

TABLE 1

DOMESTIC CIGARETTE SALES (BILLIONS OF CIGARETTES)*
DATA REPORTED BY CIGARETTE MANUFACTURERS

<u>YEAR</u>	<u>TOTAL SALES</u>	<u>UNIT CHANGE FROM PRIOR YEAR</u>	<u>% CHANGE FROM PRIOR YEAR</u>	<u>USDA CIGARETTE CONSUMPTION ESTIMATES**</u>
1963	516.5	---	---	523.9
1964	505.0	(11.5)	(2.2)	511.2
1965	521.1	16.1	3.2	528.7
1966	529.9	8.8	1.7	541.2
1967	525.8	5.9	1.1	549.2
1968	540.3	4.5	.8	545.7
1969	527.9	(12.4)	(2.3)	528.9
1970	534.2	6.3	1.1	536.4
1971	547.2	13.0	2.4	555.1
1972	561.7	14.5	2.7	566.8
1973	584.7	23.0	4.1	589.7
1974	594.5	9.8	1.7	599.0
1975	603.2	8.7	1.5	607.2
1976	609.9	6.7	1.1	613.5
1977	612.6	2.7	.4	617.0
1978	615.3	2.7	.4	616.0
1979	621.8	6.5	1.1	621.5
1980	628.2	6.4	1.0	631.5
1981	636.5	8.3	1.3	640.0
1982	632.5	(4.0)	(.6)	634.0
1983	603.6	(28.9)	(4.6)	600.0
1984	608.4	4.8	.8	600.4
1985	599.3	(9.1)	(1.5)	594.0
1986	586.4	(12.9)	(2.2)	583.8
1987	575.4	(11.0)	(1.9)	575.0
1988	560.7	(14.7)	(2.6)	562.5
1989	525.6	(35.1)	(6.3)	540.0
1990	523.7	(1.9)	(.4)	525.0
1991	510.9	(12.8)	(2.4)	510.0
1992	506.4	(4.5)	(.9)	500.0
1993	461.4	(45.0)	(8.9)	485.0
1994	490.2	28.8	6.2	486.0
1995	482.2	(8.0)	(1.6)	487.0
1996	484.1	1.9	.4	487.0

* Sales by manufacturers to wholesalers and retailers within the U.S. and to armed forces personnel stationed outside the U.S.

** USDA: Tobacco Situation and Outlook Report, September 1997, Table 1.

TABLE 2

PER CAPITA DOMESTIC CIGARETTE SALES*

<u>YEAR</u>	<u>CIGARETTES</u>
1963	4,286
1964	4,143
1965	4,196
1966	4,197
1967	4,175
1968	4,145
1969	3,986
1970	3,969
1971	3,982
1972	4,018
1973	4,112
1974	4,110
1975	4,095
1976	4,068
1977	4,015
1978	3,965
1979	3,937
1980	3,858
1981	3,818
1982	3,733
1983	3,513
1984	3,497
1985	3,400
1986	3,288
1987	3,190
1988	3,073
1989	2,846
1990	2,827
1991	2,724
1992	2,680
1993	2,414
1994	2,546
1995	2,482
1996	2,467

* Total domestic cigarette sales, as reported by the manufacturers (from Table 1) divided by the number of U.S. residents 18 years of age and older and overseas military personnel. Source of population figure is the U.S. Department of Commerce, Bureau of Census.

TABLE 3

DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR YEARS 1970, 1975-1977
(THOUSANDS OF DOLLARS)

<u>TYPE OF ADVERTISING</u>	<u>1970</u>	<u>% OF TOTAL</u>	<u>1975</u>	<u>% OF TOTAL</u>
Newspapers	\$14,026	3.9	\$104,460	21.3
Magazines	50,018	13.9	131,199	26.6
Outdoor	7,338	2.0	84,329	17.2
Transit	5,354	1.5	10,852	2.2
Point of Sale	11,663	3.2	35,317	7.2
Promotional Allowances	33,789	9.4	72,018	14.7
Sampling Distribution	11,775	3.3	24,196	4.9
Specialty Item				
Distribution	5,652	2.6	10,088	2.1
Public Entertainment	544	0.2	8,484	1.7
All Others*	<u>220,841</u>	61.1	<u>10,311</u>	2.0
Total**	\$361,000	100.0	\$491,254	100.0

