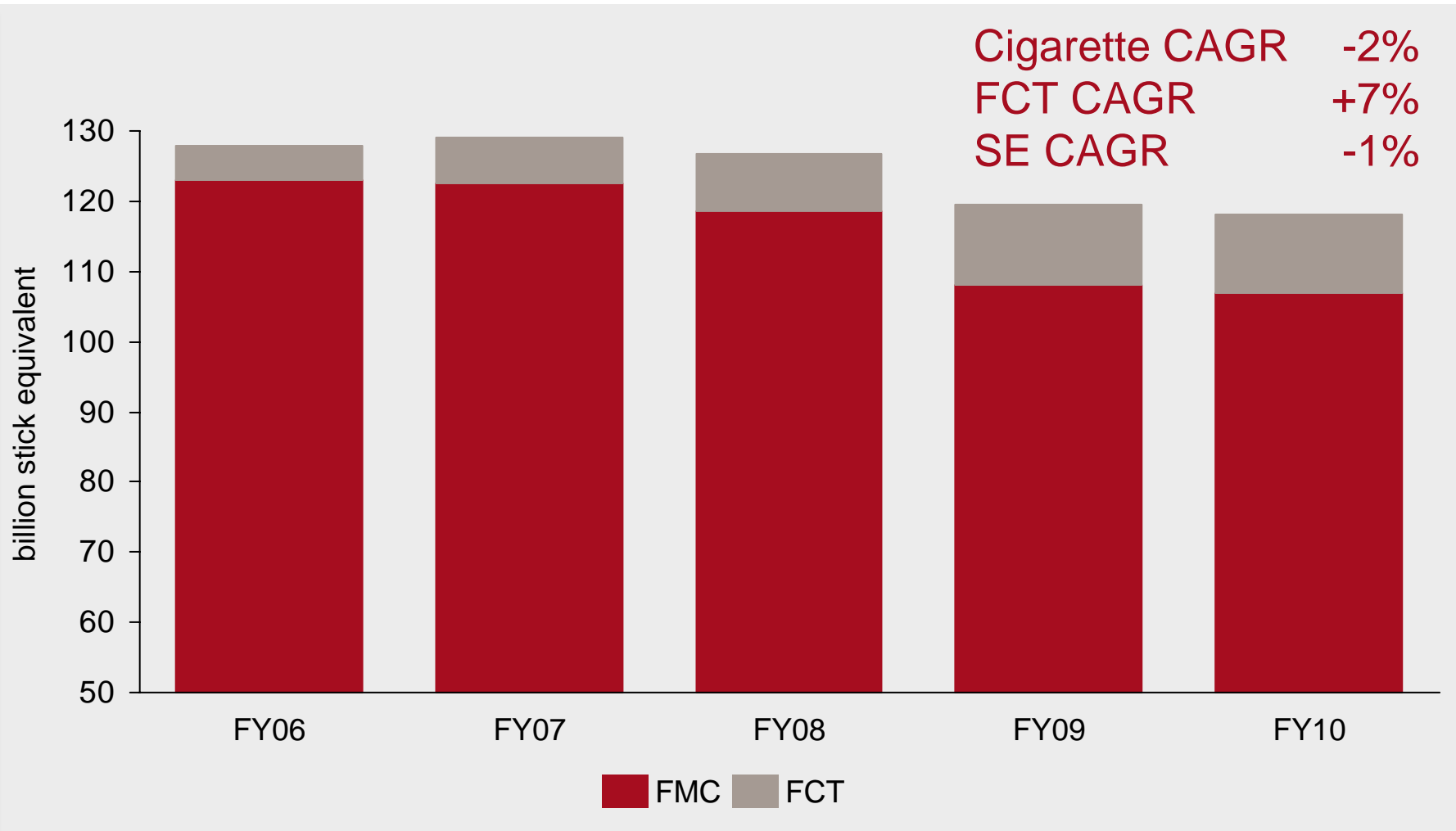
GAULOISES

Building JPS International Profile



