BRITISH-AMERICAN TOBACCO COMPANY LIMITED

12 January 1995

PRESS RELEASE

BATES GETS LUCKY STRIKE

Bates Worldwide has been appointed the lead agency for the prestigious LUCKY STRIKE account by BAT Industries' US subsidiary, Brown & Williamson, and its sister company, British-American Tobacco. Up to now, no single agency was responsible for the brand globally.

Jimmi Rembiszewski, Marketing Director at British-American Tobacco, said: 'Bates Worldwide has been appointed following their work on the marketing mix for LUCKY STRIKE. This will now be tested as our main strategic advertising in most LUCKY STRIKE markets around the world'.

BAT Industries has recently acquired worldwide ownership of LUCKY STRIKE, following the purchase of American Tobacco from American Brands, and is now able to have a consistent international strategy for the brand.

The LUCKY STRIKE assignment follows a successful relationship between BAT and Bates. BAT is one of Bates' largest global accounts and is a client in 40 Bates agencies worldwide. The agency already handles other BAT international brands, such as State Express 555 and Benson & Hedges, as well as a significant number of local brands in various markets.

~ ENDS ~

For further information contact:

Isobel Norwell - (0784) 448 040

MILLBANK KNOWLE GREEN STAINES MIDDLESEX TW18 1DY FAX 01784 455 000 TELEX 27384/5 BATTOB G
TELEPHONE 01784 460 400

A MEMBER OF THE BAT INDUSTRIES GROUP INCORPORATED IN LONDON NO 74974

502572993

BATES GETS LUCKY STRIKE

QUESTION AND ANSWER BRIEF

Q When will Bates take over the account?
A Bates is already handling creative development for Lucky Strike world wide. The Bates network will also take responsibility immediately for managing the account in most markets, although some existing agency arrangements will remain in place for the time being.

Q Was there any pressure from Bates for the announcement?
A No, this is a business decision, following Bates' work on the marketing mix for Lucky Strike. This campaign will now be tested as our main strategic advertising in most Lucky Strike markets around the world.

Q Is this a gesture of support for Bates?
A This is a business decision, following Bates' work on the marketing mix for Lucky Strike. This campaign will now be tested as our main strategic advertising in most Lucky Strike markets around the world.

Q What will happen to other agencies currently working on Lucky Strike?
A Responsibility for the creative development of Lucky Strike world wide has now transferred to Bates. The Bates network will also take responsibility immediately for managing the account in most markets, although some existing agency arrangements will remain in place for the time being. We are not able to be specific at this time about other agencies.

Q Will you be reviewing these existing agency arrangements?
A We regularly review all our agency agreements and this situation will continue to be the way we operate.

Q Why are you leaving some existing agency arrangements in place?
A We are still committed to an existing campaign in some parts of Europe, which will be left in place for the time being.

Q Bates already handle (your) other international brands - are you putting all your eggs in one basket?
A Bates handle Benson & Hedges and State Express 555 for BAT. However, we have a large number of other international and national brands and our policy is to have a balance of agencies. Grey will continue to handle our international brands of Kent, Barclay and Pall Mall, as well as Belmont in Latin America. These are also significant international brands for BAT.

502572994

Q Why have you appointed Bates?
A Bates have been appointed following their work on the marketing mix for Lucky Strike. This campaign will now be tested as our main strategic advertising in most Lucky Strike markets around the world.

Q Were you dissatisfied with the agencies you used previously?
A No and we will continue to use a balance of agencies across our brands. The reason for this appointment is based on the work done by Bates on the marketing mix for Lucky Strike, which will be tested as our main campaign around the world.

Q Will there be a new campaign for Lucky Strike or any other changes to the brand?
A Bates have already developed creative work on the marketing mix for Lucky Strike. This campaign will now be tested as our main strategic advertising in most Lucky Strike markets around the world.

Q Who now controls the strategic direction of Lucky Strike?
A Brown & Williamson, the owners of the brand, although British-American Tobacco will continue to market it under licence in its markets around the world.

Q Will there be any changes to any other BAT brands?
A We regularly review the strategic direction of all our brands, as well as our agency arrangements. However, we are satisfied with the situation at the present time.

Q You have recently announced redundancies at American Tobacco - are these connected?
A No, this is a completely separate business decision.

502572995