



PHILIP MORRIS

PUERTO RICO

P.O. BOX 1609, GUAYNABO, PUERTO RICO 00970
TEL. (787) 790-5000 - FAX (787) 789-3737

March 1, 1999

**BY TELECOPY &
CERTIFIED MAIL,
RETURN RECEIPT
REQUESTED**

Mr. Frankie Cangiano
A Touch of Frace
PO Box 274 Avenida Santa Ana
San Juan, PR 00969

Re: Master Settlement Agreement - Philip Morris Billboard Advertising

Dear Mr. Cangiano:

As you are aware, pursuant to the Master Settlement Agreement, executed on November 23, 1998 by certain tobacco product manufacturers, including Philip Morris Incorporated ("Philip Morris"), and the Settling States (as defined in the Master Settlement Agreement) including the Commonwealth of Puerto Rico ("Puerto Rico"), Philip Morris is required to remove all of its tobacco advertising copy posted on billboards contracted on behalf of Philip Morris within the Settling States. In addition, pursuant to the Master Settlement Agreement, Philip Morris is required to make certain billboards available to the Settling States for the posting of alternative advertising. Further to our letter of November 23, 1998, this letter will confirm that all agreements with your company for the posting of Philip Morris' tobacco advertising copy in Puerto Rico will continue in effect and that Philip Morris is not canceling any such agreements at this time.

Pursuant to the Master Settlement Agreement, each of the Settling States may elect to post alternative advertising on billboards contracted on behalf of Philip Morris commencing in April 1999. Philip Morris has provided each Settling State with a list of the billboards contracted on behalf of Philip Morris in such Settling State as well as a list of contacts at your company. Representatives of Puerto Rico may contact you concerning your inventory.

Finally pursuant to Philip Morris' tobacco advertising copy removal obligations under the master Settlement Agreement, all Philip Morris tobacco advertising copy, including vinyl and paper, advertising copy, painted advertising copy, neon letters accompanying the advertising copy and residual copy (including overrides and paper copy which may still be posted on billboards currently covered by vinyl advertising copy) posted on billboards within Puerto Rico, must be completely scraped and removed by March 14, 1999.

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PHILIP MORRIS DE PUERTO RICO

Any remaining Philip Morris tobacco vinyl or paper advertising copy in storage in Puerto Rico must also be destroyed immediately.

Please confirm in writing to Philip Morris' Marketing Department: Jannette Ortiz (Fax #: 787-790-1030), no later than March 19, 1999, that all Philip Morris tobacco advertising copy has been completely scraped, removed and destroyed.

Thank you for your assistance and cooperation in our efforts to comply with the Master Settlement Agreement. Please call your agency representative if additional information would assist you in any way.

Sincerely,



Jannette Ortiz
Marketing Manager

cc: Brian Schuyler - PMUSA
Joe Murillo - PMUSA
Tom Lanktree - Leo Burnett

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