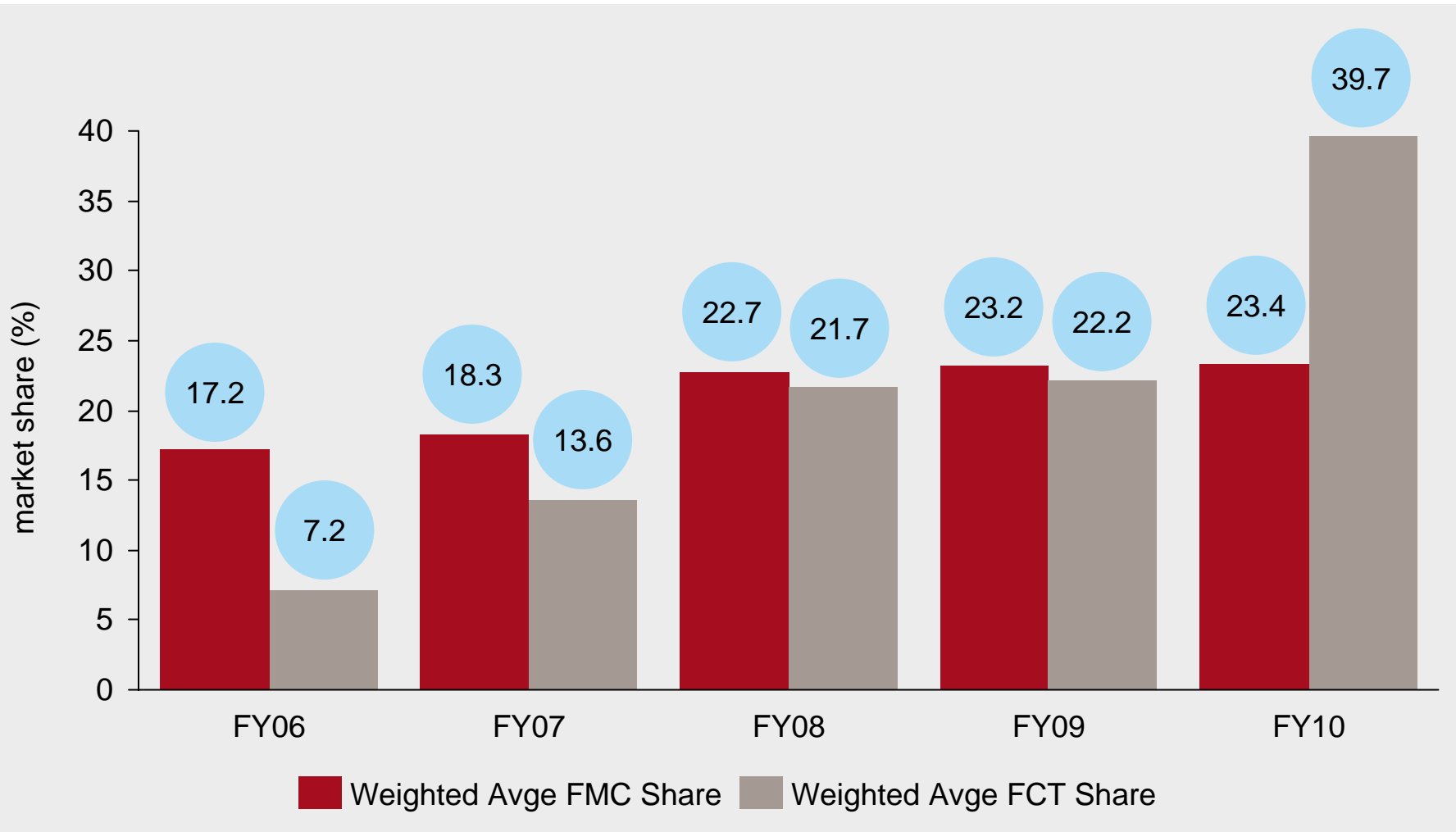
Germany, UK, and Australia show market shares