<u>TYPE OF ADVERTISING</u>	<u>1976</u>	<u>% OF TOTAL</u>	<u>1977</u>	<u>% OF TOTAL</u>
Newspapers	\$155,808	24.4	\$190,677	24.5
Magazines	148,032	23.2	173,296	22.2
Outdoor	102,689	16.1	120,338	15.4
Transit	19,341	3.0	21,530	2.8
Point of Sale	44,176	6.9	46,220	5.9
Promotional Allowance	82,523	12.9	108,227	13.9
Sampling Distribution	40,390	6.3	47,683	6.1
Specialty Item				
Distribution	20,030	3.1	35,797	4.6
Public Entertainment	7,946	1.3	9,538	1.2
All Others*	<u>18,182</u>	2.8	<u>26,157</u>	3.4
Total**	\$639,117	100.0	\$779,463	100.0

* Includes TV and Radio advertising expenditures of \$207,324,000 and \$12,492,000, respectively, for 1970. Broadcast advertising was banned after January 1, 1971. Expenditures for direct mail, endorsements, testimonials, and audio-visual are included in the "All Others" category to avoid disclosure of individual company data.

** Because of rounding, sums of percentages may not equal 100 percent.

TABLE 3A

DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR YEARS 1978-1981
(THOUSANDS OF DOLLARS)

<u>TYPE OF ADVERTISING</u>	<u>1978</u>	<u>% OF TOTAL</u>	<u>1979</u>	<u>% OF TOTAL</u>
Newspapers	\$186,947	21.4	\$240,978	22.2
Magazines	184,236	21.1	257,715	23.8
Outdoor	149,010	17.0	162,966	15.0
Transit	22,899	2.6	21,151	2.0
Point of Sale	57,384	6.6	66,096	6.1
Promotional Allowances	125,148	14.3	137,111	12.7
Sampling Distribution	47,376	5.4	64,286	5.9
Specialty Item Distribution	48,281	5.5	62,029	5.7
Public Entertainment	11,590	1.3	10,783	1.0
All Others*	<u>42,100</u>	4.8	<u>60,310</u>	5.6
Total**	\$874,971	100.0	\$1,083,425	100.0

<u>TYPE OF ADVERTISING</u>	<u>1980</u>	<u>% OF TOTAL</u>	<u>1981</u>	<u>% OF TOTAL</u>
Newspapers	\$304,380	24.5	\$358,096	23.1
Magazines	266,208	21.4	291,227	18.8
Outdoor	193,333	15.6	228,081	14.7
Transit	26,160	2.1	21,931	1.4
Point of Sale	79,799	6.4	98,968	6.4
Promotional Allowances	179,094	14.4	229,077	14.8
Sampling Distribution	50,459	4.1	81,522	5.3
Specialty Item Distribution	69,248	5.6	115,107	7.5
Public Entertainment	16,914	1.4	37,423	2.4
All Others*	<u>56,694</u>	4.6	<u>86,226</u>	5.6
Total**	\$1,242,289	100.0	\$1,547,658	100.0

* Expenditures for direct mail, endorsements, testimonials, and audio-visual are included in the "All Others" category to avoid disclosure of individual company data.

** Because of rounding, sums of percentages may not equal 100 percent.

TABLE 3B

DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR THE YEARS 1982-1985
(THOUSANDS OF DOLLARS)

<u>TYPE% OF ADVERTISING</u>	<u>1982</u>	<u>% OF TOTAL</u>	<u>1983</u>	<u>% OF TOTAL</u>
Newspapers	\$282,897	15.8	\$200,563	10.6
Magazines	349,229	19.5	388,365	20.4
Outdoor	266,925	14.9	295,226	15.5
Transit	24,135	1.3	26,652	1.4
Point of Sale	116,954	6.5	170,059	8.9
Promotional Allowances	272,269	15.2	366,153	19.3
Sampling Distribution	141,178	7.9	125,968	6.6
Specialty Item				
Distribution	95,246	5.3	127,186	6.6
Public Entertainment	63,168	3.5	76,648	4.0
All Others*	<u>181,813</u>	10.1	<u>123,951</u>	6.5
Total**	\$1,793,814	100.0	\$1,900,771	100.0

<u>TYPE OF ADVERTISING</u>	<u>1984</u>	<u>% OF TOTAL</u>	<u>1985</u>	<u>% OF TOTAL</u>
Newspapers	\$193,519	9.2	\$203,527	8.2
Magazines	425,912	20.3	395,129	16.0
Outdoor	284,927	13.6	300,233	12.1
Transit	25,817	1.2	33,136	1.3
Point of Sale	167,279	8.0	142,921	5.8
Promotional Allowances	363,247	17.3	548,877	22.2
Sampling Distribution	148,031	7.1	140,565	5.7
Specialty Item				
Distribution	140,431	6.7	211,429	8.5
Public Entertainment	59,988	2.9	57,581	2.3
All Others*	<u>286,035</u>	13.7	<u>443,043</u>	17.9
Total**	\$2,095,231	100.0	\$2,476,441	100.0

* Expenditures for direct mail, endorsements, testimonials, and audio-visual are included in the "All Others" category to avoid disclosure of individual company data.

