

PHILIP MORRIS

U.S.A.

120 PARK AVENUE, NEW YORK, N.Y. 10017

STEPHEN J. BLOOM
VICE PRESIDENT
CORPORATE ACCOUNT SALES

January 20, 1992

Dear Cigarette Retailers, Wholesalers and Distributors:

Our lawyers have recently obtained a preliminary injunction against several State of Washington distributors that were trading in Canadian PLAYERS cigarettes produced by Imperial Tobacco Company. The Court recognized that Philip Morris has a probability of success on the merits on its trademark infringement claim and will likely suffer irreparable injury from the distribution and sales of the Canadian PLAYERS cigarettes. Accordingly, it issued an injunction against the further distribution and sales of such cigarettes within the territorial limits of the United States.

We believe that this court action will significantly reduce the flow of Imperial's PLAYERS brand cigarettes into the United States, and we stand ready to take similar action against such other companies that continue to trade in the infringing PLAYERS cigarettes. By protecting our trademark rights in this way, we intend to establish an "even playing field" for all cigarette retailers, wholesalers and distributors doing business in the Canadian border areas.

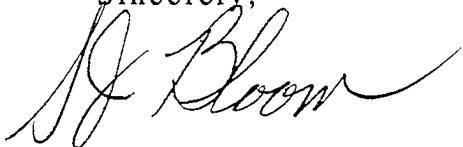
Once again, we ask for your cooperation in not selling the Canadian PLAYERS cigarettes, as this assists us in stopping importation of the infringing products and results in the fair sales and distribution of lawful cigarette and tobacco products in your area.

We continue to appreciate the business that you are favoring us with on all of our domestic brands and hope that you are sensitive to the need for us to insure the integrity of our trademark.

Should you have any question in this regard, you are urged to speak to your sales representative or you can call me directly at (212) 880-5000.

Thank you for your cooperation.

Sincerely,



S. J. Bloom

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