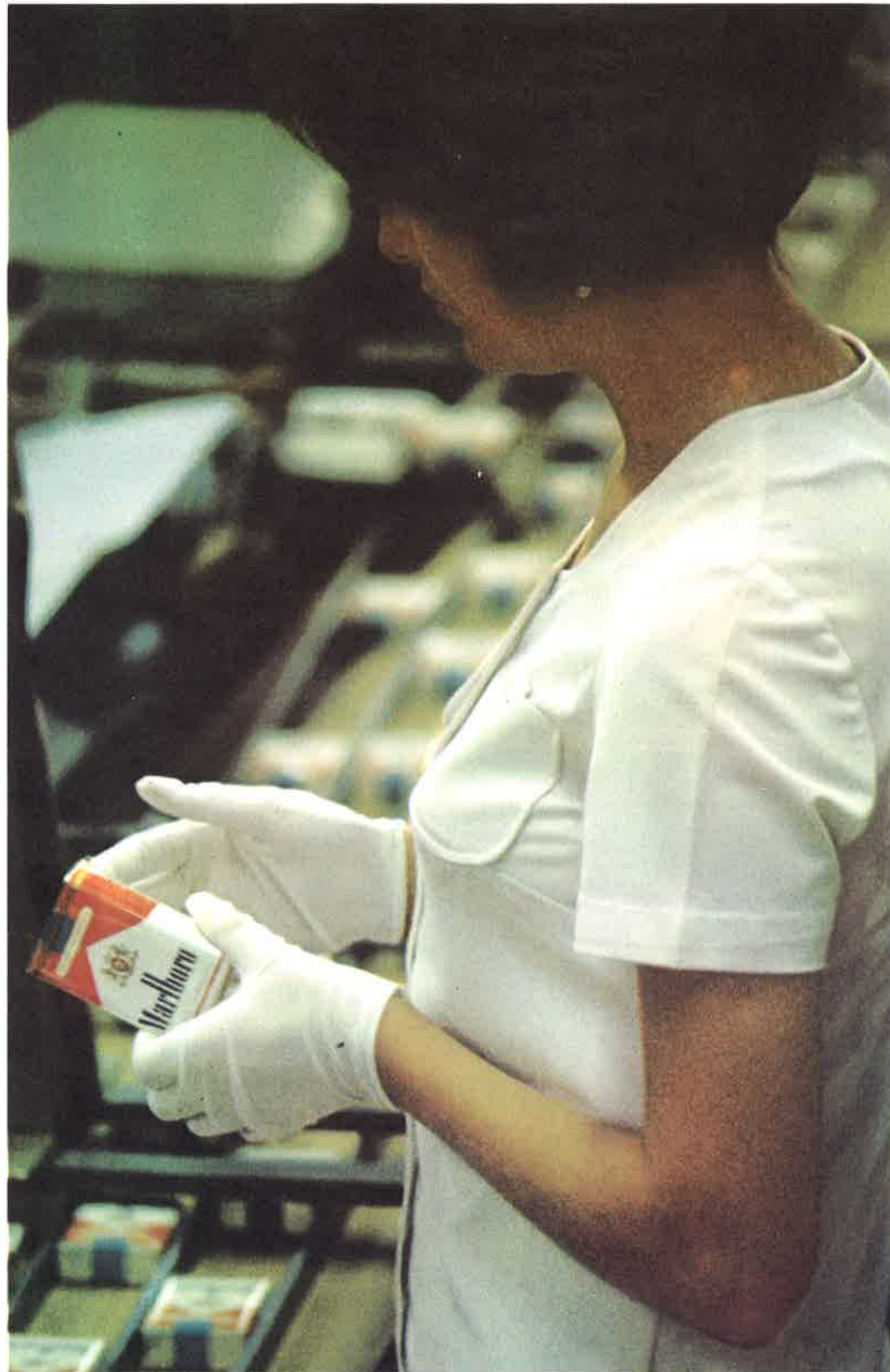




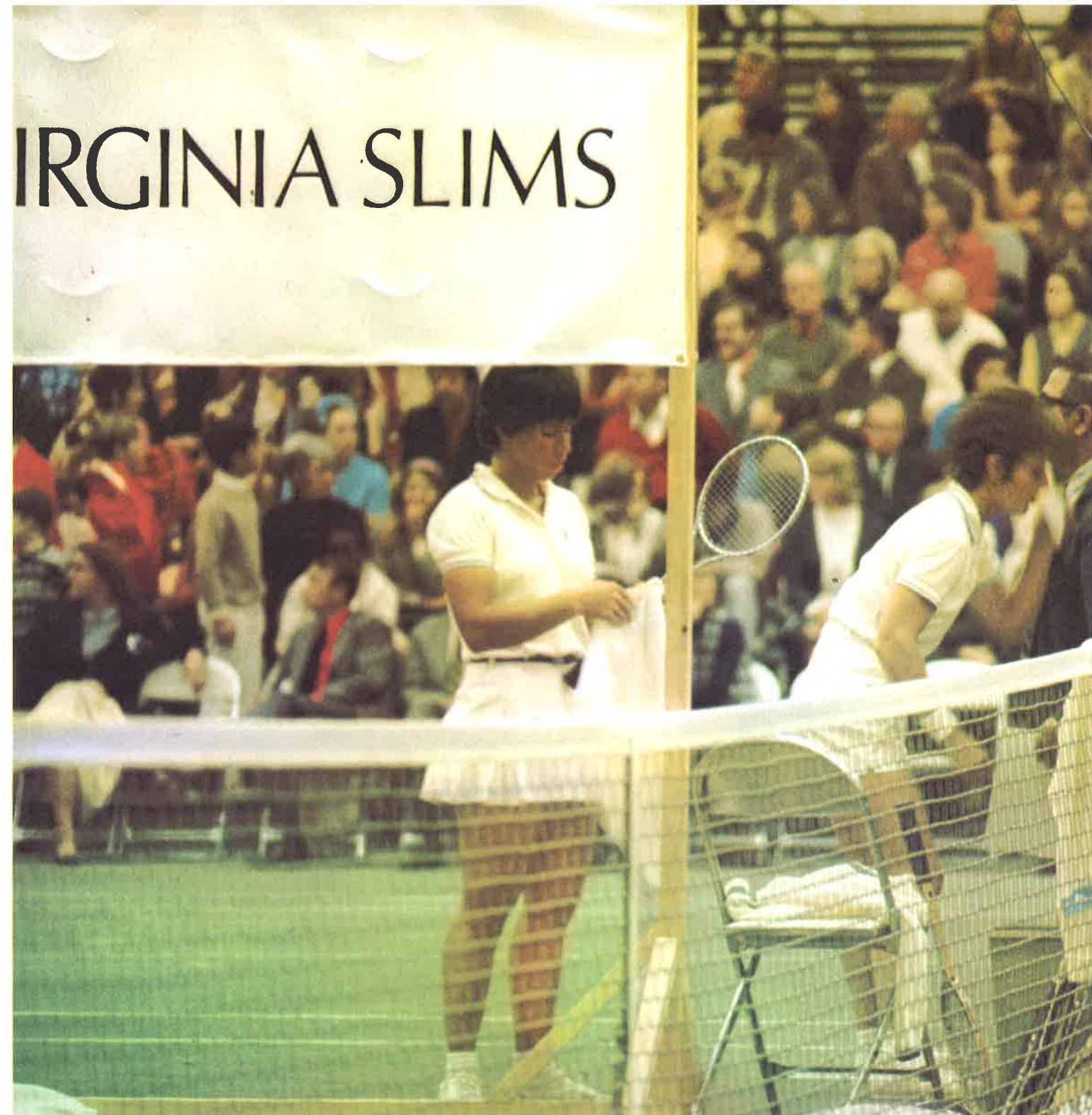
continue an effective marketing program, but we are budgeting reduced advertising expenditures for our cigarette brands. The resultant savings will be in part diverted to some of our other domestic consumer products and to some of our overseas affiliates. The balance will be devoted to expanded research efforts and improved earnings.

The General Products Division of Philip Morris U.S.A. includes the American Safety Razor Company, best known for its Personna double edge and injector blade. Personna 74*, a new double edge and injector blade, the first made of Tungsten steel, represents an important technological breakthrough. This new blade is now being introduced. Tungsten steel is one of the hardest metals known to man; and, for the first time, a razor blade is able to use the toughness of Tungsten to produce the sharpest, most durable blade ever made.

The other component of the U.S.A. Division, the Clark Gum Company, which makes Teaberry, Cinnamon, Fruit Punch, Peppermint, and Spearmint, continued to increase its sales during 1970. The performance of the Di-et Smile brands was also encouraging.



Marlboro packages pause for inspection at a quality control station.



At the Virginia Slims Invitational Tennis Tournaments, the world's leading women tennis players have been drawing capacity crowds throughout the U.S.