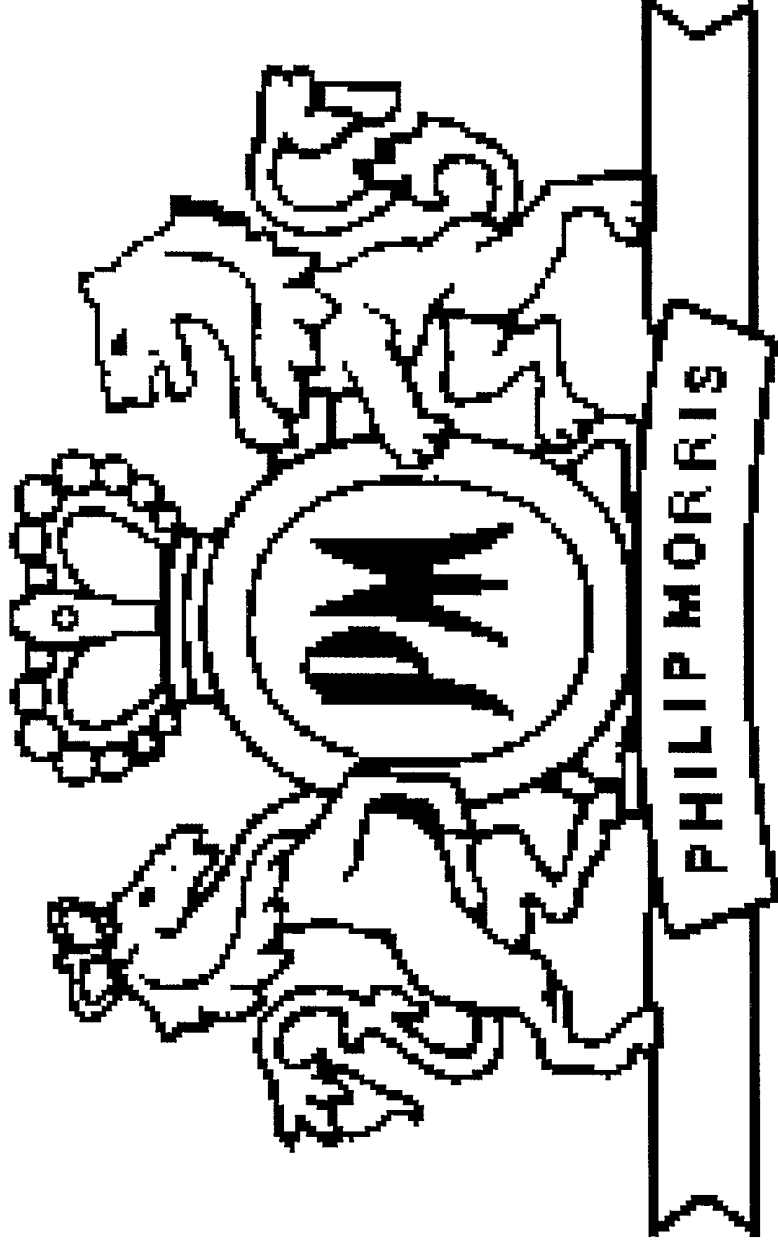


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U.S.A.

WEEKLY PERFORMANCE SUMMARY

March 27, 1995

Marketing Information & Analysis

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WEEKLY UPDATE

March 24, 1995

Shipments

- Industry volume held at 9.1 billion units for the last three weeks, but fell below projected levels this week.
- PM, higher than last week, and RJR, lower than last week, were both below projection.
- PM First Quarter volume (50.5 billion) was -70 million below budget and +1.7% above 1994.
- Through 3/24/95, PM share (45.9) remained favorable with First Quarter OB (45.3%).
- First Quarter share is expected to range between 45.8 - 46.0%, +0.7 points above OB and +2.9 points higher than year ago.

Retail and Consumer Trends

- Basic's share gap with GPC remains the only performance measure below its trigger.
- PM-USA and Marlboro share increased, corresponding with increased MCS support.
- Discount category decline continues.
- Promotional Buydown incidence increased week-to-week for Montclair and Misty.
- GPC money-off and Basic free product incidence were unchanged.
- Competitive Premium promotional activity continues to expand.
- Camel B3G3F and Newport money-off incidence at 12 and 31%, respectively.
- The Retail Pack Gap (49%, 63¢) held steady.
- ≤99¢ incidence (19%) remained at the high end of its recent range.

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PM-USA FIRST QUARTER PERFORMANCE W/E 3/24/95

- Industry volume remained at 9.1 billion units over the last three weeks, but fell below expected levels.
- RJR decreased for the second straight week.
- B&W Discount shipments increased to a YTD high.
- PM USA's volume (4.3 billion) was higher than last week but below projected levels:
- Lower MCS promotional shipments than forecasted.
- A change in McLane's shipment delivery policy to aid in balancing shipments on a daily basis.
- Through 3/24/95, PM-USA's current shares increased and remain above First Quarter OB (45.3%).
 - Week (47.5%)
 - QTD (45.9%)
- PM-USA's First Quarter volume (50.7 billion) was -70 million units below budget +1.7% above last year.
- First Quarter share (45.9%), is expected to range between 45.8% and 46.0% for the First Quarter.
 - +0.7 points above OB.
 - +2.9 points above 1Q94.
 - +0.5 above 4Q94.
- Basic's 13 week share of Discount was 15.1%.

SHIPMENTS
(To All Direct Accounts)

COMPANY
13 wk Base Dec. 23, 1994
March 24, 1995 (13wmm)

PM
45.64
45.77
0.13

RJR
25.04
25.70
0.66

B&W
19.37
18.57
(0.80)

Lorillard
7.60
7.88
0.28

Liggett
2.32
2.06
(0.26)

CATEGORY
13 wk Base Dec. 23, 1994
March 24, 1995 (13wmm)

Premium
67.71
69.35
1.64

Discount
32.29
30.65
(1.64)

PM MAJOR BRANDS
13 wk Base Dec. 23, 1994
March 24, 1995 (13wmm)

Marlboro
29.10
29.47
0.37

PM OPB
7.87
8.15
0.28

V. Slims
2.36
2.44
0.08

B & H
2.30
2.40
0.10

Merit
2.36
2.42
0.06

Parliament
0.66
0.69
0.03

PM BRANDED DISCOUNTS
13 wk Base Dec. 23, 1994
March 24, 1995 (13wmm)

Basic
4.94
4.63
(0.31)

Cambridge
1.76
1.60
(0.16)

Bristol
0.15
0.14
(0.01)

Alpine
0.32
0.32
0.00

PM PRIVATE LABEL
13 wk Base Dec. 23, 1994
March 24, 1995 (13wmm)

PM
1.43
1.37
(0.06)

INDUSTRY VOLUME UNCHANGED FROM LAST WEEK, BUT BELOW EXPECTED LEVELS. PM'S HIGHER VOLUME, INCLUDING MCS PROMOTIONAL SHIPMENTS, WAS BELOW PROJECTION. RJR DECLINED FOR THE SECOND CONSECUTIVE WEEK.

WEEKLY VOLUME
(MILLIONS)

	CURRENT WEEK 3/10/95	CURRENT WEEK 3/17/95	CURRENT WEEK 3/24/95	DIFF VS. PREVIOUS WK	% CHANGE
INDUSTRY	9,083	9,054	9,069	15	0.2%
PM	4,151	4,139	4,306	167	4.0%
RJ REYNOLDS	2,347	2,265	2,142	(123)	-5.4%
B & W (INCL. AMER)	1,673	1,744	1,732	(12)	-0.7%
LORILLARD	720	714	707	(7)	-1.0%
LIGGETT	190	189	180	(9)	-4.8%
PM SHARE	45.70	45.72	47.48	1.76	

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MFR CHANGES

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**PM-USA WEEKLY VOLUME PERFORMANCE
(MILLIONS)**

	MONTH	MONTH	WEEK	WEEK	WEEK	WEEK	WEEK	1995 YTD
	Jan-95	Feb-95	3/3/95	3/10/95	3/17/95	3/24/95		
SALES	15,261	16,184	4,044	4,151	4,139	4,306		46,243
LIFO PAYBACK	926	42	0	0	0	0		968
ADJUSTED MCLANE PURCHASES	776	35	42	5	(35) (e)	78 (e)		882 (e)
PROMO	0	(564)	(41)	(53)	(57)	(330)		(1,026)
OTHER**	961	350	23	27	7	42		1,400
TOTAL	2,663	(136)	24	(21)	(85)	(210)		2,224
ESTIMATED GOING RATE*	17,924	16,048	4,068	4,130	4,054	4,096		48,467
WEEKLY	3,892	4,055	4,068	4,130	4,054	4,096		
PM OUTBOUND	17,743	16,446	4,266	4,245	4,054 (e)	4,096 (e)		48,907 (e)
PM BUDGET	17,820	16,171	4,111	4,149	4,149	4,149		48,677
DIFFERENCE	(77)	275	155	96	(95)	(53)		230

* ESTIMATED GOING RATE ADJUSTED FOR STARS PERFORMANCE.

** OTHER INCLUDES PROMOTIONAL PAYBACK, FORWARD BUYING, AND WHOLESALE INVENTORY CHANGES.

(e) ESTIMATE

NOTE: PROMO VOLUME ADJUSTED FOR BASIC INCREMENTAL PROMOTIONAL SHIPMENTS.

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PRELIMINARY WEEKLY VOLUME AND SHARE

W/E 3/24/95

WEEK

	<u>VOLUME</u>	<u>DIFF VS 1994</u>	<u>%CHANGE VS 1994</u>	<u>SHARE</u>	<u>DIFF VS 1994</u>	<u>FCST</u>	<u>VOLUME DIFF VS FCST</u>	<u>%CHANGE VS FCST</u>
INDUSTRY	9,069	602	7.1%			9,439	-370	-3.9%
PHILIP MORRIS	4,306	557	14.9%	47.48	3.21	4,463	-157	-3.5%
R.J. REYNOLDS	2,142	35	1.6%	23.62	-1.27	2,376	-234	-9.8%
B&W(INCL. AMER)	1,732	71	4.3%	19.10	-0.52	1,715	17	1.0%
LORILLARD	707	9	1.3%	7.80	-0.45	685	22	3.2%
LIGGETT	180	-70	-28.1%	1.98	-0.97	200	-20	-10.0%

DISCOUNT

	<u>VOLUME</u>	<u>SHARE</u>	<u>%CONT.</u>
INDUSTRY	2,710	29.89	70.11
PHILIP MORRIS	691	25.48	56.85
R.J. REYNOLDS	810	29.87	20.96
B&W (INCL. AMER)	1,045	38.56	10.81
LORILLARD	32	1.17	10.62
LIGGETT	133	4.91	47

PREMIUM

	<u>VOLUME</u>	<u>SHARE</u>	<u>%CONT.</u>
INDUSTRY	6,359	70.11	84.0%
PHILIP MORRIS	3,615	56.85	62.2%
R.J. REYNOLDS	1,333	20.96	39.7%
B&W (INCL. AMER)	687	10.81	95.5%
LORILLARD	675	10.62	26.1%
LIGGETT	47	0.74	

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WEEKLY VOL

PRELIMINARY VOLUME AND SHARE

W/E 3/24/95

SHARE
YTD SHARE

TOTAL INDUSTRY YEAR TO DATE

	<u>VOLUME</u>	<u>DIFF VS 1994</u>		<u>% CHANGE</u>	<u>SHARE</u>	<u>DIFF 1995 OB VS 1994</u>		<u>FCST</u>	<u>DIFF VS. 1995 OB</u>	<u>FCST</u>
		<u>VS 1994</u>	<u>VS 1994</u>			<u>VS 1994</u>	<u>FCST</u>			
INDUSTRY	100,696	-7,286	-6.7%							
PHILIP MORRIS	46,243	-605	-1.2%		45.92	2.54	45.60	0.32		
R.J. REYNOLDS	25,917	-4,810	-15.7%		25.74	-2.72	25.98	-0.25		
B&W(INCL. AMER)	18,675	-1,175	-5.9%		18.55	0.16	18.80	-0.26		
LORILLARD	7,914	-169	-2.1%		7.86	0.37	7.50	0.36		
LIGGETT	1,928	-525	-21.4%		1.91	-0.36	2.12	-0.20		

DISCOUNT YEAR TO DATE

	<u>VOLUME</u>	<u>DIFF VS 1994</u>		<u>% CHANGE</u>	<u>SOC</u>
		<u>VS 1994</u>	<u>VS 1994</u>		
INDUSTRY	30,833	-5,372	-14.8%		30.62
PHILIP MORRIS	8,286	-1,432	-14.7%		26.88
R.J. REYNOLDS	9,953	-2,856	-22.3%		32.28
B&W(INCL. AMER)	10,791	-653	-5.7%		35.00
LORILLARD	357	14	4.2%		1.16
LIGGETT	1,444	-445	-23.6%		4.68

PREMIUM YEAR TO DATE

	<u>VOLUME</u>	<u>DIFF VS 1994</u>		<u>% CHANGE</u>	<u>SOC</u>
		<u>VS 1994</u>	<u>VS 1994</u>		
INDUSTRY	69,863	-1,913	-2.7%		69.38
PHILIP MORRIS	37,957	827	2.2%		54.33
R.J. REYNOLDS	15,964	-1,954	-10.9%		22.85
B&W(INCL. AMER)	7,884	-522	-6.2%		11.28
LORILLARD	7,557	-183	-2.4%		10.82
LIGGETT	484	-81	-14.3%		0.69

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Y-T-D VOL

ORIGINAL BUDGET FORECAST FIRST QUARTER 1995

TOTAL VOLUME TOTAL SHARE

INDUSTRY	WEEK ENDING 3 / 2 4		WEEK ENDING 3 / 2 4	
	ACTUAL	FCAST	ACTUAL	DIFF.
INDUSTRY	9,069	9,439	-370	
PHILIP MORRIS	4,306	4,463	-157	47.48
R.J. REYNOLDS	2,142	2,376	-234	25.17
B&W(INCL. AMER)	1,732	1,715	17	18.17
LORILLARD	707	685	22	7.80
LIGGETT	180	200	-20	1.98
				2.12
				0.20
				-1.55
				0.93
				0.55
				-0.14

INDUSTRY	QUARTER TO DATE		QUARTER TO DATE		1 Q95	
	ACTUAL	FCAST	ACTUAL	DIFF.	FCAST	DIFF.
INDUSTRY	100,696	102,753	-2,057		45.92	45.29
PHILIP MORRIS	46,243	46,535	-291	0.63	25.74	26.15
R.J. REYNOLDS	25,917	26,869	-952	-0.41	18.55	18.88
B&W(INCL. AMER)	18,675	19,395	-720	-0.33	7.86	7.57
LORILLARD	7,914	7,779	135	0.29	1.91	2.12
LIGGETT	1,928	2,175	-247	-0.20		

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FORECAST

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Philip Morris USA

McLane Shipments

PM SHIPMENTS TO MCLANE WERE BELOW NORM AND SHIPMENTS TO THEIR RETAILERS DUE TO A CHANGE IN THEIR SHIPMENT DELIVERY POLICY.

TOTAL PM VOLUME MCLANE (millions of cigarettes)

<u>Week Ending</u>	PM Shipped To		<u>Difference</u>
	<u>McLane</u>	<u>Retailers</u>	
1/6/95	779.1	551.0	228.1
1/13	142.7	579.6	-436.9
1/20	332.7	573.6	-240.9
1/27	258.1	555.5	-297.4
2/3	490.6	553.0	-62.4
2/10	594.4	583.6	10.8
2/17	565.6	584.4	-18.8
2/24	618.5	593.2	25.3
3/3	589.7	631.9	-42.2
3/10	616.2	620.8	-4.6
3/17	641.3	605.9 (e)	35.4
3/24	553.4	631.5 (e)	-78.1
AVERAGE WEEK-YTD	515.2	588.7	-73.5
YTD 1995	6,182.3	7,064.0	-881.7

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All volumes through 10/21/94 exclude 24 Sam's Clubs in Michigan which purchased directly from PM. As of 10/28, these are included in McLane's Northeast Division.

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PM-USA WEEKLY PERFORMANCE

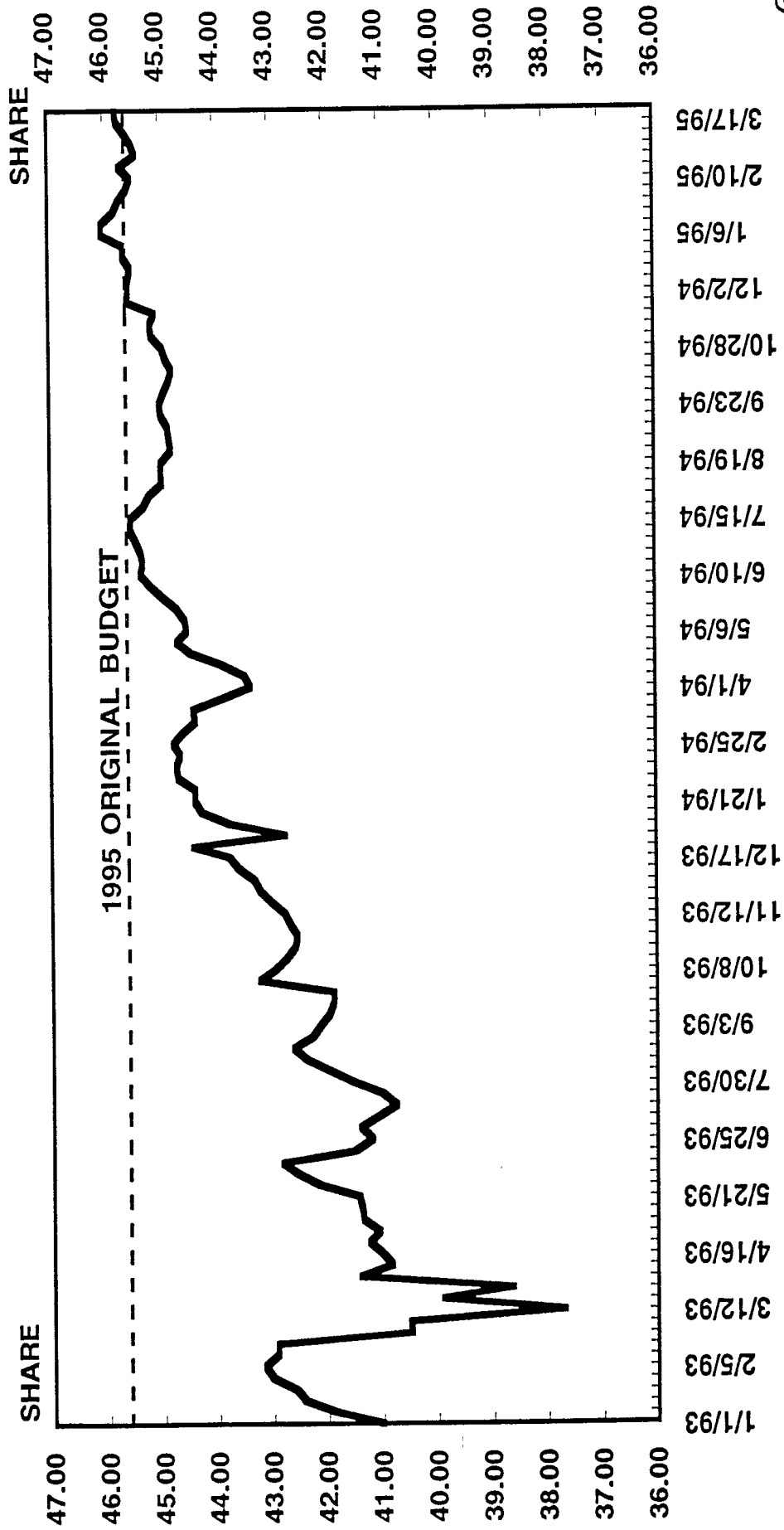
1Q OB
WEEKLY
TARGET

	12/30	1/6	1/13	1/20	1/27	2/3	2/10	2/17	2/24	3/3	3/10	3/17	3/24	1Q OB WEEKLY TARGET
MARLBORO	2,472	2,302	2,010	2,154	2,175	2,372	2,551	2,879	2,437	2,598	2,660	2,693	2,903	2,564
B&H	200	207	169	177	183	203	207	227	197	217	217	214	207	211
MERIT	211	203	180	186	191	197	208	220	194	212	218	214	214	211
V.SLIMS	202	208	170	178	192	202	216	229	205	215	222	218	216	211
PARLIAMENT	58	53	51	52	53	56	58	67	51	61	71	60	58	57
OTHER PREMIUM	15	17	18	16	15	16	17	17	16	16	17	17	17	15
CANADIAN	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PREMIUM	3,158	2,989	2,597	2,764	2,809	3,046	3,258	3,639	3,099	3,319	3,405	3,417	3,615	3,269
CAMBRIDGE	126	147	142	125	121	132	142	141	127	137	144	136	132	154
ALPINE	26	24	24	24	25	26	29	31	32	28	31	27	26	31
BUCKS	2	2	2	2	2	2	2	2	2	2	2	2	2	2
FVB	120	104	108	101	90	108	115	116	134	140	122	118	120	131
BASIC	327	329	293	322	311	365	400	416	650	400	430	422	393	457
BRISTOL	12	12	12	11	11	12	13	14	12	13	13	11	12	14
OTHER	4	5	6	8	4	4	4	5	4	5	5	7	6	3
TOTAL DISCOUNT	616	623	587	593	563	648	705	723	961	724	746	723	691	792
TOTAL PM-USA	3,774	3,612	3,184	3,357	3,371	3,694	3,963	4,361	4,061	4,044	4,151	4,139	4,306	4,062

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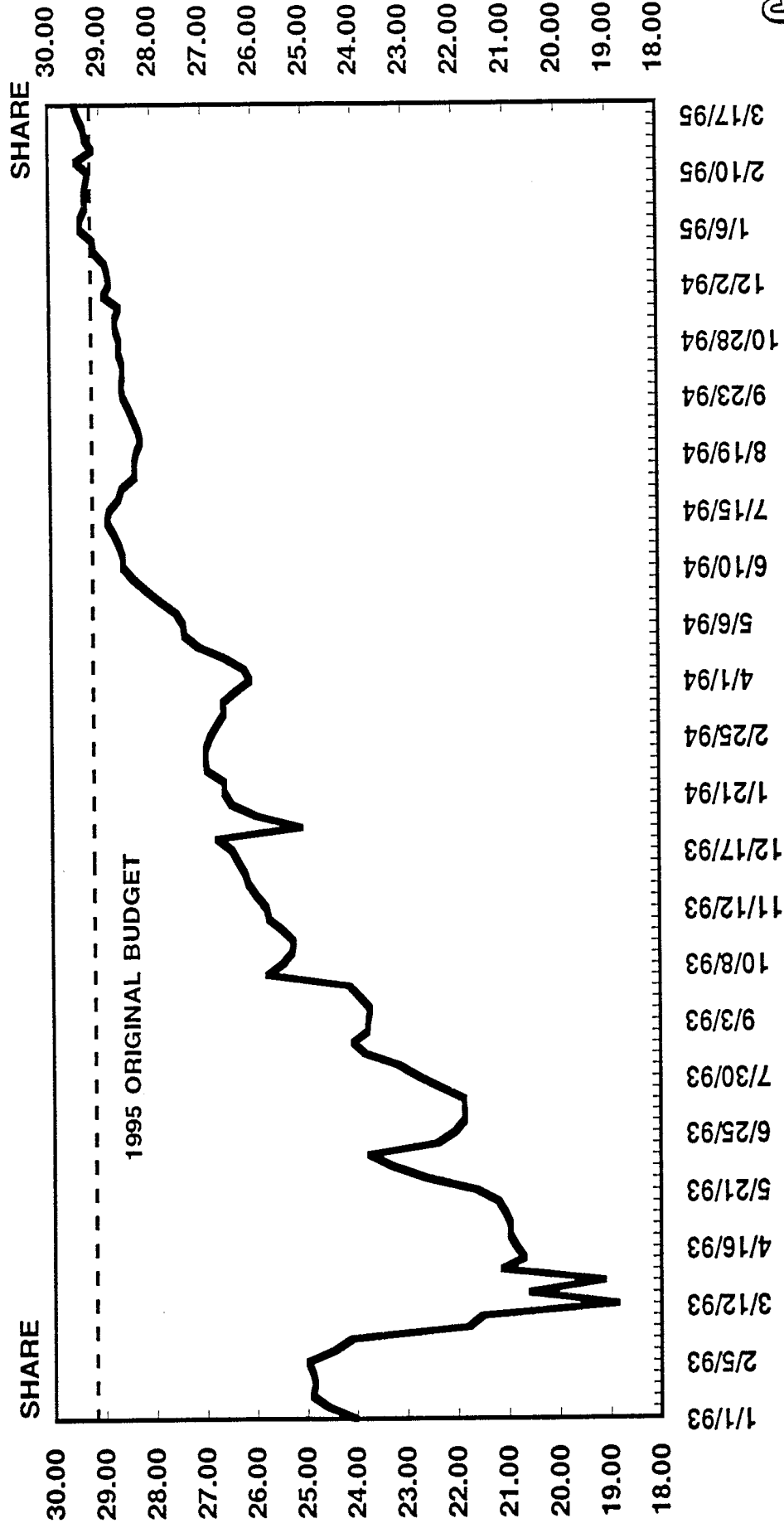
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PM SHARE OF MARKET 13 WEEK MOVING AVERAGE



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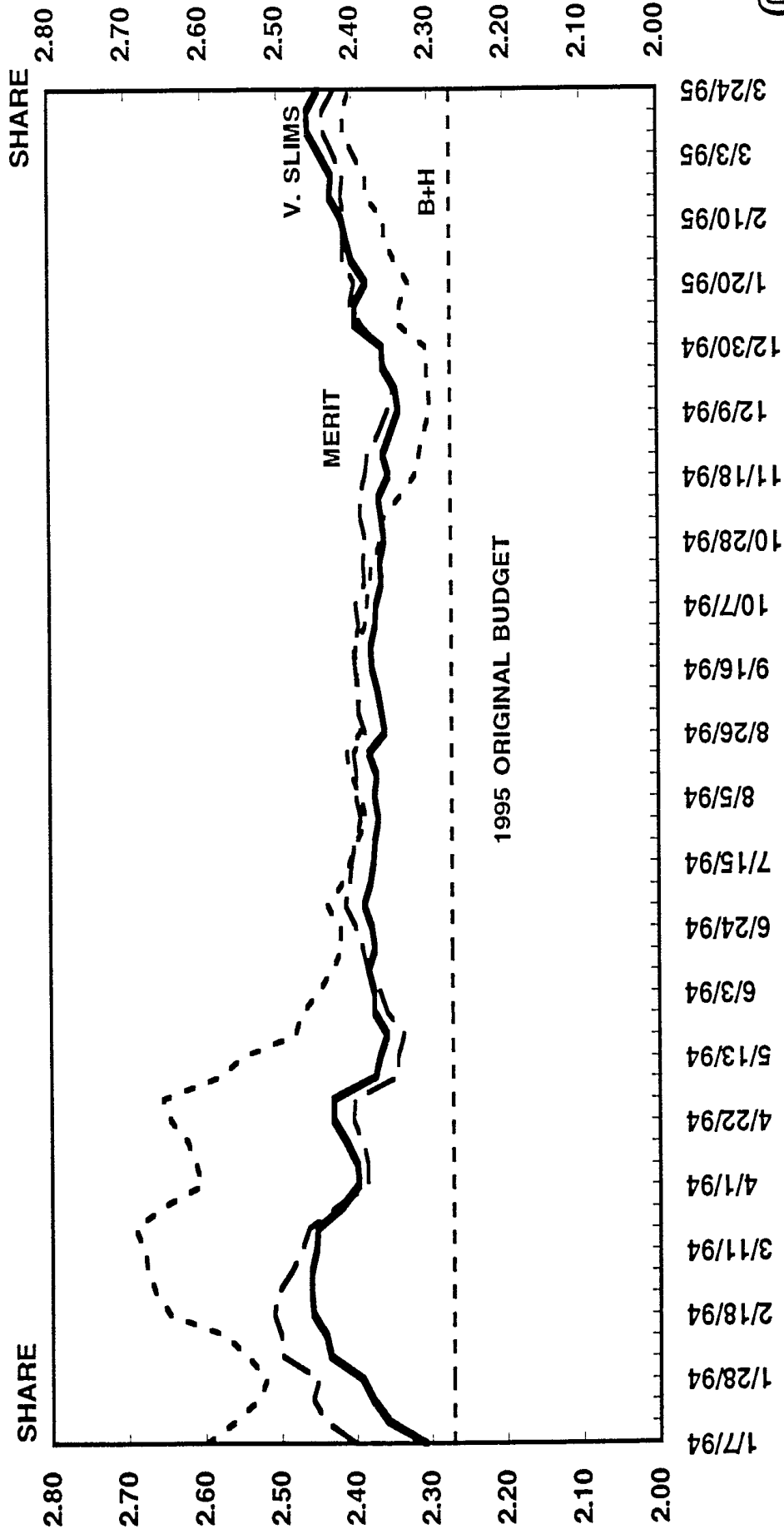
MARLBORO SHARE OF MARKET 13 WEEK MOVING AVERAGE



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G3

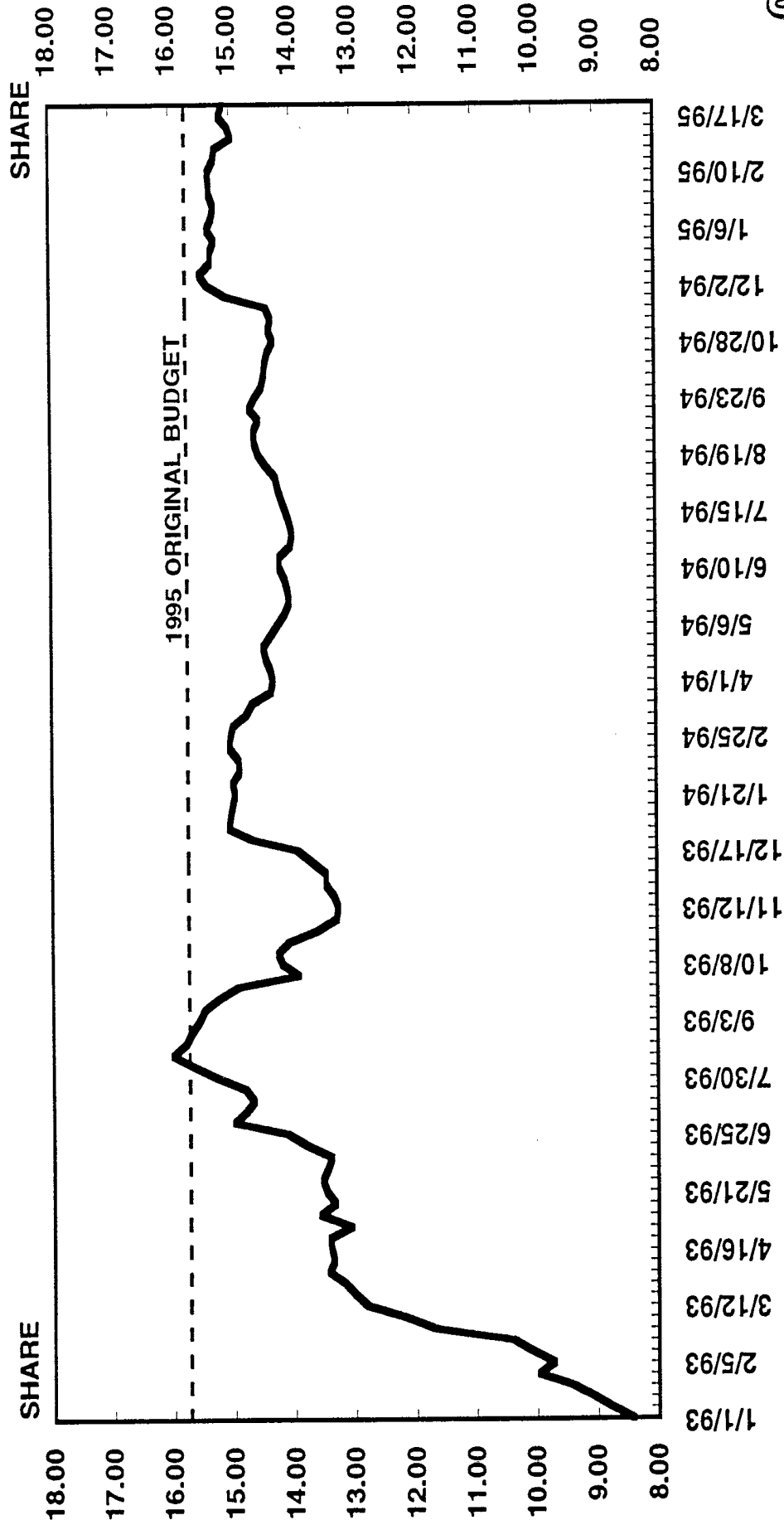
B+H, MERIT AND V. SLIMS SHARE OF INDUSTRY 13 WEEK MOVING AVERAGE



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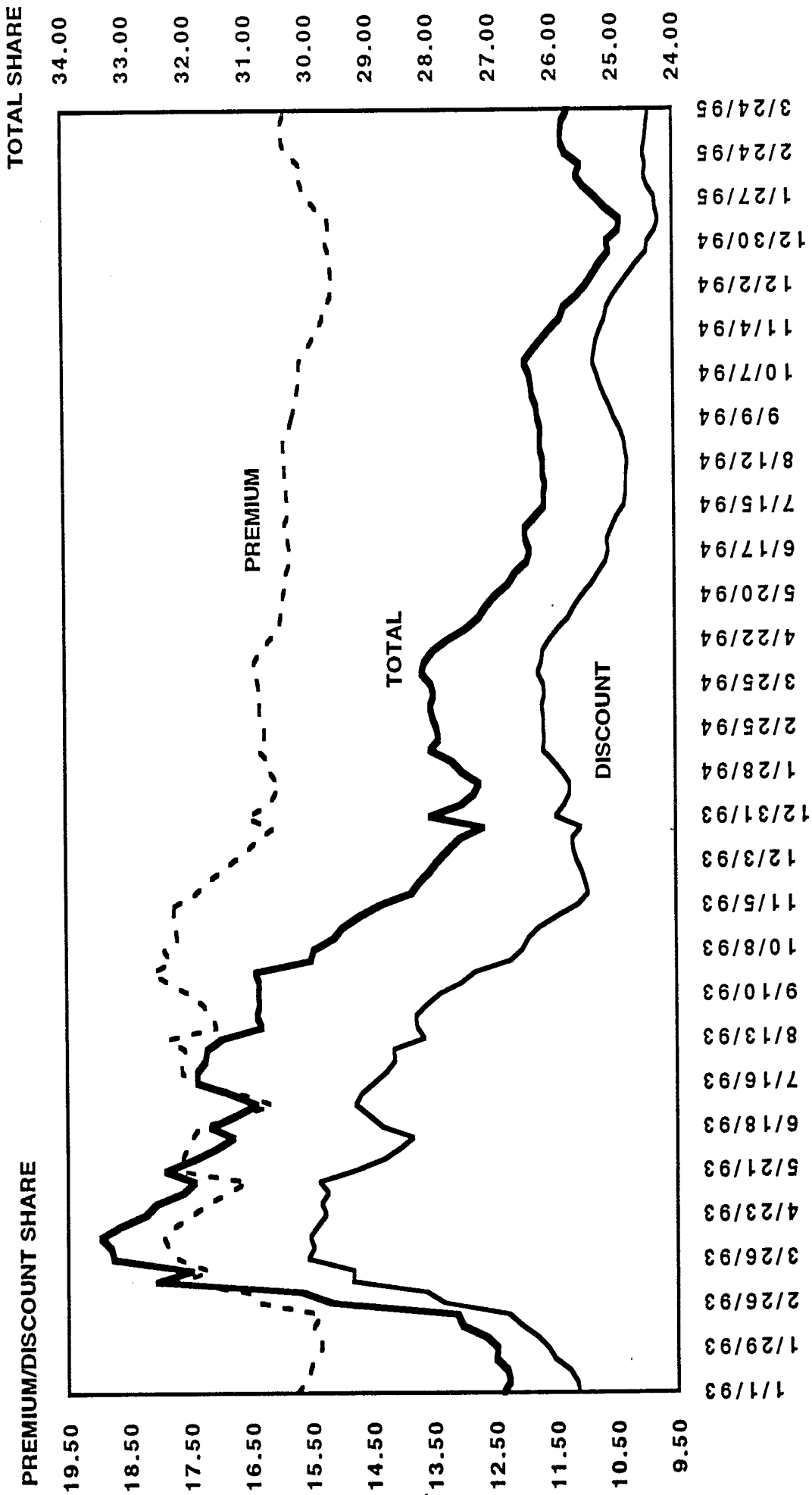
BASIC SHARE OF DISCOUNT 13 WEEK MOVING AVERAGE



