2. Product / Packaging ... Adjacencies

R]Reynolds

For KOOL, growing share in FP menthol segment will have priority in the medium term over entering adjacencies

Adjacency Evaluation – Subject to Consumer Research

	Categories	Evaluation	Rationale
	Cigars (mini, regular, hybrids)	4	Can deliver menthol taste signature. KOCL will need to differentiate its offering to avoid perception as a "me too" product. Interest of MCMs to be evaluated
	Next Generation Spitless Tobacco (Bit, Tobacco strips)	\$	Proven platform for menthol delivery – KOOL would need to define new arenas of mentholated tobacco delivery. Significant effort required to establish the category.
	Smoking Revisited (Flats, Pipe, Roll-your- own)	\$	Could support innovative image of brand and offer opportunity to expand experience in new ways (e.g., pipe with menthol plug, RYO with Natural tobacco/paper). Relevance to MCM ASU30 needs to be tested.
	"Spit" Tobacco (Moist snuff, chewing)	\$	Questions on capability to deliver menthol taste signature. KOOL to play only if it can deliver a differentiated offering relevant to MCM
	Breath Freshening (gum, mints)	8	No permission, nor capabilities
	Accoutrements	Ā	Cannot be branded KOCL. Potential corporate opportunity for incremental revenue stream

Retionals

- Growing share within the existing segment constitutes substantial potential for KOOL
- ▶ FP Menthol is the only growing segment in the cigarette category
- ▶ KOOL has yet to establish its new positioning among ASU30 MCMs

Note: Adjacencies evaluated based on permission, relevance and capabilities

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