Driving FCT Growth in EU Accession



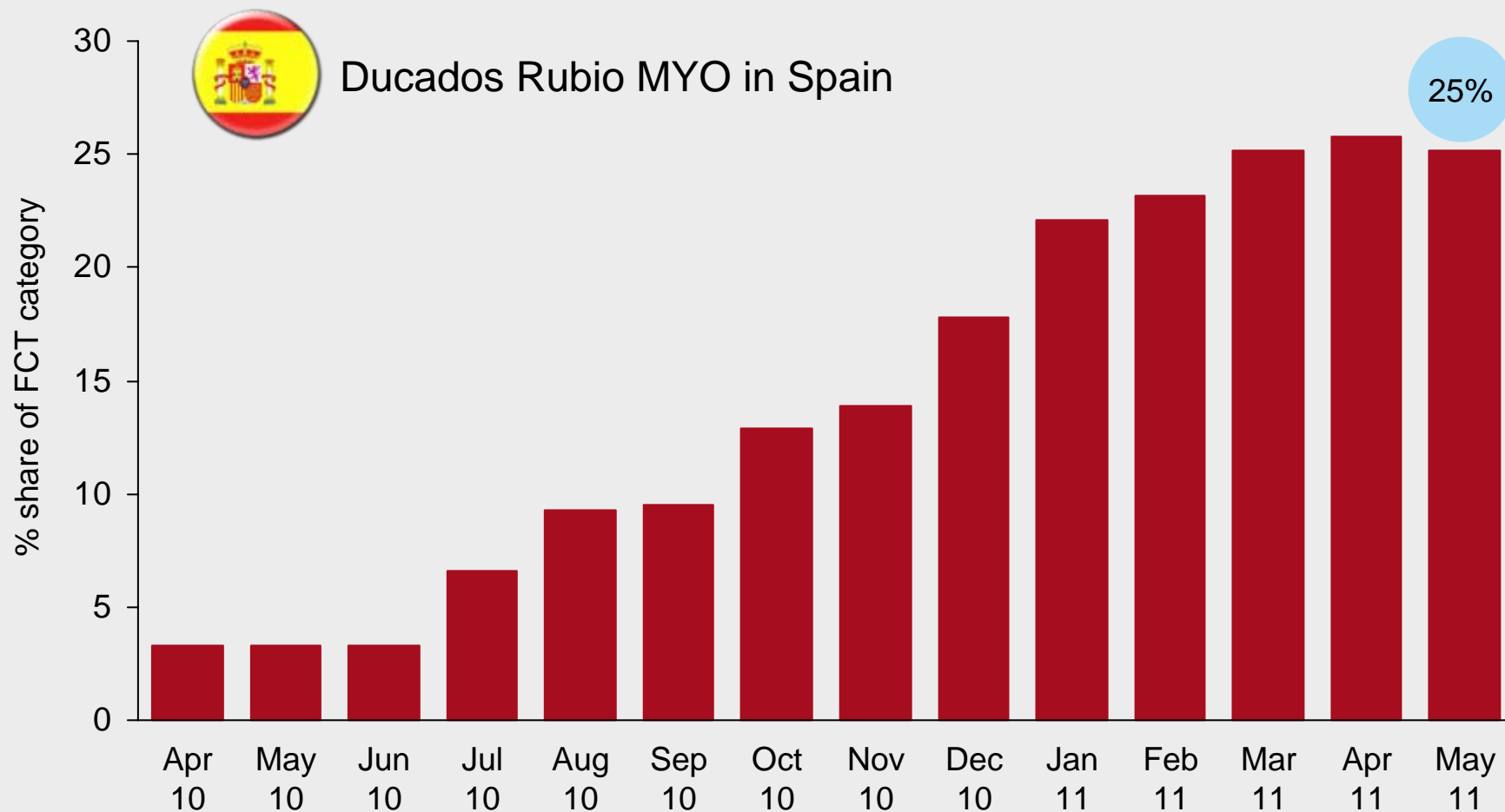
Imperial estimates; combined market volumes for Poland, Hungary, Czech Republic, Slovakia and Slovenia

EU Accession Share Momentum



Imperial estimates; weighted average shares for Poland, Hungary, Czech Republic, Slovakia and Slovenia combined