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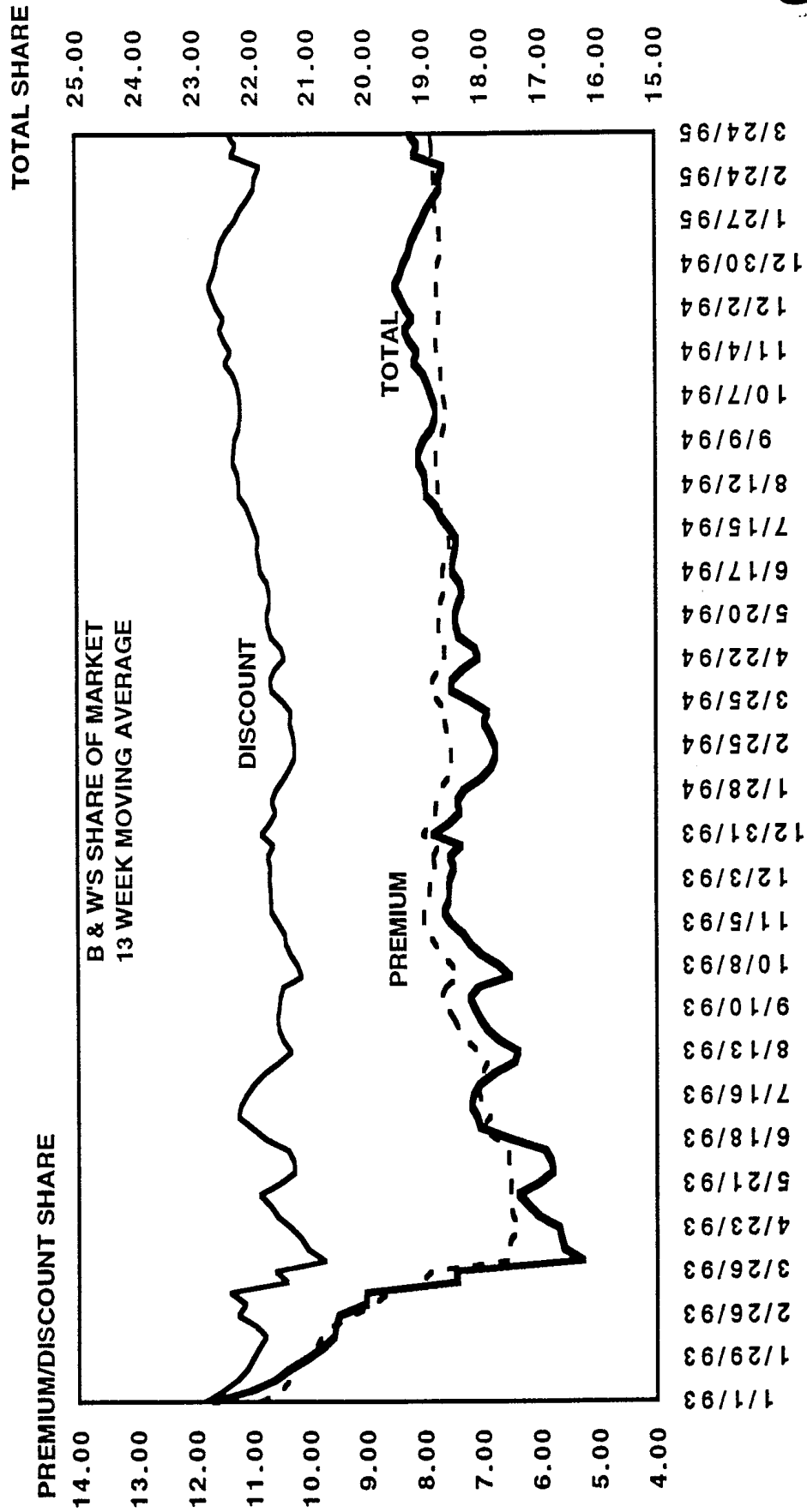
**RJR SHARE OF MARKET
13 WEEK MOVING AVERAGE**



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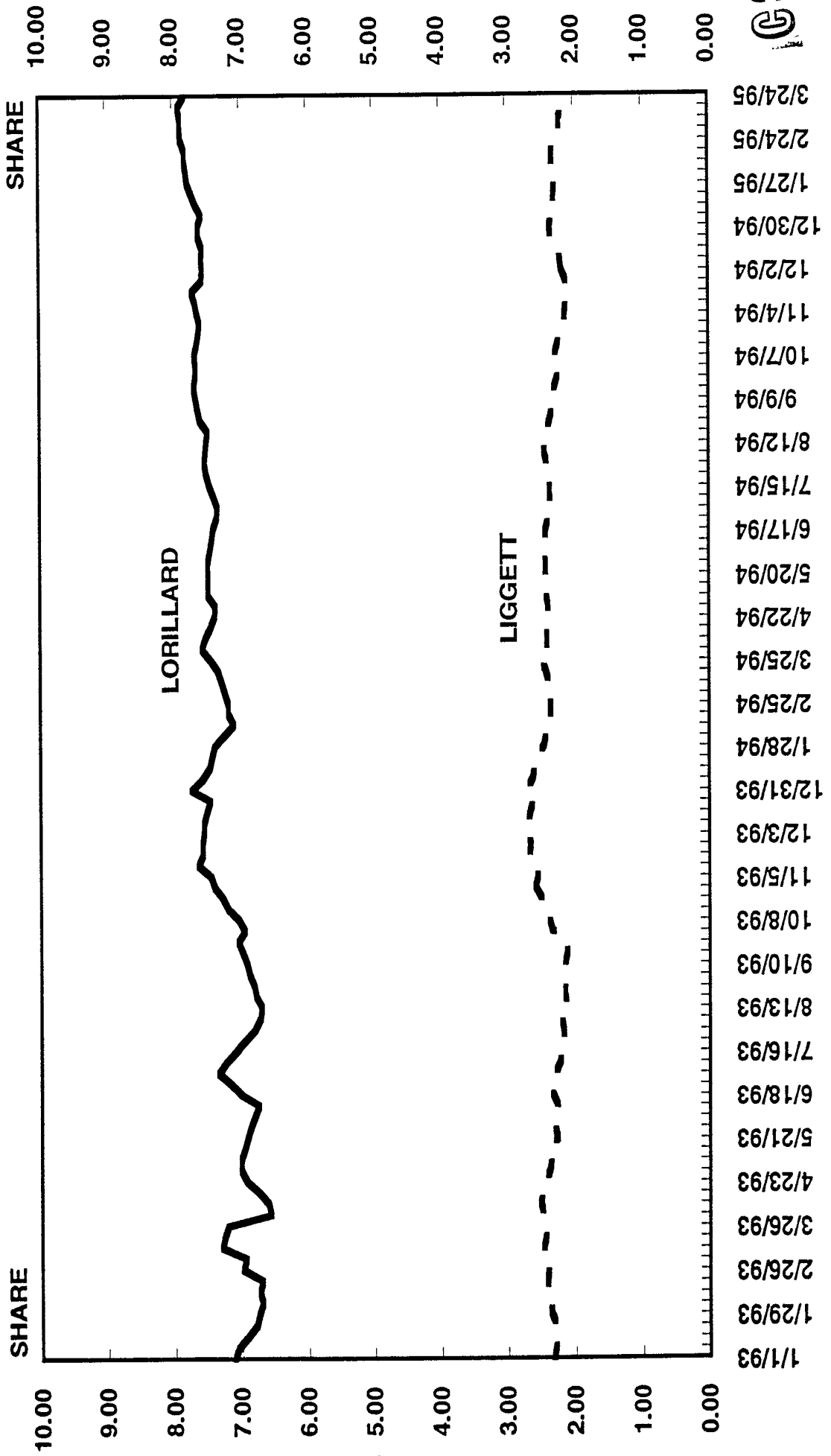
SOURCE: MSA SHIPMENTS

B & W's RECENT SHARE PERFORMANCE WAS DRIVEN BY DISCOUNT. LOSSES DURING 1995 ARE PRIMARILY DUE TO MONTCLAIR PARTIALLY OFFSET BY SMALLER GPC GAINS.



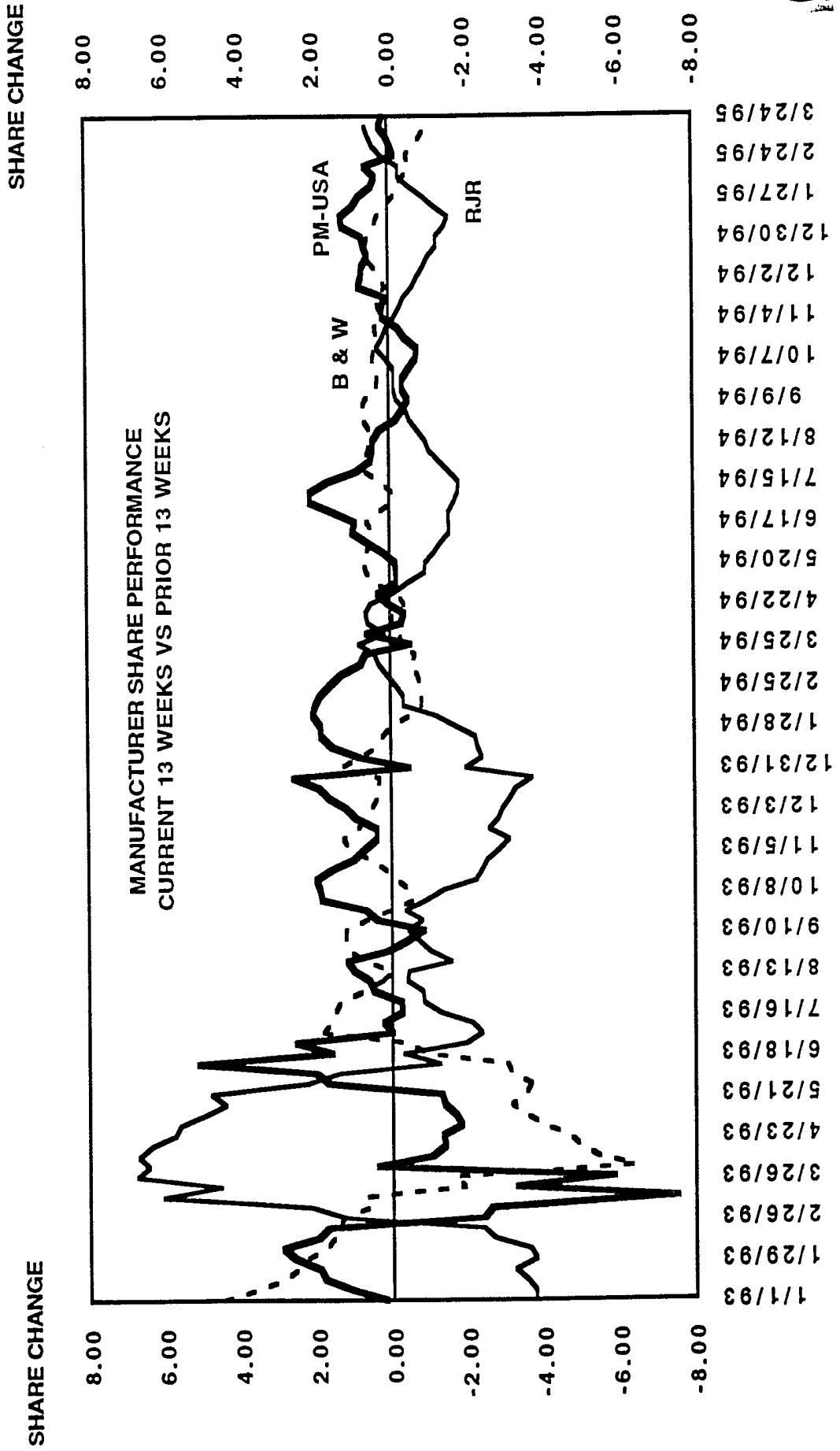
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COMPETITORS' SHARE OF MARKET 13 WEEK MOVING AVERAGE

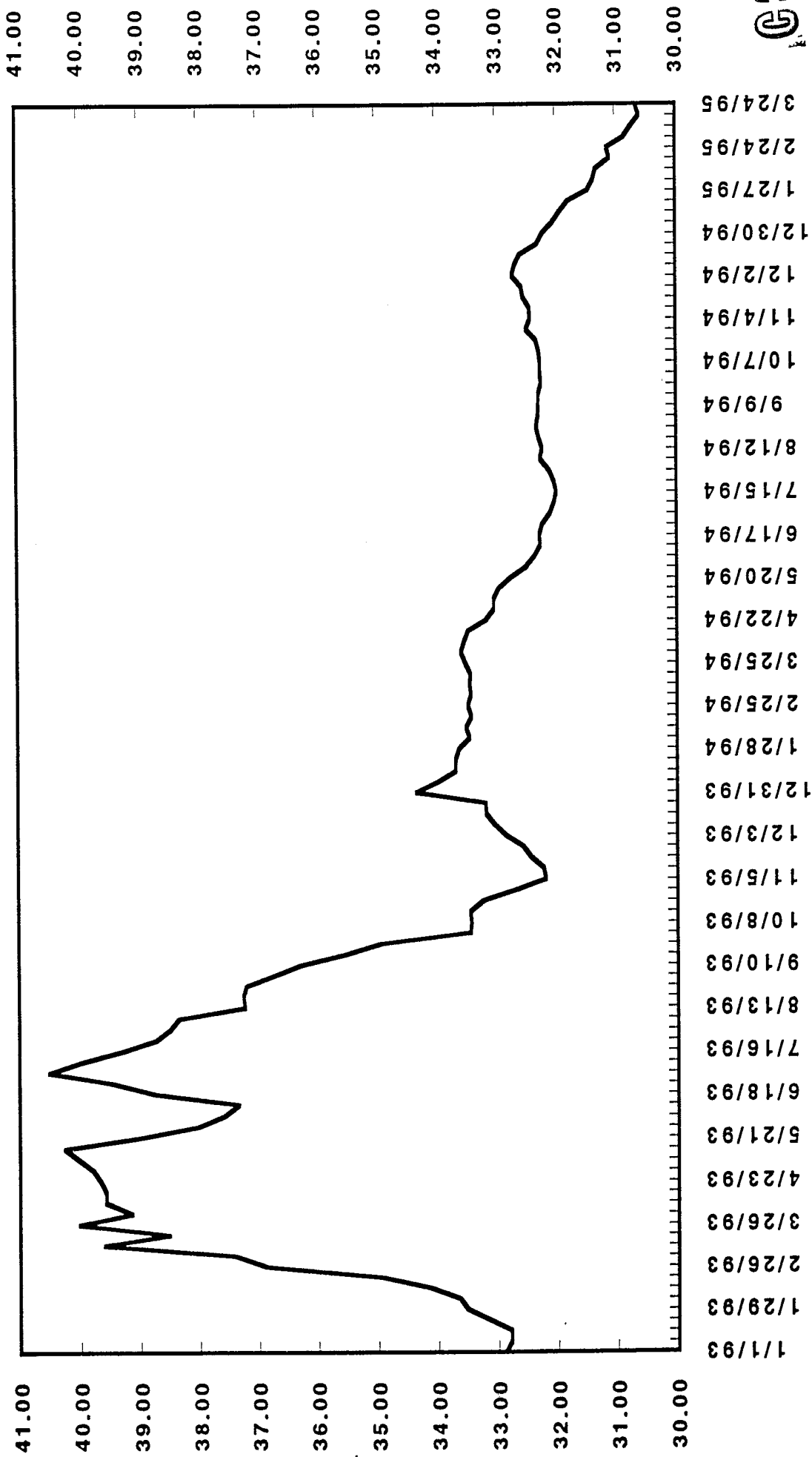


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PM HAS HAD THE GREATEST INTERACTION WITH RJR.
 PM'S GROWTH CYCLES HAVE BEEN PREMIUM DRIVEN, WHILE B+W'S REMAIN
 RELATED TO DISCOUNT PROMOTIONS. RJR'S HAS RECENTLY SWITCHED TO
 PREMIUM.



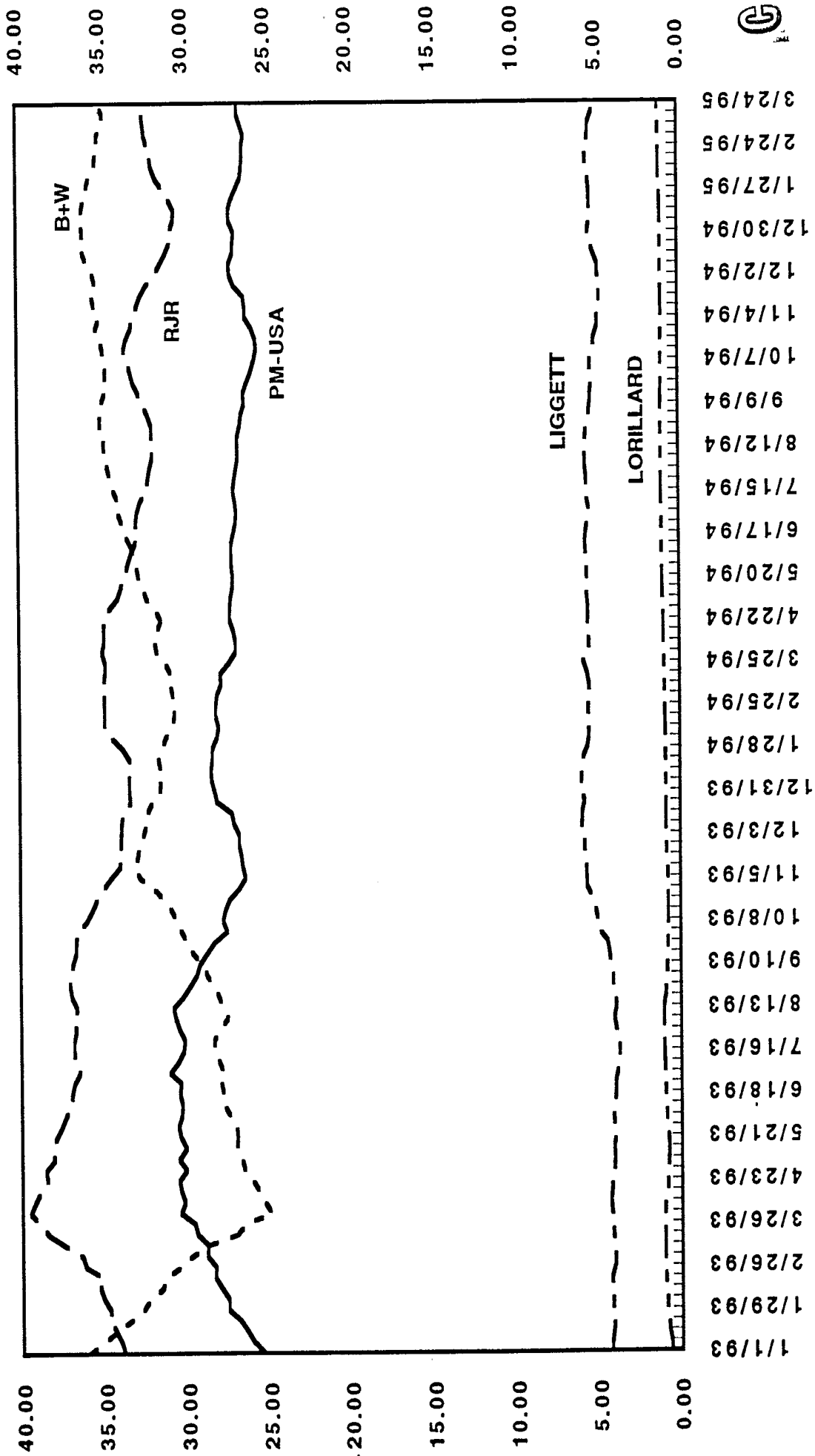
DISCOUNT SHARE OF INDUSTRY 13 WEEK MOVING AVERAGE



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COMPANIES SHARE OF TOTAL DISCOUNT 13 WEEK MOVING AVERAGE



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Philip Morris USA

Trigger Points

PM-USA PERFORMANCE TRIGGERS FOR DISCUSSION

(4wm Nielsen, Consumer Tracking Trend, Nielsen Pricing)

Measures	Trigger 1st half		Latest Data	
	1995	4wm	1995 O.B.	1994 4Q 1994
• Marlboro share of Market	29.6	30.6	29.6	28.6 29
• Marlboro share of young adult smoker volume	59.0	60.6 **	n/a	58.6 60.9
• Marlboro share of young adult smokers	60.0	62.5 **	n/a	61.3 61.8
• Premium Category share of market	69.3	70.5	68.5	68.5 69.5
• Basic share of Discount Category	15.2	15.4	15.8	14.5 14.7
• Basic less GPC share of market	-0.5	-0.8	n/a	-0.3 -0.5
• Total Branded Products share of market	92.8	93.6	93.1	92.8 93.3
• Marlboro vs. Lowest Discount pack price gap*	65¢	63¢	n/a	59¢ 59¢
• PM-USA share of market	46.5	47.4	47.0	46.2 46.4

Note:

* New Nielsen pricing panel data are shown for 1995, while 1994 data reflects old pricing panel.

** Latest smoothed trend point (Feb)

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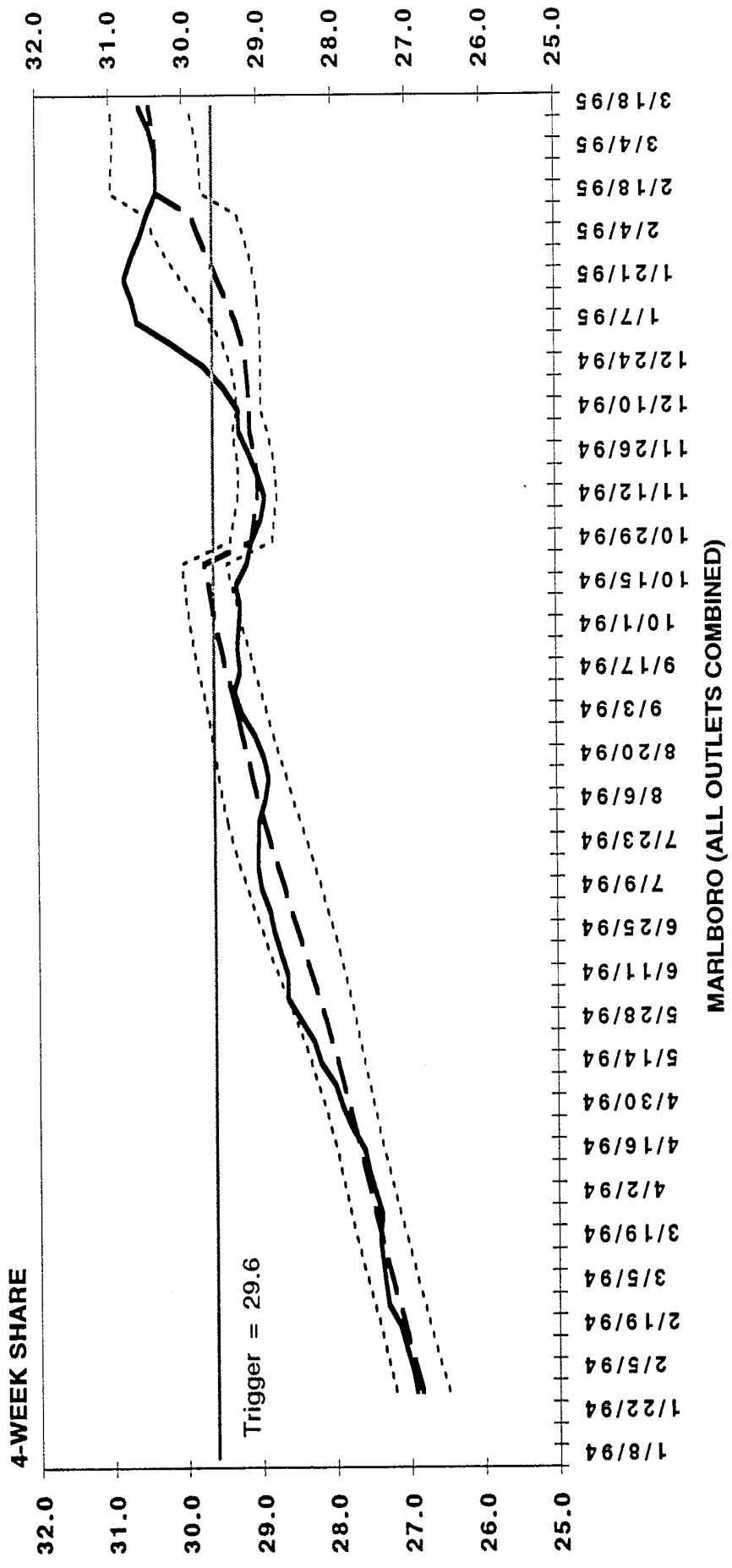
GB

TRIGGER
POINTS

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**Marlboro 4 WM Share
Total U.S. All Outlets Combined**

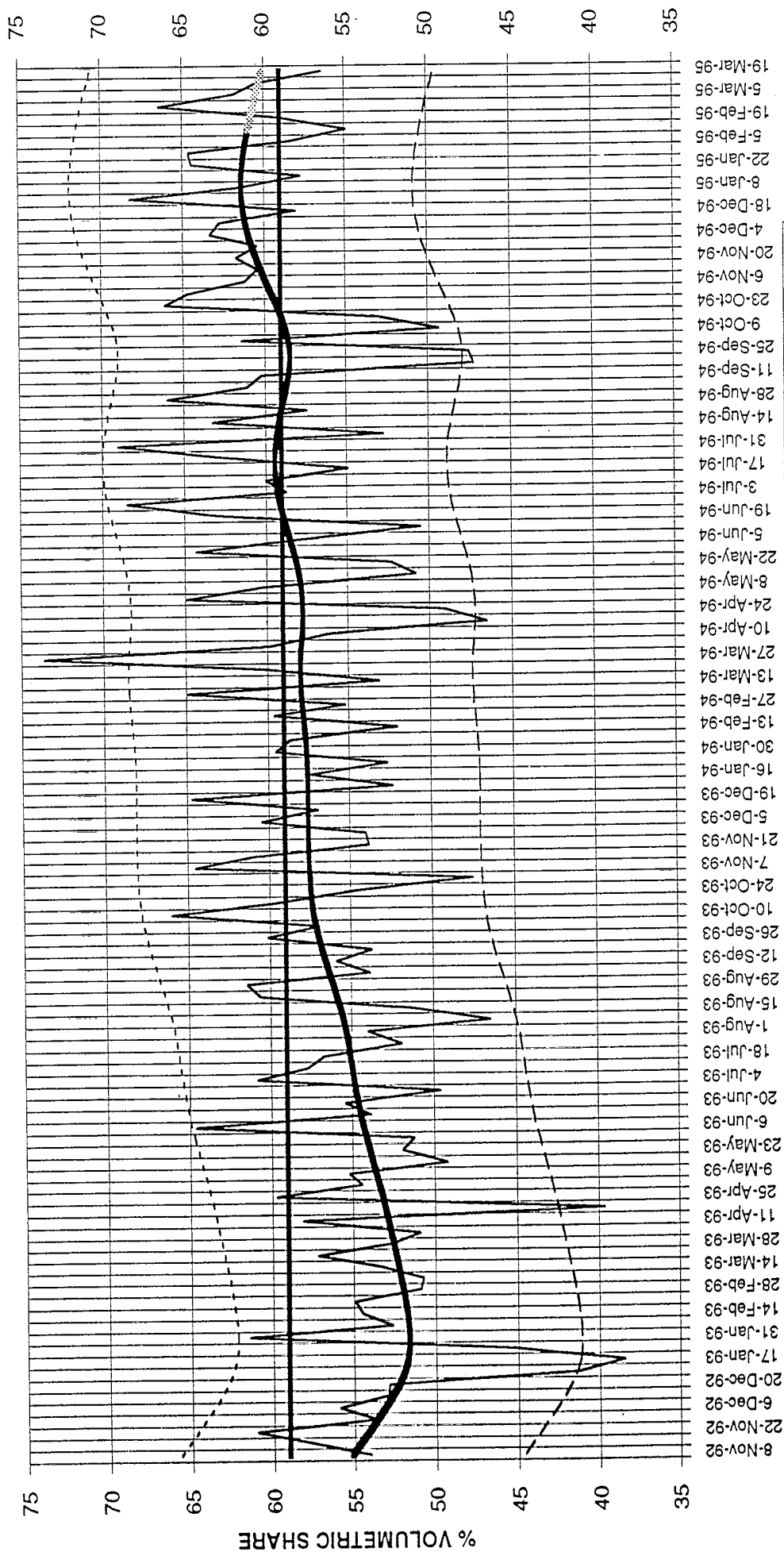


Source: Nielsen Integrated Panel



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MARLBORO VOLUMETRIC SHARE (AMONG 18-24 SMOKERS)

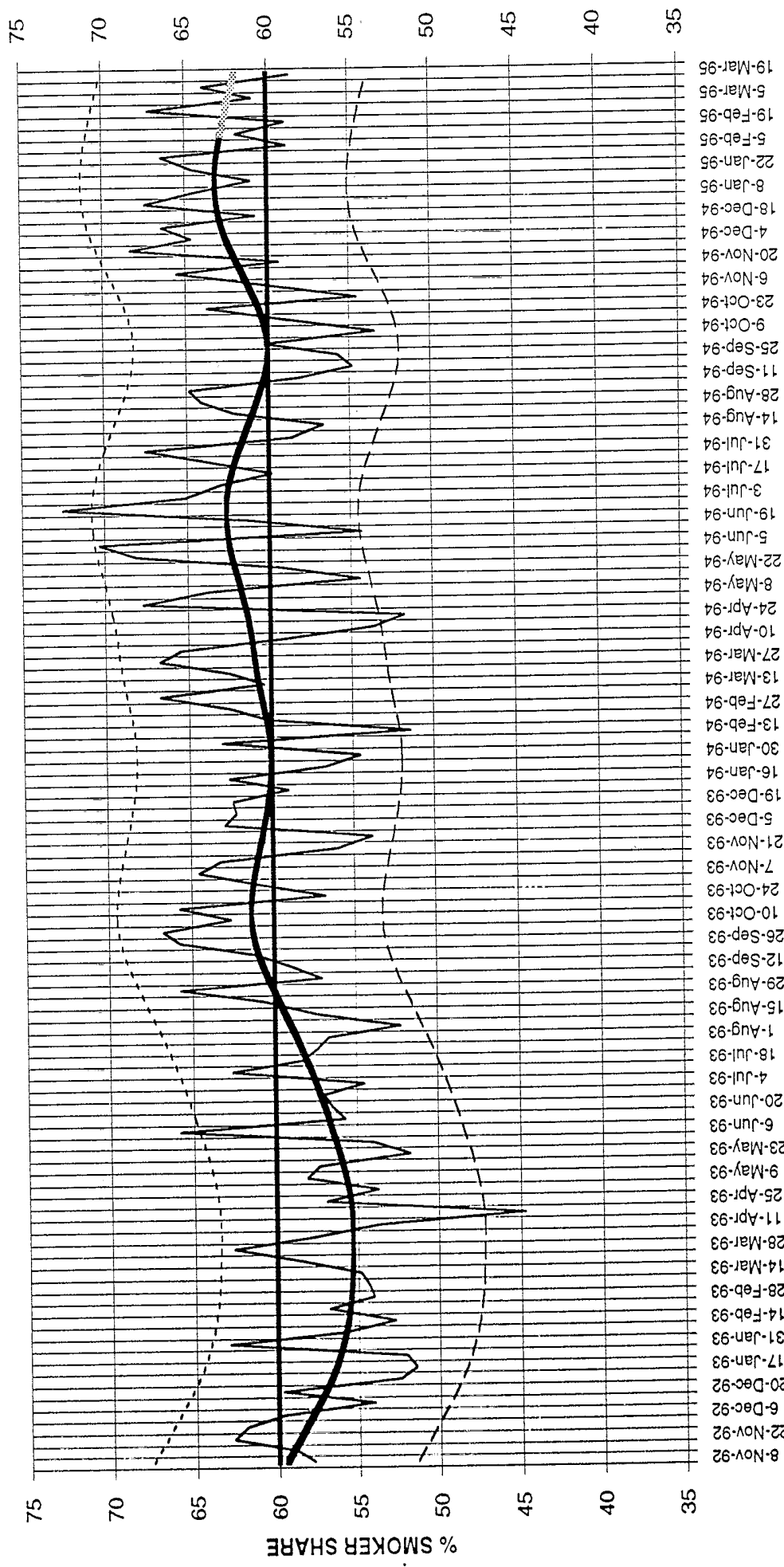


Volume ——— Trend ——— 95+
 Trigger Trend (Unstable) ———



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MARLBORO SMOKER SHARE (AMONG 18-24 SMOKERS)

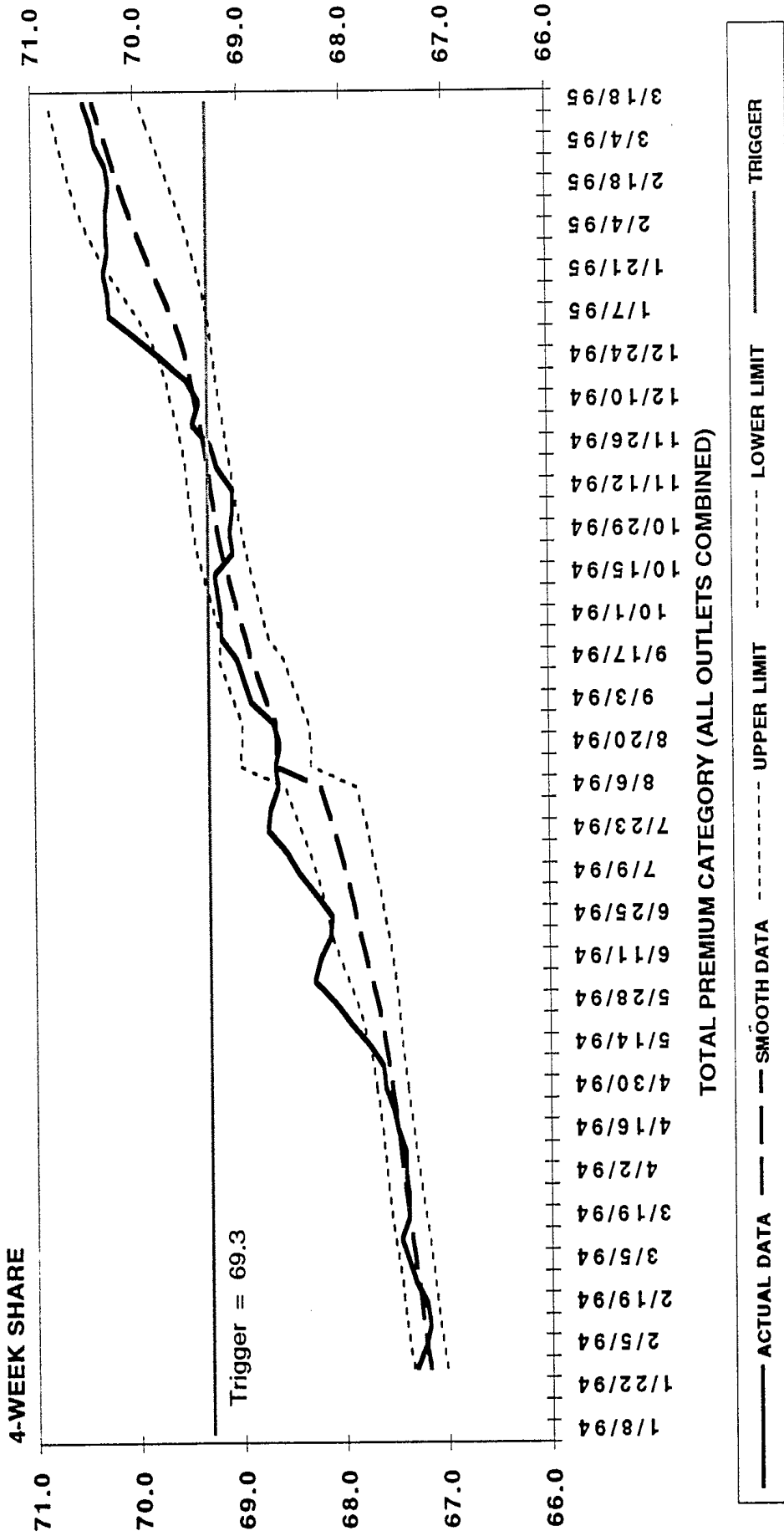


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Share
 Trend
 Trend (Unstable)
 Trigger

