

For RFG 91

SUPERIORITY PROJECTS

20 AUG 1991

Superiority Projects: Both Nonmenthol (Project BEST) and
Menthol (Project BASIS)

Project BEST

Objective Develop A Fulltaste KS Product Judged By Marlboro
Smokers To Be Superior To Marlboro KS.

Project Initiated In September/October 1990 With A Strong Project
Management Orientation.

Focus On Improved Taste And Body Over Previous Best Candidate.

Areas Under Investigation

- Leaf Blends
- Reconstituted Tobaccos (Paper and Band Cast)
- Oriental Tobaccos
- Expanded Tobaccos
- Casings (Ammoniated and Non-Ammoniated)
- Flavors
- Paper Additives and Cigarette Design
- Process (Drying and Physical Properties)

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SUPERIORITY PROJECTS

(Continued)

Project BEST Status

Internal Panel Results Shows Improvement Over Previous Best Candidate And Directional Improvement Over Marlboro.

Potential Benefits Already Derived:

- Improved Paper Reconstituted Tobaccos
- Phosphate-Free EBR
- Improved Leaf Blends
- Improved Expanded Tobaccos
- Unique Y1 Expanded Tobacco
- Increased Understanding of Process Interactions
- Increased Understanding of Ammonia/Processing Interactions
- Enhanced Analytical Capabilities
- Improved Project Management Skills

Anticipated Completion:

Receipt of Consumer Test Results of 3 Candidates By 12-31-91.

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SUPERIORITY PROJECTS

(Continued)

Project BASIS

Objectives Develop A KOOL Milds KS Product Significantly Preferred Over Newport KS As Judged By Newport Smokers.

Develop A KOOL KS Product Significantly Preferred Over Newport KS By KOOL Parent KS Smokers.

Strategy Modelled After Project BEST. Matrix-Managed Across Functional Areas Via Task Leaders With Core Team Members Coordinating One Or More Functional Areas.

Simultaneous Development Of Both Milds and Parent Styles, With Milds Given Higher Priority.

Status Project Plan Detail To Be Complete Early August 1991.

Areas To Be Investigated:

- Stem Reduction/Elimination
- New Reconstituted Tobaccos (Including Ammoniated)
- Redrying
- Improved Leaf Blends (More Flavor Grades)
- Improved Expanded Tobaccos
- Casings, Flavors And Cigarette Design
- Menthol Levels And Modifiers

Anticipated Completion (Consumer Test Results) By Year-End 1992.

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PROJECT BEST

I. OBJECTIVE

II. ORGANIZATIONAL STRUCTURE

III. PROJECT OVERVIEW / SCHEDULE

IV. SUMMARY OF TECHNOLOGIES / RESULTS

V. CPT PLANS

- Combining Phases I and II
- CPT Production/Timing

VI. PROJECT SYNOPSIS

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PROJECT BEST
OBJECTIVE

Develop and Test a KS Full Flavor Product Which Is Preferred (95% CL) To Marlboro KS By Marlboro KS Smokers With Supporting Attributes. The Physical Quality of this Product Will Be At Parity With Marlboro KS in the Areas of End Stability and Coal Retention Through Improvements In Particle Size.

