

TIME INC.
SELECTIVE BINDING
PROPOSED COSTS

Exhibit I

GROUP/PUBLICATION	CIRCULATION				COSTS FULL PAGE 70LB (2-SIDED) INSERT									
	Rate	%	Matched	% Match	Full Delivery		Full Delivery/Split Copy to				Database Smokers Only			
	Base	Subs.	Smokers	to Subs.	Total		Smokers on Database				Smoker			
	(M)		(PM data		Space	CPM	Space	Binding	TOTAL	CPM	Space	Binding	TOTAL	CPM
			base)		(\$M)	(\$)	(\$M)	Charge	(\$M)	(\$)	(\$M)	Charge	(\$M)	(\$)
TIME INC.														
TIME	4,000	96%	491	13%	125.1	31.28	125.1	29.8	154.9	38.73	67.9	29.8	97.7	198.98
SPORTS ILLUSTRATED	3,150	96%	412	14%	124.6	39.56	124.6	21.5	146.1	46.38	59.3	21.5	80.8	196.12
PEOPLE	3,150	56%	241	16%	93.4	29.65	93.4	15.2	108.6	34.48	67.2	15.2	82.4	341.91
ENTERTAINMENT WEEKLY	1,000	95%	191	19%	29.9	29.90	29.9	7.4	37.3	37.30	21.2	7.4	28.6	149.74
MONEY	1,900	84%	195	11%	77.8	40.95	77.8	13.4	91.2	48.00	37.0	15.8	52.8	270.77
FORTUNE	740	94%	63	10%	51.8	70.00	51.8	1.2	53.0	71.62	33.9	5.6	39.5	626.98
LIFE	1,500	75%	198	16%	77.5	51.67	77.5	9.0	86.5	57.67	28.2	9.0	37.2	187.88
SUBTOTAL	15,440		1,791		580.1	37.57	580.1	97.5	677.6	43.89	314.7	104.3	419.0	233.95

* Approximately 75% of full circulation delivery goes to non-smokers.

USES TO DATE

- ran technical test in 4th quarter 1993 to determine if:
 - the publication matched the names accurately.
 - the names on the database are up to date.
 (findings showed that the magazines can match names, and thus, reach smokers accurately)
- testing in process for Country Store (see Exhibit VI):
 - insert scheduled in People, SI, and EW end of May and early June.
 - program is running nationally, copysplitting smokers.
 - redemption and cost per response will be analyzed to judge the effectiveness of the test and will be compared to prior programs such as MAT.

LIMITATIONS

- can be purchased run of book as well as on an insert basis.

FUTURE USES

- examining potential uses for Merit Awards program scheduled in September (on sale)
- considering further breakout of database; e.g.: low smokers.

NOTE: COSTS ARE ESTIMATED AND BASED ON A HYPOTHETICAL UNIT, AND SHOULD ONLY BE USED DIRECTIONALLY.

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HACHETTE SELECTIVE BINDING PROPOSED COSTS

Exhibit II

GROUP/PUBLICATION	CIRCULATION				COSTS FULL PAGE 70LB (2-SIDED) INSERT											
	Rate Base (M)	% Subs.	Matched Smokers (PM data base)	% Match to Subs.	Full Delivery		Full Delivery/Split Copy to				Database Smokers Only					
					Space	CPM	*	Smokers on Database			Smoker					
								Space	Binding	TOTAL		CPM				
					(\$M)	(\$)		(\$M)	Charge	(\$M)	(\$)		(\$M)	Charge	(\$M)	(\$)
HACHETTE																
AMERICAN PHOTOGRAPHER	250	81%	21	12%	9.1	36.40		9.1	10.4	19.5	78.00		2.3	8.9	11.2	533.33
AUDIO	140	81%	9	12%	6.8	48.57		6.8	9.2	16.0	114.29		1.7	7.4	9.1	1011.11
BOATING	195	81%	19	13%	9.7	49.74		9.7	6.6	16.3	83.59		2.4	6.1	8.5	447.37
CAR & DRIVER	1,100	84%	116	15%	44.5	40.45		44.5	13.0	57.5	52.27		11.1	14.4	25.5	219.83
CYCLE WORLD	325	74%	39	17%	14.5	44.62		14.5	10.9	25.4	78.15		3.6	9.7	13.3	341.03
ELLE	975	71%	58	12%	32.8	33.64		32.8	18.4	51.2	52.51		8.2	17.3	25.5	439.66
ELLE DECOR	400	85%	40	12%	9.8	24.50		9.8	14.8	24.6	61.50		2.5	14.0	16.5	412.50
FLYING	321	82%	18	9%	8.1	25.23		8.1	7.0	15.1	47.04		2.0	6.9	8.9	494.44
HOME	1,000	91%	107	13%	23.4	23.40		23.4	18.9	42.3	42.30		5.8	18.2	24	224.30
METROPOLITAN HOME	600	89%	54	10%	23.5	39.17		23.5	16.7	40.2	67.00		5.9	15.4	21.3	394.44
POPULAR PHOTOGRAPHY	850	91%	46	12%	16.4	19.29		16.4	9.0	25.4	29.88		4.1	9.4	13.5	293.48
ROAD & TRACK	725	79%	64	13%	27.4	37.79		27.4	17.3	44.7	61.66		6.8	16.3	23.1	360.94
STEREO REVIEW	600	89%	41	13%	15.0	25.00		15.0	8.9	23.9	39.83		3.7	9.2	12.9	314.63
WOMAN'S DAY	4,800	37%	306	18%	45.9	9.56		45.9	36.8	82.7	17.23		11.5	37.4	48.9	159.80
SUBTOTAL	12,281		938		286.9	23.36		286.9	197.9	484.8	39.48		71.6	190.6	262.2	279.53