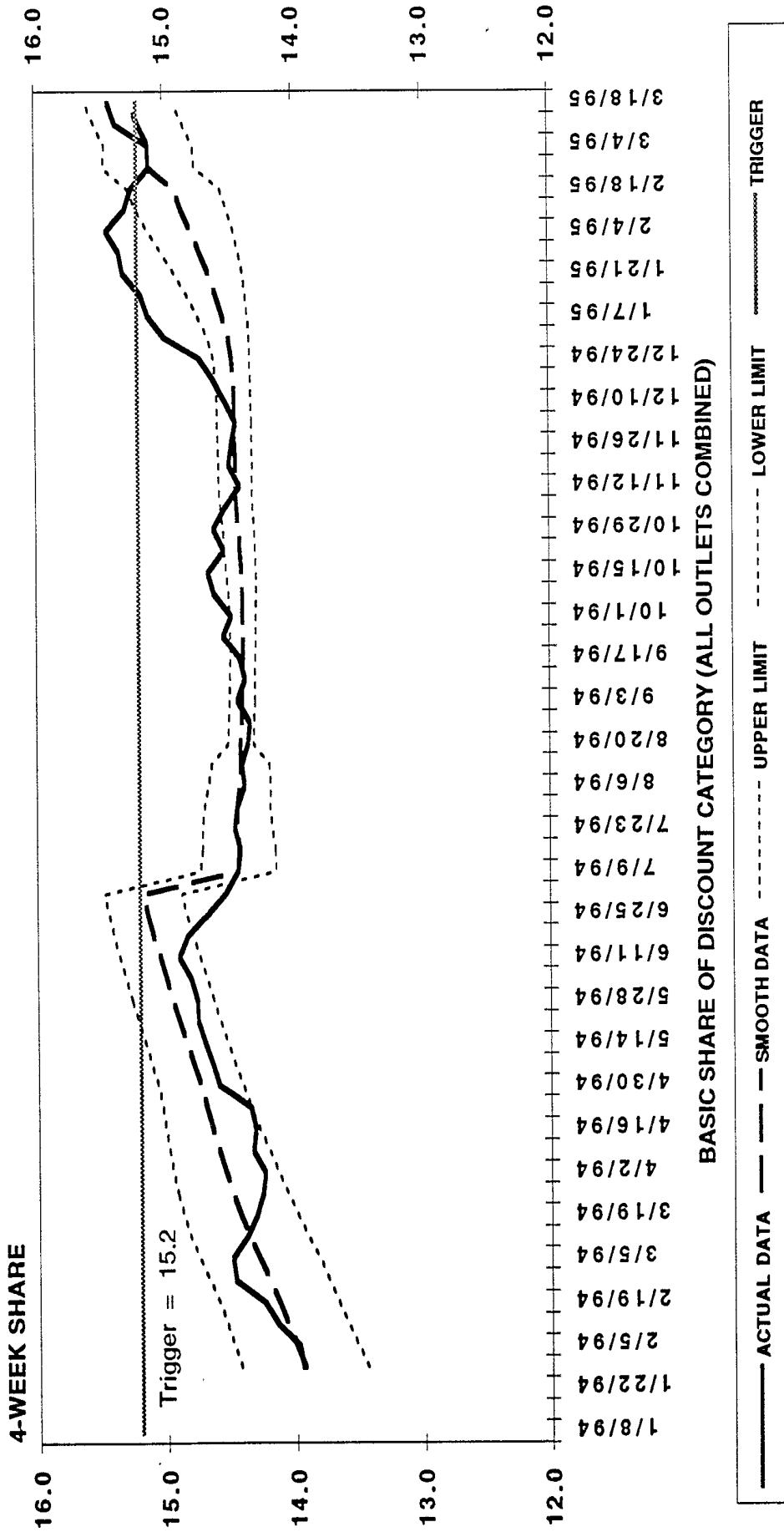


**Total Premium Category 4 WM Share
Total U.S. All Outlets Combined**



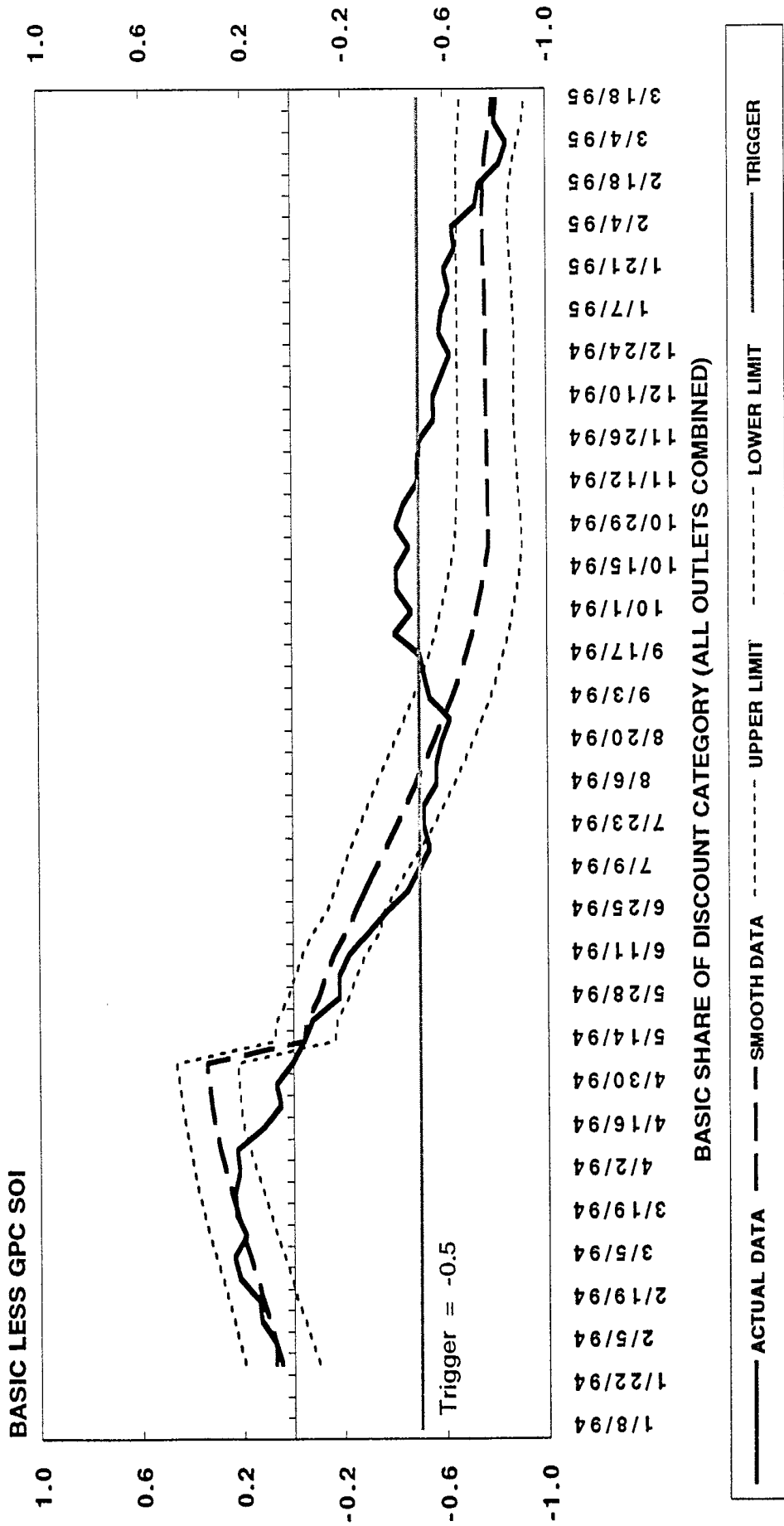
Source: Nielsen Integrated Panel

**Basic SOC 4 WM Share
Total U.S. All Outlets Combined**



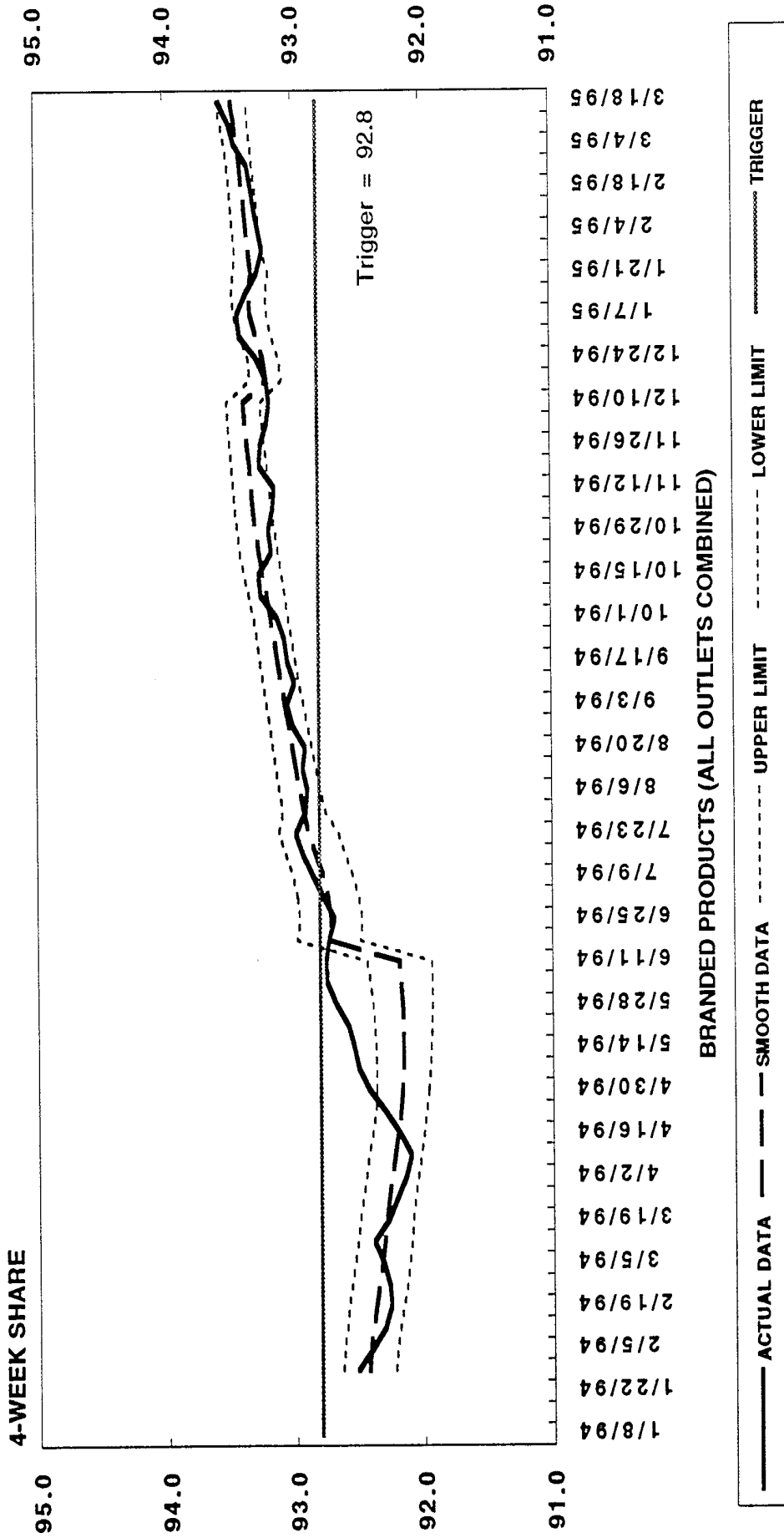
Source: Nielsen Integrated Panel

4 WM Basic Less GPC SOI
Total U.S. All Outlets Combined



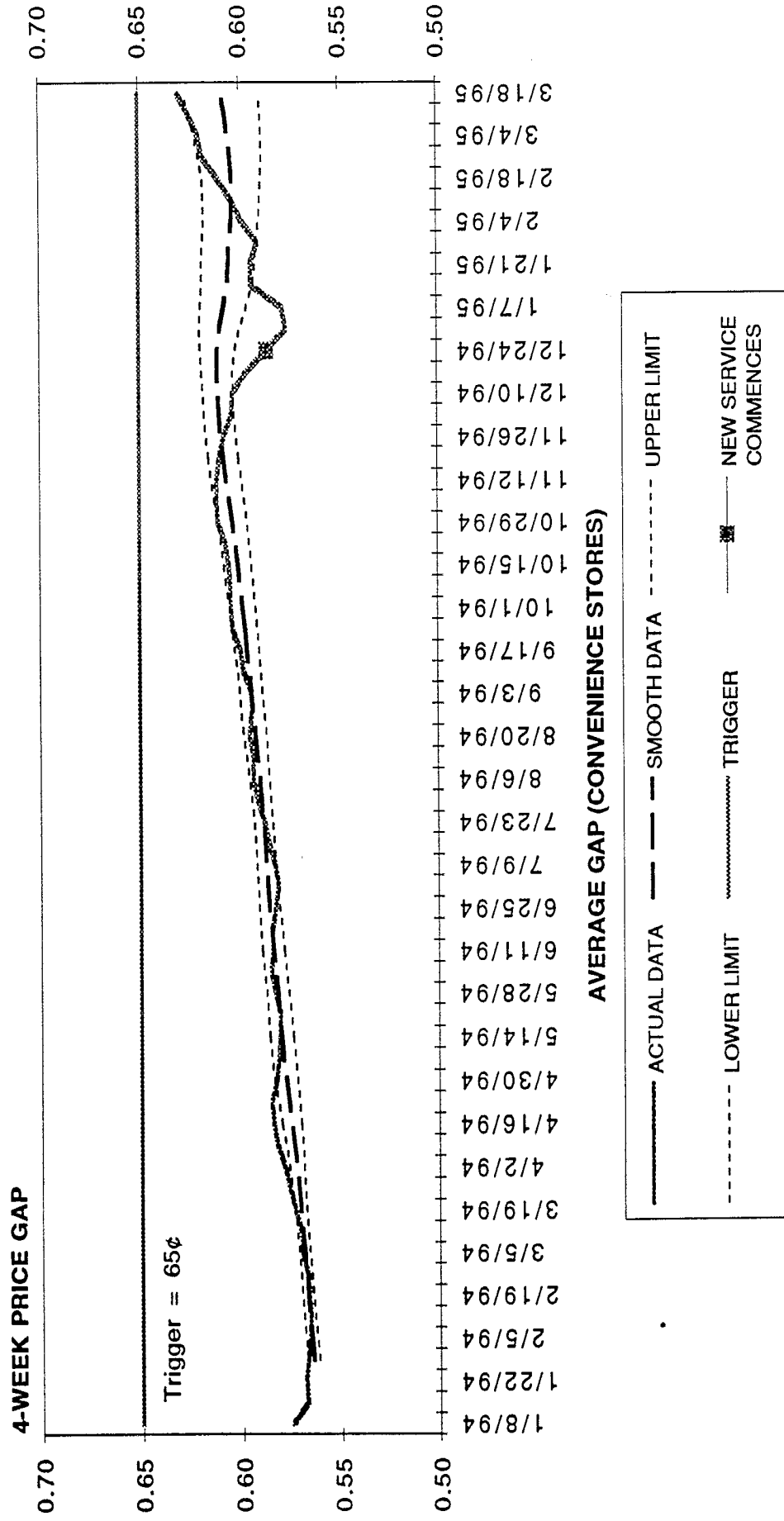
Source: Nielsen Integrated Panel

**Branded Products 4 WM Share
Total U.S. All Outlets Combined**



Source: Nielsen Integrated Panel

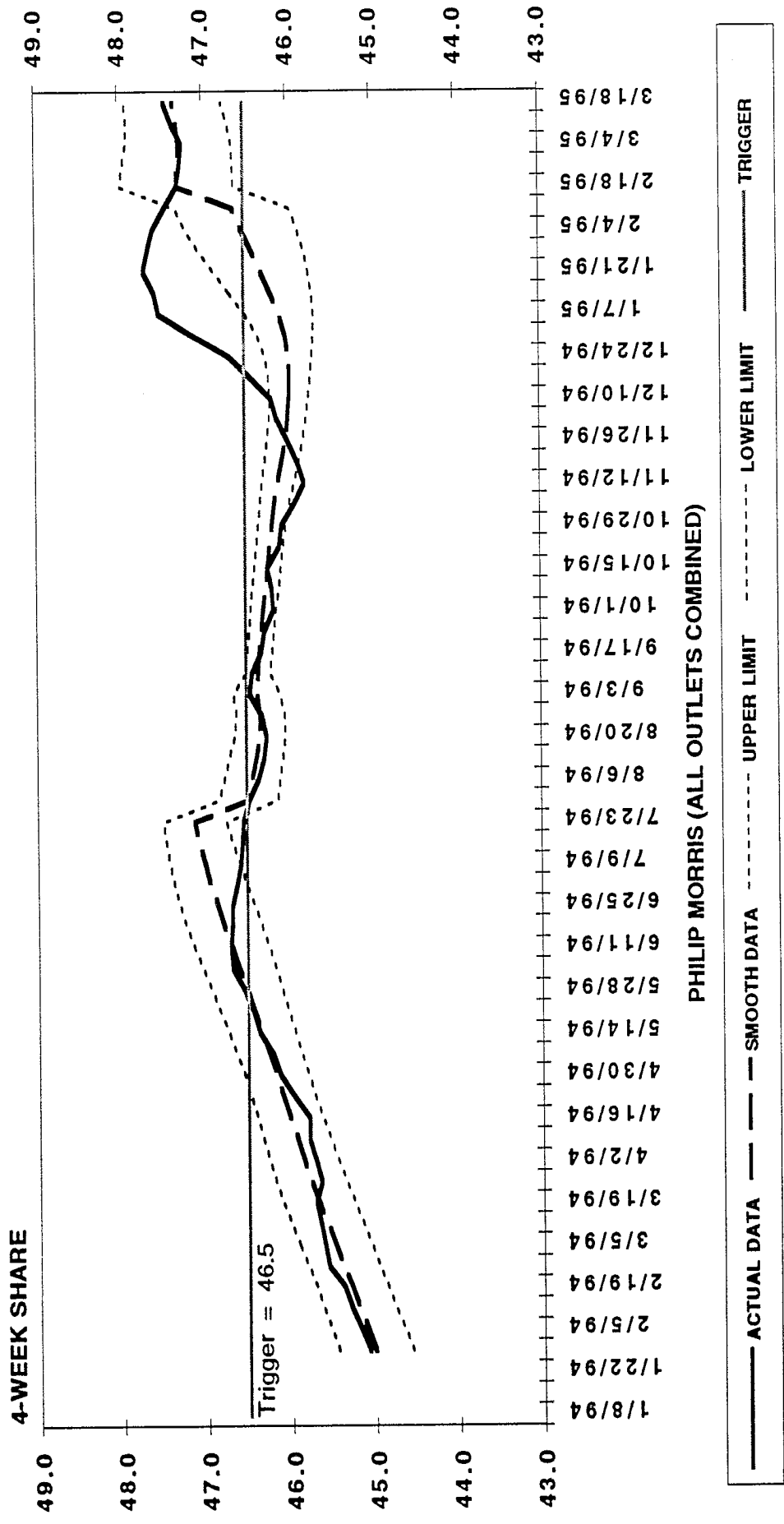
**Marlboro - Lowest Discount Price Gap (4WM)
Total U.S. Convenience Stores**



Source: Nielsen Pricing Database

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**Philip Morris 4 WM Share
Total U.S. All Outlets Combined**



Source: Nielsen Integrated Panel

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PRICING - W/E 3/18/95

PERFORMANCE ISSUES

PRICES

- C-store Pack Gap remained at 49%.

\$ Gap
% Gap

- Supermarket Carton Gap fairly stable YTD

\$ Gap
% Gap

INCIDENCE

- Basic's price disadvantage w/Lowest
 - Incidence decreased
 - Avg \$ Disadvantage stable

- ≤99¢ Incidence was stable

- Montclair money-off incidence increased

- Misty money-off incidence increased

- GPC money-off incidence remained unchanged

	CHANGE VERSUS			
	<u>3/18/95</u>	<u>WK AGO</u>	<u>4 WKS AGO</u>	<u>1/7/95</u>
\$ Gap	\$0.63	\$0.00	\$0.01	\$0.04
% Gap	49%	0%	1%	4%
\$ Gap	\$4.43	\$0.02	\$0.02	\$0.21
% Gap	36%	0%	0%	1%
(1%)	75%	(1%)	1%	(5%)
\$0.01	\$0.32	\$0.01	\$0.01	(\$0.02)
19%	19%	0%	2%	1%
22%	22%	1%	2%	(7%)
30%	30%	1%	(6%)	2%
49%	49%	0%	(2%)	2%

THE AVERAGE PACK PRICE GAP WAS UNCHANGED AT 63¢ OR 48.8%.

**C-STORE
PACKS**

	<u>1/7/95</u>	<u>3/4/95</u>	<u>3/11</u>	<u>3/18</u>	<u>Change</u> <u>Prior Week</u>
Marlboro (net)	\$1.90	\$1.93	\$1.92	\$1.92	\$0.00
Lowest Discount	1.31	1.31	1.29	1.29	\$0.00
\$ Gap	0.59	0.62	0.63	0.63	\$0.00
% Gap	45.0%	47.3%	48.8%	48.8%	0.0%
Marlboro (net)	\$16.24	\$16.61	\$16.59	N/A	(\$0.02)
Lowest Discount	12.03	\$12.18	\$12.16	N/A	(\$0.02)
\$ Gap	4.21	\$4.40	\$4.43	N/A	\$0.03
% Gap	35.0%	36.1%	36.4%	N/A	0.3%

**SUPERMARKET
CARTONS**

SOURCE: NIELSEN EXPANDED PRICING

CB

8894589702

3/29/95

REGIONALLY, ON A WEEKLY BASIS PRICE GAPS REMAINED STABLE IN ALL GEOGRAPHIES EXCEPT REGION 1, AS THE LOWEST DISCOUNT PRICE DECLINED -2¢ DUE TO DORAL AND MONARCH.

3/18

	<u>Marlboro</u>	<u>Lowest Discount</u>	<u>\$ GAP</u>	<u>% GAP</u>	<u>Chg. vs. WAGO</u>	<u>4 WK vs. 4 WAGO</u>
NATIONAL	1.92	1.29	\$0.63	48.8%	\$0.00	\$0.01
R1	2.09	1.46	\$0.63	43.2%	\$0.02	\$0.00
R2	1.76	1.14	\$0.62	54.4%	\$0.00	\$0.01
R3	1.90	1.28	\$0.62	48.4%	\$0.00	\$0.02
R4	1.89	1.30	\$0.59	45.4%	\$0.00	\$0.01
R5	2.06	1.36	\$0.70	51.5%	\$0.00	\$0.01

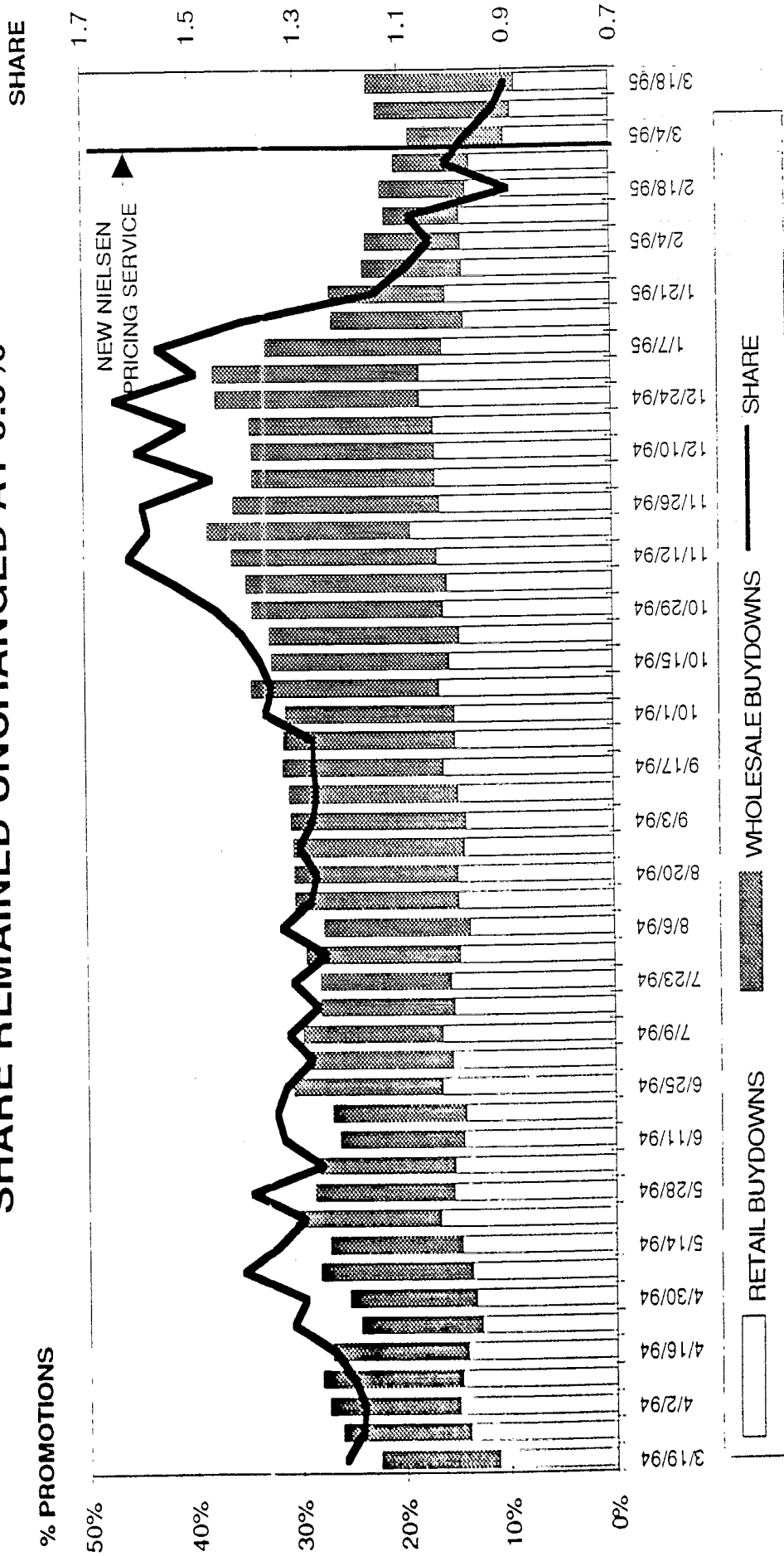
SOURCE: NIELSEN PRICING AUDIT

03

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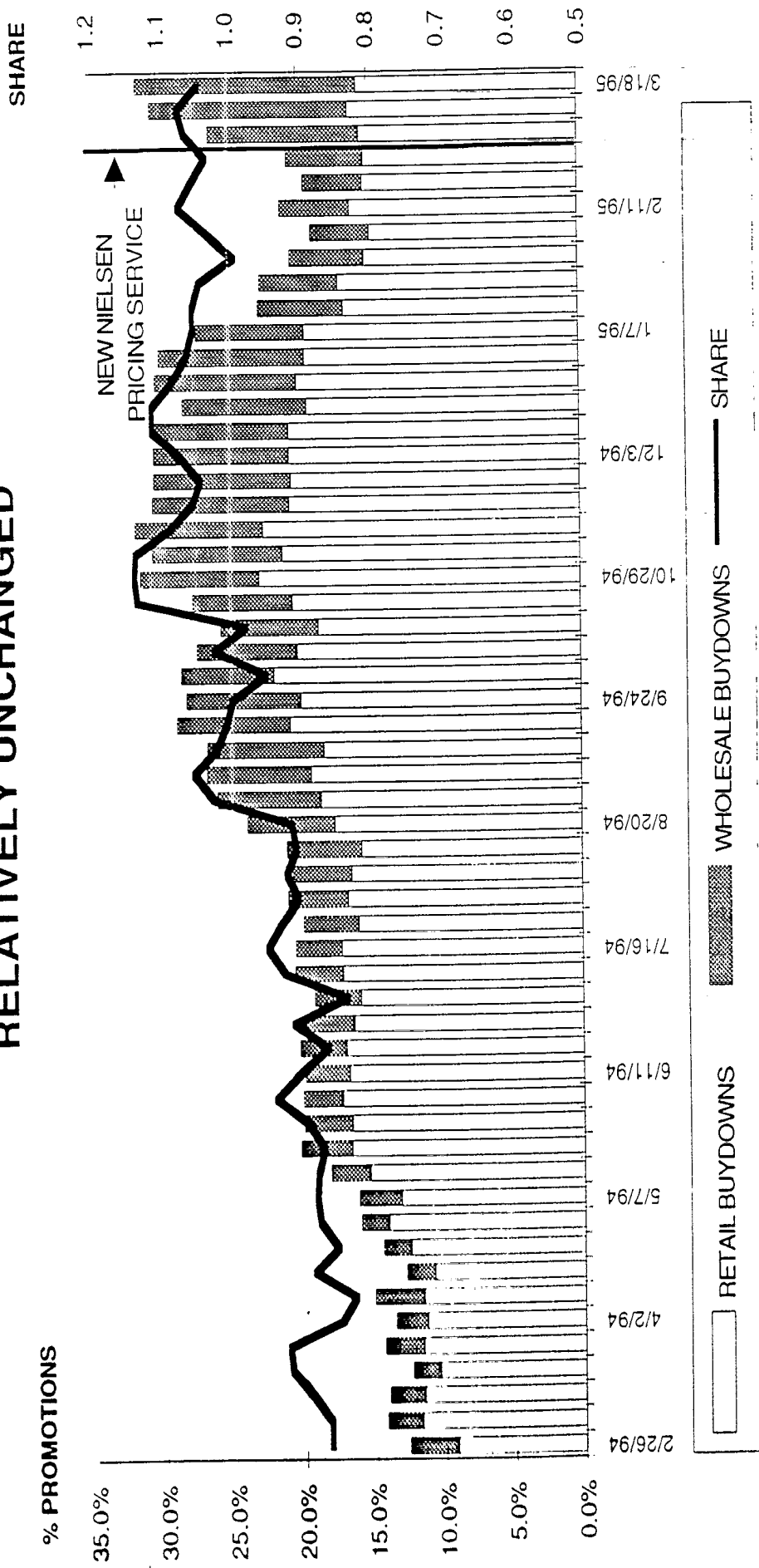
3/29/95

**MONTCLAIR MONEY-OFF PROMOTIONAL SUPPORT
INCREASED +1 POINT TO 22% OF C-STORES WHILE
SHARE REMAINED UNCHANGED AT 0.9%**



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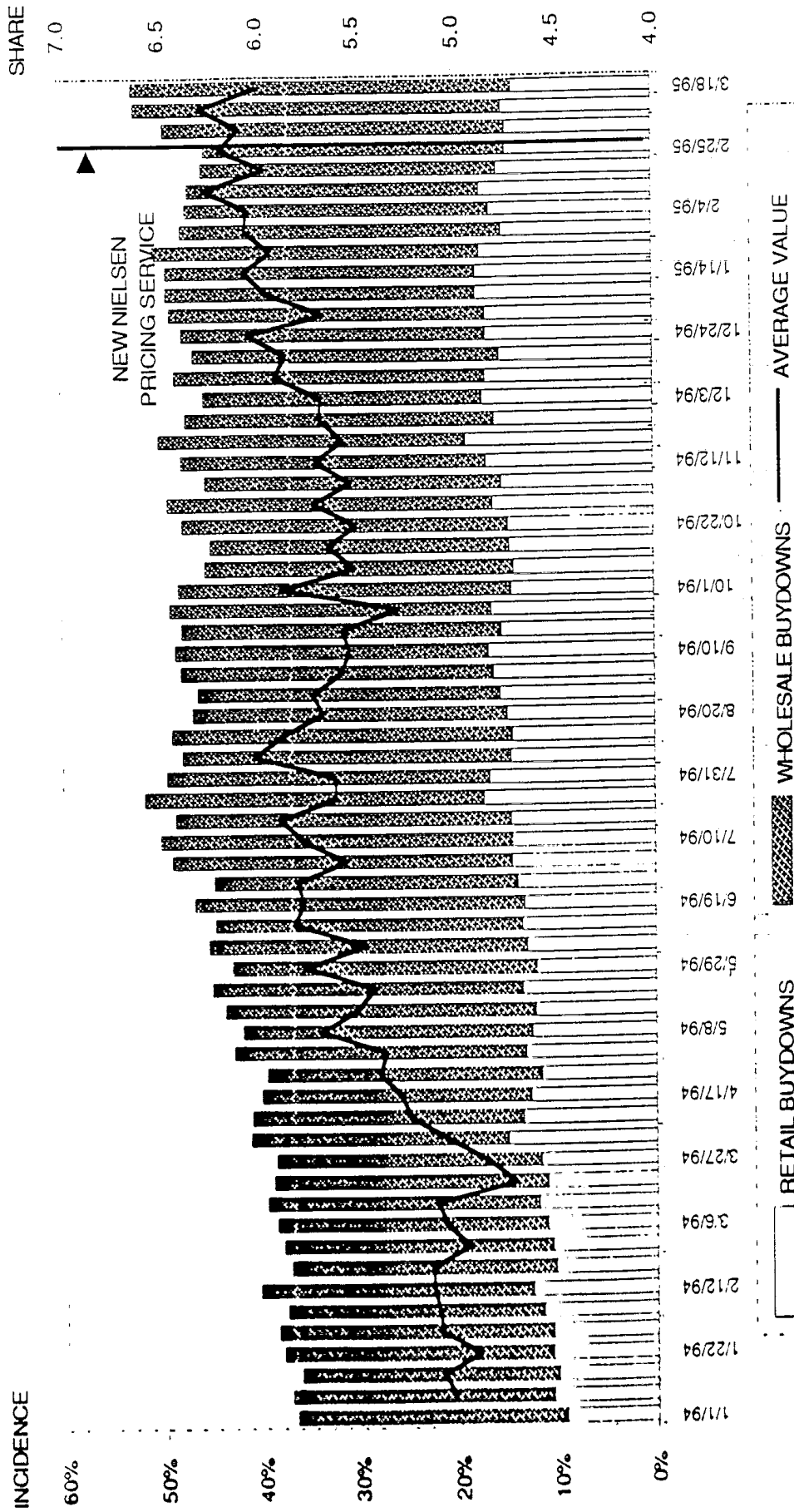
**MISTY MONEY-OFF PROMOTIONAL SUPPORT
 INCREASED FOR THE FOURTH WEEK IN A ROW UP +1
 POINT TO 30% OF C-STORES WHILE SHARE REMAINED
 RELATIVELY UNCHANGED**



03

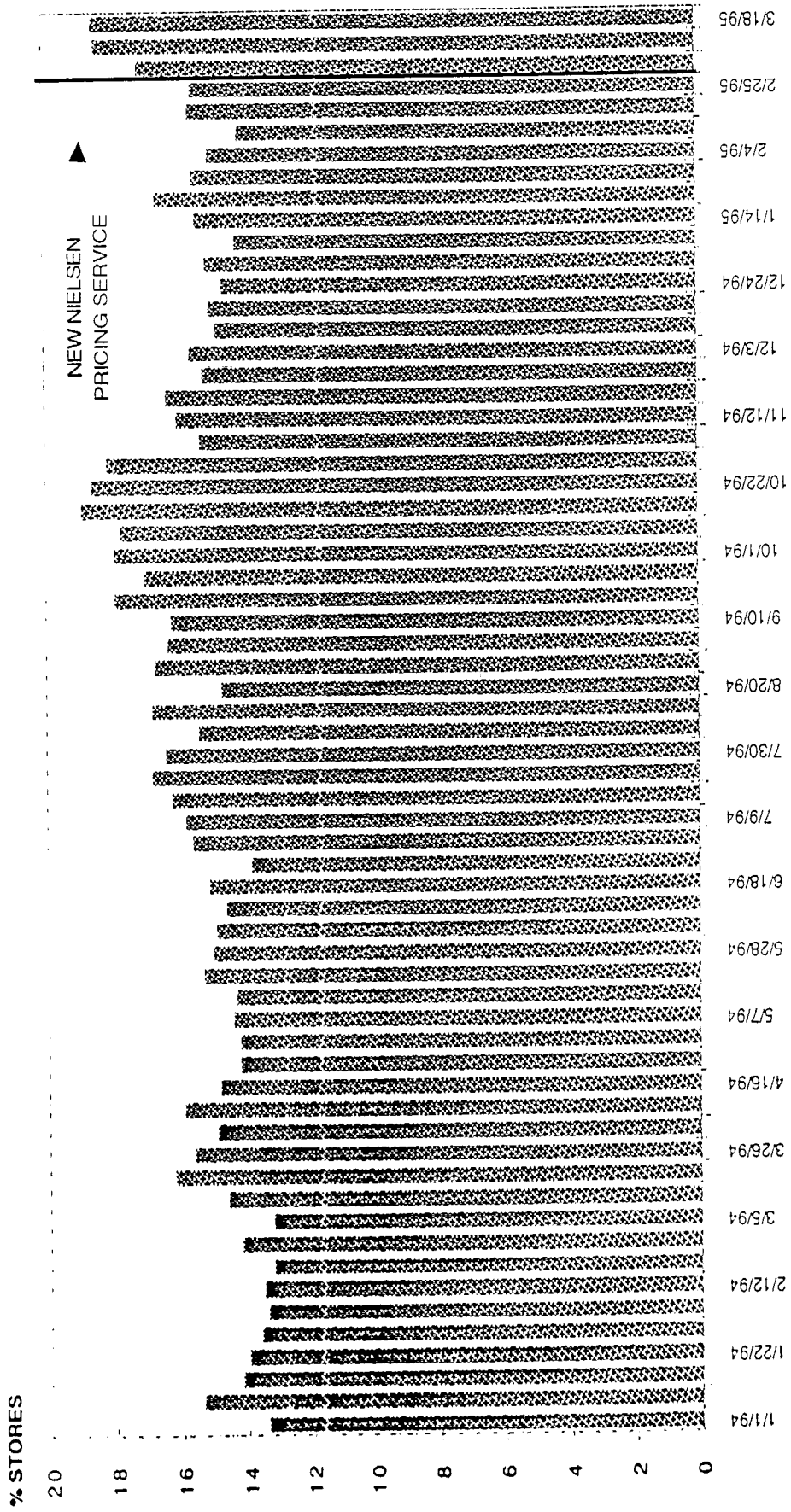
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GPC'S MONEY-OFF PROMOTIONAL SUPPORT REMAINED STABLE IN C-STORES WHILE SHARE DECLINED TO 6%



2045857687

≤99¢ INCIDENCE REMAINED AT 19% OF C-STORES.



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<99¢ INCIDENCE REMAINED RELATIVELY UNCHANGED VERSUS WEEK-AGO AT 19% OF C-STORES. INCIDENCE DECREASED IN REGIONS 3 AND 5 AS BASIC, RJR P/L, AND GPC REDUCED THEIR PRESENCE AT THIS PRICE POINT.