** Because of rounding, sums of percentages may not equal 100 percent.

TABLE 3C

DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR YEARS 1986-1989
(THOUSANDS OF DOLLARS)

<u>TYPE OF ADVERTISING</u>	<u>1986</u>	<u>% OF TOTAL</u>	<u>1987</u>	<u>% OF TOTAL</u>
Newspapers	\$119,629	5.0	\$95,810	3.7
Magazines	340,160	14.3	317,748	12.3
Outdoor	301,822	12.7	269,778	10.5
Transit	34,725	1.5	35,822	1.4
Point of Sale	135,541	5.7	153,494	5.9
Promotional Allowances	630,036	26.4	702,430	27.2
Sampling Distribution	98,866	4.1	55,020	2.1
Specialty Item				
Distribution	210,128	8.8	391,351	15.2
Public Entertainment	71,439	3.0	71,389	2.8
Direct Mail	187,057	7.9	187,931	7.3
Endorsements and				
Testimonials	384	---	376	---
All Others*	<u>252,570</u>	10.0	<u>299,355</u>	11.6
Total**	\$2,382,357	100.0	\$2,580,504	100.0

<u>TYPE ADVERTISING</u>	<u>1988</u>	<u>% OF TOTAL</u>	<u>1989</u>	<u>% OF TOTAL</u>
Newspapers	\$105,783	3.2	\$76,993	2.1
Magazines	355,055	10.8	380,393	10.5
Outdoor	319,293	9.7	358,583	9.9
Transit	44,379	1.4	52,294	1.4
Point of Sale	222,289	6.8	241,809	6.7
Promotional Allowances	879,703	26.9	999,843	27.6
Sampling Distribution	74,511	2.3	57,771	1.6
Specialty Item				
Distribution	190,003	5.8	262,432	7.3
Public Entertainment	88,072	2.7	92,120	2.5
Direct Mail	42,545	1.3	45,498	1.3
Endorsements and				
Testimonials	781	---	---	---
Coupons and Retail				
Value Added	874,127	26.7	959,965	26.5
All Others*	<u>78,366</u>	2.4	<u>89,290</u>	2.5
Total**	\$3,274,853	100.0	\$3,616,993	100.0

* Expenditures for audio-visual are included in the "All Others" category to avoid disclosure of individual company data.

** Because of rounding, sums of percentages may not equal 100 percent.

TABLE 3D

DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR YEARS 1990-1993
(THOUSANDS OF DOLLARS)

<u>TYPE OF ADVERTISING</u>	<u>1990</u>	<u>% OF TOTAL</u>	<u>1991</u>	<u>% OF TOTAL</u>
Newspapers	\$71,174	1.8	\$48,212	1.0
Magazines	328,143	8.2	278,110	6.0
Outdoor	375,627	9.4	386,165	8.3
Transit	60,249	1.5	60,163	1.3
Point of Sale	303,855	7.6	344,580	7.4
Promotional Allowances	1,021,427	25.6	1,156,280	24.9
Sampling Distribution	100,893	2.5	56,970	1.2
Speciality Item				
Distribution	307,037	7.7	184,348	4.0
Public Entertainment	125,094	3.1	118,622	2.6
Direct Mail	51,875	1.3	65,002	1.4
Endorsements/Testimonials	---	---	---	---
Coupons and Retail				
Value Added	1,183,798	29.6	1,882,905	40.4
All Others*	<u>62,917</u>	1.6	<u>68,758</u>	1.5
Total**	\$3,992,008	100.0	4,650,114	100.0

<u>TYPE OF ADVERTISING</u>	<u>1992</u>	<u>% OF TOTAL</u>	<u>1993</u>	<u>% OF TOTAL</u>
Newspapers	\$35,467	.7	36,220	.6
Magazines	237,061	4.5	235,253	3.9
Outdoor	295,657	5.7	231,481	3.8
Transit	53,293	1.0	39,117	.6
Point of Sale	366,036	7.0	400,943	6.6
Promotional Allowances	1,514,026	28.9	1,557,635	25.8
Sampling Distribution	49,315	.9	40,202	.7
Speciality Item				
Distribution	339,997	6.5	755,780	12.5
Public Entertainment	89,739	1.7	84,276	1.4
Direct Mail	34,345	.7	31,463	.5
Endorsements/Testimonials	---	---	---	---
Coupons and Retail				
Value Added	2,175,373	41.6	2,559,387	42.4
All Others*	<u>41,608</u>	.8	<u>63,680</u>	1.2
Total**	\$5,231,917	100.0	6,035,437	100.0

* Expenditures for audio-visual are included in the "All Others" category to avoid disclosure of individual company data.