* Approximately 75% of full circulation delivery goes to non-smokers.

USES TO DATE

- merge/purge recently completed with publications.
- matched on total smokers and low tar smokers in anticipation of Merit Awards program.

LIMITATIONS

- can be purchased run of book as well as on an insert basis.
- full national run of book ad schedules required prior to program initiation.

FUTURE USES

- examining potential uses for Merit Awards program scheduled in September (on sale)
- considering further breakout of database; e.g.: low smokers.

NOTE: COSTS ARE ESTIMATED AND BASED ON A HYPOTHETICAL UNIT, AND THEREFORE SHOULD ONLY BE USED DIRECTIONALLY.

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TIMES/MIRROR SELECTIVE BINDING PROPOSED COSTS

Exhibit III

GROUP/PUBLICATION	CIRCULATION				COSTS FULL PAGE 70LB (2-SIDED) INSERT										
	Rate Base (M)	% Subs.	Matched Smokers (PM data base)	% Match to Subs.	Full Delivery		Full Delivery/Split Copy to Smokers on Database				Database Smokers Only				
					Space	CPM	Space	Binding Charge	TOTAL	CPM	Space	Binding Charge	TOTAL	CPM	
															(\$M)
TIMES/MIRROR															
FIELD & STREAM	2,000	97%	260	20%	32.9	16.45	32.9	50.4	83.3	41.63	25.4	50.4	75.8	291.36	
GOLF	1,250	90%	50	7%	35.9	28.72	35.9	20.1	56.0	44.81	11.6	20.1	31.7	634.36	
HOME MECHANIX @	1,000	98%	88	NA	16.5	16.50	16.5	20.2	36.7	36.74	12.1	20.2	32.3	367.45	
OUTDOOR LIFE	1,500	95%	212	19%	24.6	16.40	24.6	30.9	55.5	37.03	19.8	30.9	50.7	239.35	
POPULAR SCIENCE@	1,800	89%	144	NA	27.3	15.17	27.3	32.9	60.2	33.47	17.4	32.9	50.3	349.60	
SALT WATER SPORTSMAN@	125	82%	25	NA	4.8	38.40	4.8	3.5	8.3	66.64	3.1	3.5	6.6	265.18	
SKI	440	89%	25	10%	16.3	37.05	16.3	6.1	22.4	50.95	5.5	6.1	11.6	464.71	
SKIING	440	86%	20	9%	16.3	37.05	16.3	6.1	22.4	50.95	5.5	6.1	11.6	580.89	
SPORTING NEWS	515	95%	N/A	NA	NA	NA	NA	NA	0.0	0.00	NA	NA	0.0	NA	
YACHTING	130	80%	10	11%	7.6	58.46	7.6	3.3	10.9	83.80	2.9	3.3	6.2	619.42	
SUBTOTAL	9,200		834		182.2	19.80	182.2	173.7	355.9	38.68	103.3	173.7	277.0	332.08	

@ estimated matches

* Approximately 75% of full circulation delivery goes to non-smokers.

USES TO DATE

- merge/purge recently updated for Field & Stream and Outdoor Life.
- testing in process for Country Store (see Exhibit VI):
 - running insert in Smokers only circulation of Field & Stream and Outdoor Life, June issues.
 - redemption and cost per response will be read to judge effectiveness and will be compared to prior programs such as MAT.

LIMITATIONS

- can be purchased run of book as well as on an insert basis; if remnant space cannot be sold costs can be prohibitive.

FUTURE USES

- examining potential uses for Merit Awards program scheduled in September (on sale)
- considering further breakout of database; e.g.: low smokers.

NOTE: COSTS ARE ESTIMATED AND BASED ON A HYPOTHETICAL UNIT, AND THEREFORE SHOULD ONLY BE USED DIRECTIONALLY.