	<u>3/18</u>	<u>Change vs. WAGO</u>	<u>4 Wk vs. 4 WAGO</u>	<u>Weighted Avg. State Tax</u>
NATIONAL	18.5%	0.1	1.9	\$0.32
R1	4.6%	0.7	0.4	\$0.45
R2	35.9%	2.4	3.4	\$0.17
R3	15.3%	-1.7	2.0	\$0.31
R4	20.1%	-0.1	1.5	\$0.34
R5	8.6%	-1.6	1.8	\$0.39

COUNTIES				
A	8.8%	-1.7	1.7	N/A
B	17.2%	-0.3	1.7	N/A
C	30.9%	3.9	2.6	N/A
D	32.9%	1.2	2.5	N/A

SOURCE: NIELSEN EXPANDED PRICING

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3/28/95

NIELSEN

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PM'S ALL OUTLET COMBINED PERFORMANCE
WEEKLY INTEGRATED NIELSEN - W/E 3/18/95

	<u>LATEST 4 WEEKS</u>		<u>LATEST WEEK</u>	
	<u>SHARE%</u>	<u>CHG</u>	<u>SHARE%</u>	<u>CHG</u>
<u>4-WEEK PERFORMANCE ISSUES</u>				
PM Share Growth Strong as MCS Promotions Expand	<u>47.4%</u>	<u>0.2</u>	<u>47.7%</u>	<u>0.3</u>
• Marlboro Share Growth Strong	30.6	0.2	30.9	0.5
• PM OPB Share Stable	8.9	0.0	8.8	0.0
• PM Discount Share Stable	8.0	-0.1	8.0	-0.1
• Basic SOC Increasing	15.4	0.2	15.6	0.0
RJR Share Stabilizing	<u>27.4</u>	<u>-0.2</u>	<u>27.3</u>	<u>0.0</u>
• Camel Share Stable - B3G3F Support Increasing	4.5	0.0	4.5	0.1
• Doral's Moderate Gains Continue	5.0	0.2	5.0	0.0
• Winston Share Stabilizing, as Promotions Sell Through	5.8	0.0	5.8	0.0
Discount Category On Long Term Decline	<u>29.5</u>	<u>-0.2</u>	<u>29.3</u>	<u>-0.6</u>
• GPC 4Wk Share Remains at Highest Level To Date	5.4	0.1	5.3	-0.2

NIelsen INTEGRATED DATA
(All Outlets Combined)

COMPANY

Base December 1994
March 18, 1995 (MTD)

PM
46.92
47.43
0.51

RJR
27.67
27.40
(0.27)

B&W
16.77
16.32
(0.45)

Lorillard
6.78
6.89
0.11

Liggett
1.72
1.77
0.05

CATEGORY

Base December 1994
March 18, 1995 (MTD)

Premium
69.91
70.43
0.52

Discount
30.09
29.57
(0.52)

Branded Discount
23.41
23.15
(0.26)

Private Label
6.68
6.42
(0.26)

MAJOR BRANDS

Base December 1994
March 18, 1995 (MTD)

Marlboro
29.97
30.58
0.61

PM OPB
8.95
8.84
(0.11)

Winston
5.81
5.82
0.01

Select
1.07
1.11
0.04

Camel
4.35
4.46
0.11

MAJOR BRANDS

Base December 1994
March 18, 1995 (MTD)

Newport
4.11
4.20
0.09

Kool
3.15
3.05
(0.10)

Salem
3.92
3.86
(0.06)

Vantage
1.35
1.31
(0.04)

Now
0.61
0.61
0.00

BRANDED DISCOUNTS

Base December 1994
March 18, 1995 (MTD)

Basic
4.47
4.60
0.13

Cambridge
1.75
1.67
(0.08)

Alpine
0.36
0.35
(0.01)

Doral
4.76
4.99
0.23

Misty
1.21
1.22
0.01

Montclair
1.38
0.94
(0.44)

Monarch
1.45
1.23
(0.22)

Best Value
0.68
0.59
(0.09)

GPC
5.07
5.36
0.29

PRIVATE LABEL

Base December 1994
March 18, 1995 (MTD)

PM
1.17
1.15
(0.02)

RJR
3.70
3.54
(0.16)

Liggett
1.04
1.03
(0.01)

B & W
0.76
0.70
(0.06)

Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included.
Back data reflects the combined performance of the companies.

2694585702

Source: Nielsen Integrated Panel.

Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.



NIelsen INTEGRATED DATA
(All Outlets Combined)

COMPANY

Base 4th Quarter 1994
March 18, 1995 (QTD)

PM
46.37
47.44
1.07

RJR
28.33
27.43
(0.90)

B&W
16.61
16.37
(0.24)

Lorillard
6.76
6.83
0.07

Liggett
1.81
1.77
(0.04)

CATEGORY

Base 4th Quarter 1994
March 18, 1995 (QTD)

Premium
69.46
70.31
0.85

Discount
30.54
29.69
(0.85)

Branded Discount
23.78
23.06
(0.72)

Private Label
6.75
6.64
(0.11)

MAJOR BRANDS

Base 4th Quarter 1994
March 18, 1995 (QTD)

Marlboro
29.43
30.54
1.11

PM OPB
8.87
8.91
0.04

Winston
5.95
5.83
(0.12)

Select
1.15
1.09
(0.06)

Camel
4.39
4.44
0.05

MAJOR BRANDS

Base 4th Quarter 1994
March 18, 1995 (QTD)

Newport
4.09
4.16
0.07

Kool
3.14
3.03
(0.11)

Salem
3.91
3.86
(0.05)

Vantage
1.36
1.31
(0.05)

Now
0.61
0.60
(0.01)

BRANDED DISCOUNTS

Base 4th Quarter 1994
March 18, 1995 (QTD)

Basic
4.48
4.55
0.07

Cambridge
1.72
1.67
(0.05)

Alpine
0.38
0.36
(0.02)

Doral
4.99
4.81
(0.18)

Misty
1.20
1.20
0.00

Montclair
1.35
1.04
(0.31)

Monarch
1.60
1.29
(0.31)

Best Value
0.76
0.62
(0.14)

GPC
4.99
5.29
0.30

PRIVATE LABEL

Base 4th Quarter 1994
March 18, 1995 (QTD)

PM
1.23
1.16
(0.07)

RJR
3.70
3.68
(0.02)

Liggett
1.12
1.04
(0.08)

B & W
0.70
0.76
0.06

Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included.
Back data reflects the combined performance of the companies.

8692585702

Source: Nielsen Integrated Panel.

Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.

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NIelsen INTEGRATED DATA
(All Outlets Combined)

COMPANY

Base Full Year 1994	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>Lorillard</u>	<u>Liggett</u>
March 18, 1995 (YTD)	46.16	28.89	16.48	6.46	1.87
	47.44	27.43	16.37	6.83	1.77
	1.28	(1.46)	(0.11)	0.37	(0.10)

CATEGORY

Base Full Year 1994	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>
March 18, 1995 (YTD)	68.43	31.49	24.29	7.20
	70.31	29.69	23.06	6.64
	1.88	(1.80)	(1.23)	(0.56)

MAJOR BRANDS

Base Full Year 1994	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>
March 18, 1995 (YTD)	28.57	8.95	6.00	1.07	4.35
	30.54	8.91	5.83	1.09	4.44
	1.97	(0.04)	(0.17)	0.02	0.09

MAJOR BRANDS

Base Full Year 1994	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>
March 18, 1995 (YTD)	3.94	3.12	3.92	1.39	0.63
	4.16	3.03	3.86	1.31	0.60
	0.22	(0.09)	(0.06)	(0.08)	(0.03)

BRANDED DISCOUNTS

Base Full Year 1994	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>
March 18, 1995 (YTD)	4.56	1.80	0.40	4.72	1.09	1.21	1.89	1.00	4.83
	4.55	1.67	0.36	4.81	1.20	1.04	1.29	0.62	5.29
	(0.01)	(0.13)	(0.04)	0.09	0.11	(0.17)	(0.60)	(0.38)	0.46

PRIVATE LABEL

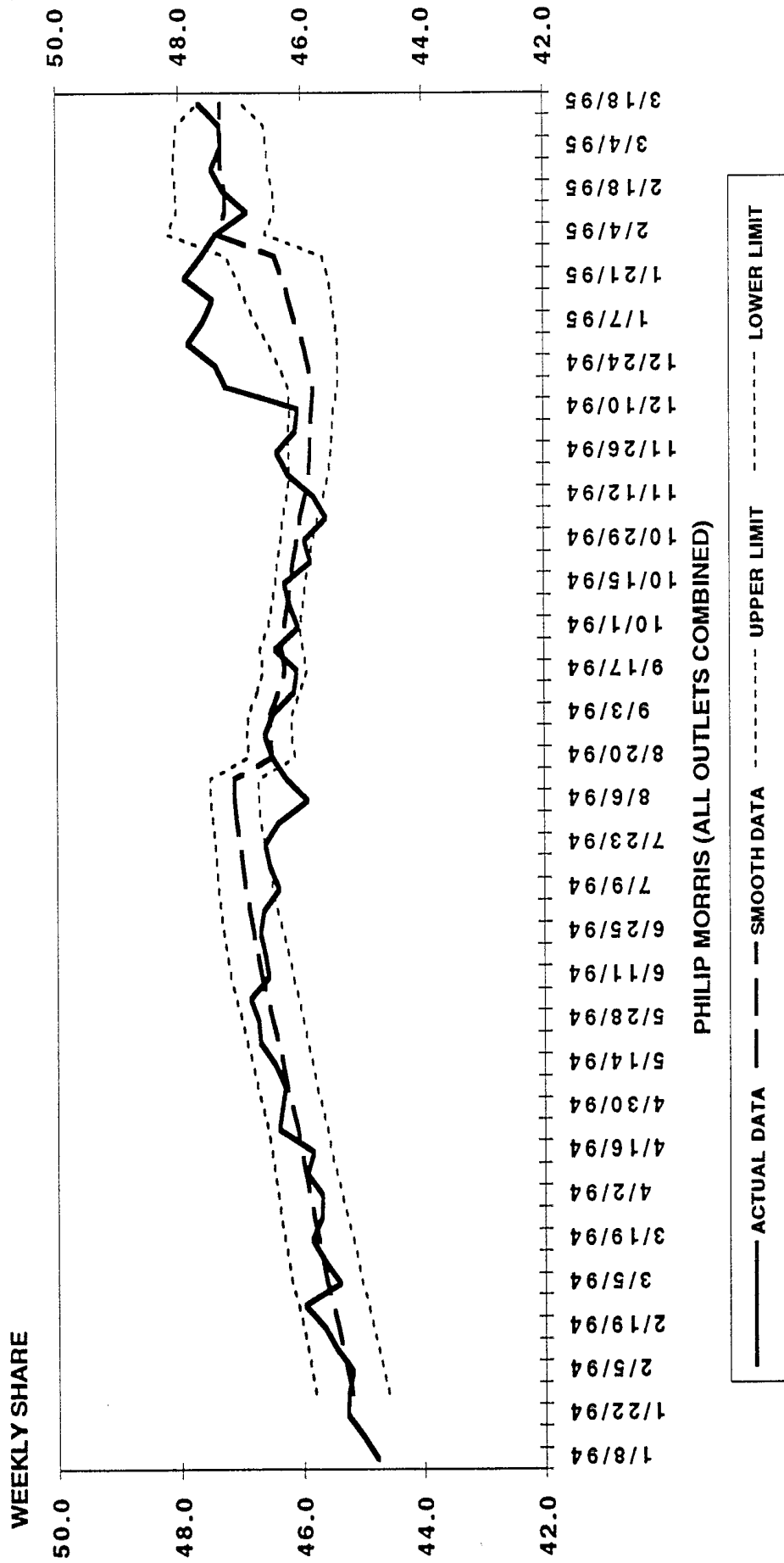
Base Full Year 1994	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>B & W</u>
March 18, 1995 (YTD)	1.55	3.85	1.07	0.72
	1.16	3.68	1.04	0.76
	(0.39)	(0.17)	(0.03)	0.04

Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included. Back data reflects the combined performance of the companies.

7692585702

Source: Nielsen Integrated Panel.
Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.

PM'S SHARE ADVANCES WERE DRIVEN BY MARLBORO: +0.3 POINTS TO 47.7% FOR THE WEEK AND +0.2 POINTS TO 47.4% FOR THE LATEST FOUR WEEKS.

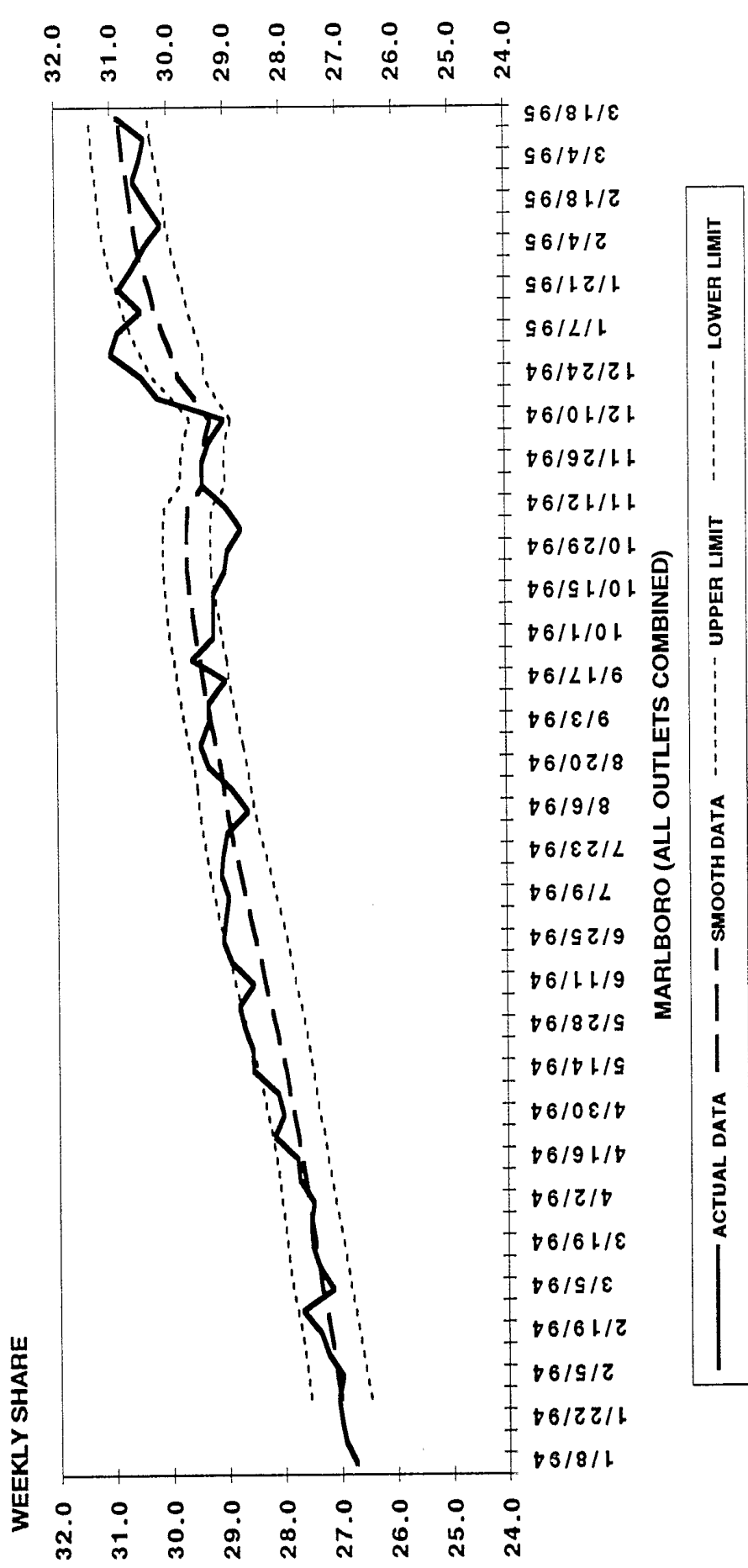


Source: Nielsen Integrated Panel

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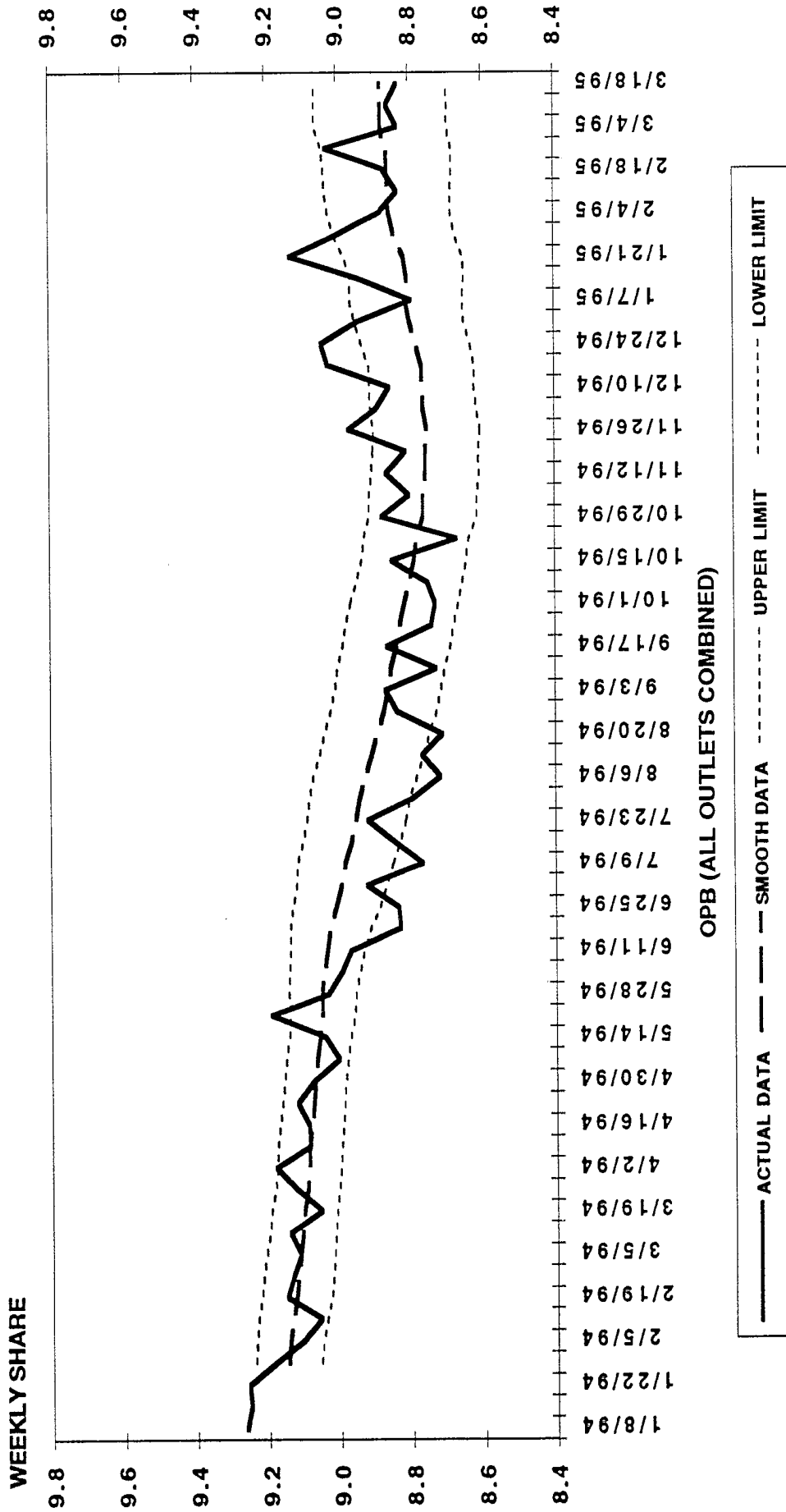
63

MARLBORO'S WEEKLY SHARE WAS UP +0.5 POINTS TO 30.9%, ITS HIGHEST LEVEL SINCE W/E 1/21/95. THIS WEEK'S PERFORMANCE BENEFITED IN PART FROM INCREASED FREE PRODUCT ACTIVITY. ON A FOUR-WEEK BASIS, PERFORMANCE WAS UP +0.2 POINTS.



Source: Nielsen Integrated Panel

OPB 'S WEEKLY AND FOUR-WEEK SHARES WERE STABLE AT 8.8% AND 8.9% RESPECTIVELY.

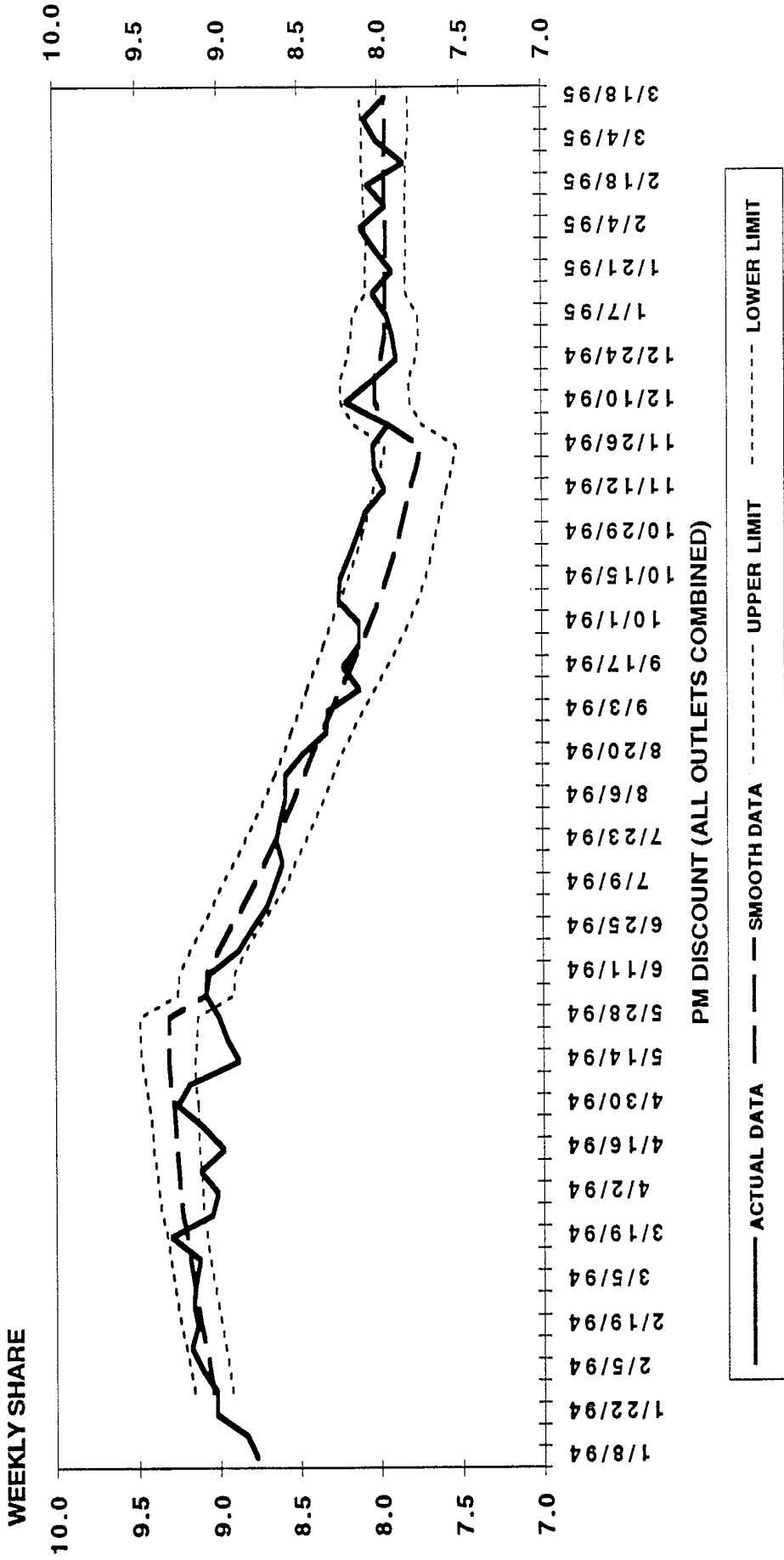


Source: Nielsen Integrated Panel

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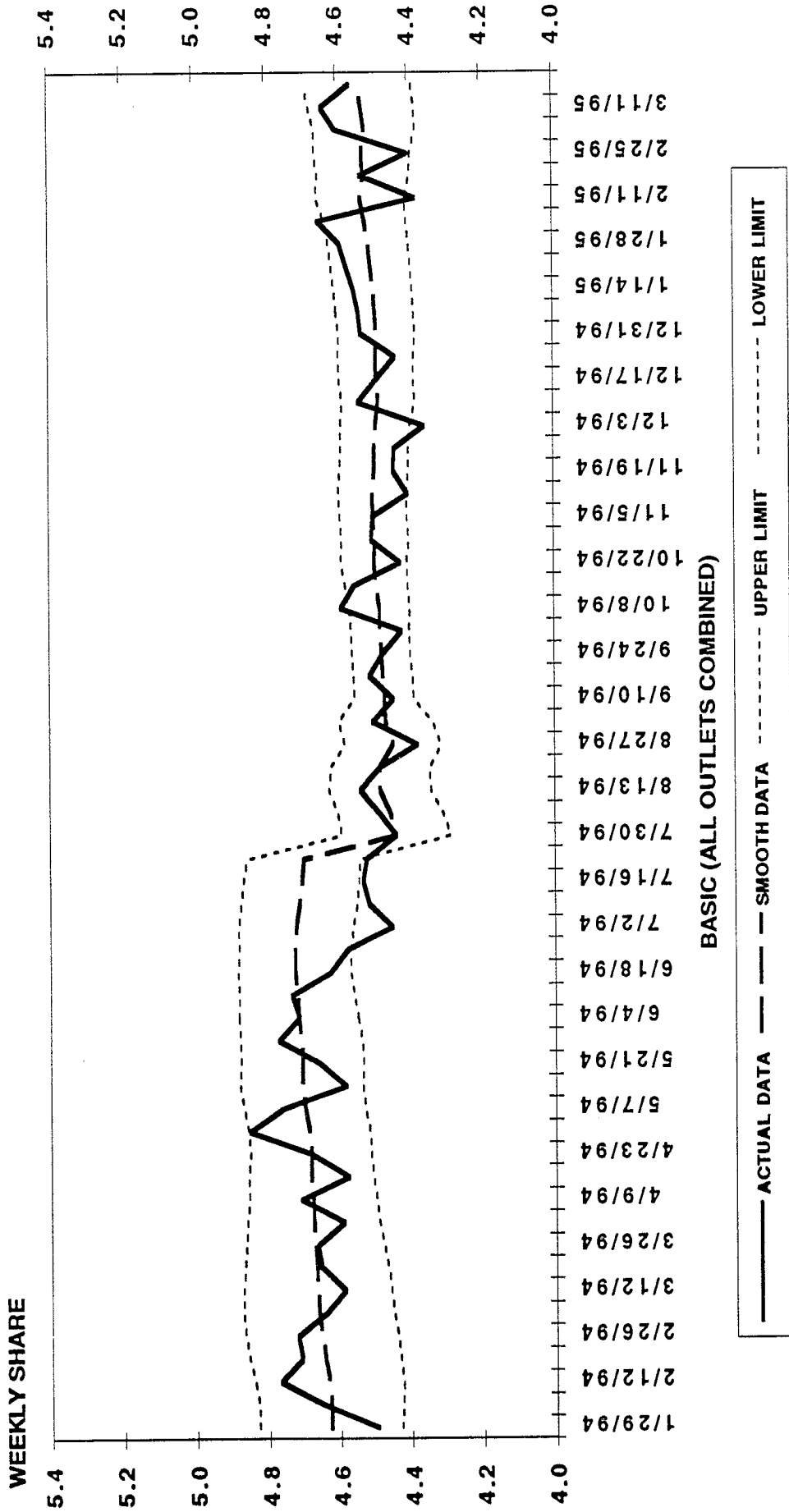
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PM DISCOUNT'S SHARE WAS DOWN -0.1 POINT ON BOTH A WEEKLY AND A FOUR-WEEK BASIS TO 8.0%. THIS WEEK'S LOSS WAS DRIVEN PRIMARILY BY BASIC.



Source: Nielsen Integrated Panel

BASIC'S WEEKLY SHARE WAS DOWN -0.1 POINT TO 4.6%, WHILE FOUR-WEEK SHARE WAS STABLE.



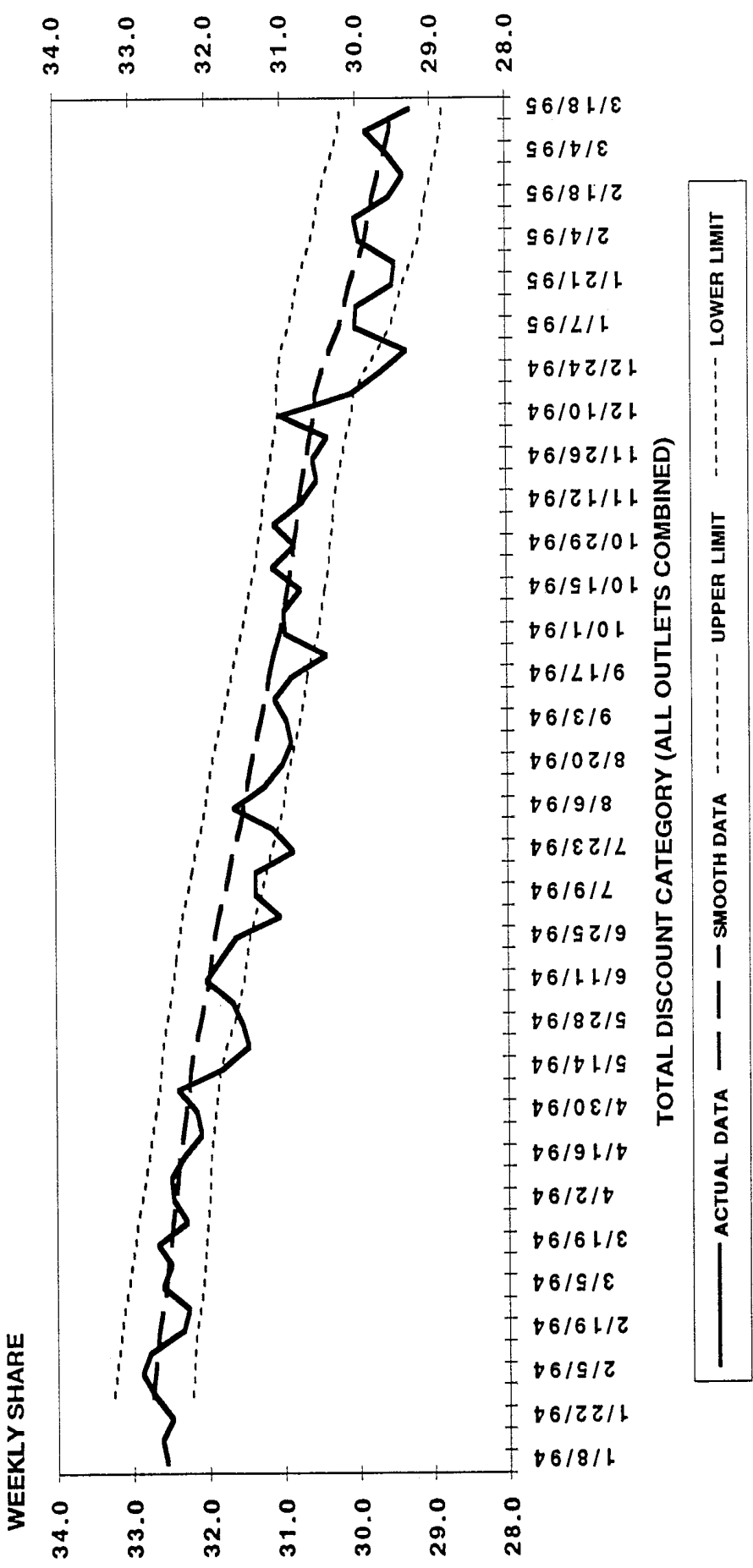
Source: Nielsen Integrated Panel

MARL

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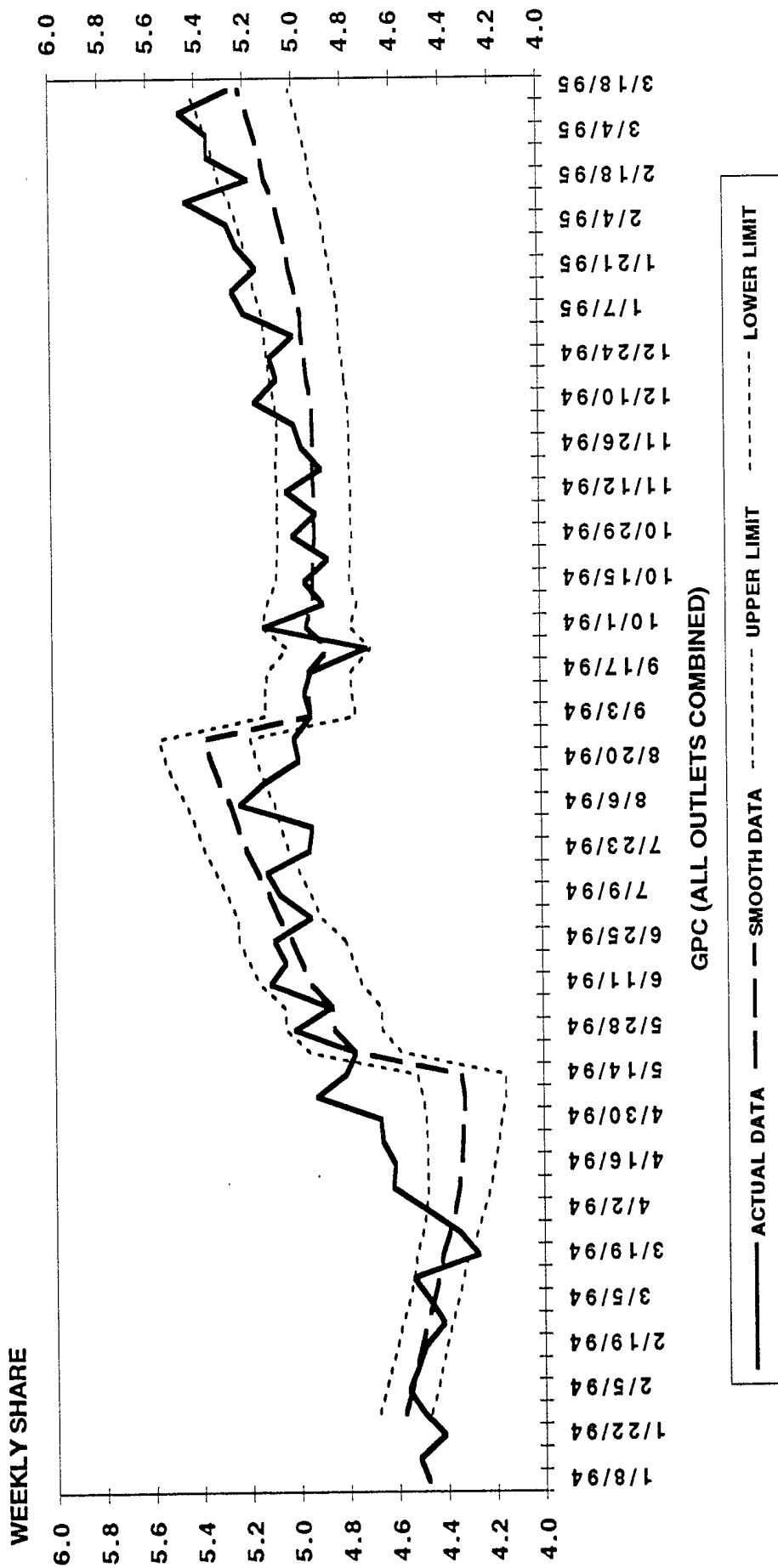
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THE DISCOUNT CATEGORY'S WEEKLY SHARE WAS DOWN -0.6 POINTS TO 29.3%, MORE THAN NEGATING LAST WEEK'S GAIN. THIS WEEK'S LOSSES WERE DRIVEN BY RJR PL, GPC AND BASIC. FOUR-WEEK SHARE WAS DOWN -0.2 POINTS.

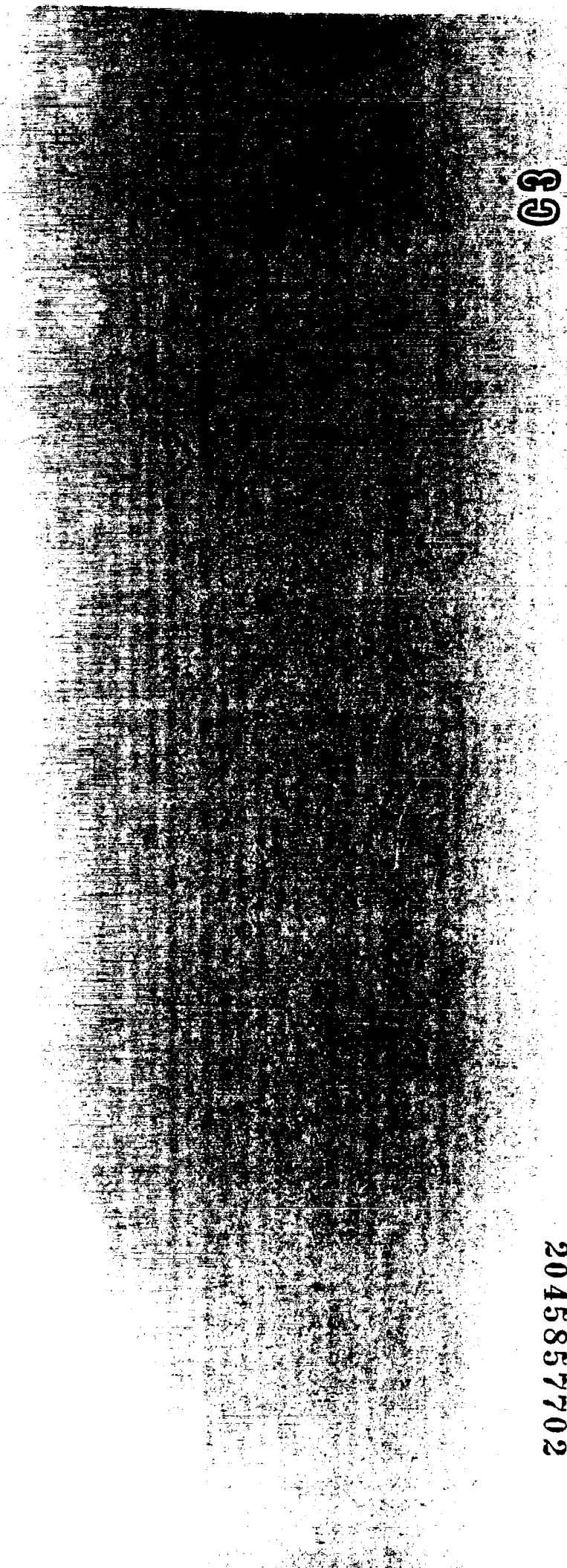


Source: Nielsen Integrated Panel

GPC'S WEEKLY SHARE WAS DOWN -0.2 POINTS TO 5.3%, NEGATING MOST OF THE RECENT THREE WEEKS' GAINS. FOUR-WEEK SHARE WAS UP +0.1 POINT.



