

CLUB BENSON & HEDGES Q&A

Q: Why should smokers be accommodated when second hand smoke is so dangerous?

A: It is a matter of basic fairness. Philip Morris recognizes the fact that some people may be bothered by cigarette smoke. At the same time, smokers should be allowed to smoke in separate designated areas. Accommodation is a reasonable way for smokers and non-smokers to work out their differences. It turns out that most Americans share this view. According to public-opinion polls, accommodation is preferred over smoking bans.

Q: Won't having a "Special Club for Smokers" glamorize smoking and encourage children to smoke?

A: Philip Morris does not want minors to smoke and we support minimum sales age laws in all 50 states. Only smokers who are at least 21 years of age and over will be permitted to enter Club Benson & Hedges and they must sign an age/smoker certification form to that effect. If an individual appears to be less than 25 years of age, they will be asked for proof of their age. Besides, it's absurd to think that someone is going to start smoking because of a brand exhibit. Study after study has shown that kids start to smoke because of peer pressure and family influence, not because of cigarette advertising and promotion.

Q: It seems like this is just a giant roaming billboard. Isn't that the case and won't that attract the attention of minors?

A: The bus does not roam. It is part of Club B&H, which sets up at semi-permanent locations for an established period of time. Club B&H, like all Philip Morris USA promotions is designed to enhance brand awareness and recognition among adults who smoke. Only adult smokers age 21 and older and their adult guests can enter and participate in the promotion. Club B&H will be located at events and venues that we believe will help us reach adult smokers.

Q: Why do non-smokers have to be accompanied by a smoker? Aren't you discriminating against non-smokers?

A: Club B&H, like all Philip Morris USA promotions, is designed to enhance brand awareness and recognition among adult smokers as well as encourage brand switching among smokers of competitive products. That is why all of our promotions, including Club B&H, are designed for smokers. It doesn't make sense for us to open the club up to people who don't smoke because they are not our consumers. Besides, though there are plenty of spaces available for non-smokers, smokers today have a hard time finding a place that will make them feel welcome. We, of course, have no problem with our consumers bringing along a non-smoking friend or relative provided they are at least 21 years old.

Q: Can parents bring their children in?

A: No one under the age of 21 is allowed in even if they are accompanied by a parent who smokes or another adult smoker.

B&H/Page 2

Q: Don't you think that this would encourage parents to leave their young children alone?

A: Absolutely not. We would hope parents clearly understand the danger of leaving a child unattended.

Q: Do you have to smoke Benson & Hedges to get into the club?

A: No. Adult smokers of any brand are allowed in the club. Samples of Benson & Hedges will be made available upon request and of course, we hope that everyone who comes in will try them.

Q: Is B&H going to open clubs across the country?

A: We're not opening clubs, this is a brand promotion.

Q: How do you pick your markets?

A: Like all promotional offers, we choose our markets based on what would best support our brands. However, we cannot discuss our future plans for competitive reasons.

Q: Is this what it has come to for smokers ... The only businesses offering accommodations for smokers are the cigarette companies (with smoking lounges at airports and now the B&H Club)?

A: No. The majority of business owners still accommodate smokers and non-smokers in this country, and public opinion also supports accommodation. This is a promotion for smokers to enhance brand awareness of and loyalty to B&H and fit in with the new print/outdoor ad campaign.