** Because of rounding, sums of percentages may not equal 100 percent.

TABLE 3E

DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR YEARS 1994 - 1996
(THOUSANDS OF DOLLARS)

<u>TYPE OF ADVERTISING</u>	<u>1994</u>	<u>% OF TOTAL</u>	<u>1995</u>	<u>% OF TOTAL</u>
Newspapers	\$24,143	.5	\$19,122	.4
Magazines	251,644	5.2	248,848	5.1
Outdoor	240,024	5.0	273,664	5.6
Transit	29,323	.6	22,543	.5
Point of Sale	342,650	7.1	259,035	5.3
Promotional Allowances	1,678,917	34.7	1,865,657	38.1
Sampling Distribution	6,974	.1	13,836	.3
Speciality Item				
Distribution	850,810	17.6	665,173	13.6
Public Entertainment	81,292	1.7	110,669	2.3
Direct Mail	31,187	.7	34,618	.7
Endorsements/Testimonials	---	---	---	---
Coupons and Retail				
Value Added	1,248,896	25.8	1,348,378	27.5
All Others*	<u>47,672</u>	1.0	<u>33,680</u>	.7
Total**	\$4,833,532	100.0	4,895,223	100.0

<u>TYPE OF ADVERTISING</u>	<u>1996</u>	<u>% OF TOTAL</u>
Newspapers	\$14,067	.3
Magazines	243,046	4.8
Outdoor	292,261	5.7
Transit	28,865	.6
Point of Sale	252,619	4.9
Promotional Allowances	2,150,838	42.1
Sampling Distribution	15,945	.3
Speciality Item		
Distribution	544,345	10.7
Public Entertainment	171,177	3.4
Direct Mail	38,703	.8
Endorsements/Testimonials	---	---
Coupons and Retail		
Value Added	1,308,708	25.6
Internet***	432	.0
All Others*	<u>46,696</u>	.9
Total**	\$5,107,700	100.0

* Expenditures for audio-visual are included in the "All Others" category to avoid disclosure of individual company data.

** Because of rounding, sums of percentages may not equal 100 percent.

*** 1996 was the first year the FTC identified the Internet as a separate category of expenditures.

TABLE 4

DOMESTIC CIGARETTE ADVERTISING EXPENDITURES
BY MEDIA FOR YEARS 1963 - 1974*
(MILLIONS OF DOLLARS)

<u>YEAR</u>	<u>TV</u>	<u>NEWSPAPER MAGAZINES</u>	<u>RADIO</u>	<u>DIRECT</u>	<u>OTHER</u>	<u>TOTAL</u>
1963	\$151.7	45.6	31.6	13.2	7.4	249.5
1964	170.2	45.2	25.5	14.6	5.8	261.3
1965	175.6	41.9	24.8	14.7	6.0	263.0
1966	198.0	43.4	31.3	17.9	6.9	297.5
1967	226.9	41.2	17.5	20.3	6.0	311.5
1968	217.2	44.6	21.3	21.6	6.0	310.7
1969	221.3	48.7	13.6	13.4	8.9	305.9
1970	205.0	64.2	12.4	16.9	16.2	314.7
1971	2.2	157.6	0	27.0	64.8	251.6
1972	0	159.2	0	22.9	75.5	257.6
1973	0	157.7	0	15.2	74.6	247.5
1974	0	195.1	0	31.1	80.6	306.8

* The data reported in Tables 3 through 3E were not collected in their present form until 1975. Thus, Tables 4 and 5, which report cigarette advertising expenditures from 1963 through 1974 and from 1970 through 1974, respectively, have been retained in this report for comparative purposes.

TABLE 5

DOMESTIC CIGARETTE ADVERTISING EXPENDITURES
BY MEDIA FOR YEARS 1970 - 1974*
(MILLIONS OF DOLLARS)

<u>YEAR</u>	<u>TV</u>	<u>RADIO</u>	<u>NEWSPAPER</u>	<u>MAGAZINES</u>	<u>OUTDOOR/ TRANSIT</u>	<u>DIRECT</u>	<u>OTHER</u>	<u>TOTAL</u>
1970	\$205.0	\$12.4	\$14.7	\$49.5	\$11.7	\$16.9	\$4.5	\$314.7
1971	2.2	0	59.3	98.3	60.6	27.0	4.2	251.6
1972	0	0	63.1	96.1	67.5	22.9	8.0	257.6
1973	0	0	65.3	92.4	63.2	15.2	11.4	247.5
1974	0	0	80.5	114.6	71.4	31.1	9.2	306.8

* The data reported in Tables 3 through 3E were not collected in their present form until 1975. Thus, Tables 4 and 5, which report cigarette advertising expenditures from 1963 through 1974 and from 1970 through 1974, respectively, have been retained in this report for comparative purposes.