Source: Nielsen Integrated Panel



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NIELSEN
C-STORE

PM'S PERFORMANCE IN C-STORES
WEEKLY C-STORE AUDITS - W/E 3/18/95

4-WEEK PERFORMANCE ISSUES

- PM Share Growth Strong as MCS Promotions Expand
- Marlboro Share Growth Strong
 - PM OPB Share Stable
 - PM Discount Share Stable
 - Basic SOC Increasing

RJR Share Stabilizing

- Camel Share Stable - B3G3F Support Increasing
- Doral's Moderate Gains Continue
- Winston Share Stabilizing, as Promotions Sell Through

Discount Category On Long Term Decline

- GPC 4Wk Share Remains at Highest Level To Date

	<u>LATEST 4 WEEKS</u>		<u>LATEST WEEK</u>	
	<u>SHARE%</u>	<u>CHG</u>	<u>SHARE%</u>	<u>CHG</u>
	<u>48.8%</u>	<u>0.4</u>	<u>49.1%</u>	<u>0.5</u>
	33.3	0.5	33.6	0.6
	7.7	0.1	7.6	0.0
	7.8	-0.1	7.9	-0.1
	15.8	0.2	16.0	0.0
	<u>26.7</u>	<u>-0.4</u>	<u>26.6</u>	<u>-0.1</u>
	5.0	0.0	5.1	0.2
	4.7	0.2	4.7	-0.1
	5.5	0.0	5.4	0.0
	<u>30.2</u>	<u>-0.4</u>	<u>29.9</u>	<u>-0.7</u>
	6.1	0.1	6.0	-0.3

NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)

COMPANY

Base December 1994	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>Lorillard</u>	<u>Liggett</u>
March 18, 1995 (MTD)	47.95	27.03	16.62	6.93	1.42
	<u>48.78</u>	<u>26.76</u>	<u>15.97</u>	<u>6.99</u>	<u>1.40</u>
	0.83	(0.27)	(0.65)	0.06	(0.02)

CATEGORY

Base December 1994	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>
March 18, 1995 (MTD)	68.76	31.24	23.46	7.77
	<u>69.75</u>	<u>30.25</u>	<u>22.85</u>	<u>7.39</u>
	0.99	(0.99)	(0.61)	(0.38)

MAJOR BRANDS

Base December 1994	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>
March 18, 1995 (MTD)	32.49	7.59	5.39	1.14	4.82
	<u>33.33</u>	<u>7.61</u>	<u>5.44</u>	<u>1.23</u>	<u>4.99</u>
	0.84	0.02	0.05	0.09	0.17

MAJOR BRANDS

Base December 1994	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>
March 18, 1995 (MTD)	4.75	3.27	3.35	1.13	0.38
	<u>4.82</u>	<u>3.21</u>	<u>3.36</u>	<u>1.10</u>	<u>0.38</u>
	0.07	(0.06)	0.01	(0.03)	0.00

BRANDED DISCOUNTS

Base December 1994	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>
March 18, 1995 (MTD)	4.73	1.29	0.27	4.47	1.09	1.54	1.90	0.48	5.83
	<u>4.82</u>	<u>1.18</u>	<u>0.26</u>	<u>4.73</u>	<u>1.06</u>	<u>0.93</u>	<u>1.56</u>	<u>0.43</u>	<u>6.13</u>
	0.09	(0.11)	(0.01)	0.26	(0.03)	(0.61)	(0.34)	(0.05)	0.30

PRIVATE LABEL

Base December 1994	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>B & W</u>
March 18, 1995 (MTD)	1.33	4.36	1.08	1.00
	<u>1.36</u>	<u>4.09</u>	<u>1.07</u>	<u>0.89</u>
	0.03	(0.27)	(0.01)	(0.11)

Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included. Back data reflects the combined performance of the companies.

NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>Lorillard</u>	<u>Liggett</u>
Base 4th Quarter 1994	47.48	27.70	16.34	6.86	1.55
March 18, 1995 (QTD)	48.59	26.85	16.11	6.96	1.41
	1.11	(0.85)	(0.23)	0.10	(0.14)
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>	
Base 4th Quarter 1994	68.46	31.54	23.67	7.86	
March 18, 1995 (QTD)	69.44	30.56	22.87	7.69	
	0.98	(0.98)	(0.80)	(0.17)	
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>
Base 4th Quarter 1994	32.02	7.59	5.54	1.23	4.86
March 18, 1995 (QTD)	33.09	7.65	5.45	1.21	4.97
	1.07	0.06	(0.09)	(0.02)	0.11
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>
Base 4th Quarter 1994	4.71	3.26	3.35	1.13	0.37
March 18, 1995 (QTD)	4.80	3.17	3.34	1.09	0.38
	0.09	(0.09)	(0.01)	(0.04)	0.01
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>
Base 4th Quarter 1994	4.70	1.25	0.28	4.67	1.08
March 18, 1995 (QTD)	4.79	1.18	0.27	4.52	1.04
	0.09	(0.07)	(0.01)	(0.15)	(0.04)
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>B & W</u>	
Base 4th Quarter 1994	1.40	4.39	1.19	0.89	
March 18, 1995 (QTD)	1.37	4.28	1.07	0.97	
	(0.03)	(0.11)	(0.12)	0.08	
				<u>Montclair</u>	<u>Monarch</u>
				1.51	2.09
				1.09	1.66
				(0.42)	(0.43)
				<u>Best Value</u>	<u>GPC</u>
				0.50	5.69
				0.45	6.08
				(0.05)	0.39

Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included.
Back data reflects the combined performance of the companies.

9044989402

Source: Nielsen Integrated Panel.
Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.

63

NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)

COMPANY

Base Full Year 1994
March 18, 1995 (YTD)

Liggett
1.48
1.41
(0.07)

Lorillard
6.50
6.96
0.46

B&W
16.05
16.11
0.06

RJR
28.09
26.85
(1.24)

PM
47.82
48.59
0.77

CATEGORY

Base Full Year 1994
March 18, 1995 (YTD)

Private Label
8.46
7.69
(0.77)

Branded Discount
23.83
22.87
(0.96)

Discount
32.29
30.56
(1.73)

Premium
67.71
69.44
1.73

MAJOR BRANDS

Base Full Year 1994
March 18, 1995 (YTD)

Camel
4.83
4.97
0.14

Select
1.19
1.21
0.02

Winston
5.57
5.45
(0.12)

PM OPB
7.71
7.65
(0.06)

Marlboro
31.49
33.09
1.60

MAJOR BRANDS

Base Full Year 1994
March 18, 1995 (YTD)

Now
0.38
0.38
0.00

Vantage
1.16
1.09
(0.07)

Salem
3.40
3.34
(0.06)

Kool
3.24
3.17
(0.07)

Newport
4.59
4.80
0.21

BRANDED DISCOUNTS

Base Full Year 1994
March 18, 1995 (YTD)

Misty
0.95
1.04
0.09

Doral
4.17
4.52
0.35

Alpine
0.30
0.27
(0.03)

Cambridge
1.29
1.18
(0.11)

Basic
4.91
4.79
(0.12)

Best Value
0.62
0.45
(0.17)

Monarch
2.50
1.66
(0.84)

Montclair
1.30
1.09
(0.21)

GPC
5.50
6.08
0.58

PRIVATE LABEL

Base Full Year 1994
March 18, 1995 (YTD)

B & W
0.91
0.97
0.06

Liggett
1.06
1.07
0.01

RJR
4.65
4.28
(0.37)

PM
1.83
1.37
(0.46)

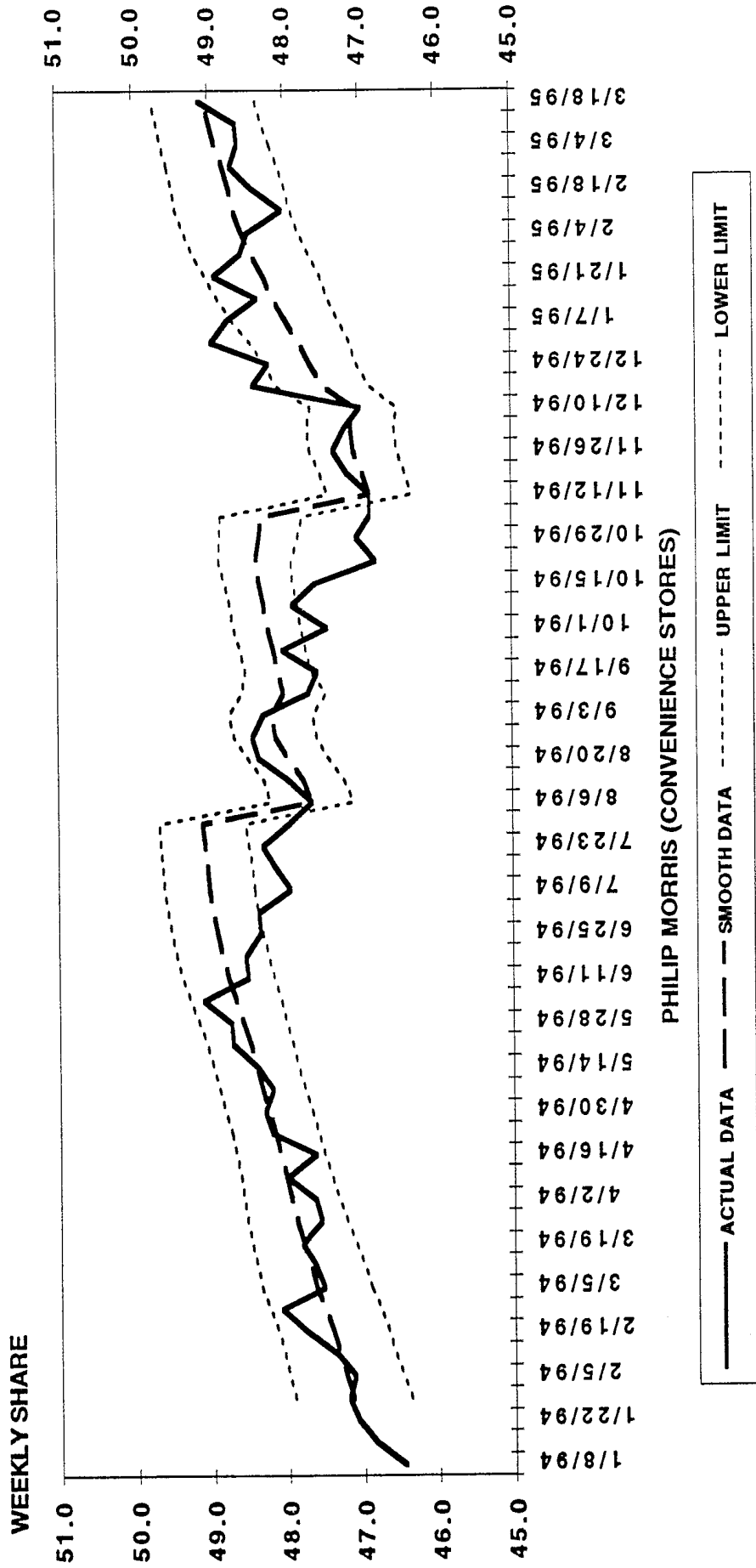
Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included.
Back data reflects the combined performance of the companies.

9044585402

Source: Nielsen Integrated Panel.
Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.



PM'S WEEKLY PERFORMANCE WAS UP +0.5 POINTS TO 49.1%, RETURNING TO JANUARY'S HOLIDAY BONUS PROGRAM LEVEL. MARLBORO'S GAIN MORE THAN OFFSET BASIC'S LOSS. FOUR-WEEK SHARE WAS UP +0.4 POINTS.

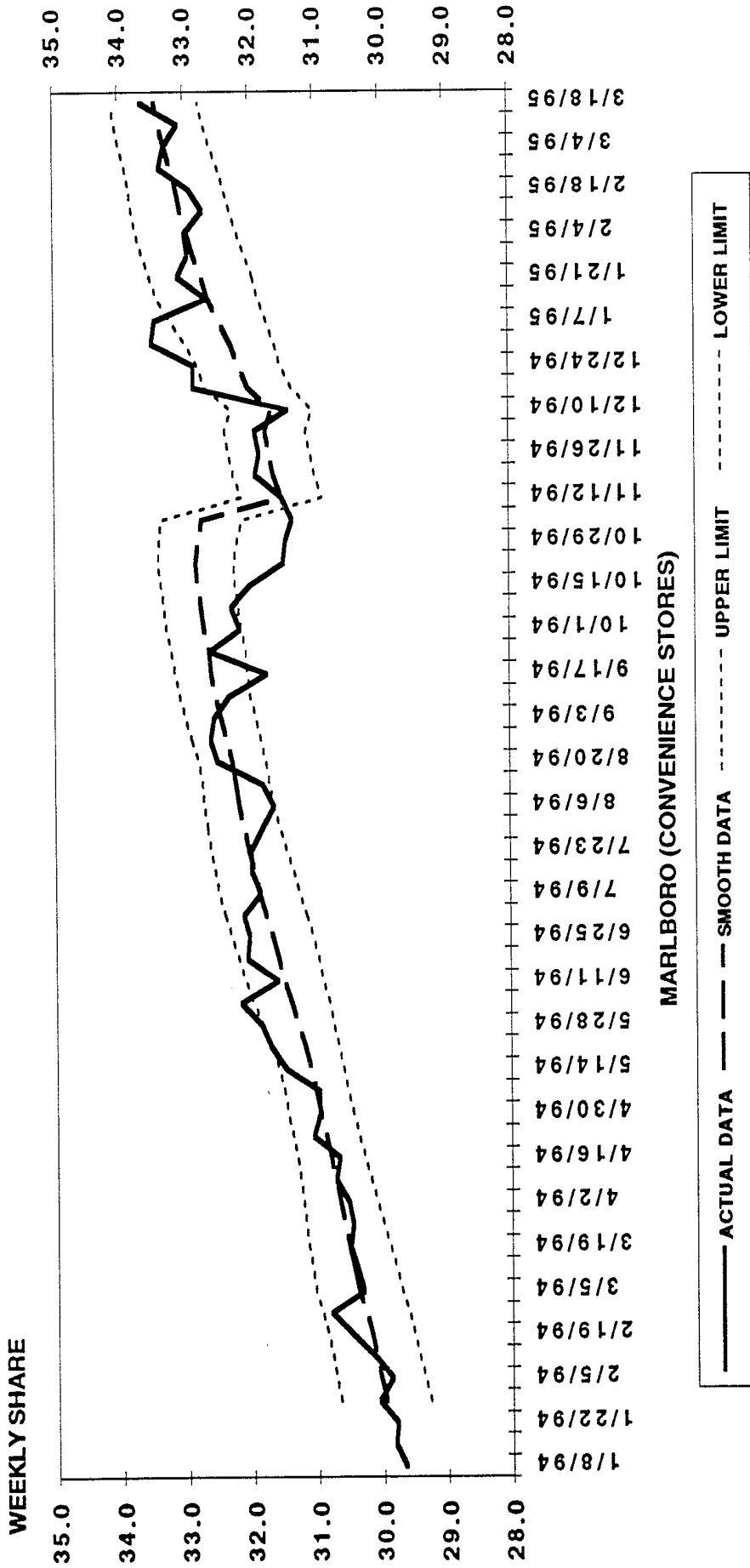


Source: Nielsen Integrated Panel



2045857707

MARLBORO'S WEEKLY SHARE INCREASED +0.6 POINTS TO 33.6%, REACHING ITS HIGHEST LEVEL TO DATE. THIS WEEK'S GAIN COINCIDED WITH EXPANDING FREE PRODUCT AND MAIL-IN ACTIVITY. FOUR-WEEK SHARE WAS UP +0.5 POINTS TO 33.3%.

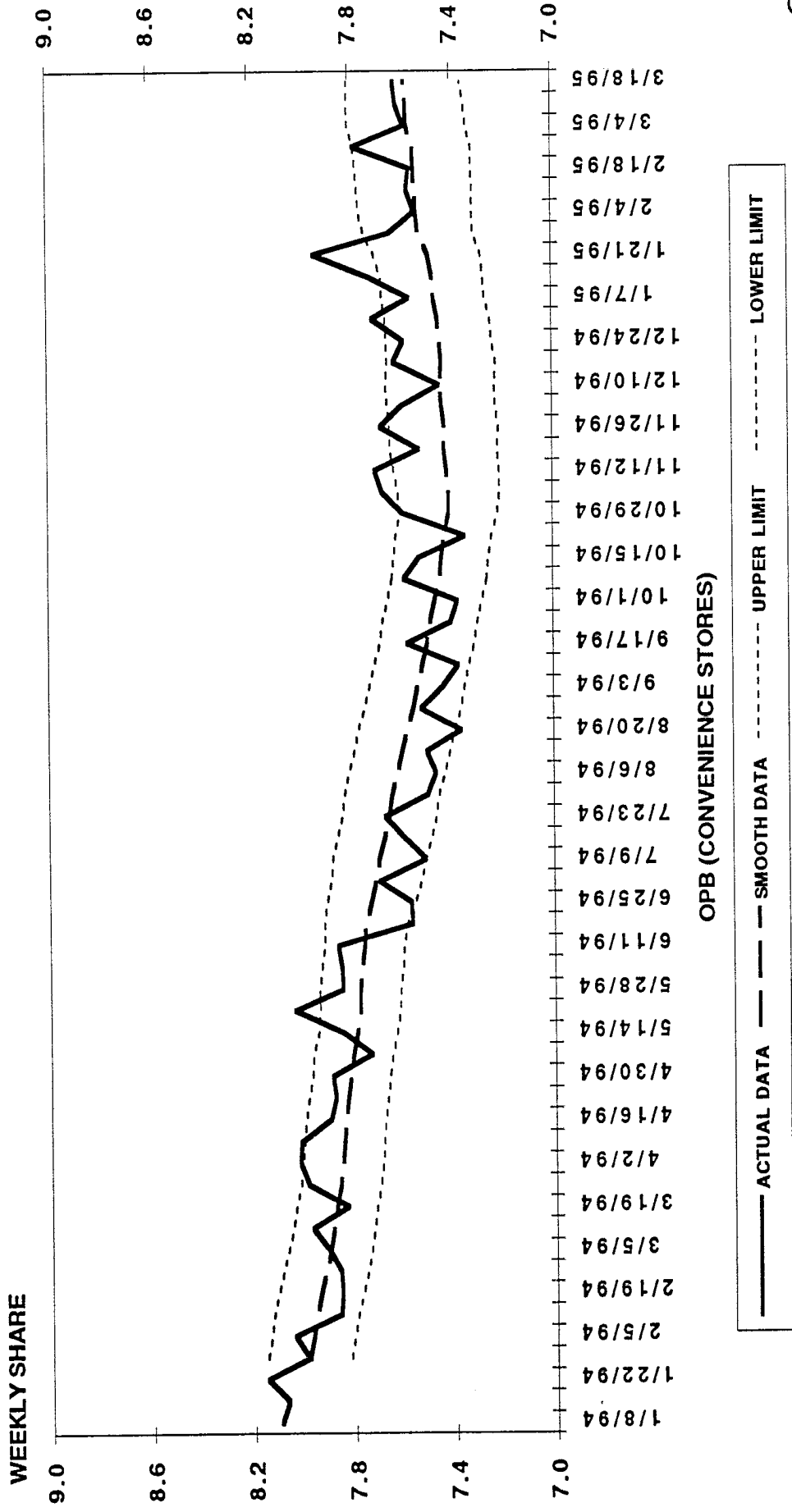


Source: Nielsen Integrated Panel



2045857708

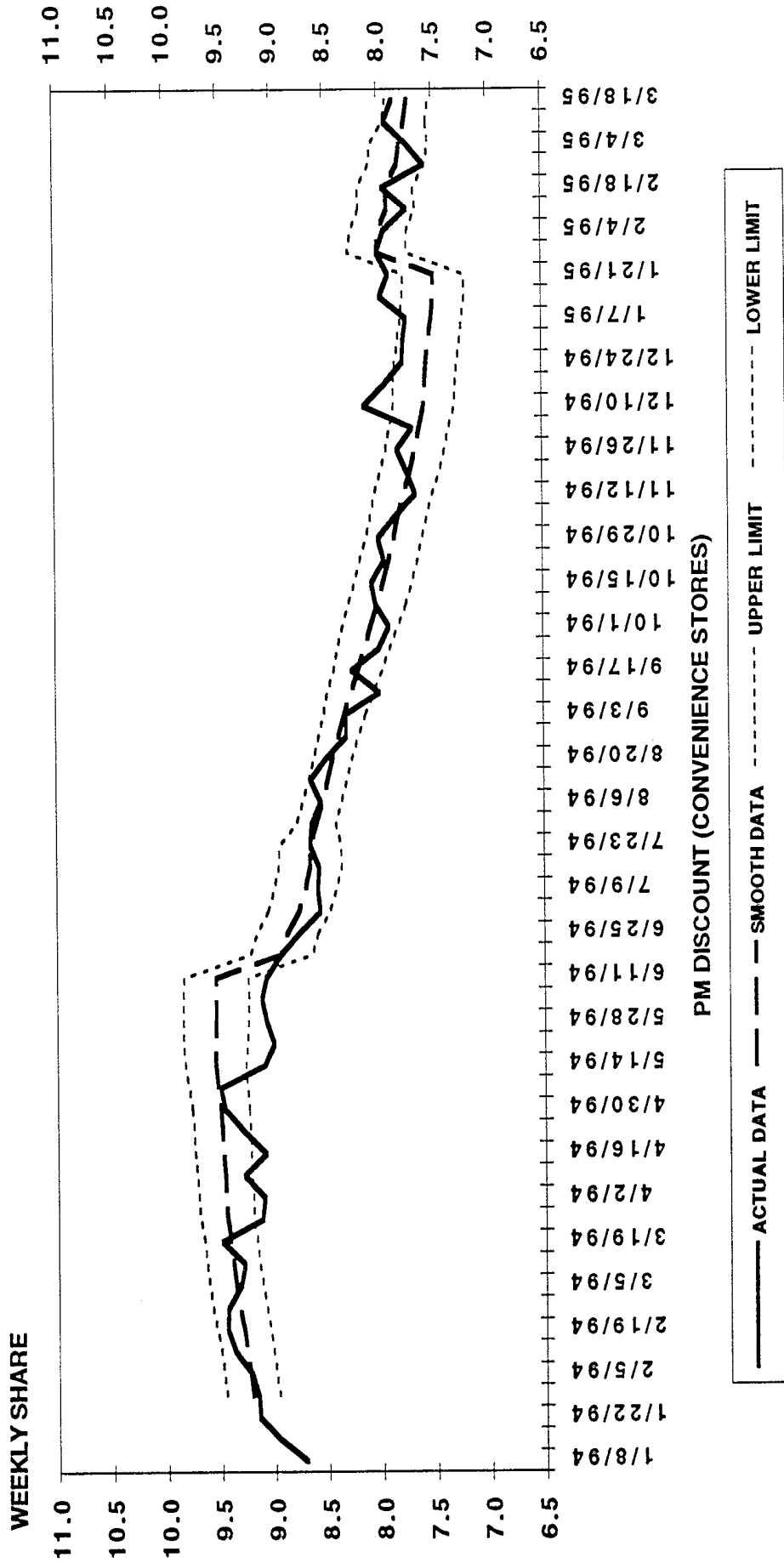
OPB'S WEEKLY SHARE WAS STABLE AT 7.6%. FOUR-WEEK SHARE EXPERIENCED A MODERATE GAIN OF +0.1 POINT.



Source: Nielsen Integrated Panel



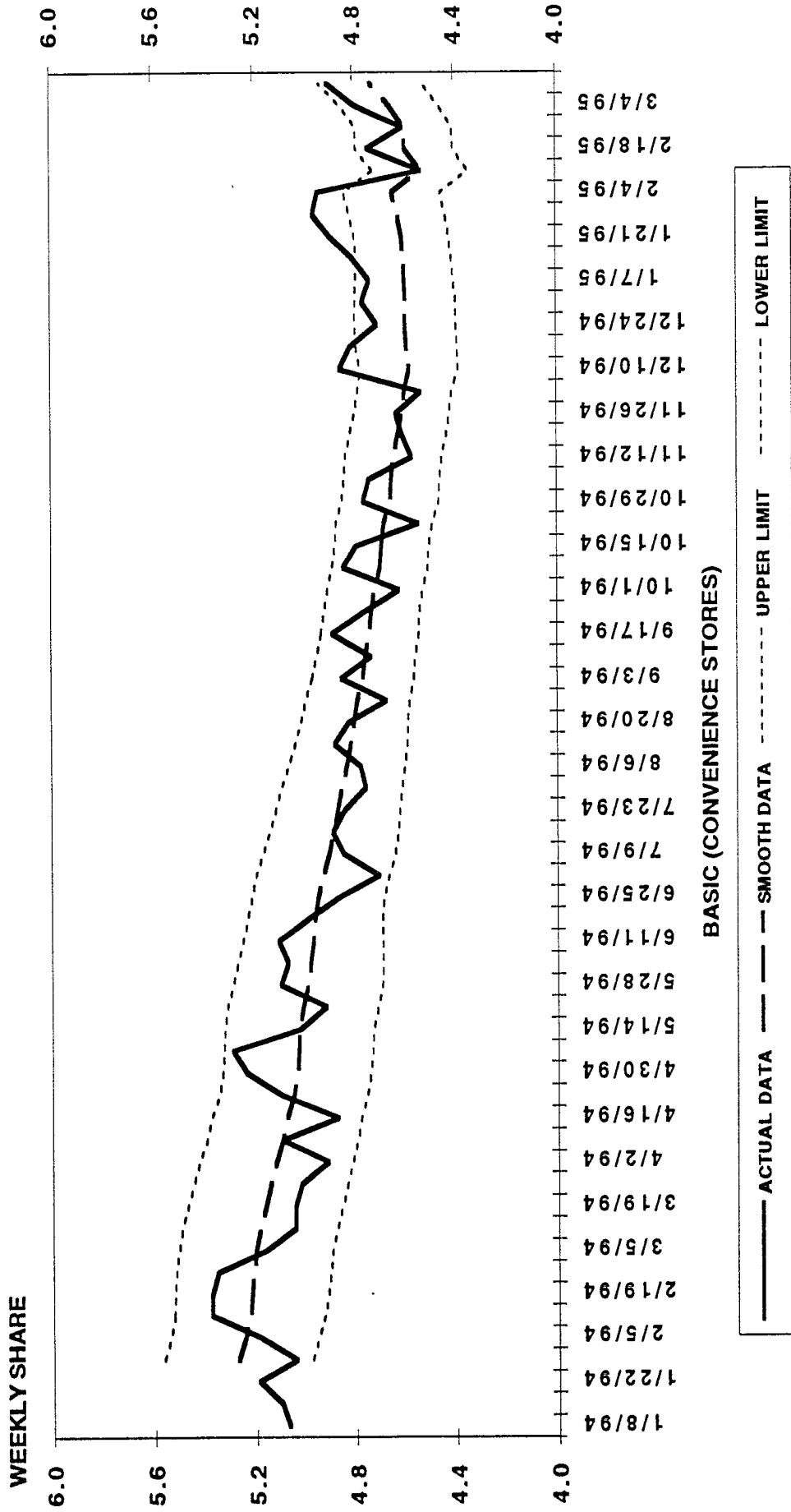
PM DISCOUNT'S WEEKLY SHARE DECLINED -0.1 POINT TO 7.9%, WITH BASIC CONTRIBUTING TO THE LOSS. FOUR-WEEK SHARE WAS ALSO DOWN -0.1 POINT TO 7.8%.



Source: Nielsen Integrated Panel



BASIC'S WEEKLY SHARE WAS DOWN -0.1 POINT TO 4.8%, WHILE FOUR-WEEK SHARE REMAINED UNCHANGED.



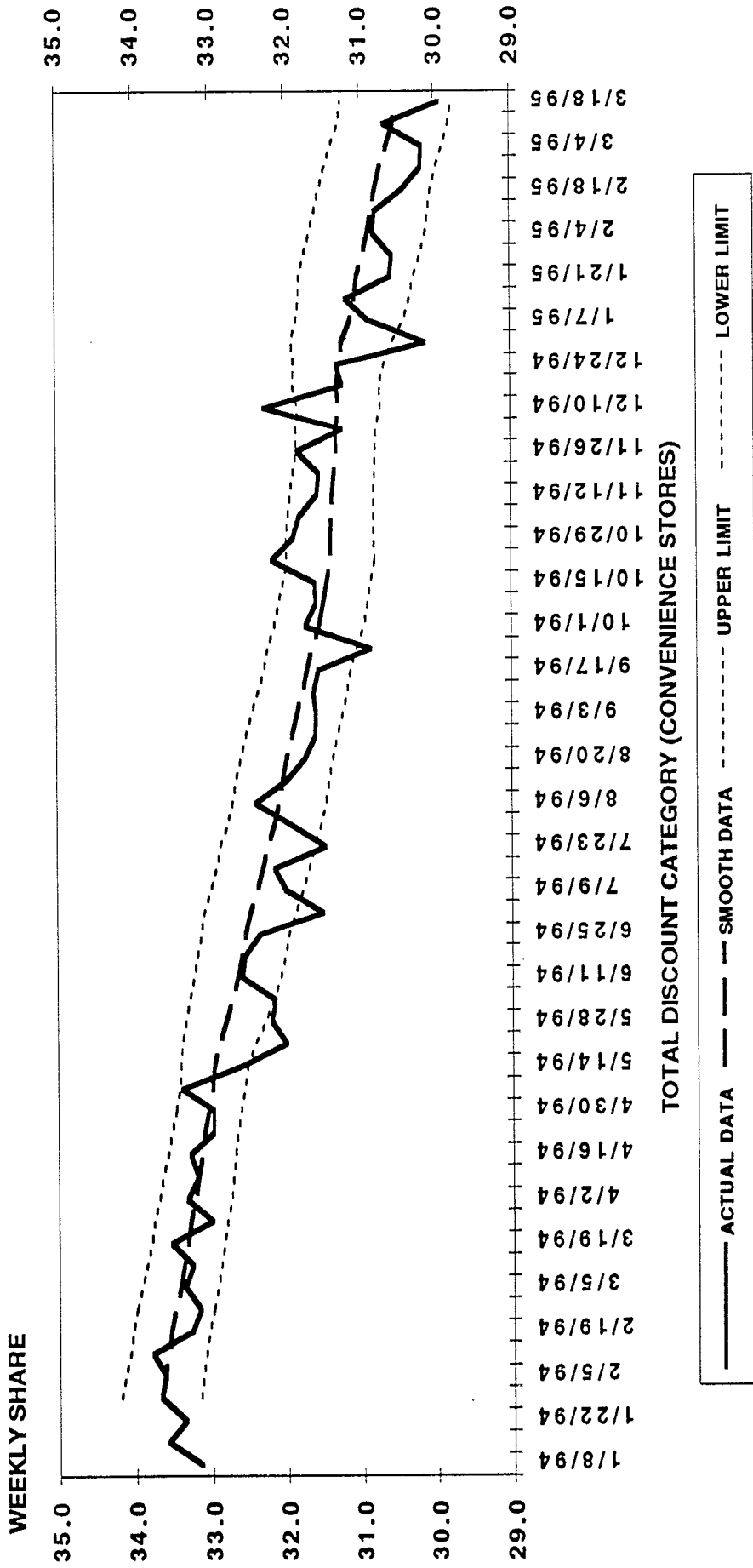
Source: Nielsen Integrated Panel

MARL

2045857711

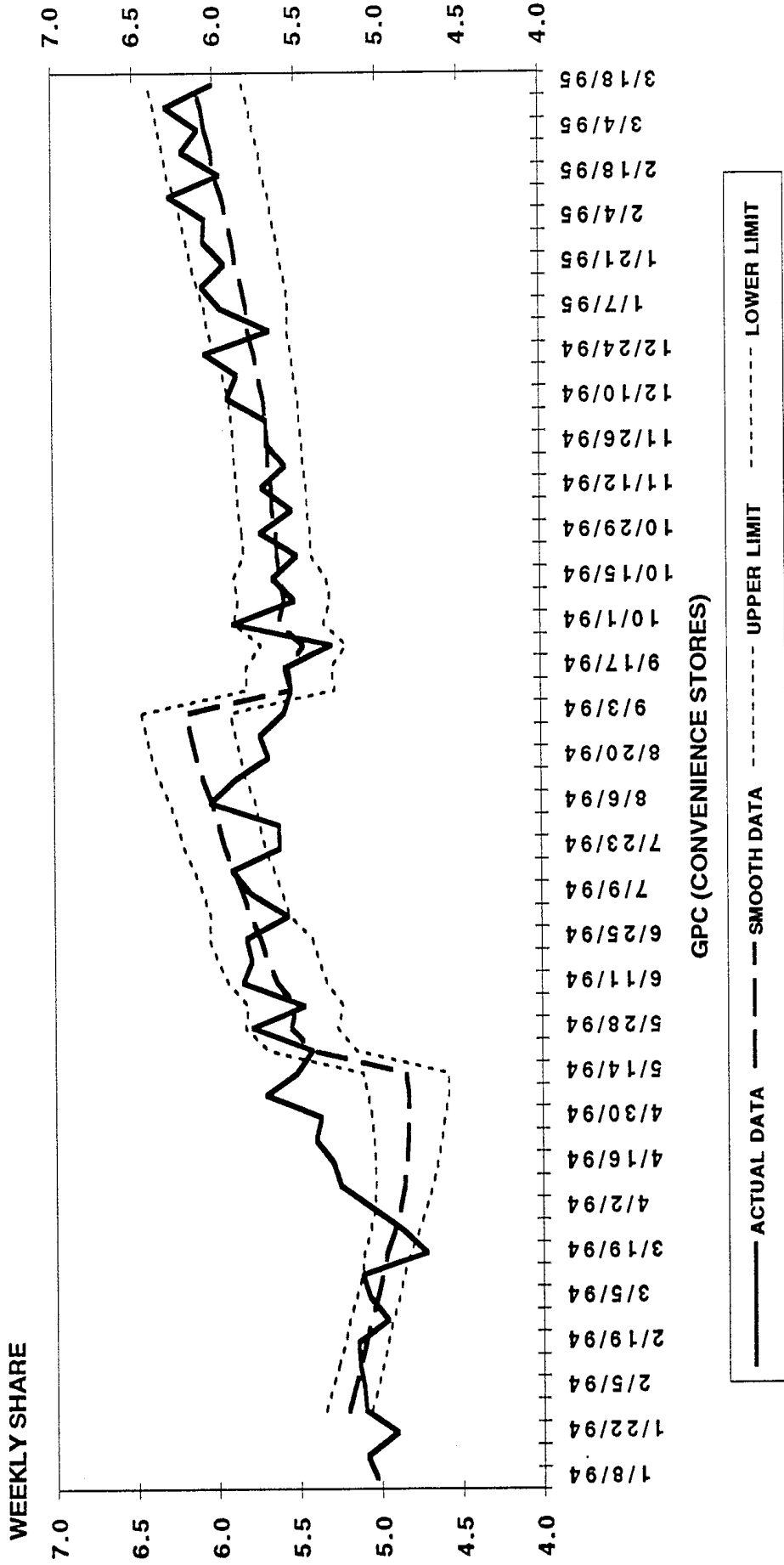


THIS WEEK'S DISCOUNT CATEGORY -0.7 POINT DECLINE TO 29.9% MORE THAN OFFSET LAST WEEK'S GAIN. RJR PL AND GPC EXPERIENCED THE LARGEST LOSSES. THE CATEGORY'S FOUR-WEEK SHARE WAS -0.4 POINTS LOWER.