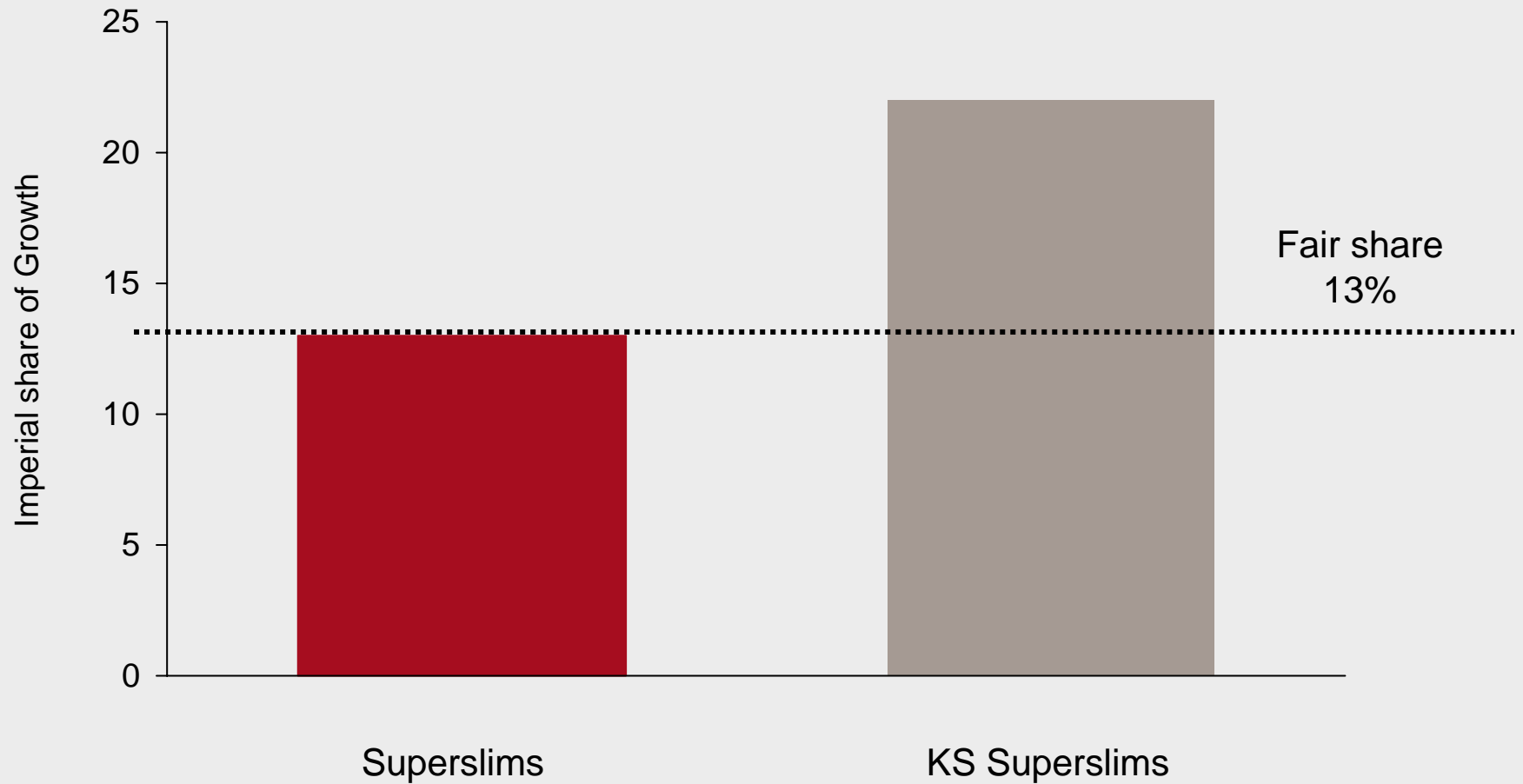
Rolling Out C. Europe Growth Model





Innovation

Capitalising on Eastern Europe Growth



Exploiting Scalable Innovation



- Patented GlideTec innovation
- Consumer “wow” effect
- Initial launch in UK – Asda, BP, Shell & Esso
- Significant capacity investment
- Multi market roll-out planned