TABLE 6

DOMESTIC MARKET SHARE OF AND EXPENDITURES FOR ADVERTISING
AND OTHER PROMOTIONAL ACTIVITIES FOR CIGARETTES YIELDING
FIFTEEN MILLIGRAMS (mg.) OR LESS OF TAR
(1967 - 1981)

<u>YEAR</u>	<u>DOMESTIC MARKET SHARE CIGARETTES YIELDING 15 mg. OR LESS TAR</u>	<u>PERCENTAGE OF TOTAL EXPENDITURES* FOR ADVERTISING AND OTHER PROMOTIONAL ACTIVITIES DEVOTED TO CIGARETTES YIELDING 15 mg. OR LESS TAR</u>
1967	2.0%	5.5%
1968	2.5%	9.2%
1969	3.0%	12.7%
1970	3.6%	10.5%
1971	3.8%	9.3%
1972	6.6%	15.1%
1973	8.9%	17.8%
1974	8.9%	15.2%
1975	13.5%	19.6%
1976	15.9%	39.6%
1977	22.7%	49.4%
1978	27.5%	48.1%
1979	40.9%	66.9%
1980	44.8%	65.1%
1981	56.0%	70.8%

* Promotional activities, which the reporting companies did not consider to be "advertising," are not included in the data for years prior to 1975.

TABLE 6A

DOMESTIC MARKET SHARE OF AND EXPENDITURES FOR ADVERTISING
AND OTHER PROMOTIONAL ACTIVITIES FOR CIGARETTES YIELDING
FIFTEEN MILLIGRAMS (mg.) OR LESS OF TAR
(1982 - 1987)

	1982 MARKET <u>SHARE</u>	1982 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>	1983 MARKET <u>SHARE</u>	1983 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>
15 mg. or less tar	52.2%	64.3%	53.1%	67.4%
12 mg. or less tar	43.8%	57.8%	44.9%	58.8%
9 mg. or less tar	27.8%	41.4%	27.9%	35.1%
6 mg. or less tar	8.9%	15.6%	9.4%	15.7%
3 mg. or less tar	2.9%	5.7%	3.1%	4.2%
	1984 MARKET <u>SHARE</u>	1984 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>	1985 MARKET <u>SHARE</u>	1985 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>
15 mg. or less tar	51.0%	57.1%	51.9%	59.0%
12 mg. or less tar	43.4%	51.7%	43.1%	46.9%
9 mg. or less tar	26.3%	33.4%	25.3%	30.1%
6 mg. or less tar	9.4%	12.3%	8.4%	9.5%
3 mg. or less tar	2.9%	4.3%	2.3%	3.1%
	1986 MARKET <u>SHARE</u>	1986 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>	1987 MARKET <u>SHARE</u>	1987 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>
15 mg. or less tar	52.6%	61.9%	55.4%	64.4%
12 mg. or less tar	44.5%	53.4%	47.8%	54.3%
9 mg. or less tar	22.3%	26.1%	20.2%	26.7%
6 mg. or less tar	9.9%	11.5%	10.0%	11.9%
3 mg. or less tar	2.6%	3.8%	2.5%	3.3%

TABLE 6B

DOMESTIC MARKET SHARE OF AND EXPENDITURES FOR ADVERTISING
AND OTHER PROMOTIONAL ACTIVITIES FOR CIGARETTES YIELDING
FIFTEEN MILLIGRAMS (mg.) OR LESS OF TAR
(1988 - 1993)

	1988 <u>MARKET SHARE</u>	1988 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>	1989 <u>MARKET SHARE</u>	1989 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>
15 mg. or less tar	54.2%	60.7%	55.1%	62.6%
12 mg. or less tar	48.7%	54.4%	48.4%	53.6%
9 mg. or less tar	20.1%	26.1%	21.5%	27.2%
6 mg. or less tar	10.7%	12.9%	11.4%	13.0%
3 mg. or less tar	3.1%	4.2%	2.4%	2.8%
	1990 <u>MARKET SHARE</u>	1990 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>	1991 <u>MARKET SHARE</u>	1991 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>
15 mg. or less tar	60.6%	68.6%	60.5%	64.0%
12 mg. or less tar	51.5%	55.4%	52.6%	53.9%
9 mg. or less tar	25.5%	30.3%	22.0%	23.7%
6 mg. or less tar	12.2%	12.6%	12.7%	12.8%
3 mg. or less tar	2.8%	2.5%	2.6%	2.6%
	1992 <u>MARKET SHARE</u>	1992 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>	1993 <u>MARKET SHARE</u>	1993 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>
15 mg. or less tar	68.7%	71.3%	66.5%	65.9%
12 mg. or less tar	52.9%	55.7%	53.3%	54.8%
9 mg. or less tar	24.9%	27.3%	23.4%	20.8%
6 mg. or less tar	12.7%	13.3%	12.6%	12.4%
3 mg. or less tar	2.5%	2.3%	1.9%	3.7%

