



PHILIP MORRIS U.S.A.

NEWS RELEASE

Corporate Affairs
120 Park Avenue
New York, New York 10017
(212) 880-5000
FAX (212) 907-5361

Contact: Mary Carnovale
(212) 878-2823
or
Terry Hanson
(804) 274-3842

Philip Morris U.S.A. Begins Limited Retail Sales Test In Richmond on New Cigarette Smoking System

RICHMOND, VA, August 17, 1998 -- Philip Morris U.S.A. is initiating a limited retail sales test in Richmond on its new Accord cigarette smoking system, beginning in mid-August. The Accord Lighter Kit, containing the electronic Puff Activated Lighter™, charger and a carton of the specially designed Accord cigarettes, will be sold in approximately 20 tobacco store retail outlets in the Richmond area.

"This limited sales test represents the next logical step, following our consumer acceptability research initiated last fall, and prior to opening a more traditional, wider test market in the future," said Tom Garguilo, Director, Non-conventional New Products.
Philip Morris U.S.A.

The Accord smoking system provides the traditional smoking pleasure of an ultra-light cigarette with no sidestream smoke, no ashes and virtually no lingering odor. The system differs from traditional cigarettes in that a smoker must smoke the specially designed cigarette while partially inside an electronic Puff Activated Lighter™ that heats the tobacco in the cigarette to burn temperature each time the smoker takes a puff. The cigarette does not burn continuously. It burns only when puffed but without leaving ashes.

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