VIDEO – GlideTec Customer Focus Group

**This video has not been made available on our
website**



Pricing

Excise Approach Germany



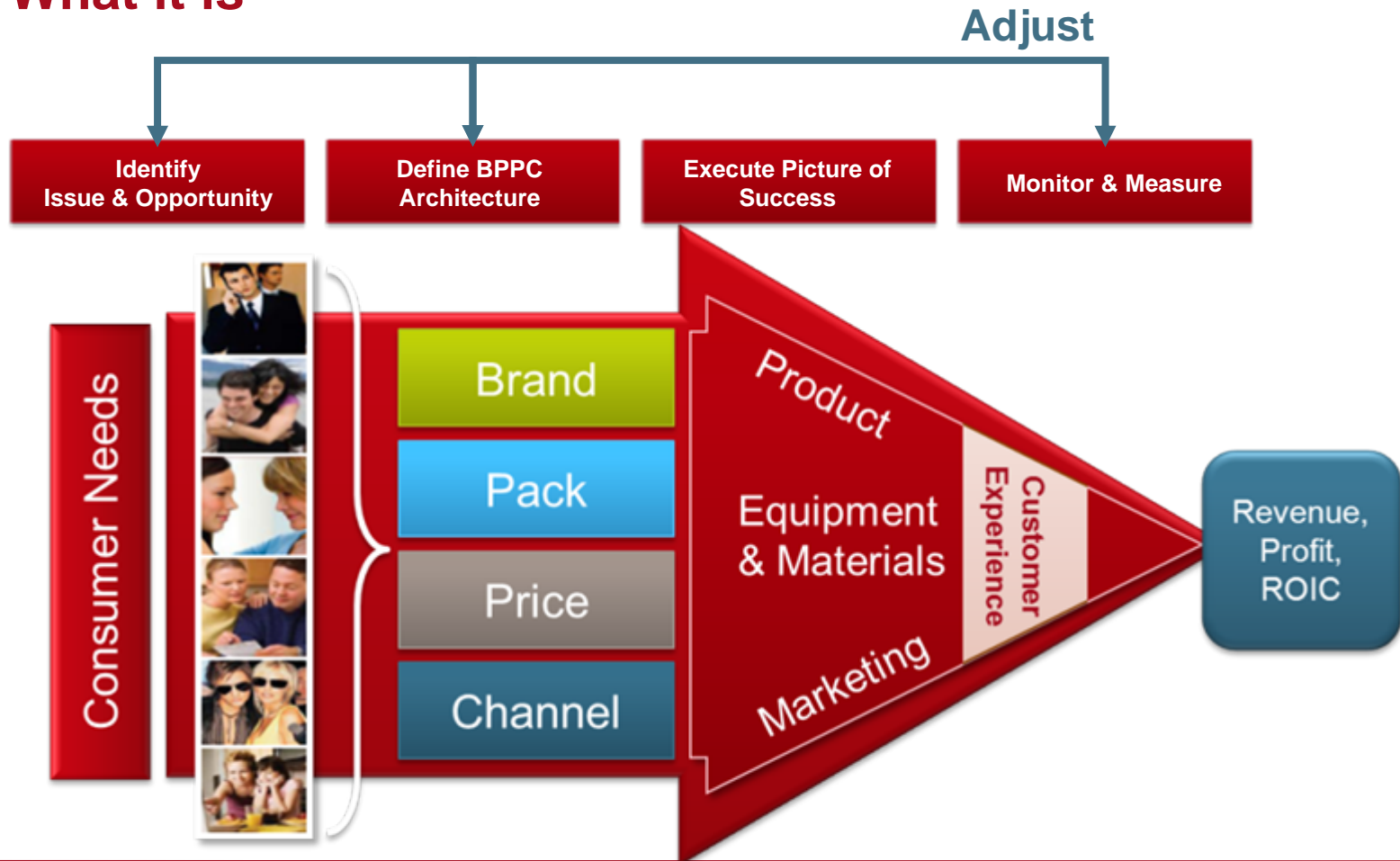
- Long term excise tax predictability
- Mix between Specific and Ad Valorem
- Innovative minimum excise tax
- Tax differentials between product categories

