

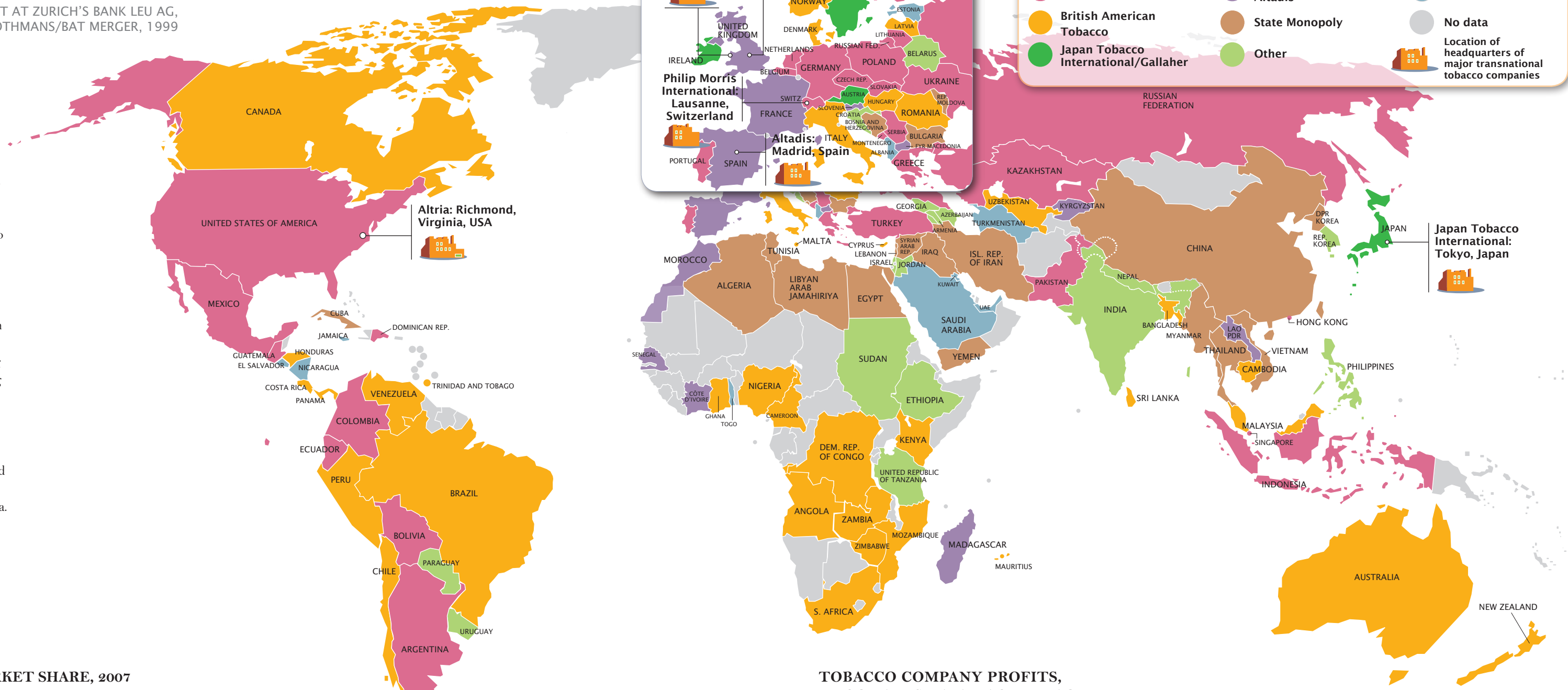
TOBACCO COMPANIES

"In the tobacco business, big is beautiful."
—RONALD WILDMANN, AN ANALYST AT ZURICH'S BANK LEU AG,
ON THE ROTHMANS/BAT MERGER, 1999

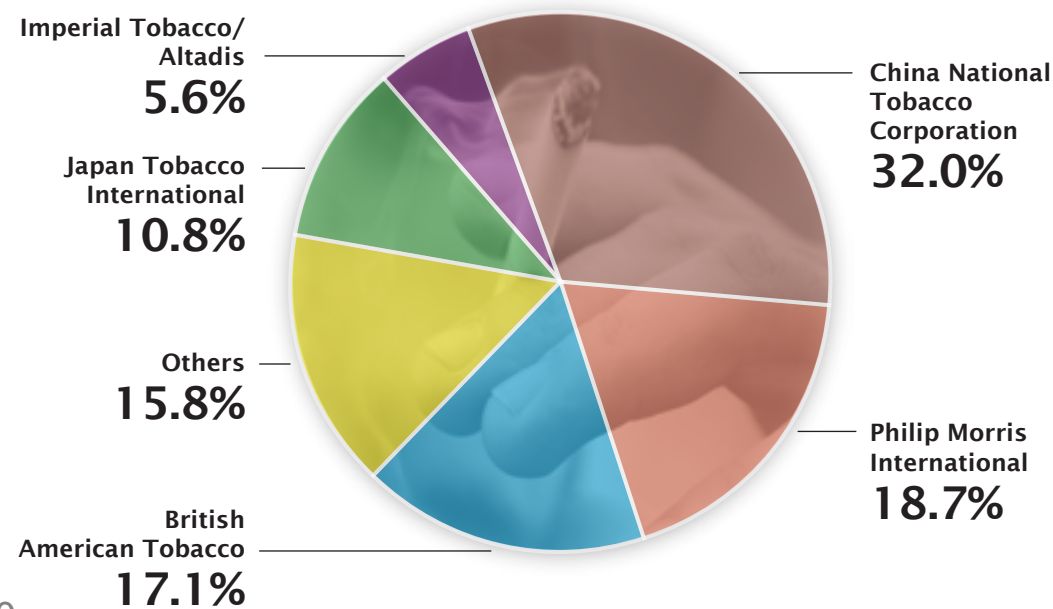
In recent years, dozens of cigarette manufacturing companies have consolidated under four major private corporations: Altria/Philip Morris, British American Tobacco, Japan Tobacco International, and Imperial Tobacco. State monopolies are also major cigarette manufacturers. The largest state monopoly is China National Tobacco Corporation, with a global cigarette market share that exceeds that of any private company. Because the European Union intends to restrict further mergers and acquisitions that increase a tobacco company's market-share dominance, industry consolidation trends may have peaked.

The tobacco industry includes some of the most powerful transnational corporate entities in the world. Tobacco conglomerates have diversified into many other industries, such as financial services, food and beverages, pharmaceuticals, real estate, hotels, restaurants, communications, and apparel, among others. The tobacco industry is expected to continue increasing in size and power.

The global tobacco market, valued at \$378 billion, grew by 4.6 percent in 2007. By the year 2012, the value of the global tobacco market is projected to increase another 23 percent, reaching \$464.4 billion. If Big Tobacco were a country, it would have the 23rd-largest gross domestic product in the world, surpassing the GDP of countries like Norway and Saudi Arabia.



GLOBAL CIGARETTE MARKET SHARE, 2007



"If I were to describe any moment in my life as perfect, this would be it."
—Andrew Schindler, chief executive and chairman of R. J. Reynolds Tobacco, on the merger between R. J. Reynolds and Brown & Williamson Tobacco Corporation, 2004

TOBACCO COMPANY PROFITS, 2008 OR LATEST AVAILABLE YEAR