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PROJECT BEST

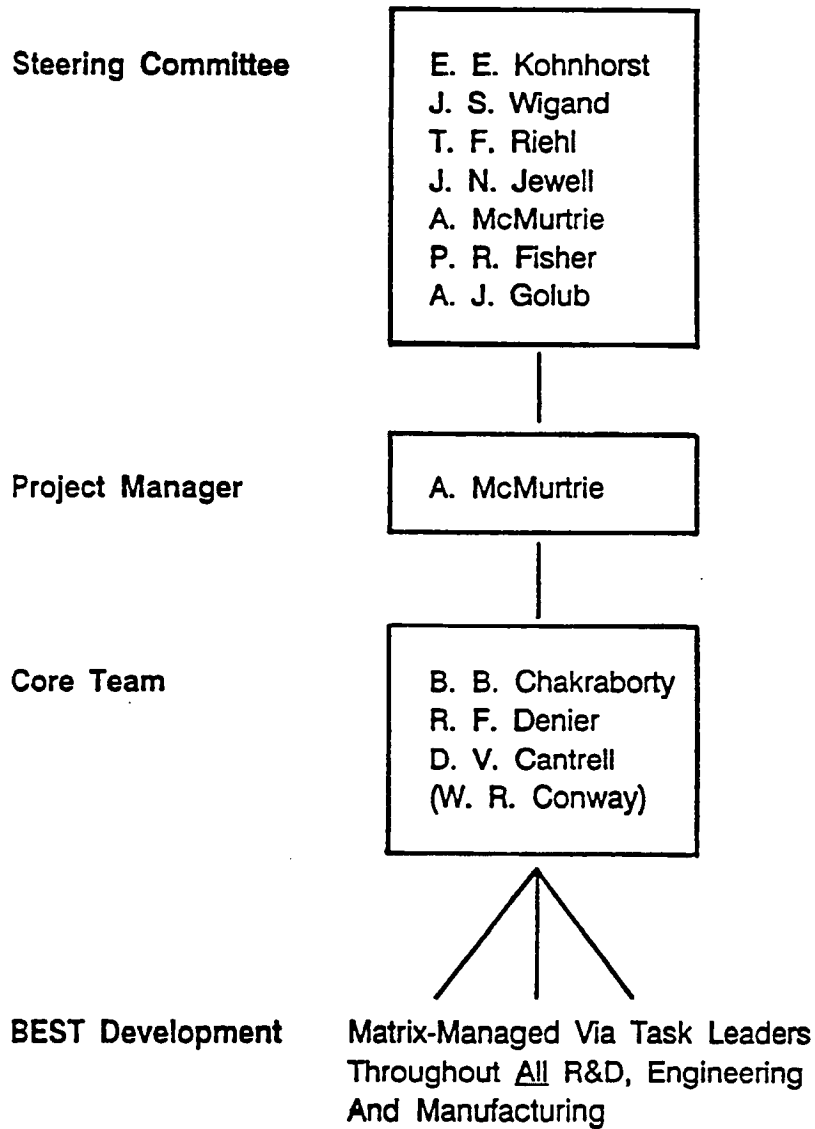
ASSUMPTIONS / STRATEGIES

- Superiority Achievable Through Developing a Product:
 - Taste / Flavor Similar to Marlboro
 - Smoother / Less Harsh Than Marlboro
 - With Unique Tobacco Taste
- Technology of Other Marlboro Styles Similar / Identical To FT KS Softcup (Solve One, the Others Will Follow)
- Superiority Product To Serve As Development Base
- Sensory - First Priority
Physical Quality - Second Priority
- Product Developed To Be Commercializable at 12B / Year

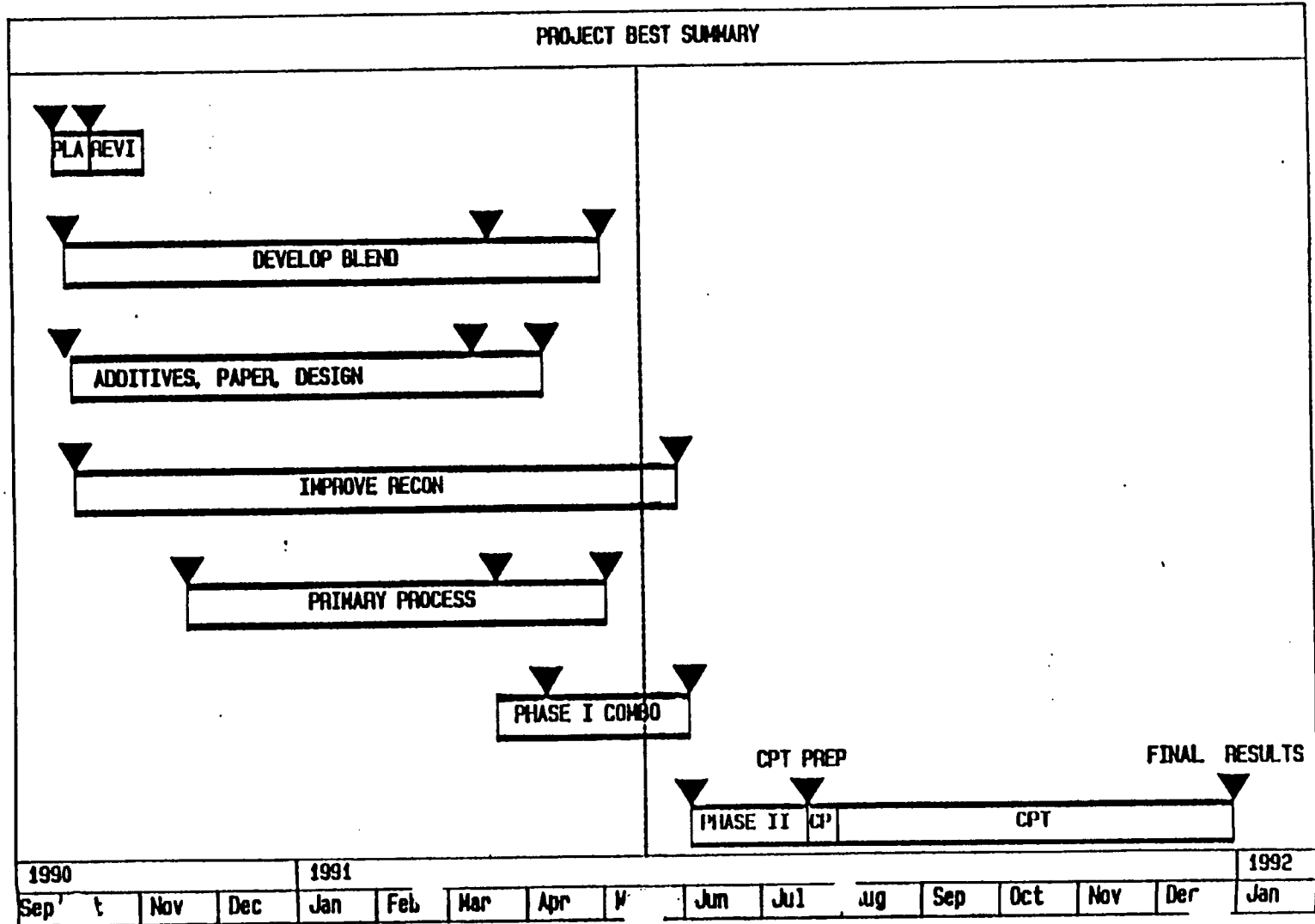
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PROJECT BEST

ORGANIZATIONAL STRUCTURE



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