Source: Nielsen Integrated Panel

**GPC'S WEEKLY PERFORMANCE WAS DOWN -0.3 POINTS TO 6.0%,
REVERSING RECENT WEEKS' GAINS. FOUR-WEEK SHARE WAS UP +0.1
POINT.**



Source: Nielsen Integrated Panel

39

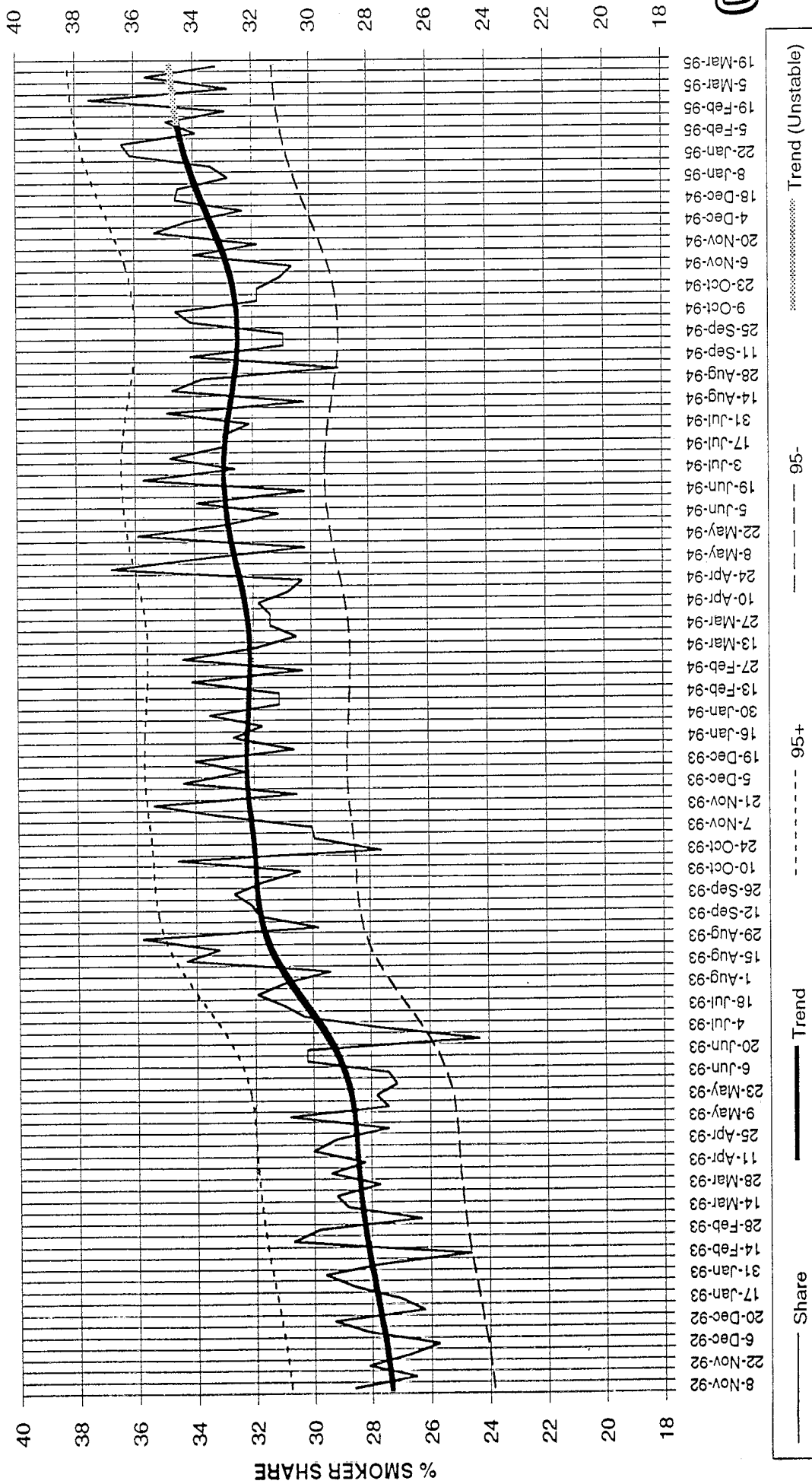
2045857714

SMOKER SHARE

MARLBORO SMOKER SHARE

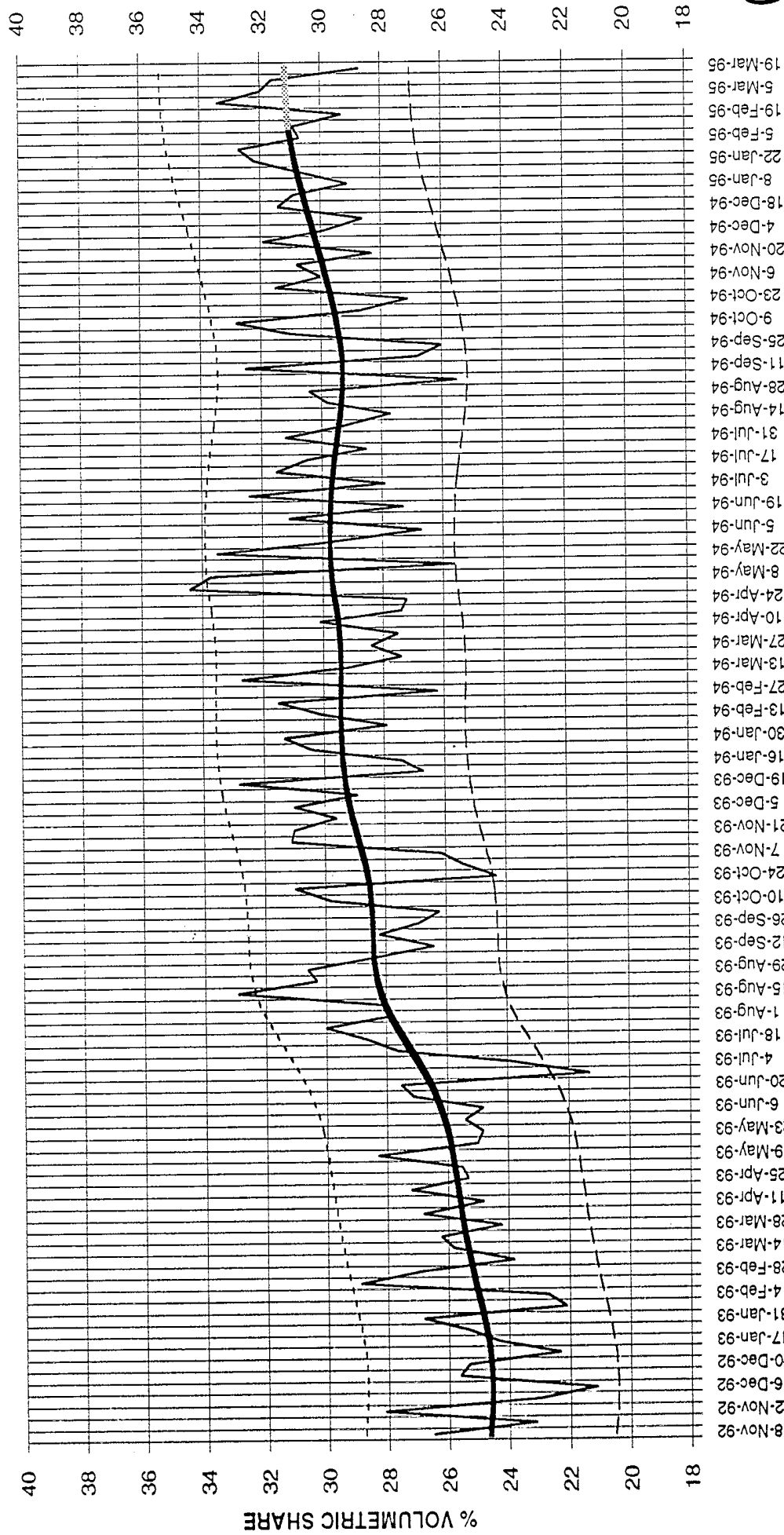
- Like Nielsen, Marlboro smoker and volumetric share trends remain near record highs, somewhat below the peak reached during the Holiday Bonus promotional period.
- Among Young Adult Smokers, share growth is leveling off, but remains above 60%.
- Among Total Smokers, trends remain positive, over 34% in smoker and 31% in volumetric share.

MARLBORO SMOKER SHARE (AMONG TOTAL SMOKERS)



63

MARLBORO VOLUMETRIC SHARE (AMONG TOTAL SMOKERS)



63

Volume
 Trend
 Trend (Unstable)

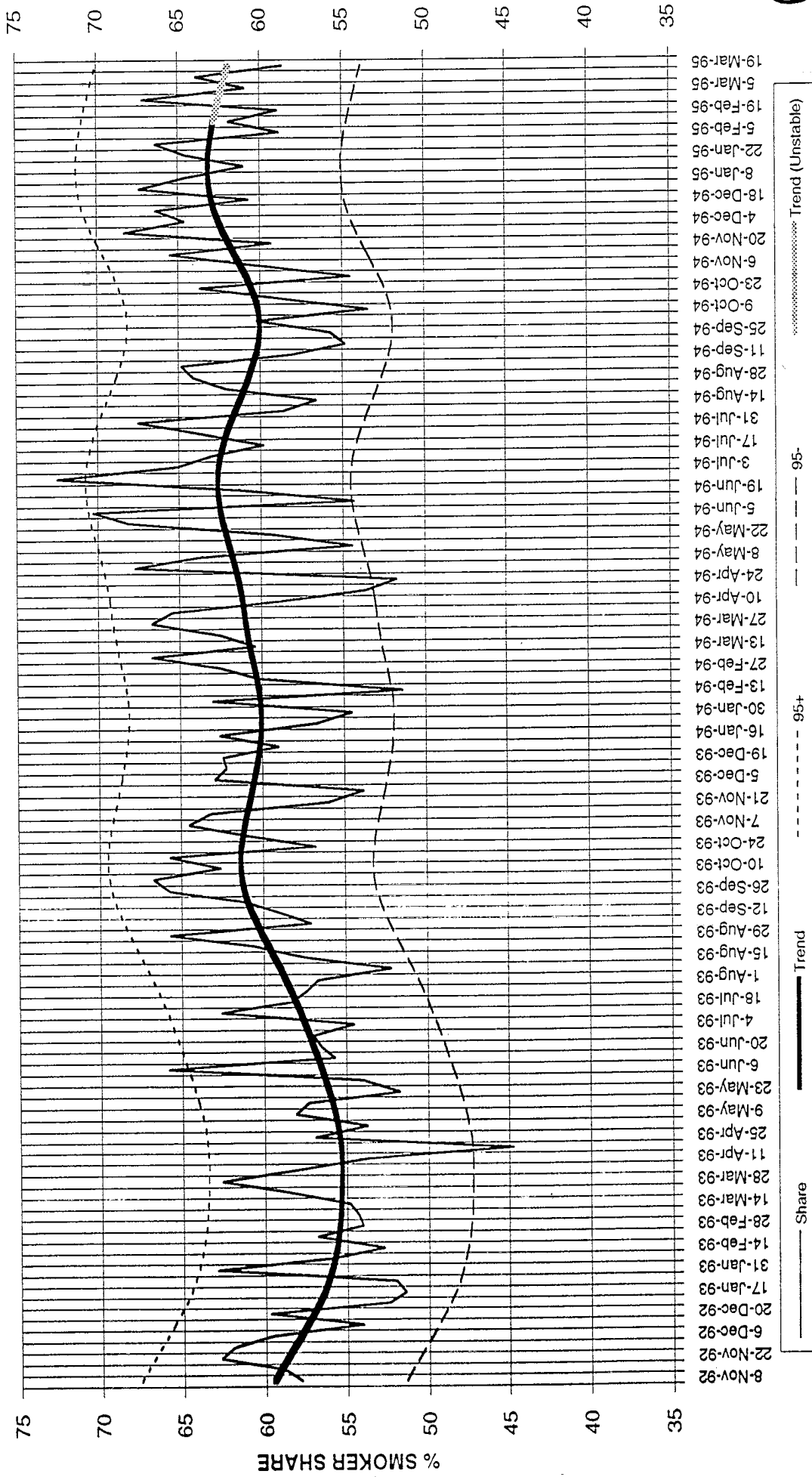
WKMARV.TOT (SPLINE BY 1000)

FEBRUARY AND MARCH '95 REPRESENTS TOP LINE DATA

SOURCE: VOLUMETRICS-WEEKLY

2045857717

MARLBORO SMOKER SHARE (AMONG 18-24 SMOKERS)



WKMARS.AGE (SPLINE BY 1000)

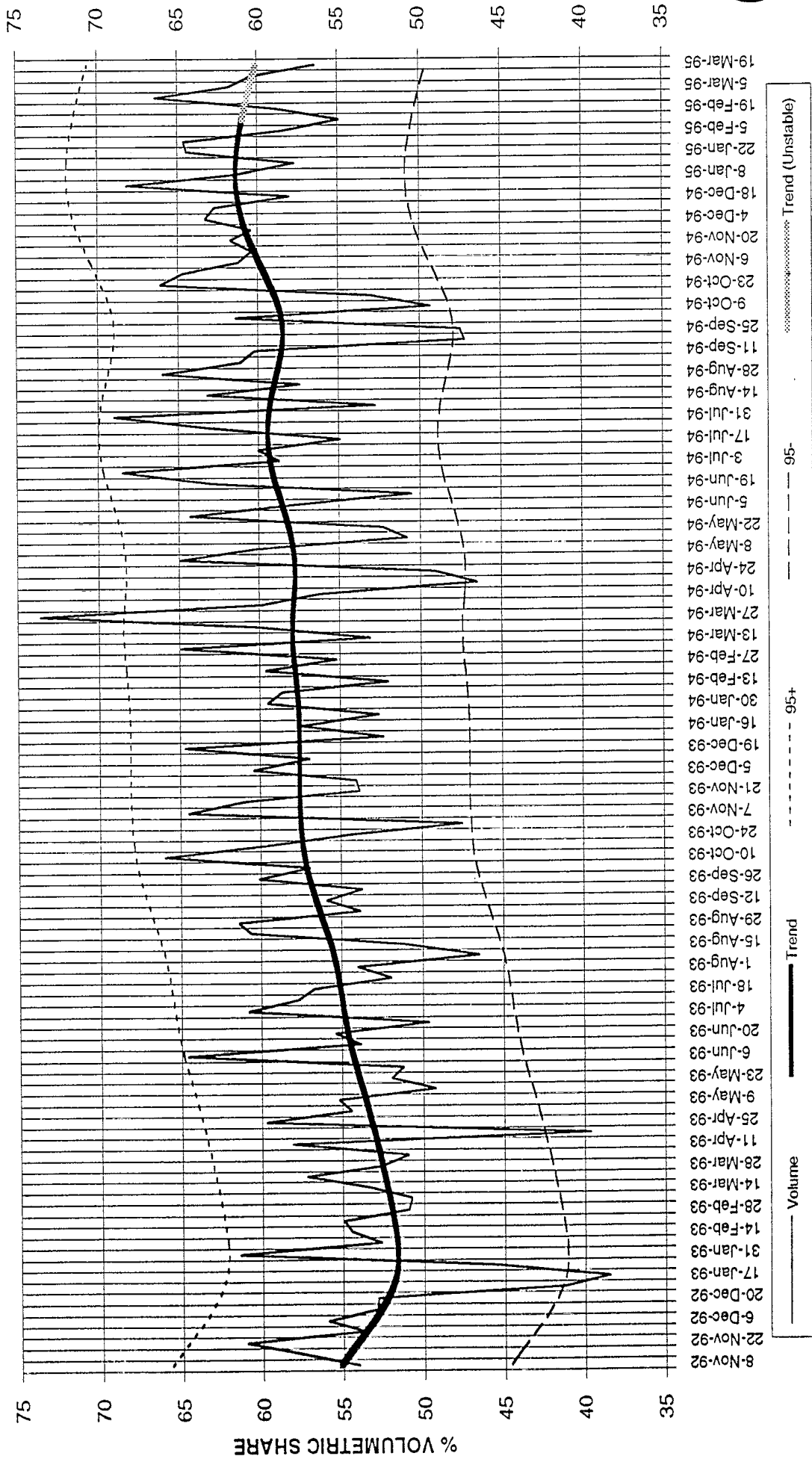
FEBRUARY AND MARCH '95 REPRESENTS TOP LINE DATA

SOURCE: SMOKER TRACKING STUDY-WEEKLY

2045857718

63

MARLBORO VOLUMETRIC SHARE (AMONG 18-24 SMOKERS)



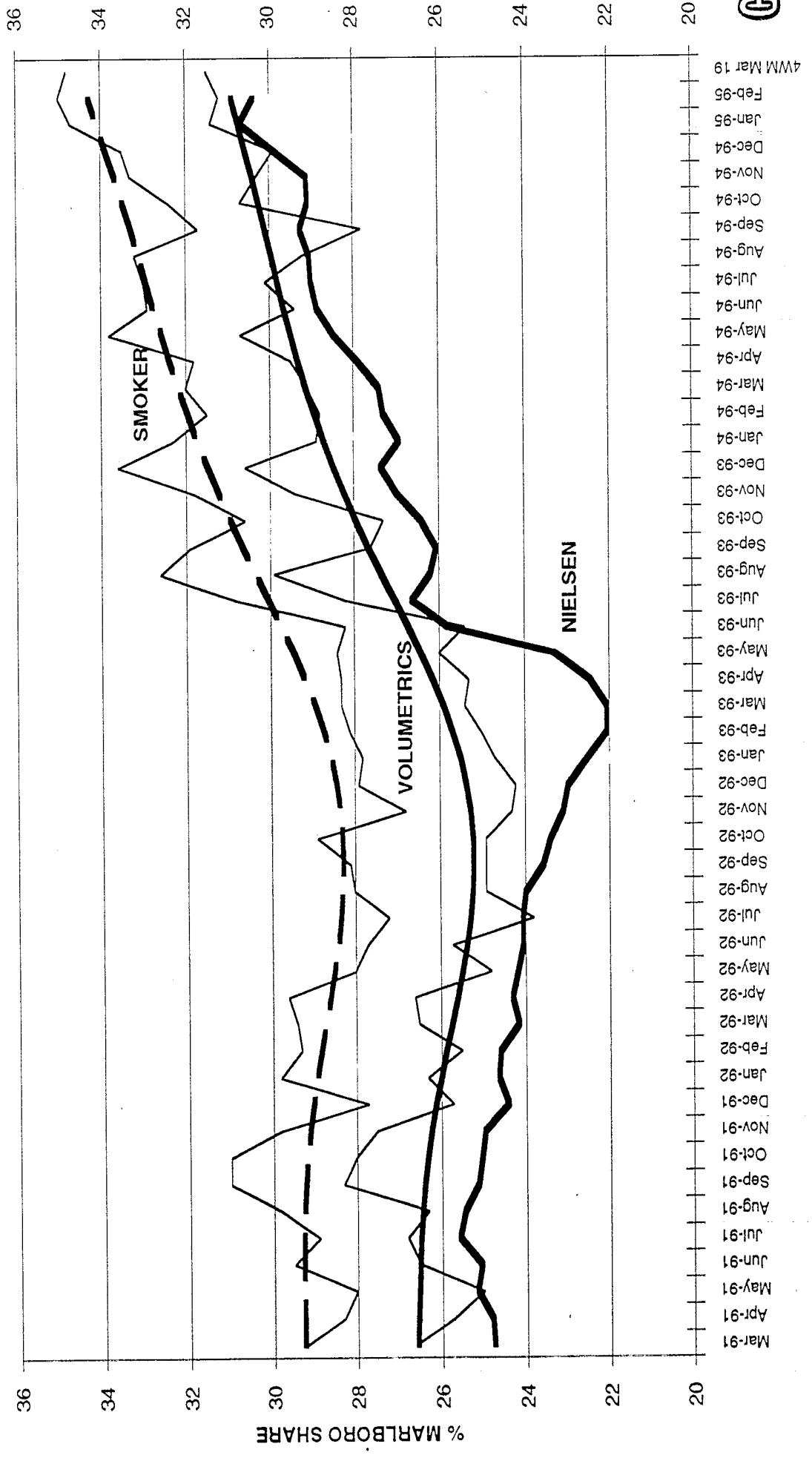
63

WKMARV.AGE (SPLINE BY 1000)

FEBRUARY AND MARCH '95 REPRESENT TOP LINE DATA

2045857719
SOURCE: VOLUMETRICS-WEEKLY

MARLBORO SMOKER AND VOLUMETRIC SHARE TRENDS (AMONG TOTAL SMOKERS)



SOURCE: CONTINUOUS TRACKING STUDY, NIELSEN-MONTHLY

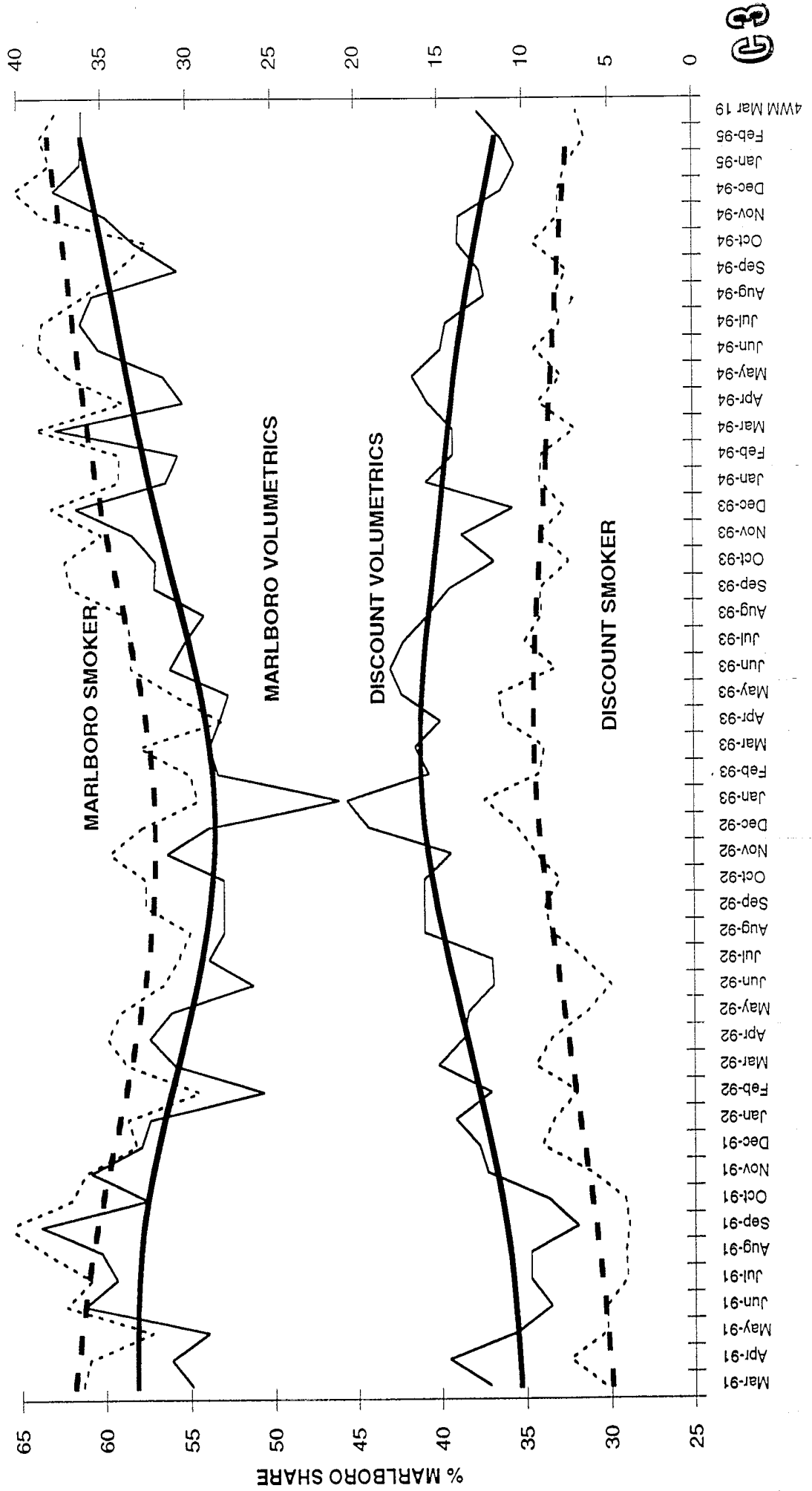
MARCH '95 REPRESENT TOP LINE DATA

MONTH:TOT (SPLINE BY 1000)

2045857720



MARLBORO SMOKER AND VOLUMETRICS SHARE TRENDS (AMONG 18-24 SMOKERS)



SOURCE: CONTINUOUS SMOKER TRACKING STUDY-1MM

MARCH '95 REPRESENT TOP LINE DATA

MONTHLAGE (SPLINE BY 1000)

2045857721

68

DAVE'S

83

2045857722

DAVE'S TEST MARKET

UPDATE: W/E 3/18/95

SEATTLE

- C-store share (2.5%) and share in stores stocking (3.0%) rose this week.
- At week 11, Dave's share in Seattle was much higher than its level in Denver with lower distribution and no promotional incidence.

- C-Store distribution (82%) declined -1 point for the week.
- 86% of C-Stores that have carried Dave's have reordered (STARS).
- Dave's pack price (\$1.99) is higher than Basic (\$1.94).

DENVER

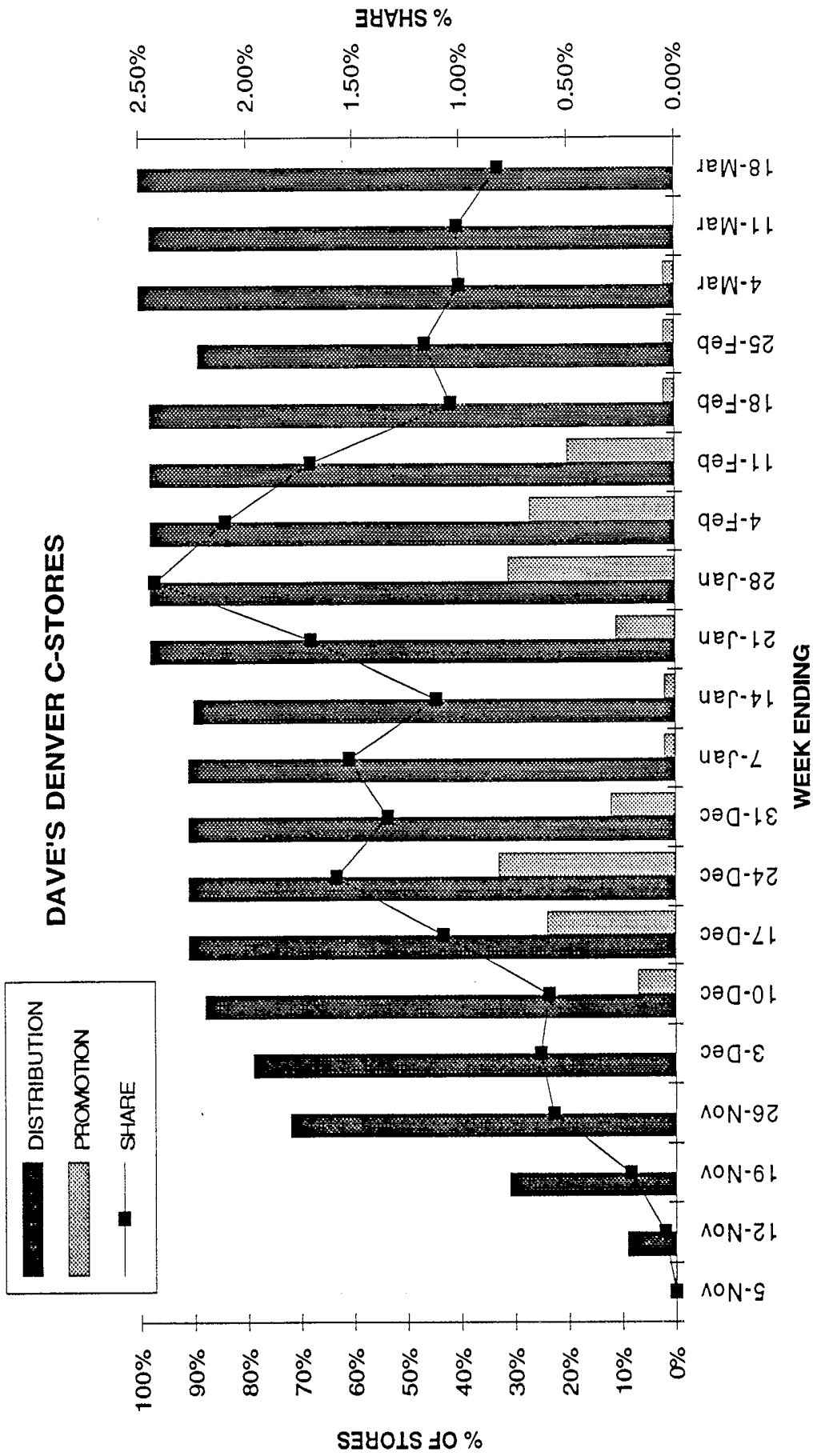
- Dave's weekly C-Store share (.82%) declined with promoted volume near zero for the past two weeks.
- 88% of C-Stores that have carried Dave's have reordered (STARS).
- Dave's pack price (\$1.52) was slightly higher than Basic's (\$1.48).

DAVE'S STATUS

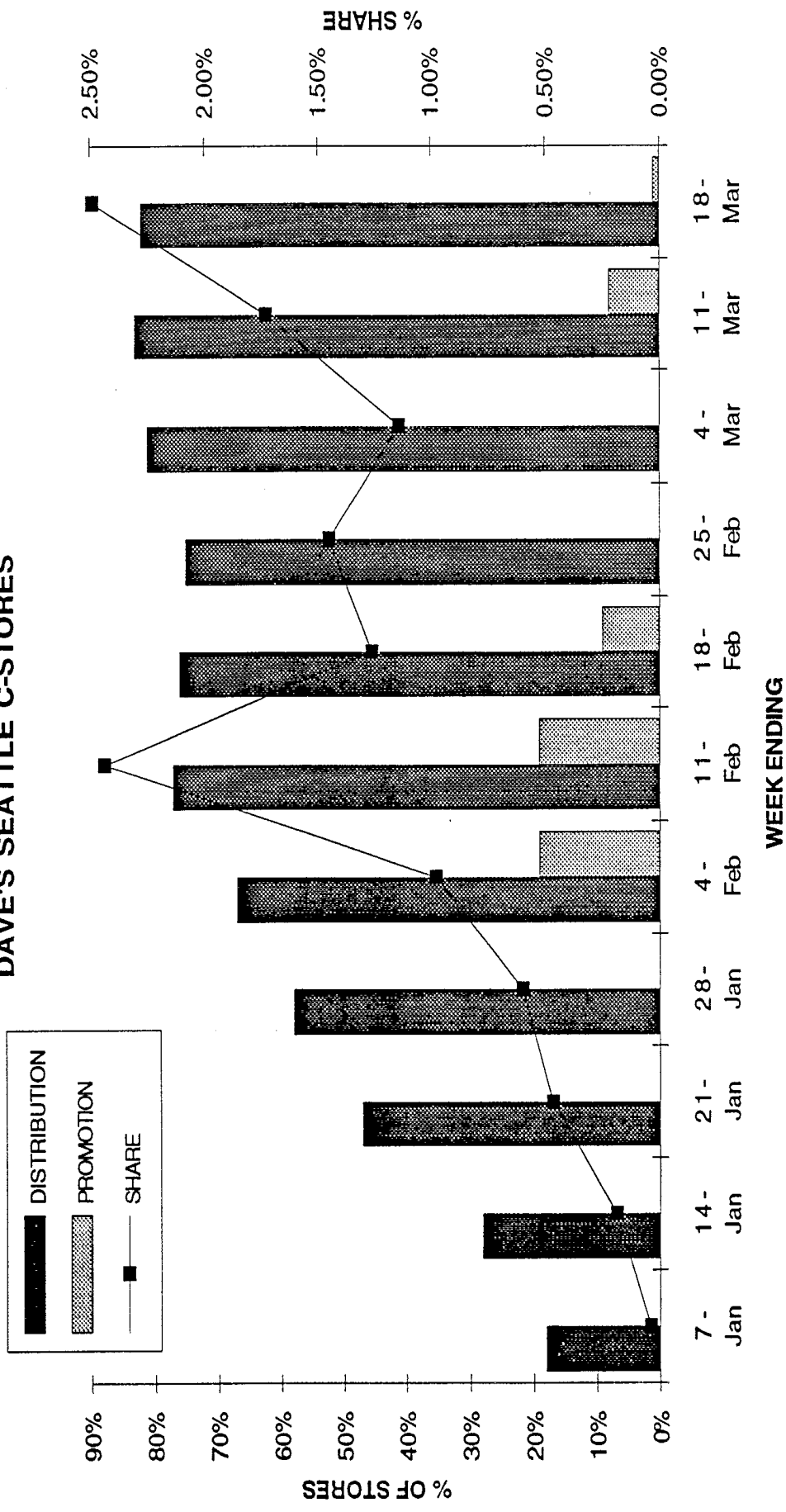
SOURCE:	DENVER		SEATTLE		
	STARS C-STORES (CUM THRU 3/11)	NIelsen C-STORES (w/e 3/18)	NIelsen C-STORES (w/e 3/18)	NIelsen C-STORES (w/e 3/18)	NIelsen SUPERMARKETS (w/e 3/18)
RETAIL DISTRIBUTION	89%	100%	60%	82%	34%
SHARE	1.08%	0.82%	0.26%	2.49%	0.33%
SHARE IN STORES STOCKING	1.14%	0.82%	0.43%	3.03%	0.97%
% STORES W/ PROMO	N/A	0%	10%	1%	0%
DAVE'S PRICING	-	\$1.52	\$1.53	\$1.99	\$2.09
MARLBORO PRICING		\$1.83	\$1.84	\$2.36	\$2.55

DAVE'S C-STORE PERFORMANCE - DENVER VS. SEATTLE
 NIELSEN

WEEK	DISTRIBUTION		SHARE		% OF STORE W/PROMO	
	DENVER	SEATTLE	DENVER	SEATTLE	DENVER	SEATTLE
1	0%	18%	0.00%	0.04%	0%	0%
2	9%	28%	0.05%	0.19%	0%	0%
3	31%	47%	0.21%	0.47%	0%	0%
4	72%	58%	0.57%	0.60%	0%	0%
5	79%	67%	0.63%	0.98%	0%	19%
6	88%	77%	0.59%	2.44%	7%	19%
7	91%	76%	1.08%	1.26%	24%	9%
8	91%	75%	1.58%	1.45%	33%	0%
9	91%	81%	1.34%	1.14%	12%	0%
10	91%	83%	1.52%	1.73%	2%	8%
11	90%	82%	1.11%	2.49%	2%	1%
12	98%		1.70%		11%	
13	98%		2.43%		31%	
14	98%		2.10%		27%	
15	98%		1.70%		20%	
16	98%		1.04%		2%	
17	89%		1.16%		2%	
18	100%		1.00%		2%	
19	98%		1.01%		0%	
20	100%		0.82%		0%	



DAVE'S SEATTLE C-STORES



WEEKLY BOOK
ORIGINAL
MARCH 27, 1995

2045857728

Philip Morris USA

Pricing

PRICING - W/E 3/18/95

PERFORMANCE ISSUES

PRICES

- C-store Pack Gap remained at 49%.

\$ Gap
% Gap

- Supermarket Carton Gap fairly stable YTD

\$ Gap
% Gap

INCIDENCE

- Basic's price disadvantage w/Lowest
 - Incidence decreased
 - Avg \$ Disadvantage stable

- ≤99¢ Incidence was stable

- Montclair money-off incidence increased

- Misty money-off incidence increased

- GPC money-off incidence remained unchanged

	CHANGE VERSUS			
	<u>3/18/95</u>	<u>WK AGO</u>	<u>4 WKS AGO</u>	<u>1/7/95</u>
	\$0.63 49%	\$0.00 0%	\$0.01 1%	\$0.04 4%
	\$4.43 36%	\$0.02 0%	\$0.02 0%	\$0.21 1%
	75%	(1%)	1%	(5%)
	\$0.32	\$0.01	\$0.01	(\$0.02)
	19%	0%	2%	1%
	22%	1%	2%	(7%)
	30%	1%	(6%)	2%
	49%	0%	(2%)	2%

6822585700

THE AVERAGE PACK PRICE GAP WAS UNCHANGED AT 63¢ OR 48.8%.

**C-STORE
PACKS**

	<u>1/7/95</u>	<u>3/4/95</u>	<u>3/11</u>	<u>3/18</u>	<u>Change</u> <u>Prior Week</u>
Marlboro (net)	\$1.90	\$1.93	\$1.92	\$1.92	\$0.00
Lowest Discount	1.31	1.31	1.29	1.29	\$0.00
\$ Gap	0.59	0.62	0.63	0.63	\$0.00
% Gap	45.0%	47.3%	48.8%	48.8%	0.0%

**SUPERMARKET
CARTONS**

Marlboro (net)	\$16.24	\$16.61	\$16.59	N/A	(\$0.02)
Lowest Discount	12.03	\$12.18	\$12.16	N/A	(\$0.02)
\$ Gap	4.21	\$4.40	\$4.43	N/A	\$0.03
% Gap	35.0%	36.1%	36.4%	N/A	0.3%

SOURCE: NIELSEN EXPANDED PRICING

2045857730

3/29/95

REGIONALLY, ON A WEEKLY BASIS PRICE GAPS REMAINED STABLE IN ALL GEOGRAPHIES EXCEPT REGION 1, AS THE LOWEST DISCOUNT PRICE DECLINED -2¢ DUE TO DORAL AND MONARCH.