TABLE 6C

DOMESTIC MARKET SHARE OF AND EXPENDITURES FOR ADVERTISING
AND OTHER PROMOTIONAL ACTIVITIES FOR CIGARETTES YIELDING
FIFTEEN MILLIGRAMS (mg.) OR LESS OF TAR
(1994 - 1995)

	1994 MARKET <u>SHARE</u>	1994 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>	1995 MARKET <u>SHARE</u>	1995 PERCENTAGE OF TOTAL ADVERTISING <u>EXPENDITURES</u>
15 mg. or less tar	71.2%	72.1%	72.7%	73.9%
12 mg. or less tar	53.7%	54.5%	53.6%	54.4%
9 mg. or less tar	23.1%	20.9%	27.1%	26.9%
6 mg. or less tar	12.3%	11.0%	12.2%	11.5%
3 mg. or less tar	2.1%	1.4%	2.2%	1.9%

TABLE 7

DOMESTIC MARKET SHARE OF FILTER
AND NON-FILTER CIGARETTES

<u>YEAR</u>	<u>NON-FILTER</u>	<u>FILTER</u>	<u>CHARCOAL</u>	<u>NON-CHARCOAL</u>
1963	42%	58%	*	*
1964	39%	61%	*	*
1965	36%	64%	*	*
1966	32%	68%	*	*
1967	28%	72%	*	*
1968	26%	74%	6%	68%
1969	23%	77%	6%	71%
1970	20%	80%	6%	74%
1971	18%	82%	6%	76%
1972	16%	84%	6%	87%
1973	15%	85%	5%	80%
1974	14%	86%	5%	81%
1975	13%	87%	5%	82%
1976	12%	88%	4%	84%
1977	10%	90%	4%	86%
1978	10%	90%	3%	87%
1979	9%	91%	3%	88%
1980	8%	92%	3%	89%
1981	8%	92%	2%	90%
1982	7%	93%	2%	91%
1983	7%	93%	2%	91%
1984	7%	93%	2%	91%
1985	6%	94%	1%	93%
1986	6%	94%	1%	93%
1987	4%	96%	**	**
1988	5%	95%	**	**
1989	5%	95%	**	**
1990	5%	95%	**	**
1991	4%	96%	**	**
1992	3%	97%	**	**
1993	3%	97%	**	**
1994	3%	97%	**	**
1995	3%	97%	**	**
1996	3%	97%	**	**

* Figures for charcoal filter cigarettes for the years 1963 through 1967 were not obtained.

** Beginning with 1987, figures for charcoal filter cigarettes have no longer been reported.

TABLE 8

DOMESTIC MARKET SHARE OF AND EXPENDITURES
FOR ADVERTISING AND OTHER PROMOTIONAL ACTIVITIES
FOR FILTER CIGARETTES

EXPENDITURES YEAR	PERCENTAGE OF TOTAL	
	DOMESTIC MARKET SHARE OF <u>FILTER CIGARETTES</u>	FOR ADVERTISING AND OTHER PROMOTIONAL ACTIVITIES DEVOTED <u>TO FILTER CIGARETTES*</u>
1963	58%	75%
1964	61%	78%
1965	64%	77%
1966	68%	75%
1967	72%	95%
1968	74%	95%
1969	77%	97%
1970	80%	98%**
1971	82%	98%
1972	84%	99%
1973	85%	98%
1974	86%	98%
1975	87%	98%
1976	88%	99%
1977	90%	99%
1978	90%	99%
1979	91%	99%
1980	92%	96%
1981	92%	96%
1982	93%	96%
1983	93%	96%
1984	93%	96%
1985	94%	96%
1986	94%	96%
1987	95%	97%
1988	95%	97%
1989	95%	96%
1990	95%	96%
1991	96%	96%
1992	97%	97%
1993	97%	97%
1994	97%	98%
1995	97%	98%
1996	97%	96%

* Promotional activities, which the reporting companies did not consider to be "advertising," are not included in the data for years prior to 1975.

