



PHILIP MORRIS U.S.A.

NEWS RELEASE

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**PHILIP MORRIS U.S.A. EMBARKS ON A LONG-TERM,
COMPREHENSIVE YOUTH SMOKING PREVENTION EFFORT**

Youth Smoking Prevention Initiative Will Employ Four Strategies:
Communication, Education, Community Action and Access

NEW YORK, November 30, 1998 -- Philip Morris U.S.A. is embarking on a substantial, long-term youth smoking prevention effort. The comprehensive approach will integrate four different strategies: Communication, Education, Community Action and Access. These strategies are designed to work together to help prevent kids from starting to smoke.

"Youth smoking is a complex problem that requires a comprehensive solution," said Carolyn Levy, Senior Vice President of Youth Smoking Prevention at Philip Morris U.S.A. "Many youth advocates agree that a comprehensive approach is needed that integrates communication, school-based and community-based programs, and access prevention strategies."

"The incidence of youth smoking is rising, and as the largest manufacturer of cigarettes in the U.S., we must do more to help prevent kids from starting to smoke. It is in the best interests of our employees, consumers and our shareholders that we take responsible action to reduce youth smoking," said Levy. "We are committed to measuring the impact of our efforts and applying resources to programs that are the most promising."

Four Youth Smoking Prevention Strategies

The first phase of Philip Morris U.S.A.'s **Communication** strategy consists of national television ads, scheduled to begin airing December 7. The ads are designed to convince kids that smoking is not cool, and they do not need to smoke to define themselves. Television commercials directed at kids ages 10-14 will appear on nationwide youth-oriented programming on such networks as ABC, WB, TNT, USA and Fox.

"Utilizing peer-to-peer communication, the ads celebrate adolescents' decisions not to smoke, to make smart decisions, to think for themselves, to stand up to peer pressure. The ads remind kids that the majority of their peers don't smoke," said Levy. "The premise is that adolescents respond to positive reinforcement, rather than preaching, to continually sustain their decision not to smoke."

Consistent with Philip Morris U.S.A.'s focus on applying resources to efforts that are effective in reducing youth smoking, the Company conducted extensive research on these ads, asking kids if they understand the messages the ads communicate.

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Mall intercept interviews were conducted in 60 facilities in 40 cities across the country. In total, 6,800 interviews were conducted with kids ages 10-14 and their parents. Ninety-three percent or higher of kids said that the ads communicated to them a "don't smoke" message.

Philip Morris U.S.A.'s communication messages will later expand to radio, print and other media. Future advertising will also be created to communicate with parents about the important role they play in influencing their children's decision not to smoke and to make smart choices.

To complement its communications to youth and parents, Philip Morris U.S.A.'s **Education** strategy will identify school- and community-based curricula that can help reduce youth smoking, and actively encourage their use among parents, adults, educators and youth organizations. Youth experts believe the most effective programs take a non-categorical focus and bolster positive youth development.

Philip Morris U.S.A. will also deploy a **Community Action** strategy and will seek to form partnerships with leading youth and community-based organizations with an active and ongoing interest in youth development. The Company will strive to develop and support programs designed to foster positive elements of youth development -- self-empowerment, a sense of belonging, decision-making skills and family and school connectedness -- which are important in preventing youth smoking.

Finally, as part of its **Access** strategy, Philip Morris U.S.A. will continue to support its *Action Against Access* initiative, launched in June 1995, which seeks to limit retail access to cigarettes to face-to-face transactions where proof of age can be verified. Philip Morris U.S.A. will also continue to support the Coalition for Responsible Tobacco Retailing's "We Card" education and training program.

In addition, Philip Morris U.S.A. will broaden its access efforts to include approaches directed at adult smokers to encourage more responsible monitoring of their cigarettes and help prevent adults from purchasing cigarettes for minors.

A Long-Term Commitment

"We recognize that we still have a lot to learn, but we are committed to making a meaningful contribution. As long as Philip Morris U.S.A. is in the business of manufacturing and marketing cigarettes to adults, we will remain committed to preventing youth smoking," said Levy.

"We ask that others judge us over the long run for our actions and their effectiveness in helping to reduce youth smoking. We cannot achieve the goal alone and remain willing to work with all those interested in achieving a measurable reduction in youth smoking," Levy concluded.

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