3/18

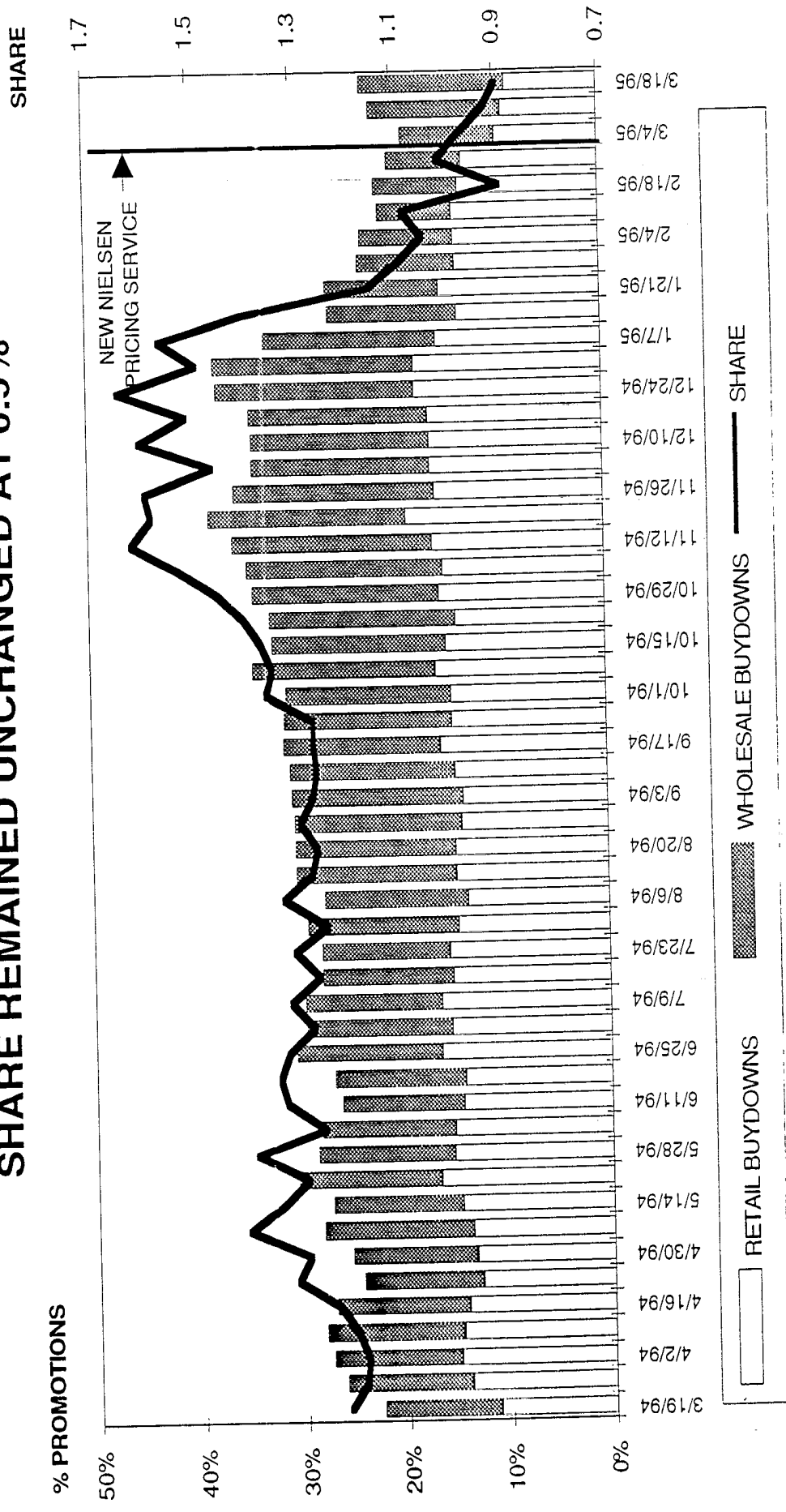
	<u>Marlboro</u>	<u>Lowest Discount</u>	<u>\$ GAP</u>	<u>% GAP</u>	<u>Chg. vs. WAGO</u>	<u>4 WK vs. 4 WAGO</u>
NATIONAL	1.92	1.29	\$0.63	48.8%	\$0.00	\$0.01
R1	2.09	1.46	\$0.63	43.2%	\$0.02	\$0.00
R2	1.76	1.14	\$0.62	54.4%	\$0.00	\$0.01
R3	1.90	1.28	\$0.62	48.4%	\$0.00	\$0.02
R4	1.89	1.30	\$0.59	45.4%	\$0.00	\$0.01
R5	2.06	1.36	\$0.70	51.5%	\$0.00	\$0.01

SOURCE: NIELSEN PRICING AUDIT

1877585702

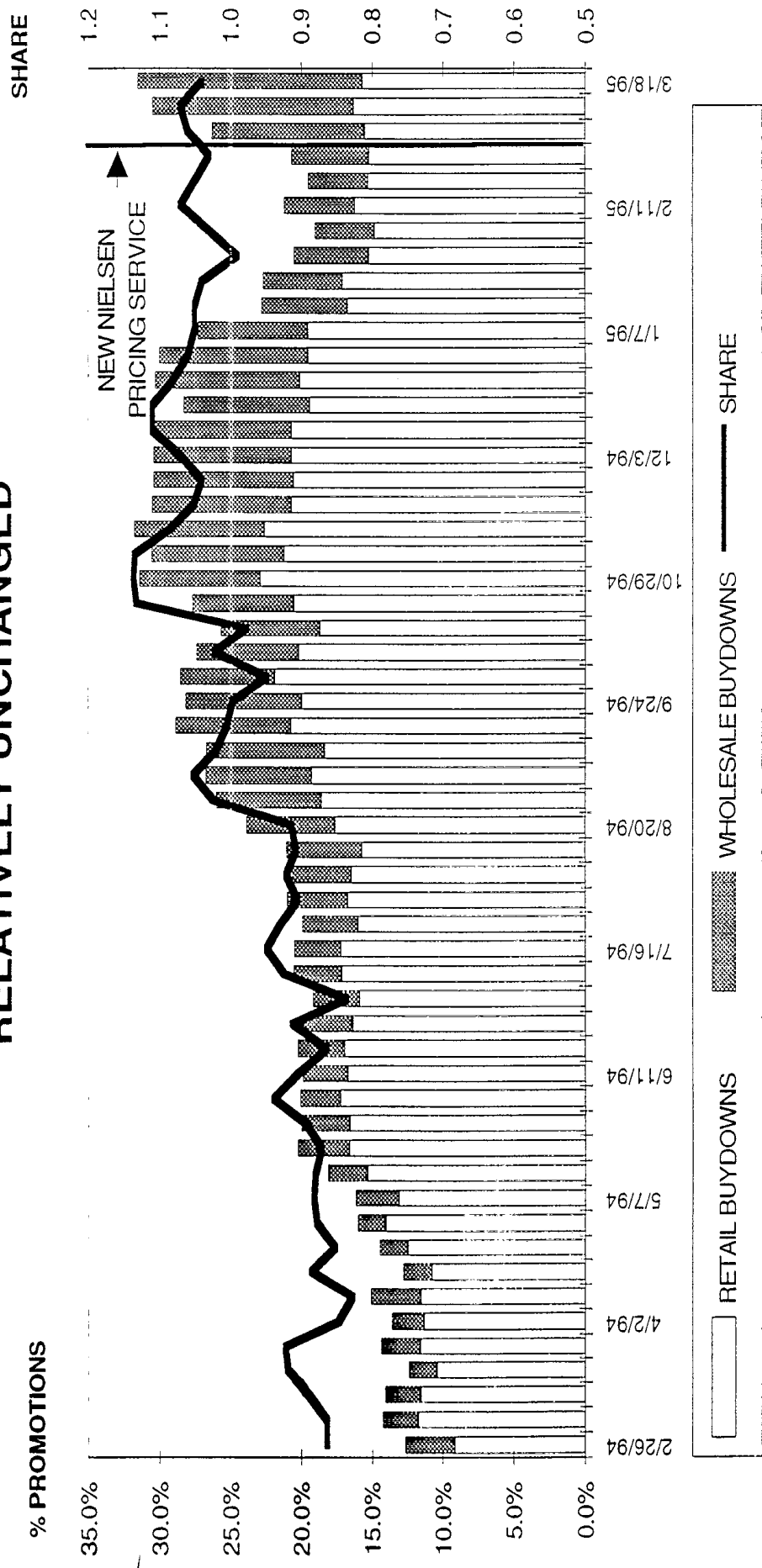
3/29/95

**MONTCLAIR MONEY-OFF PROMOTIONAL SUPPORT
 INCREASED +1 POINT TO 22% OF C-STORES WHILE
 SHARE REMAINED UNCHANGED AT 0.9%**



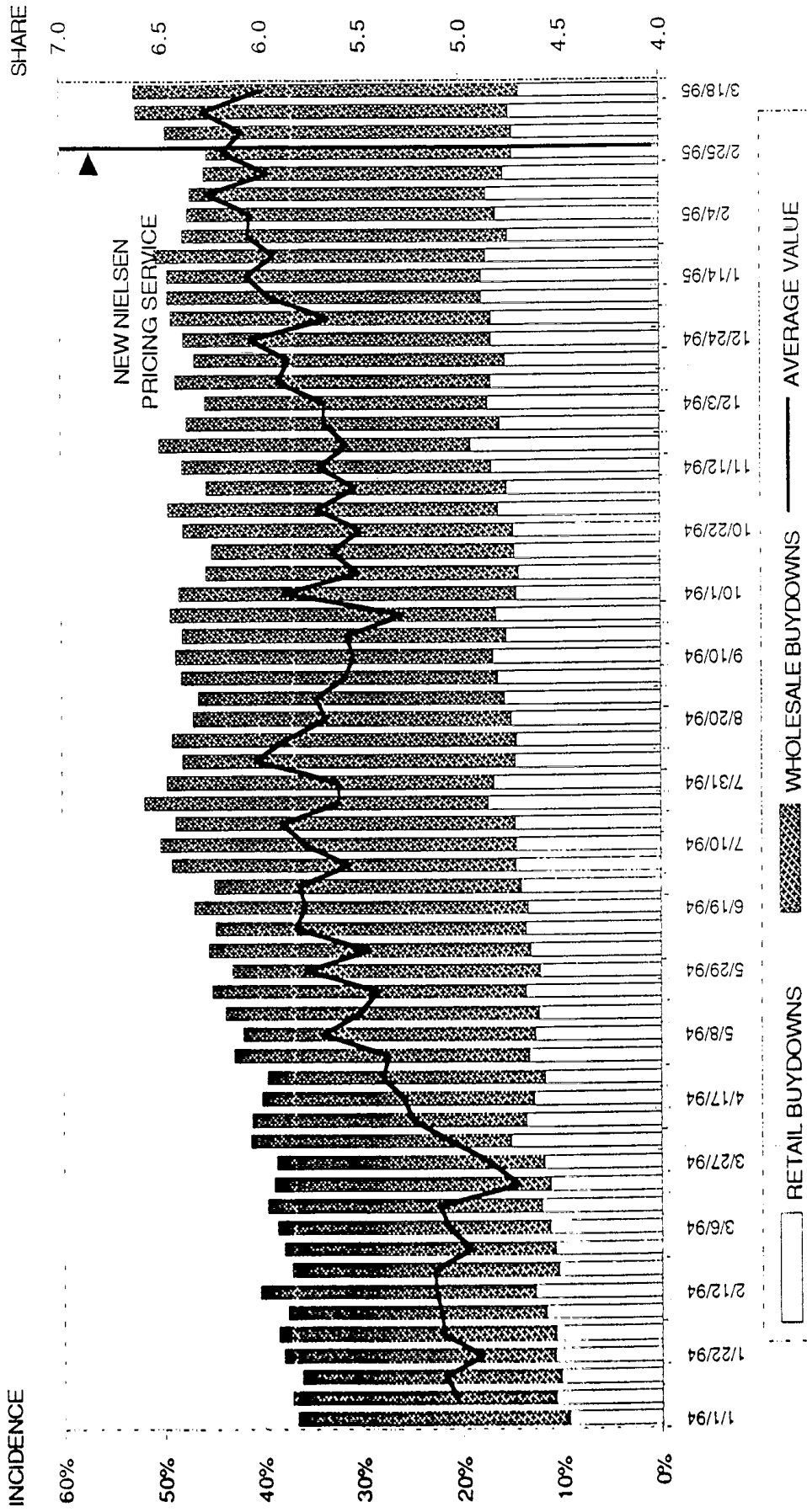
2045857732

**MISTY MONEY-OFF PROMOTIONAL SUPPORT
 INCREASED FOR THE FOURTH WEEK IN A ROW UP +1
 POINT TO 30% OF C-STORES WHILE SHARE REMAINED
 RELATIVELY UNCHANGED**



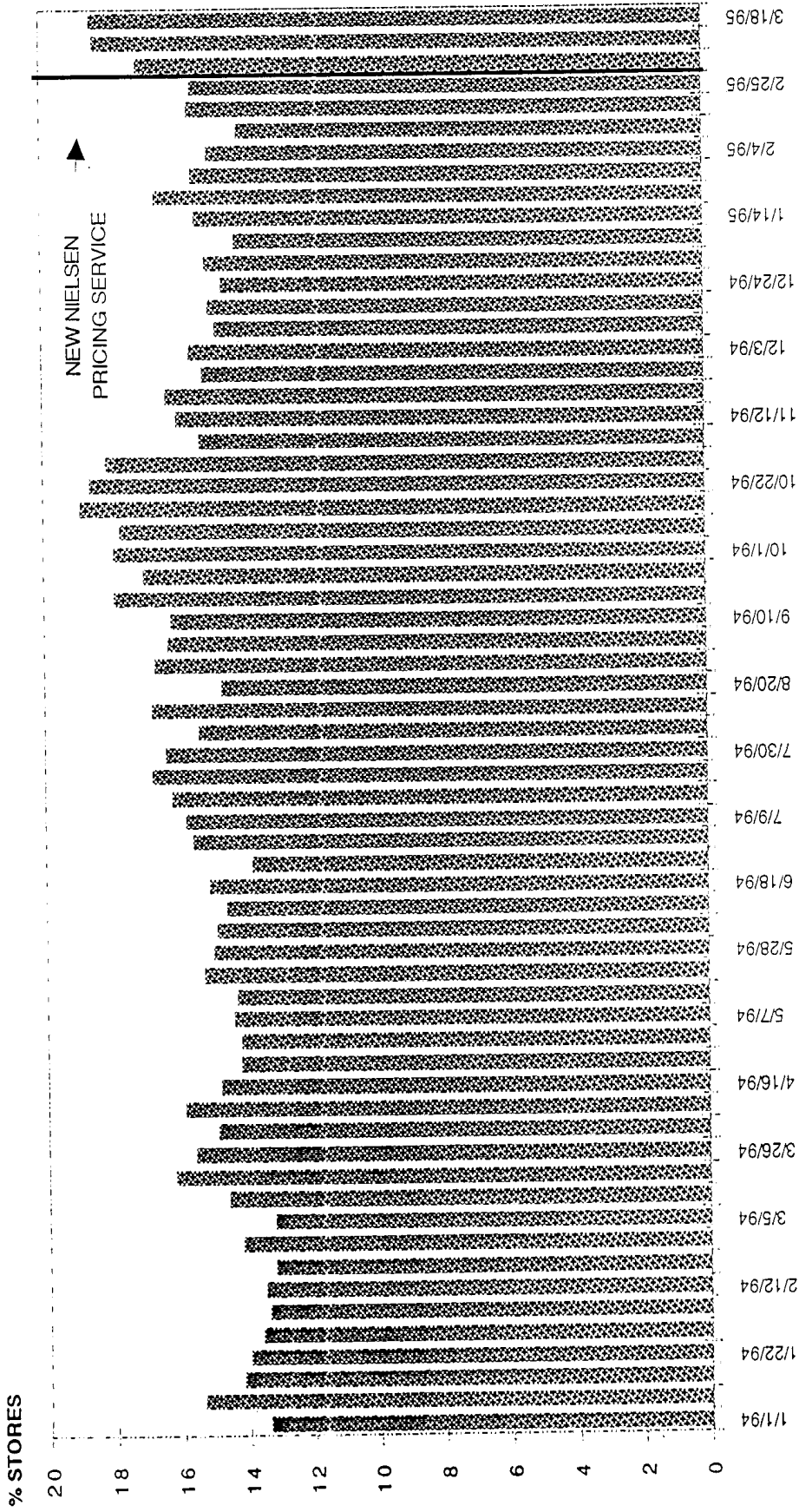
2045857733

GPC'S MONEY-OFF PROMOTIONAL SUPPORT REMAINED STABLE IN C-STORES WHILE SHARE DECLINED TO 6%



2045857734

≤99¢ INCIDENCE REMAINED AT 19% OF C-STORES.



2045857735

≤99¢ INCIDENCE REMAINED RELATIVELY UNCHANGED VERSUS WEEK-AGO AT 19% OF C-STORES. INCIDENCE DECREASED IN REGIONS 3 AND 5 AS BASIC, RJR P/L, AND GPC REDUCED THEIR PRESENCE AT THIS PRICE POINT.

	<u>3/18</u>	Change vs. <u>WAGO</u>	4 Wk vs. <u>4 WAGO</u>	Weighted Avg. <u>State Tax</u>
NATIONAL	18.5%	0.1	1.9	\$0.32
R1	4.6%	0.7	0.4	\$0.45
R2	35.9%	2.4	3.4	\$0.17
R3	15.3%	-1.7	2.0	\$0.31
R4	20.1%	-0.1	1.5	\$0.34
R5	8.6%	-1.6	1.8	\$0.39
COUNTIES				
A	8.8%	-1.7	1.7	N/A
B	17.2%	-0.3	1.7	N/A
C	30.9%	3.9	2.6	N/A
D	32.9%	1.2	2.5	N/A

SOURCE: NIELSEN EXPANDED PRICING

9877585702

PM'S PERFORMANCE IN C-STORES
WEEKLY C-STORE AUDITS - W/E 3/18/95

4-WEEK PERFORMANCE ISSUES

PM Share Growth Rebounding as MCS Promotions Expand

- Marlboro Share Growth Resuming
- PM OPB Share Stable
- PM Discount Share Stable
- Basic SOC Increasing

RJR Share Stabilizing

- Camel Share Stable - B3G3F Support Increasing
- Doral's Moderate Gains Continue
- Winston Share Stabilizing, as Promotions Sell Through

Discount Category On Long Term Decline

- GPC 4Wk Share Remains at Highest Level To Date

	<u>LATEST 4 WEEKS</u>		<u>LATEST WEEK</u>	
	<u>SHARE%</u>	<u>CHG</u>	<u>SHARE%</u>	<u>CHG</u>
	48.8%	0.4	49.1%	0.5
	33.3	0.5	33.6	0.6
	7.7	0.1	7.6	0.0
	7.8	-0.1	7.9	-0.1
	15.8	0.2	16.0	0.0
	26.7	-0.4	26.6	-0.1
	5.0	0.0	5.1	0.2
	4.7	0.2	4.7	-0.1
	5.5	0.0	5.4	0.0
	30.2	-0.4	29.9	-0.7
	6.1	0.1	6.0	-0.3

NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)

COMPANY

Base December 1994
March 18, 1995 (MTD)

<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>Lorillard</u>	<u>Liggett</u>
47.95	27.03	16.62	6.93	1.42
<u>48.78</u>	<u>26.76</u>	<u>15.97</u>	<u>6.99</u>	<u>1.40</u>
0.83	(0.27)	(0.65)	0.06	(0.02)

CATEGORY

Base December 1994
March 18, 1995 (MTD)

<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>
68.76	31.24	23.46	7.77
<u>69.75</u>	<u>30.25</u>	<u>22.85</u>	<u>7.39</u>
0.99	(0.99)	(0.61)	(0.38)

MAJOR BRANDS

Base December 1994
March 18, 1995 (MTD)

<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>
32.49	7.59	5.39	1.14	4.82
<u>33.33</u>	<u>7.61</u>	<u>5.44</u>	<u>1.23</u>	<u>4.99</u>
0.84	0.02	0.05	0.09	0.17

MAJOR BRANDS

Base December 1994
March 18, 1995 (MTD)

<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>
4.75	3.27	3.35	1.13	0.38
<u>4.82</u>	<u>3.21</u>	<u>3.36</u>	<u>1.10</u>	<u>0.38</u>
0.07	(0.06)	0.01	(0.03)	0.00

BRANDED DISCOUNTS

Base December 1994
March 18, 1995 (MTD)

<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>
4.73	1.29	0.27	4.47	1.09	1.54	1.90	0.48	5.83
<u>4.82</u>	<u>1.18</u>	<u>0.26</u>	<u>4.73</u>	<u>1.06</u>	<u>0.93</u>	<u>1.56</u>	<u>0.43</u>	<u>6.13</u>
0.09	(0.11)	(0.01)	0.26	(0.03)	(0.61)	(0.34)	(0.05)	0.30

PRIVATE LABEL

Base December 1994
March 18, 1995 (MTD)

<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>B & W</u>
1.33	4.36	1.08	1.00
<u>1.36</u>	<u>4.09</u>	<u>1.07</u>	<u>0.89</u>
0.03	(0.27)	(0.01)	(0.11)

Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included. Back data reflects the combined performance of the companies.

8877989702

Source: Nielsen Integrated Panel.

Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.

**NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)**

COMPANY

Base 4th Quarter 1994
March 18, 1995 (QTD)

PM 47.48
48.59
1.11

RJR 27.70
26.85
(0.85)

B&W 16.34
16.11
(0.23)

Lorillard 6.86
6.96
0.10

Liggett 1.55
1.41
(0.14)

CATEGORY

Base 4th Quarter 1994
March 18, 1995 (QTD)

Premium 68.46
69.44
0.98

Discount 31.54
30.56
(0.98)

Branded Discount 23.67
22.87
(0.80)

Private Label 7.86
7.69
(0.17)

MAJOR BRANDS

Base 4th Quarter 1994
March 18, 1995 (QTD)

Marlboro 32.02
33.09
1.07

PM OPB 7.59
7.65
0.06

Winston 5.54
5.45
(0.09)

Select 1.23
1.21
(0.02)

Camel 4.86
4.97
0.11

MAJOR BRANDS

Base 4th Quarter 1994
March 18, 1995 (QTD)

Newport 4.71
4.80
0.09

Kool 3.26
3.17
(0.09)

Salem 3.35
3.34
(0.01)

Vantage 1.13
1.09
(0.04)

Now 0.37
0.38
0.01

BRANDED DISCOUNTS

Base 4th Quarter 1994
March 18, 1995 (QTD)

Basic 4.70
4.79
0.09

Cambridge 1.25
1.18
(0.07)

Alpine 0.28
0.27
(0.01)

Doral 4.67
4.52
(0.15)

Misty 1.08
1.04
(0.04)

Montclair 1.51
1.09
(0.42)

Monarch 2.09
1.66
(0.43)

Best Value 0.50
0.45
(0.05)

GPC 5.69
6.08
0.39

PRIVATE LABEL

Base 4th Quarter 1994
March 18, 1995 (QTD)

PM 1.40
1.37
(0.03)

RJR 4.39
4.28
(0.11)

Liggett 1.19
1.07
(0.12)

B & W 0.89
0.97
0.08

Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included.
Back data reflects the combined performance of the companies.

6844989706

Source: Nielsen Integrated Panel.

Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.

NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>Lorillard</u>	<u>Liggett</u>			
Base Full Year 1994	47.82	28.09	16.05	6.50	1.48			
March 18, 1995 (YTD)	48.59	26.85	16.11	6.96	1.41			
	0.77	(1.24)	0.06	0.46	(0.07)			
<u>CATEGORY</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>					
Base Full Year 1994	32.29	23.83	8.46					
March 18, 1995 (YTD)	30.56	22.87	7.69					
	1.73	(0.96)	(0.77)					
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>				
Base Full Year 1994	31.49	5.57	1.19	4.83				
March 18, 1995 (YTD)	33.09	5.45	1.21	4.97				
	1.60	(0.06)	0.02	0.14				
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>				
Base Full Year 1994	4.59	3.40	1.16	0.38				
March 18, 1995 (YTD)	4.80	3.34	1.09	0.38				
	0.21	(0.07)	(0.07)	0.00				
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>
Base Full Year 1994	4.91	1.29	0.30	4.17	1.30	2.50	0.62	5.50
March 18, 1995 (YTD)	4.79	1.18	0.27	4.52	1.09	1.66	0.45	6.08
	(0.12)	(0.11)	(0.03)	0.35	(0.21)	(0.84)	(0.17)	0.58
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>B & W</u>				
Base Full Year 1994	1.83	4.65	1.06	0.91				
March 18, 1995 (YTD)	1.37	4.28	1.07	0.97				
	(0.46)	(0.37)	0.01	0.06				

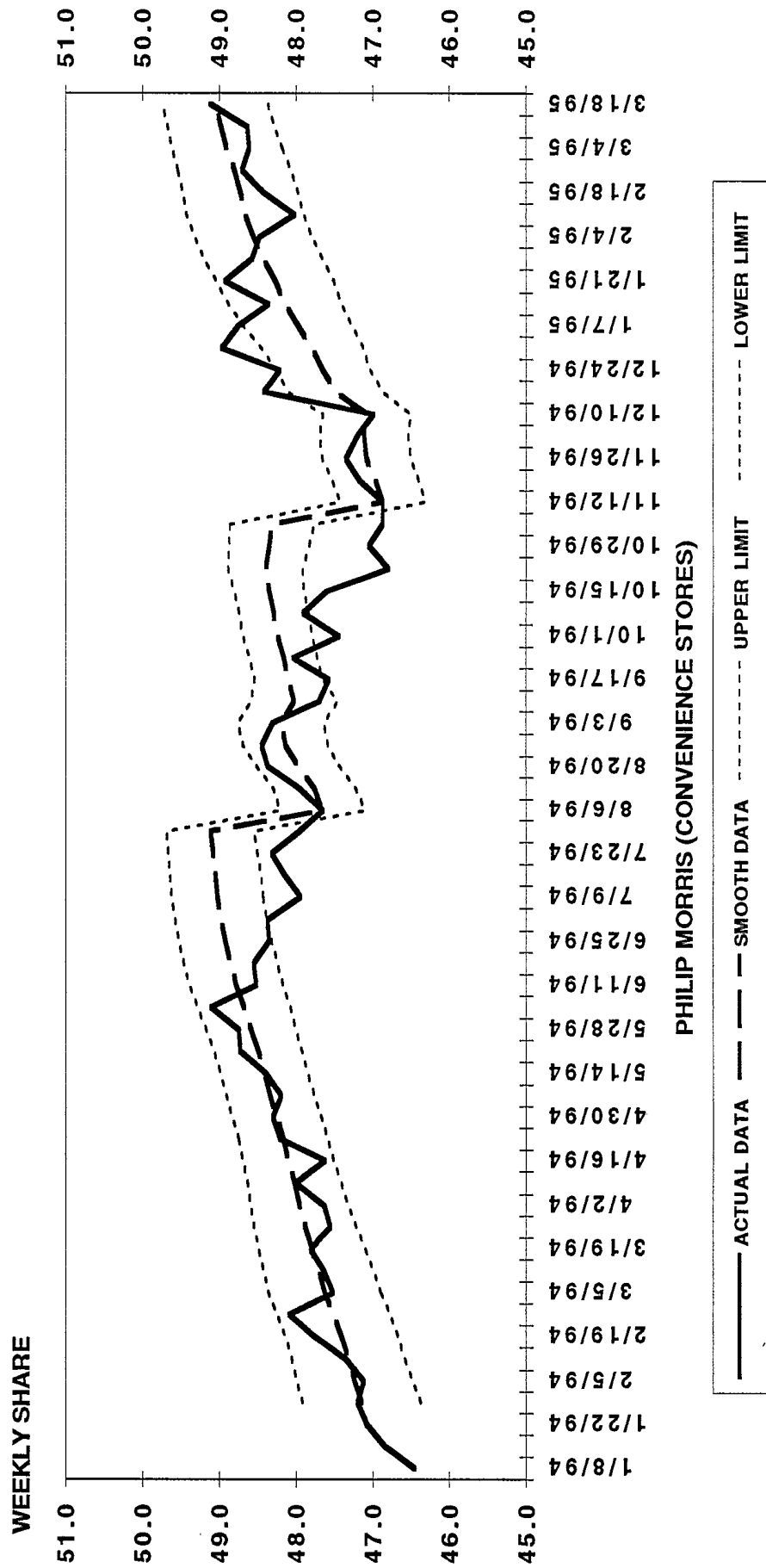
Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included. Back data reflects the combined performance of the companies.

0422585740

Source: Nielsen Integrated Panel.

Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.

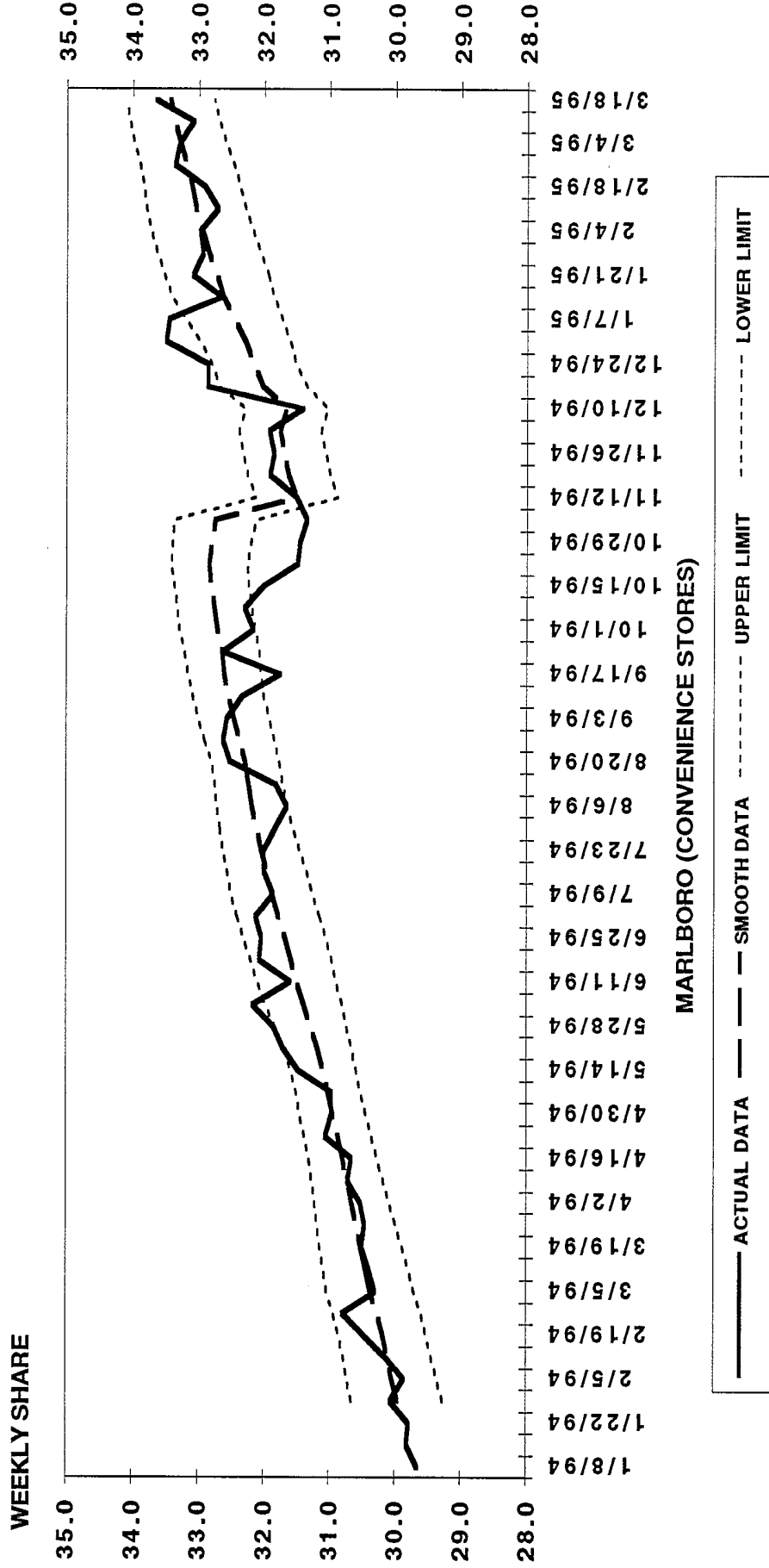
PM'S WEEKLY PERFORMANCE WAS UP +0.5 POINTS TO 49.1%, RETURNING TO JANUARY'S HOLIDAY BONUS PROGRAM LEVEL. MARLBORO'S GAIN MORE THAN OFFSET BASIC'S LOSS. FOUR-WEEK SHARE WAS UP +0.4 POINTS.



Source: Nielsen Integrated Panel

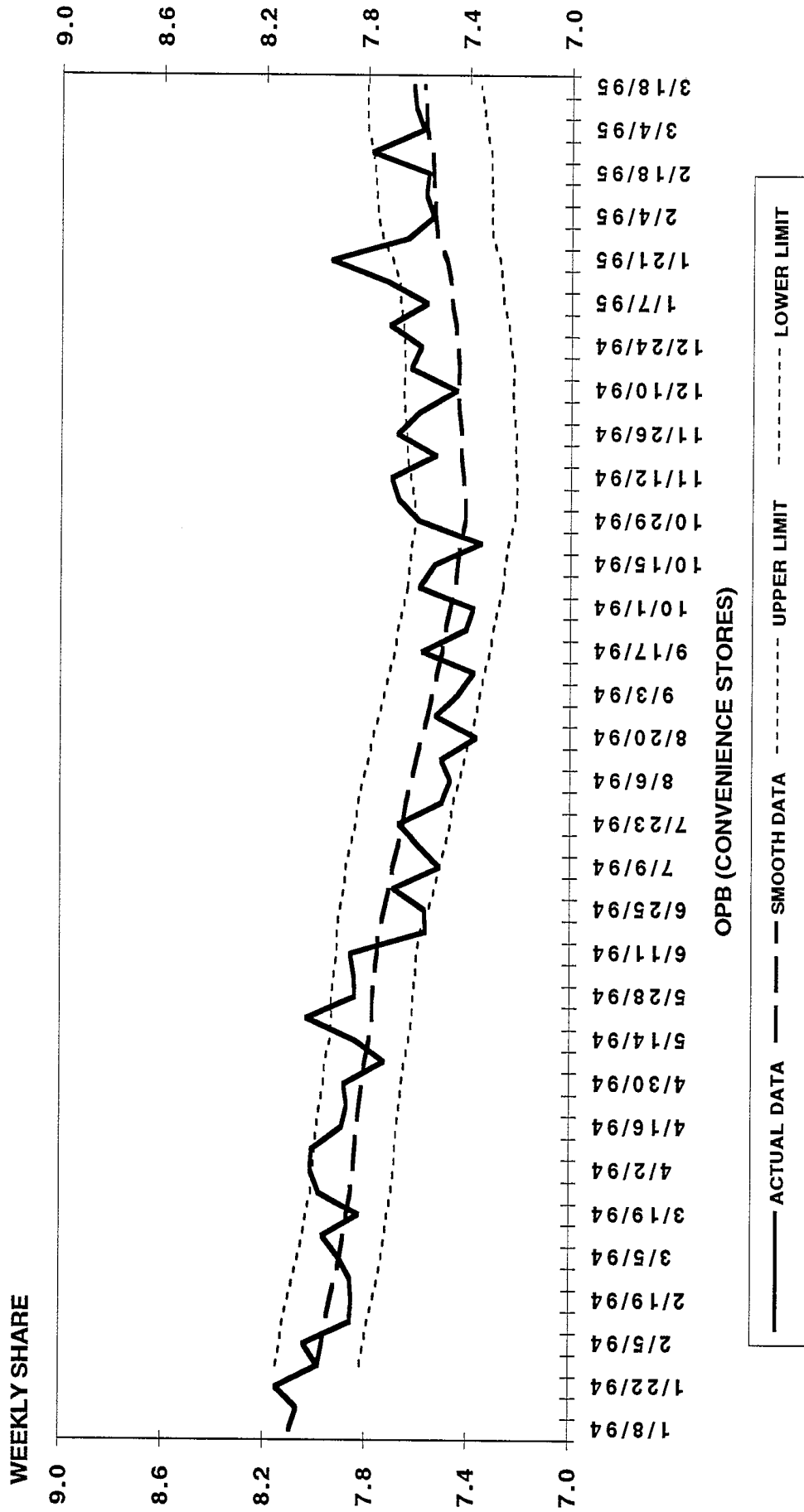
2045857741

MARLBORO'S WEEKLY SHARE INCREASED +0.6 POINTS TO 33.6%, REACHING ITS HIGHEST LEVEL TO DATE. THIS WEEK'S GAIN COINCIDED WITH EXPANDING FREE PRODUCT AND MAIL-IN ACTIVITY. FOUR-WEEK SHARE WAS UP +0.5 POINTS TO 33.3%.



Source: Nielsen Integrated Panel

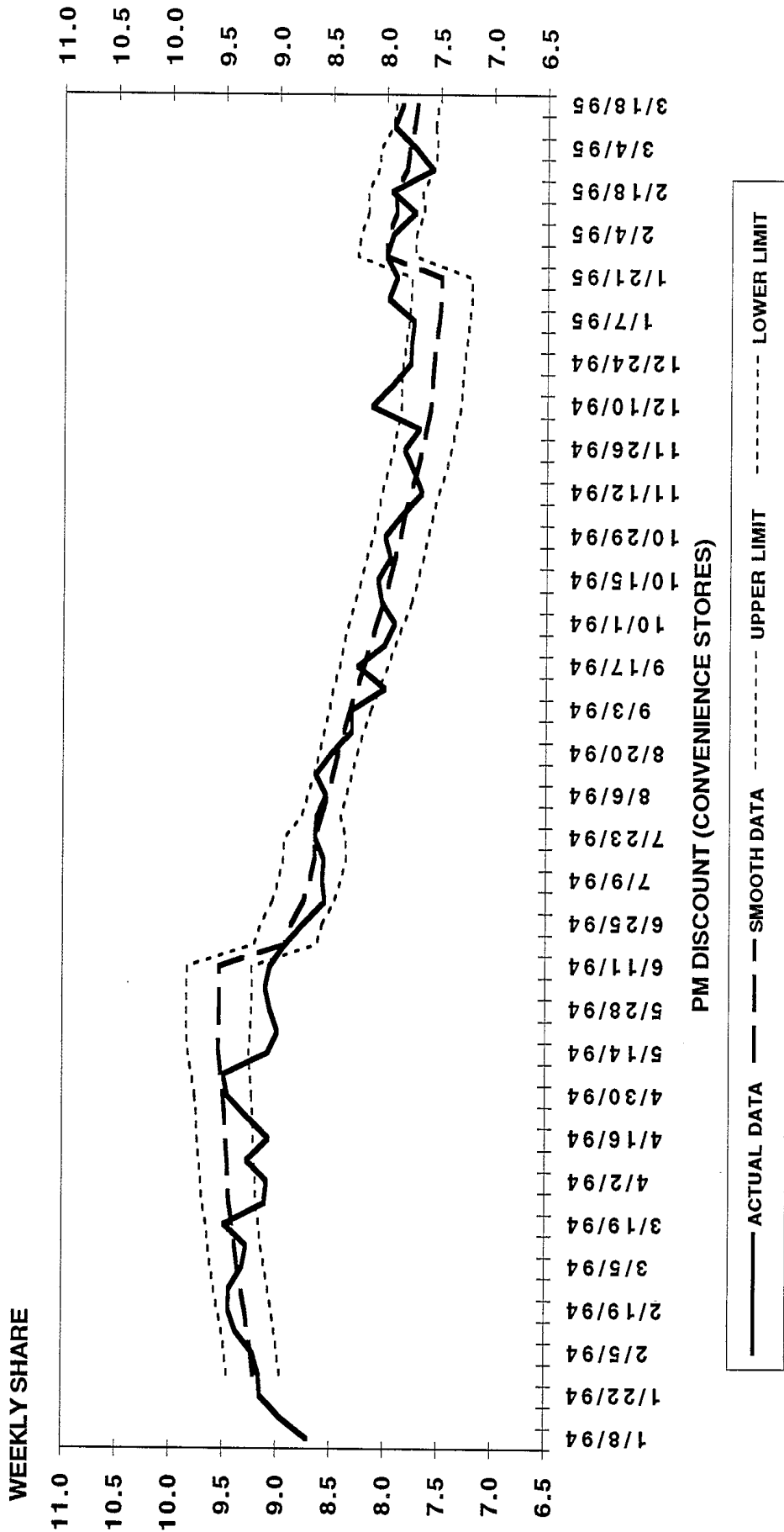
OPB'S WEEKLY SHARE WAS STABLE AT 7.6%. FOUR-WEEK SHARE EXPERIENCED A MODERATE GAIN OF +0.1 POINT.