** If the above 1970 figure were recomputed from data received in 1978, the 1970 figure would be 96%. The change would be due primarily to the inclusion of promotional allowances in data received in 1978 for 1970 and not reflected in the computations resulting in the original 1970 figures.

TABLE 9

DOMESTIC MARKET SHARE OF CIGARETTES
BY LENGTH IN MILLIMETERS (mm)

<u>YEAR</u>	<u>68-72 mm</u>	<u>79-88 mm</u>	<u>94-101 mm</u>	<u>110-121 mm</u>
1967	14%	77%	9%	---
1968	12%	74%	13%	--- *
1969	11%	74%	16%	--- *
1970	9%	73%	18%	---
1971	8%	72%	20%	---
1972	8%	71%	21%	---
1973	7%	71%	22%	---
1974	6%	71%	23%	--- **
1975	6%	69%	24%	1%
1976	5%	69%	24%	2%
1977	5%	67%	26%	2%
1978	5%	65%	27%	2% *
1979	4%	65%	30%	2% *
1980	3%	63%	32%	2%
1981	3%	62%	33%	2%
1982	3%	61%	34%	2%
1983	3%	60%	34%	2%
1984	3%	59%	36%	2%
1985	3%	58%	37%	2%
1986	2%	58%	37%	3%
1987	2%	57%	38%	3%
1988	2%	57%	38%	2%
1989	2%	57%	39%	2%
1990	2%	57%	39%	2%
1991	2%	56%	40%	2%
1992	2%	56%	41%	2% *
1993	1%	55%	42%	2%
1994	1%	56%	41%	2%
1995	1%	57%	40%	2%
1996	1%	57%	40%	2%

* Because of rounding, the total of the individual percentages may not equal 100 percent in some instances.

** The 110-121 mm length was combined with 94-101 mm length.

TABLE 10

DOMESTIC MARKET SHARE OF AND EXPENDITURES FOR ADVERTISING AND
OTHER PROMOTIONAL ACTIVITIES FOR LONGER (94-121 mm)
CIGARETTE VARIETIES
(1967 - 1981)

<u>YEAR</u>	<u>FOR ADVERTISING AND OTHER DOMESTIC MARKET SHARE OF LONGER CIGARETTES</u>			<u>PERCENTAGE OF TOTAL EXPENDITURES PROMOTIONAL ACTIVITIES DEVOTED TO LONGER CIGARETTES*</u>		
	1967	9%			39%	
1968	13%			39%		
1969	16%			33%		
1970	18%			38%**		
1971	20%			30%		
1972	21%			32%		
1973	22%			29%		
1974	23%			46%		
1975	95-101mm	24%)		95-101mm	18%)	
	110-112mm	1%)	25%	110-121mm	11%)	29%
1976	95-101mm	24%)		95-101mm	19%)	
	110-121mm	2%)	26%	110-121mm	7%)	26%
1977	95-101mm	26%)		95-101mm	25%)	
	110-121mm	2%)	28%	110-121mm	3%)	28%
1978	95-101mm	27%)		95-101mm	32%)	
	110-121mm	3%)	30%	110-121mm	2%)	34%
1979	95-101mm	30%)		95-101mm	32%)	
	110-121mm	2%)	32%	110-121mm	2%)	34%
1980	94-101mm	32%)		94-101mm	34%)	
	110-121mm	2%)	34%	110-121mm	2%)	36%
1981	94-101mm	33%)		94-101mm	30%)	
	110-121mm	2%)	35%	110-121mm	5%)	35%

* Promotional activities, which the reporting companies did not consider to be "advertising," are not included in the data for years prior to 1975.

** If the above 1970 figure were recomputed from data received in 1978, the 1970 figure would be 27%. The change would be due primarily to the inclusion of promotional allowances in data received in 1978 for 1970 and not reflected in the computations resulting in the original 1970 figure.

TABLE 10A

DOMESTIC MARKET SHARE OF AND EXPENDITURES FOR ADVERTISING AND
OTHER PROMOTIONAL ACTIVITIES FOR LONGER (92-121 mm)
CIGARETTE VARIETIES
(1982 - 1993)