Enhancing our Capabilities

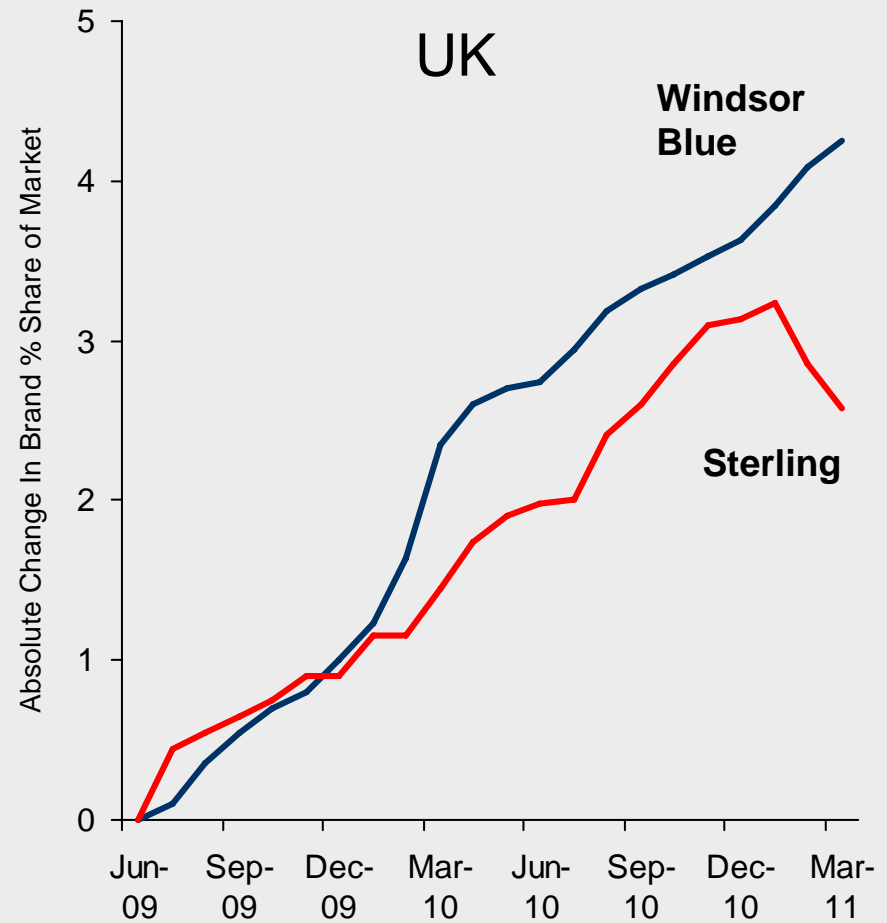
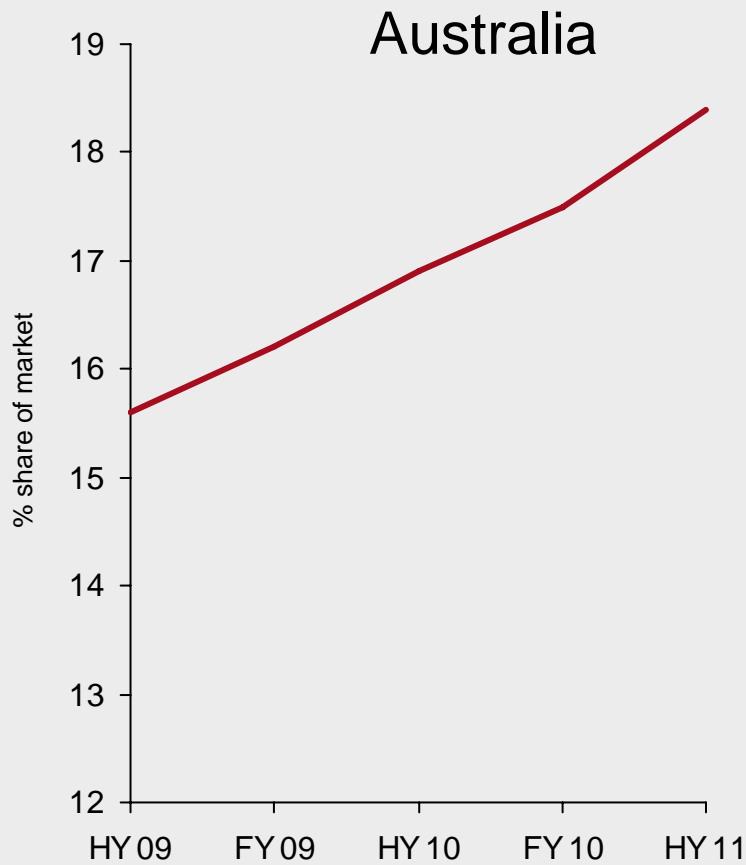
in brand, pack, price by channel



