



MEMORANDUM

TO: R. B. Spell
FROM: G. T. Baroody
DATE:
SUBJECT: Pre-Spending Options

The following are pre-spending options for this year:

I. Brand Programs

Activity	Amount	Implications	Decision Date
Newport Nov/Dec/Jan Coupons	\$3,000M	Pre-ship incur Liability in 1999.	9/24/99
Newport Buydown	\$250M	Additional POS and Corex sign for Dec/Jan.	9/15/99
Maverick – 1 st Quarter Coupons	\$2,003M	Incur liability in 1999 (@65%)	11/14/99
Old Gold – 1 st Quarter Coupons	\$4,912M	Incur liability in 1999 (@65%)	11/14/99

98789598

II. Additional Programs – Requires Approval

Activity	Amount	Implications	Decision Date
Maverick Pricing Impact Kits	\$400M	New Item – Maverick Distribution.	10/1/99
Maverick Small Permanent/ Supplementary Display	\$200M	New Item – Maverick Distribution 10-15M @ \$15-20.	10/1/99
Old Gold FSI	\$760M	Improve reach penetration in Old Gold markets – 2% response. 36MM units.	9/6/99
Old Gold Direct Mail	\$781MM	Improve impact Group II & III markets competitive smokers.	9/15/99
Re-screen Database	\$105MM	Improve efficiency of names, no re-screening to date. Update 1.8MM addresses/brand preference.	9/1/99
Newport Defensive Mailing Atlanta-Pittsburgh	\$165M	Defensive mailing to 100M competitive menthol and Newport smokers.	9/1/99
Kent Continuity	\$1,556M	Updated budget on continuity program.	10/1/99
TOTAL	\$7,127M		

There are no other pre-production or POS/merchandising pre-spending opportunities.

cc: G. Telford

GTB

86568787