<u>YEAR</u>	<u>DOMESTIC MARKET SHARE OF LONGER CIGARETTES</u>			<u>FOR ADVERTISING AND OTHER PROMOTIONAL ACTIVITIES DEVOTED TO LONGER CIGARETTES</u>		
1982	92-101mm	34%)		92-101mm	39%)	
	110-121mm	2%)	36%	110-121mm	2%)	41%
1983	92-101mm	34%)		92-101mm	35%)	
	110-121mm	2%)	36%	110-121mm	3%)	38%
1984	92-101mm	36%)		92-101mm	40%)	
	110-121mm	2%)	38%	110-121mm	3%)	43%
1985	92-101mm	37%)		92-101mm	41%)	
	110-121mm	2%)	39%	110-121mm	3%)	44%
1986	92-101mm	37%)		92-101mm	42%)	
	110-121mm	3%)	40%	110-121mm	3%)	45%
1987	92-101mm	38%)		92-101mm	45%)	
	110-121mm	3%)	41%	110-121mm	3%)	48%
1988	92-101mm	38%)		92-101mm	43%)	
	110-121mm	3%)	41%	110-121mm	2%)	45%
1989	92-101mm	39%)		92-101mm	44%)	
	110-121mm	2%)	41%	110-121mm	2%)	46%
1990	92-101mm	39%)		92-101mm	43%)	
	110-121mm	2%)	41%	110-121mm	2%)	45%
1991	92-101mm	40%)		92-101mm	42%)	
	110-121mm	2%)	42%	110-121mm	2%)	44%
1992	92-101mm	41%)		92-101mm	44%)	
	110-121mm	2%)	43%	110-121mm	2%)	46%
1993	92-101mm	42%)		92-101mm	39%)	
	110-121mm	2%)	44%	110-121mm	2%)	41%

TABLE 10B

DOMESTIC MARKET SHARE OF AND EXPENDITURES FOR ADVERTISING AND
 OTHER PROMOTIONAL ACTIVITIES FOR LONGER (92-121 mm)
 CIGARETTE VARIETIES
 (1994 - 1996)

<u>YEAR</u>	<u>FOR ADVERTISING AND OTHER DOMESTIC MARKET SHARE OF LONGER CIGARETTES</u>			<u>PERCENTAGE OF TOTAL EXPENDITURES PROMOTIONAL ACTIVITIES DEVOTED TO LONGER CIGARETTES</u>		
	1994	92-101mm	41%)	43%	92-101mm	41%)
	110-121mm	2%)	110-121mm		2%)	
1995	92-101mm	40%)	42%	92-101mm	40%)	42%
	110-121mm	2%)		110-121mm	2%)	
1996	92-101mm	40%)	42%	92-101mm	40%)	42%
	110-121mm	2%)		110-121mm	2%)	

TABLE 11

DOMESTIC MARKET SHARE OF MENTHOL
AND NON-MENTHOL CIGARETTES

<u>YEAR</u>	<u>MENTHOL</u>	<u>NON-MENTHOL</u>
1963	16%	84%
1964	16%	84%
1965	18%	82%
1966	19%	81%
1967	20%	80%
1968	21%	79%
1969	22%	78%
1970	23%	77%
1971	24%	76%
1972	24%	76%
1973	25%	75%
1974	27%	73%
1975	27%	73%
1976	28%	72%
1977	28%	72%
1978	28%	72%
1979	29%	71%
1980	28%	72%
1981	28%	72%
1982	29%	71%
1983	28%	72%
1984	28%	72%
1985	28%	72%
1986	28%	72%
1987	28%	72%
1988	28%	72%
1989	27%	73%
1990	26%	74%
1991	27%	73%
1992	26%	74%
1993	26%	74%
1994	25%	75%
1995	25%	75%
1996	25%	75%

TABLE 12

DISCLOSURE OF TAR AND NICOTINE RATINGS
ON CIGARETTE PACKS (1994 - 1996)

1994

Overall market share of cigarette varieties that disclose ratings on the cigarette pack: 6.3 percent.

tar rating of cigarette variety	market share of varieties in tar group	market share of varieties in tar group that disclose ratings on pack
more than 15 mg. tar	28.8%	0.0%
12-15 mg. tar	19.3%	0.0%
8-11 mg. tar	38.6%	2.4%
4-7 mg. tar	11.2%	30.7%*
3 mg. or less tar	<u>2.1%</u>	91.8%
	100%	

1995

Overall market share of cigarette varieties that disclose ratings on the cigarette pack: 6.3 percent.**

tar rating of cigarette variety	market share of varieties in tar group	market share of varieties in tar group that disclose ratings on pack
more than 15 mg. tar	27.3%	0.0%
12-15 mg. tar	21.0%	0.1%
8-11 mg. tar	38.7%	2.8%
4-7 mg. tar	10.8%	30.1%
3 mg. or less tar	<u>2.2%</u>	89.1%
	100%	

* This figure was erroneously reported as 30.8 percent in last year's report.

** This figure was previously reported as 6.1 percent. It is being revised to reflect supplemental submissions by the cigarette companies to the Commission.