What it is



Pricing Strategy Drives Growth



Source: Imperial estimates



Fewer



Bigger



Better

Customer Engagement

Outperforming in Dark Markets



- Optimise local Trade Marketing capability
- Australia increased share by 1.8% to 18.8% in HY11
- Norway market share of snus up 1.1% and cigarettes up 0.3% in HY11



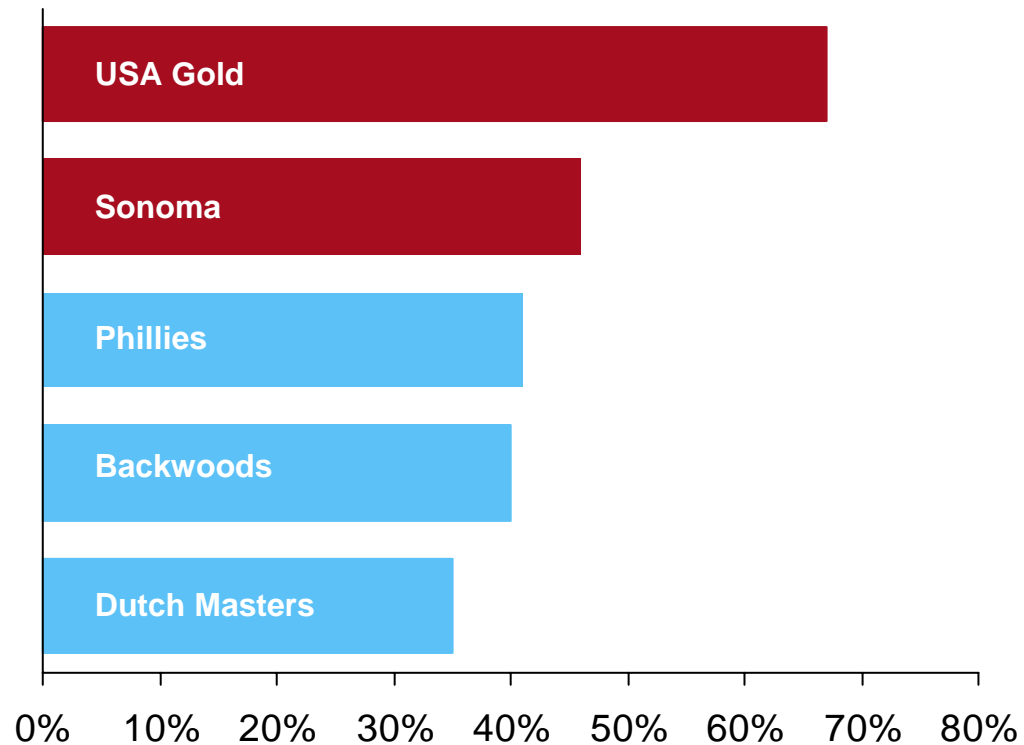
Integration to Maximise USA Growth



Outlet Distribution

This space appears blank because we have removed the images that appear in the presentation.

This is because we currently do not feature tobacco product brand imagery on our website.



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2. Customer Engagement... leveraging shopper & customer insights





shout v listen

Understanding Stakeholder Needs



shopper

Availability

Shop
convenience



customer

Cash flow

Retention &
acquisition of
shoppers

- High non-availability on-shelf for the industry
- Disappointed shoppers, missed revenue/margin
- Route to Market

Customer Engagement Agenda



Where we compete

Sales and channel strategy

With a distinctive proposition

To the consumer

- Shopper marketing

To the customer

- Account management
- Trade activation
- Trade investments

How we deliver it

Route-to-market model

Sales force effectiveness

Supply chain alignment

3-party management

How we make it happen

Organisational design

Capabilities

Maximising Shareholder Returns