2060370602

MEREDITH SELECTIVE BINDING PROPOSED COSTS

Exhibit IV

GROUP/PUBLICATION	CIRCULATION				COSTS FULL PAGE 70LB (2-SIDED) INSERT									
	Rate Base (M)	% Subs.	Matched Smokers (PM data base)	% Match to Subs.	Full Delivery		Full Delivery/Split Copy to				Database Smokers Only			
					Total						Smoker			
							Smokers on Database							
					Space	CPM	Space	Binding	TOTAL	CPM	Space	Binding	TOTAL	CPM
(\$M)	(\$)	(\$M)	Charge	(\$M)	(\$)	(\$M)	Charge	(\$M)	(\$)					
MEREDITH														
BETTER HOMES & GARDENS	7,600	94%	302	14%	129.4	17.03	129.4	8.4	137.8	18.13	6.1	8.4	14.5	48.01
COUNTRY AMERICA	1,000	96%	193	22%	38.2	38.20	38.2	17.3	55.5	55.50	13.2	17.3	30.5	158.03
COUNTRY HOME	NA	76%	NA	13%	NA	NA	NA	NA	0	NA	NA	NA	0.0	NA
LADIES HOME JOURNAL	5,000	85%	713	18%	75.7	15.14	75.7	19.2	94.9	18.98	13.4	19.2	32.6	45.72
SUBTOTAL	13,600		1,208		243.3	17.89	243.3	44.9	288.2	21.19	32.7	44.9	77.6	64.24

* Approximately 75% of full circulation delivery goes to non-smokers.

USES TO DATE

- merge/purge recently updated for Country America.
- testing in process for Country Store (See Exhibit VI):
 - scheduled in June.
 - test involves running nationally, cospitting smokers.
 - redemption and cost per response will be read to judge effectiveness and will be compared to prior programs such as MAT.

LIMITATIONS

- can be purchased run of book as well as on an insert basis.

FUTURE USES

- examining potential uses for Merit Awards program scheduled in September (on sale)
- considering further breakout of database; e.g.: low smokers.

NOTE: COSTS ARE ESTIMATED AND BASED ON A HYPOTHETICAL UNIT, AND THEREFORE SHOULD ONLY BE USED DIRECTIONALLY.

2060370644

NEWSWEEK
SELECTIVE BINDING
PROPOSED COSTS

Exhibit V

<u>GROUP/PUBLICATION</u>	<u>CIRCULATION</u>				<u>COSTS FULL PAGE 70LB (2-SIDED) INSERT</u>										
	Rate Base (M)	% Subs.	Matched Smokers (PM data base)	% Match to Subs.	<u>Full Delivery</u>		<u>Full Delivery/Split Copy to</u>				<u>Database Smokers Only</u>				
					Space	CPM *	<u>Smokers on Database</u>				Smoker				
							Space	Binding	TOTAL	CPM *	Space	Binding	TOTAL	CPM	
(\$M)	(\$)	(\$M)	Charge	(\$M)	(\$)	(\$M)	Charge	(\$M)	(\$)						
NEWSWEEK	3,100	95%													

** Approximately 75% of full circulation delivery goes to non-smokers.*

STATUS: CONFIDENTIALITY AGREEMENT SIGNED. WORKING TOWARD SETTING UP MERGE OF DATABASES.

2060370645

1994 MCS APPROVED SELECTIVE BINDING PLAN

The following publications, which are part of the Marlboro Country Store media plan, are being used as part of a selective binding test.

	U.S. SMOKER SUB CIRCULATION	
	(M)	\$**
FIELD & STREAM	259.8 *	\$65,000
OUTDOOR LIFE	212.1 *	\$65,000
COUNTRY AMERICA	193.7 *	\$20,000
ENTERTAINMENT WEEKLY	191.0	\$13,000
PEOPLE	241.0	\$13,000
SPORTS ILLUSTRATED	412.0	\$13,000
GRAND TOTAL	1,510	\$189,000

KEY ELEMENTS:

- 1) FIELD & STREAM/OUTDOOR LIFE--MCS ONLY RUNNING IN SUBSCRIPTION CIRC. GOING TO KNOWN SMOKERS.
- 2) COUNTRY AMERICA/EW/S.I.--MCS RUNNING IN TOTAL SUBSCRIPTION CIRC., HOWEVER, WE HAVE CODED THE INSERTS DIFFERENTLY FOR KNOWN SMOKERS AND ALL OTHERS.
- 3) PEOPLE--MCS RUNNING IN FULL CIRC (NEWSSTAND AND SUBSCRIPTIONS); INSERTS FOR SUBSCRIPTION CIRC. HAVE BEEN CODED DIFFERENTLY FOR KNOWN SMOKERS AND ALL OTHERS.

* U.S. SMOKER SUBSCRIBER CIRCULATION BASED ON DATABASE MATCHES WITH THE PUBLICATIONS; AWAITING MATCHES WITH ENTERTAINMENT WEEKLY, PEOPLE, AND SPORTS ILLUSTRATED.

** DOLLARS REFLECT COSTS ASSOCIATED ONLY W/ SELECTIVE BINDING AND DO NOT REFLECT COSTS ASSOCIATED W/ RUNNING IN REMAINING CIRC.

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