

PROJECT R

Product Development Status

- . We provided Gallaher filter rods and cigarette paper to make Montclair Full Flavor 100's and Project R Full Flavor cigarettes for SIR paneling. We provided the total blend for Montclair and the cased burley only for Project R
- . Test cigarettes received at our Research this week and taste, puff count, etc. are on target
- . SIR is now looking for 250 smokers to panel products and should find within two (2) weeks . . .
- . We should have final report from SIR mid to late May with top-line data one (1) to two (2) weeks earlier
- . Preliminary formulas and cigarette and filter rod specifications have been sent to Gallaher. Final specifications will be sent late May - early June based on SIR results
- . For test market purposes and perhaps beyond, MZM of Petersburg, Va., will supply cased burley for Project R to Gallaher rather than Reidsville Branch

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