

TOBACCO DEVELOPMENT
1988 FINANCIAL STATUS REPORT
(DOLLARS IN THOUSANDS)

ACCOUNTABILITY: D. N. IAUCO

	<u>ADVERTISING</u>	<u>PROMOTION</u>	<u>ALL OTHER</u>	<u>TOTAL MARKETING</u>	<u>MERCHANDISING</u>	<u>TOTAL</u>
<u>ANNUAL</u>						
OPERATING PLAN	\$ 16,800	\$ 23,900	\$3,000	\$43,700	\$ 900	\$44,600
LATEST ESTIMATE	<u>4,958</u>	<u>7,348</u>	<u>7,280</u>	<u>19,596</u>	<u>304</u>	<u>19,900</u>
INCR(DEC)	<u>\$(11,832)</u>	<u>\$(16,552)</u>	<u>\$4,280</u>	<u>\$(24,104)</u>	<u>\$(596)</u>	<u>\$(24,700)</u>
<u>CHANGES</u>						
1987 YE ADJUSTMENT	\$ -	\$ (400)	\$ -	\$ (400)	\$ -	\$ (400)
PROD. INTROD. DELAY:						
NASA EXP. TO 1989	(8,600)	(13,400)	-	(22,000)	-	(22,000)
LEAD MKT. (4% VS 9%)	(4,512)	(5,441)		(9,953)	-	(9,953)
A&A COSTS	-	-	1,770	1,770	-	1,770
ADJUST AGENCY FEE	240	-	-	240	-	240
ALL OTHER/NET	<u>1,040</u>	<u>2,589</u>	<u>2,510</u>	<u>6,239</u>	<u>(596)</u>	<u>5,643</u>
	<u>\$(11,832)</u>	<u>\$(16,552)</u>	<u>\$4,280</u>	<u>\$(24,104)</u>	<u>\$(596)</u>	<u>\$(24,700)</u>

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TOBACCO DEVELOPMENT
MONTHLY FORECAST
As of May 11, 1988
(Dollars in Millions)

ACTUAL				Actual/Estimate				Full Year
April Month	April YTD	Estimate May		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	
\$ (7.4)	\$ (33.0)	\$ (11.7)	Internal Operating Income	\$ (25.6)	\$ (32.5)	\$ (48.5)	\$ (49.1)	\$ (155.7)
(7.4)	(33.0)	(11.7)	External Operating Income	(25.6)	(32.5)	(48.5)	(49.1)	(155.7)
.3	1.3	.4	• Capitalized Interest	1.0	1.3	2.0	3.5	7.8
-	(.2)	(.2)	• Intercompany Interest/Asset Charge	(0.1)	(0.4)	(0.6)	(1.0)	(2.1)
-	-	-	• FX IBT Hedge/Adjustment	-	-	-	-	-
-	-	-	• Foreign Exchange Adjustment	-	-	-	-	-
-	-	-	• Other Non-Operating Income (Expense)	-	-	-	-	-
(7.2)	(31.9)	(11.5)	IBT - As Reported	(24.7)	(31.6)	(47.1)	(46.6)	(150.0)
-	-	-	- Discontinued operations	-	-	-	-	-
(7.1)	(31.9)	(11.5)	IBT - Continuing	(24.7)	(31.6)	(47.1)	(46.6)	(150.0)
(3.0)	(12.3)	(4.4)	Income Taxes	(9.2)	(12.5)	(18.2)	(18.0)	(57.9)
<u>\$ (4.1)</u>	<u>\$ (19.6)</u>	<u>\$ (7.1)</u>	Net Income (Loss)	<u>\$ (15.5)</u>	<u>\$ (19.1)</u>	<u>\$ (28.9)</u>	<u>\$ (28.6)</u>	<u>\$ (92.1)</u>

Explanation of Variances

- Income Taxes: Increase due to change in effective rate (37.3% to 38.6%).

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