Source: Nielsen Integrated Panel

2045857743

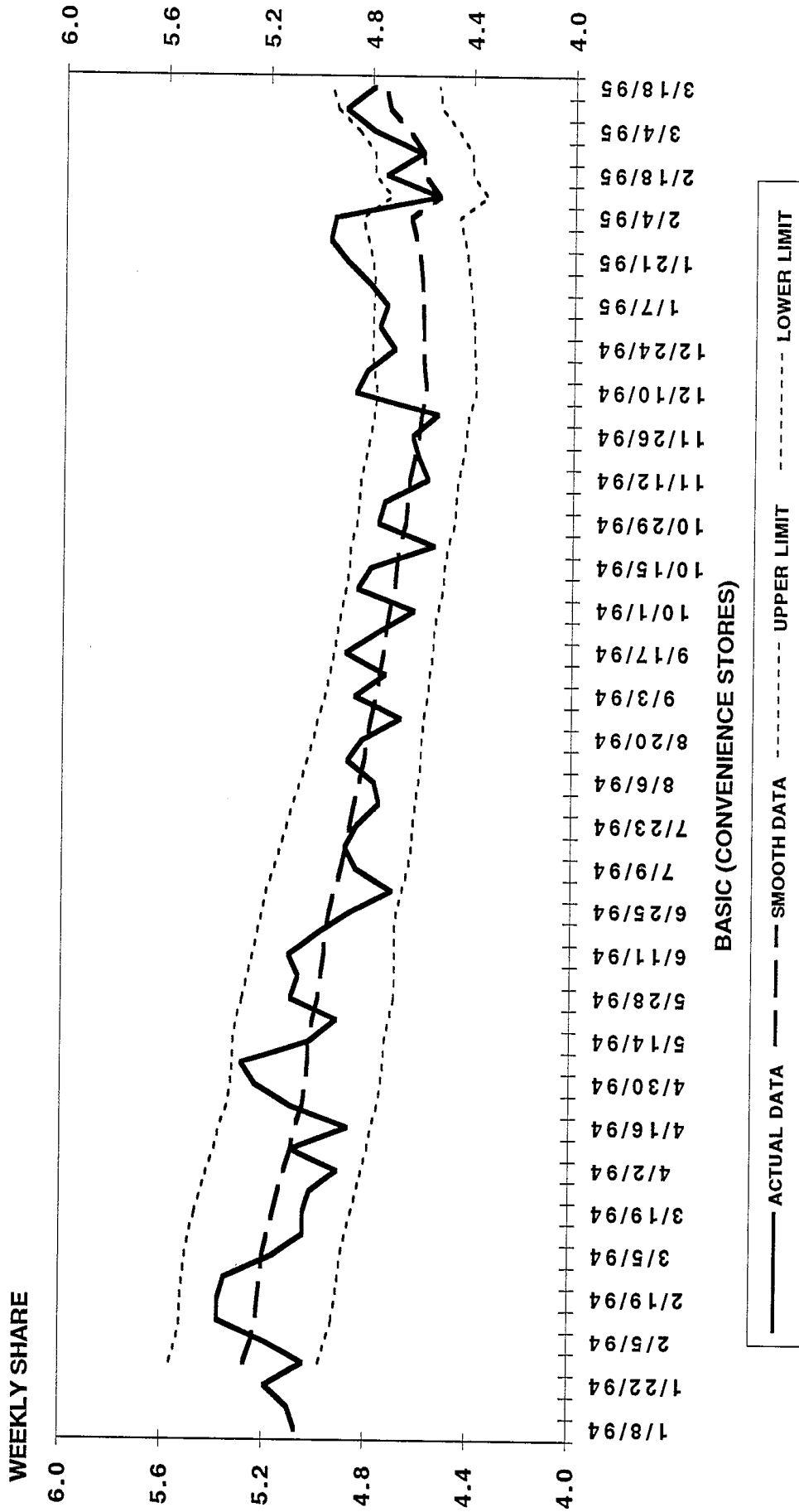
PM DISCOUNT'S WEEKLY SHARE DECLINED -0.1 POINT TO 7.9%, WITH BASIC CONTRIBUTING TO THE LOSS. FOUR-WEEK SHARE WAS ALSO DOWN -0.1 POINT TO 7.8%.



Source: Nielsen Integrated Panel

2045857744

BASIC'S WEEKLY SHARE WAS DOWN -0.1 POINT TO 4.8%, WHILE FOUR-WEEK SHARE REMAINED UNCHANGED.

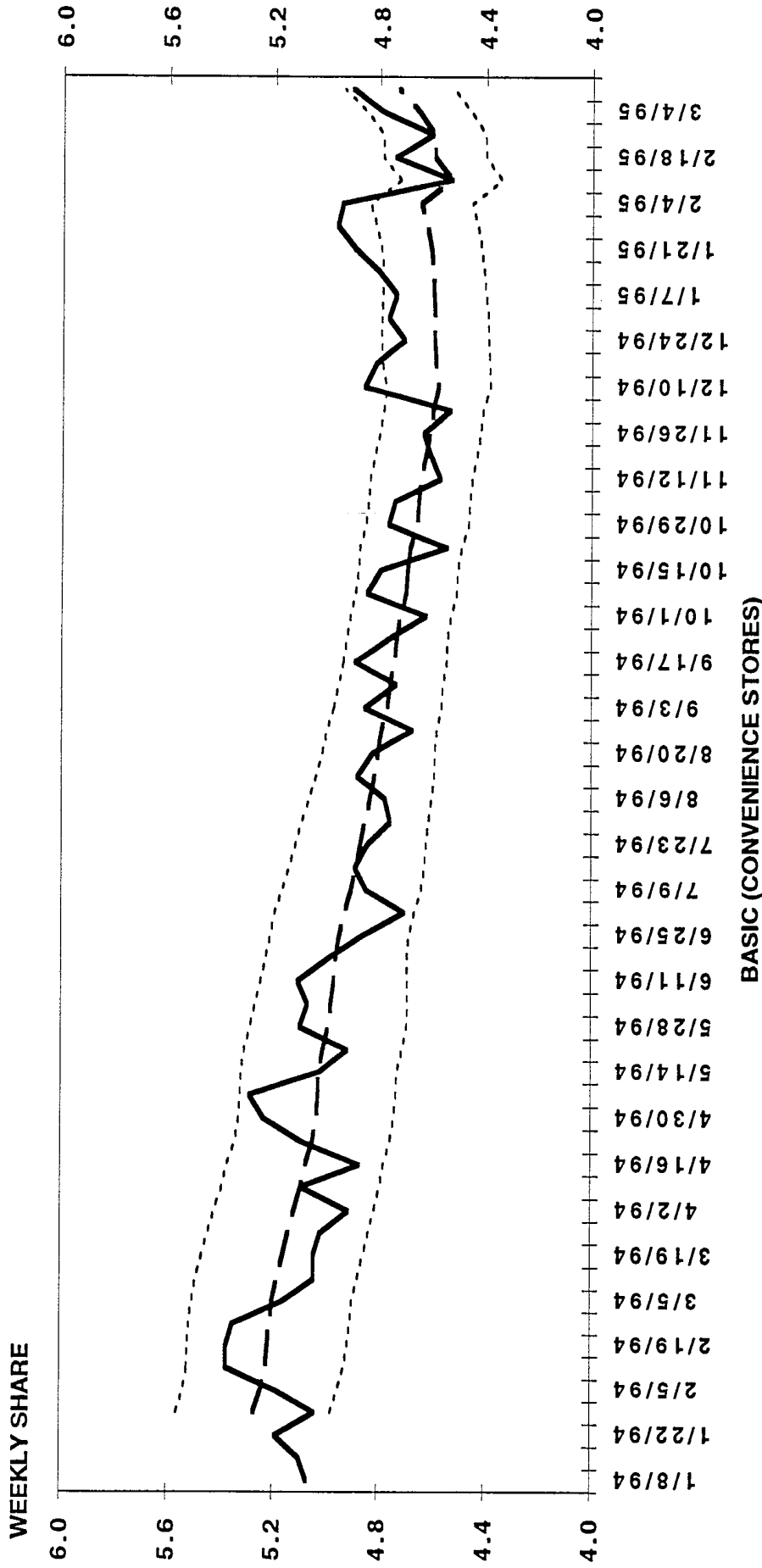


Source: Nielsen Integrated Panel

MARL

2045857745

BASIC'S WEEKLY SHARE WAS DOWN -0.1 POINT TO 4.8%, WHILE FOUR-WEEK SHARE REMAINED UNCHANGED.

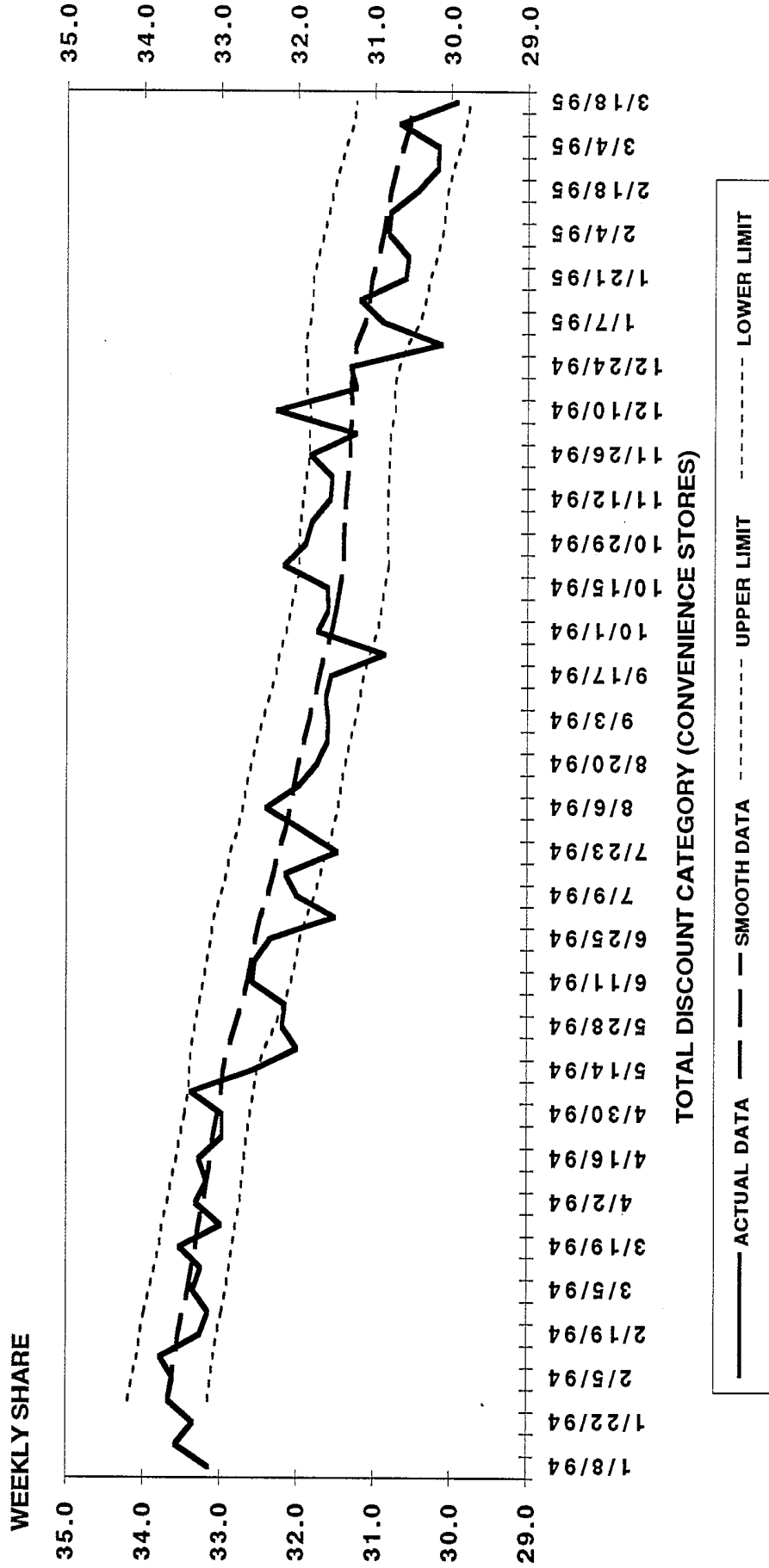


Source: Nielsen Integrated Panel

MARL

2045857746

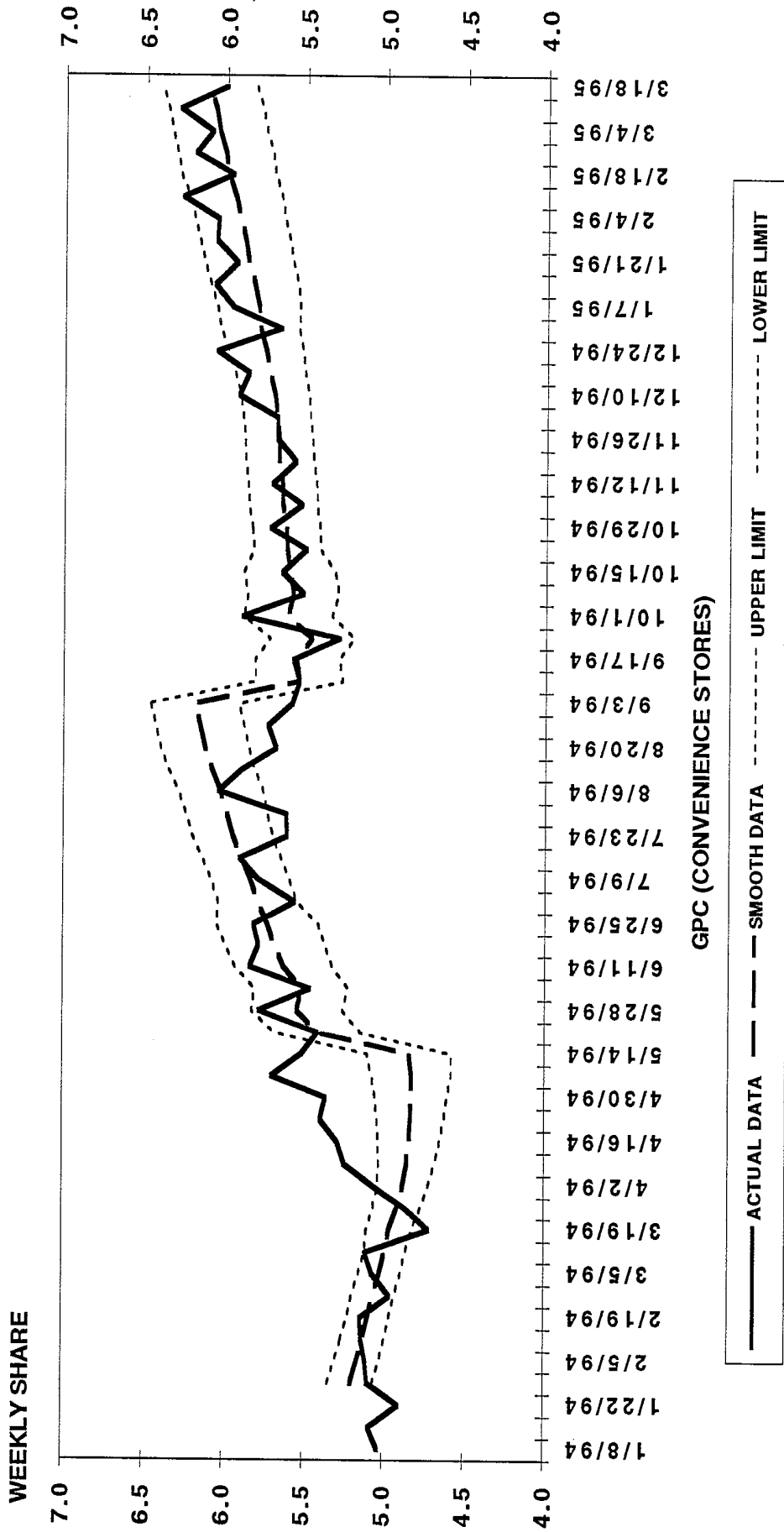
THIS WEEK'S DISCOUNT CATEGORY -0.7 POINT DECLINE TO 29.9% MORE THAN OFFSET LAST WEEK'S GAIN. RJR PL AND GPC EXPERIENCED THE LARGEST LOSSES. THE CATEGORY'S FOUR-WEEK SHARE WAS -0.4 POINTS LOWER.



Source: Nielsen Integrated Panel

2045857747

**GPC'S WEEKLY PERFORMANCE WAS DOWN -0.3 POINTS TO 6.0%,
REVERSING RECENT WEEKS' GAINS. FOUR-WEEK SHARE WAS UP +0.1
POINT.**



Source: Nielsen Integrated Panel

2045857748

PM'S ALL OUTLET COMBINED PERFORMANCE
WEEKLY INTEGRATED NIELSEN - W/E 3/18/95

4-WEEK PERFORMANCE ISSUES

PM Share Growth Rebounding as MCS Promotions Expand

- Marlboro Share Growth Resuming
- PM OPB Share Stable
- PM Discount Share Stable
- Basic SOC Increasing

RJR Share Stabilizing

- Camel Share Stable - B3G3F Support Increasing
- Doral's Moderate Gains Continue
- Winston Share Stabilizing, as Promotions Sell Through

Discount Category On Long Term Decline

- GPC 4Wk Share Remains at Highest Level To Date

	<u>LATEST 4 WEEKS</u>		<u>LATEST WEEK</u>	
	<u>SHARE%</u>	<u>CHG</u>	<u>SHARE%</u>	<u>CHG</u>
	47.4%	0.2	47.7%	0.3
	30.6	0.2	30.9	0.5
	8.9	0.0	8.8	0.0
	8.0	-0.1	8.0	-0.1
	15.4	0.2	15.6	0.0
	27.4	-0.2	27.3	0.0
	4.5	0.0	4.5	0.1
	5.0	0.2	5.0	0.0
	5.8	0.0	5.8	0.0
	29.5	-0.2	29.3	-0.6
	5.4	0.1	5.3	-0.2

**NIelsen INTEGRATED DATA
(All Outlets Combined)**

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>Lorillard</u>	<u>Liggett</u>
Base 4th Quarter 1994	46.37	28.33	16.61	6.76	1.81
March 18, 1995 (QTD)	47.44	27.43	16.37	6.83	1.77
	1.07	(0.90)	(0.24)	0.07	(0.04)
<u>CATEGORY</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>		
Base 4th Quarter 1994	30.54	23.78	6.75		
March 18, 1995 (QTD)	29.69	23.06	6.64		
	(0.85)	(0.72)	(0.11)		
<u>MAJOR BRANDS</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>	
Base 4th Quarter 1994	8.87	5.95	1.15	4.39	
March 18, 1995 (QTD)	8.91	5.83	1.09	4.44	
	0.04	(0.12)	(0.06)	0.05	
<u>MAJOR BRANDS</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>	
Base 4th Quarter 1994	3.14	3.91	1.36	0.61	
March 18, 1995 (QTD)	3.03	3.86	1.31	0.60	
	(0.11)	(0.05)	(0.05)	(0.01)	
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>
Base 4th Quarter 1994	4.48	1.72	0.38	4.99	1.20
March 18, 1995 (QTD)	4.55	1.67	0.36	4.81	1.20
	0.07	(0.05)	(0.02)	(0.18)	0.00
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>B & W</u>	<u>Best Value</u>
Base 4th Quarter 1994	1.23	3.70	1.12	0.70	0.76
March 18, 1995 (QTD)	1.16	3.68	1.04	0.76	0.62
	(0.07)	(0.02)	(0.08)	0.06	(0.14)
			<u>Montclair</u>	<u>Monarch</u>	<u>GPC</u>
			1.35	1.60	4.99
			1.04	1.29	5.29
			(0.31)	(0.31)	0.30

Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included.
Back data reflects the combined performance of the companies.

1927585751

Source: Nielsen Integrated Panel.

Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.

NIELSEN INTEGRATED DATA
(All Outlets Combined)

COMPANY	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>Lorillard</u>	<u>Liggett</u>
Base Full Year 1994	46.16	28.89	16.48	6.46	1.87
March 18, 1995 (YTD)	<u>47.44</u>	<u>27.43</u>	<u>16.37</u>	<u>6.83</u>	<u>1.77</u>
	1.28	(1.46)	(0.11)	0.37	(0.10)
CATEGORY	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>	
Base Full Year 1994	68.43	31.49	24.29	7.20	
March 18, 1995 (YTD)	<u>70.31</u>	<u>29.69</u>	<u>23.06</u>	<u>6.64</u>	
	1.88	(1.80)	(1.23)	(0.56)	
MAJOR BRANDS	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>
Base Full Year 1994	28.57	8.95	6.00	1.07	4.35
March 18, 1995 (YTD)	<u>30.54</u>	<u>8.91</u>	<u>5.83</u>	<u>1.09</u>	<u>4.44</u>
	1.97	(0.04)	(0.17)	0.02	0.09
MAJOR BRANDS	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>
Base Full Year 1994	3.94	3.12	3.92	1.39	0.63
March 18, 1995 (YTD)	<u>4.16</u>	<u>3.03</u>	<u>3.86</u>	<u>1.31</u>	<u>0.60</u>
	0.22	(0.09)	(0.06)	(0.08)	(0.03)
BRANDED DISCOUNTS	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>
Base Full Year 1994	4.56	1.80	0.40	4.72	1.09
March 18, 1995 (YTD)	<u>4.55</u>	<u>1.67</u>	<u>0.36</u>	<u>4.81</u>	<u>1.20</u>
	(0.01)	(0.13)	(0.04)	0.09	(0.11)
PRIVATE LABEL	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>B & W</u>	<u>Best Value</u>
Base Full Year 1994	1.55	3.85	1.07	0.72	1.00
March 18, 1995 (YTD)	<u>1.16</u>	<u>3.68</u>	<u>1.04</u>	<u>0.76</u>	<u>0.62</u>
	(0.39)	(0.17)	(0.03)	0.04	(0.38)
					<u>Monarch</u>
					1.89
					<u>1.29</u>
					(0.60)
					<u>Montclair</u>
					1.21
					<u>1.04</u>
					(0.17)
					<u>GPC</u>
					4.83
					<u>5.29</u>
					0.46

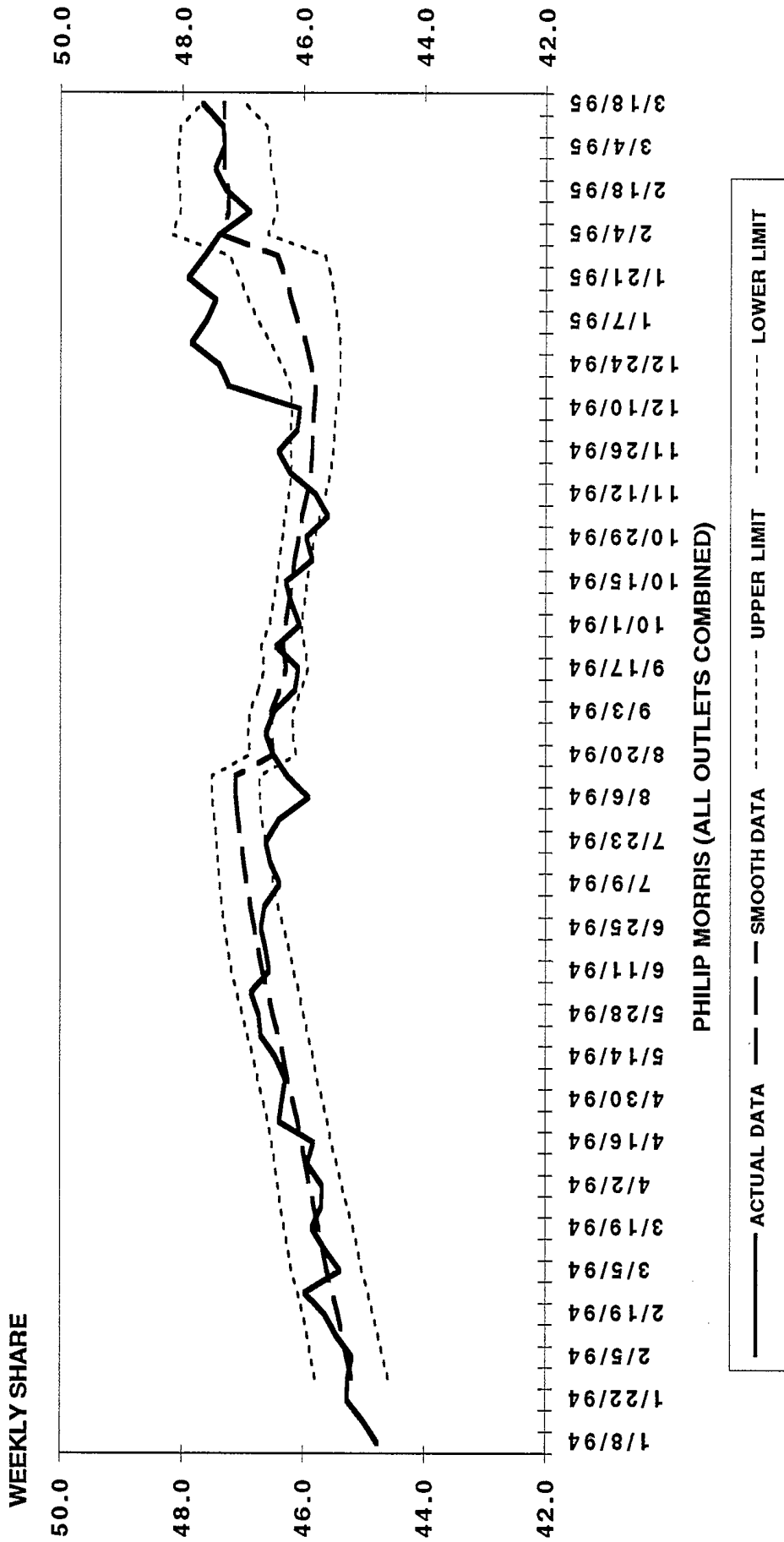
Note: B & W and American are being reported as a combined company as of 1995 with all brands from both companies included. Back data reflects the combined performance of the companies.

7944585702

Source: Nielsen Integrated Panel.

Note: Effective 10/94, in the Integrated Nielsen Panel, Premium plus Discount does equal Total.

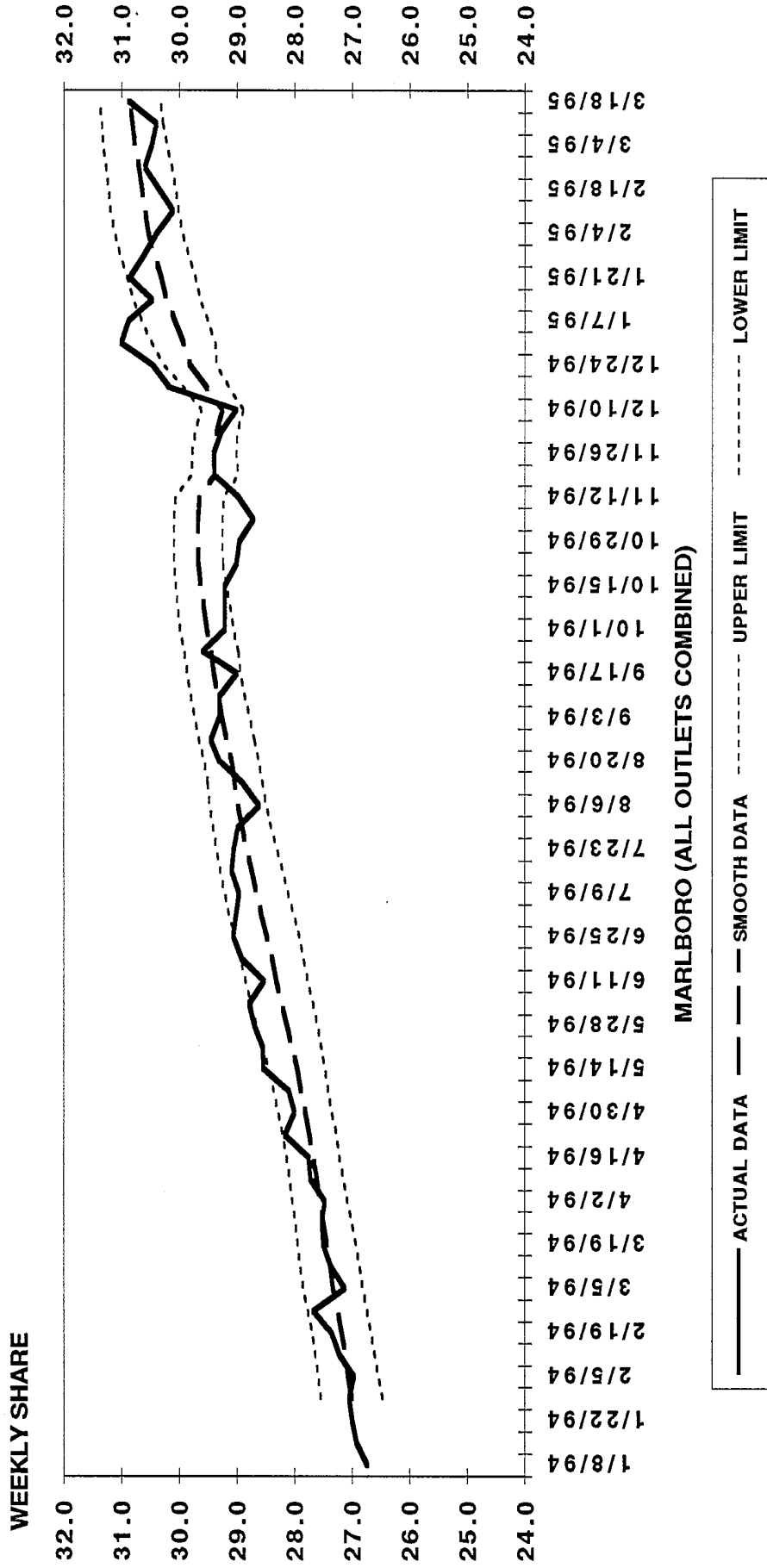
PM'S SHARE ADVANCES WERE DRIVEN BY MARLBORO: +0.3 POINTS TO 47.7% FOR THE WEEK AND +0.2 POINTS TO 47.4% FOR THE LATEST FOUR WEEKS.



Source: Nielsen Integrated Panel

2045857753

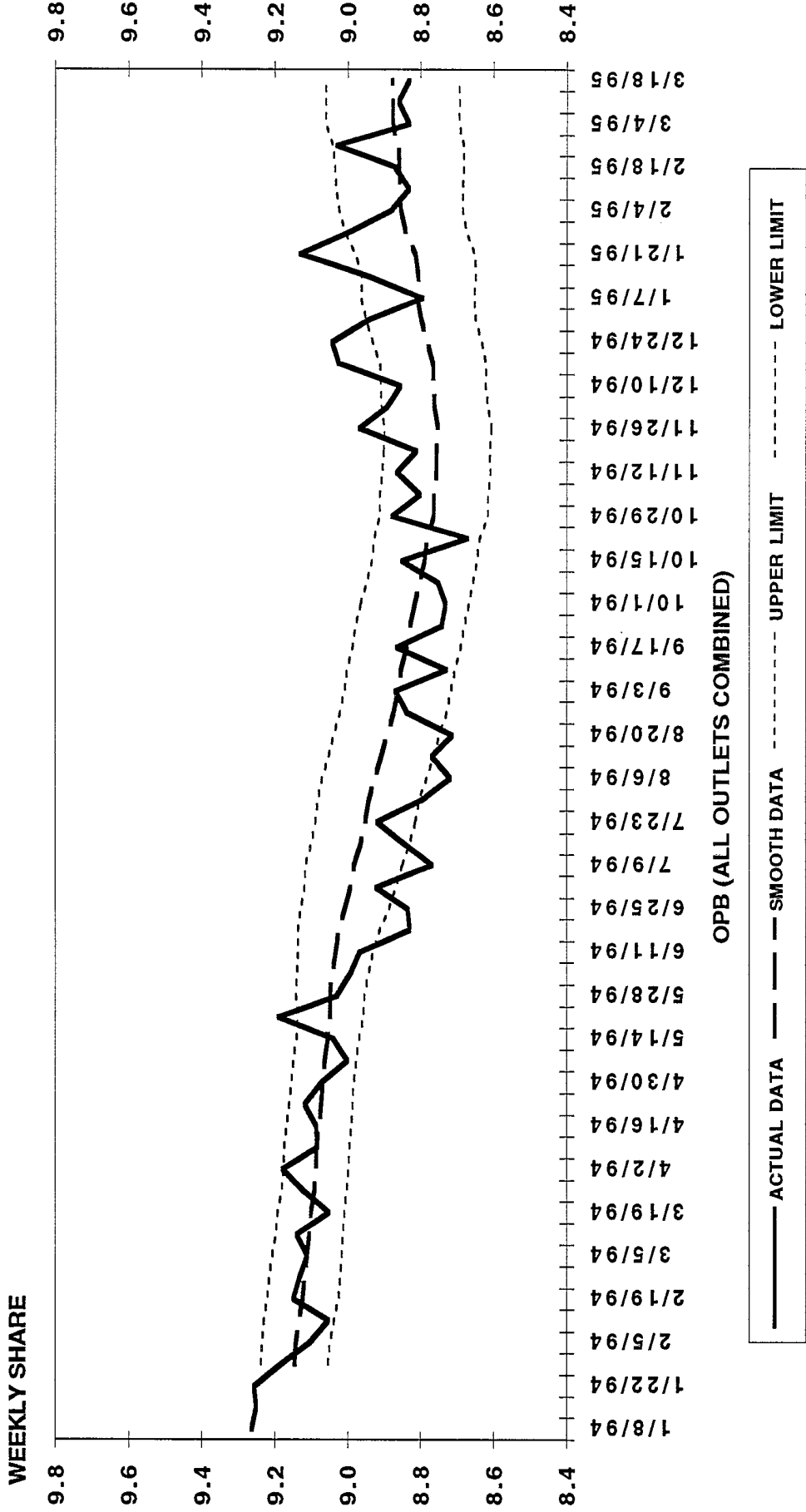
MARLBORO'S WEEKLY SHARE WAS UP +0.5 POINTS TO 30.9%, ITS HIGHEST LEVEL SINCE W/E 1/21/95. THIS WEEK'S PERFORMANCE BENEFITED IN PART FROM INCREASED FREE PRODUCT ACTIVITY. ON A FOUR-WEEK BASIS, PERFORMANCE WAS UP +0.2 POINTS.



Source: Nielsen Integrated Panel

2045857754

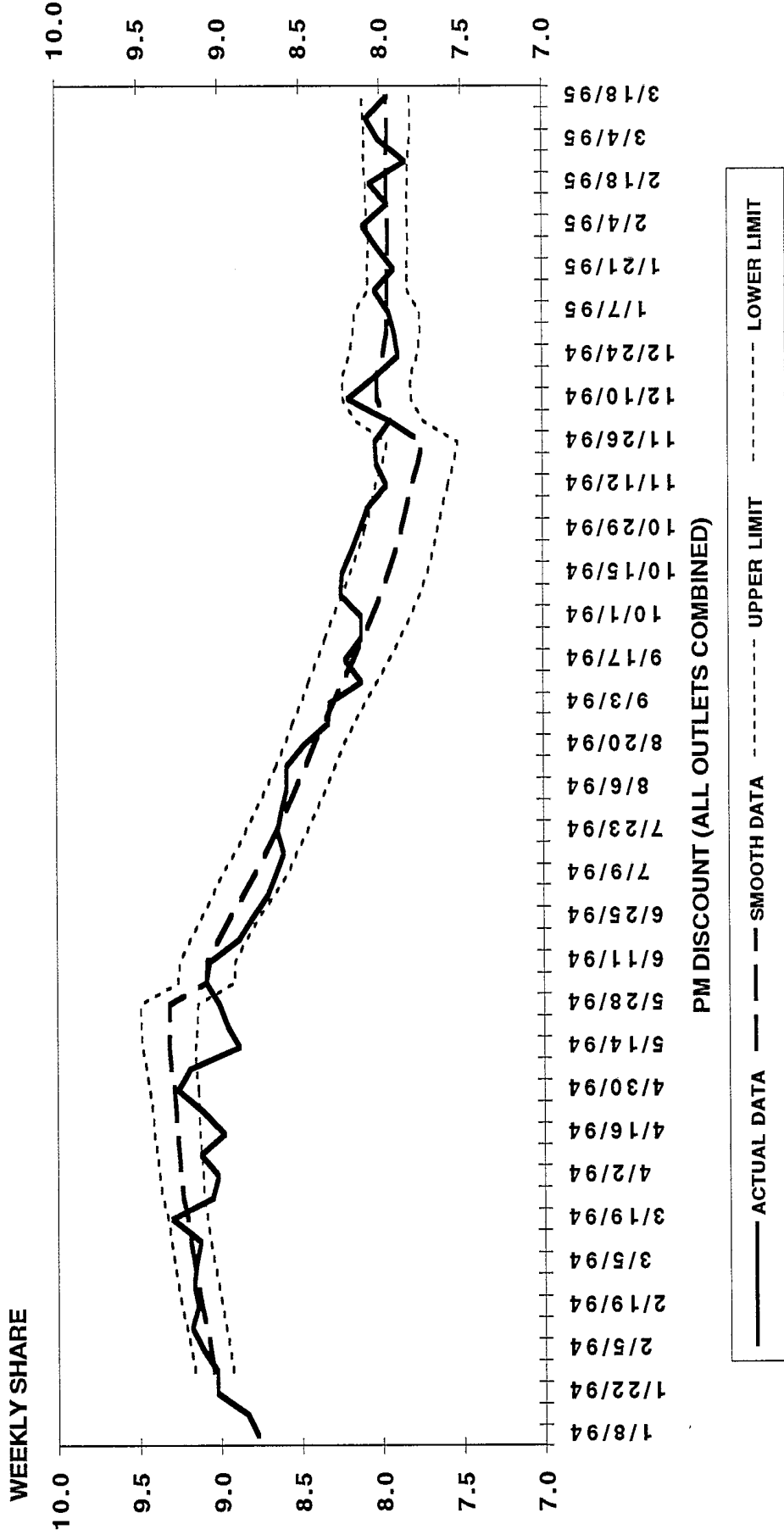
OPB 'S WEEKLY AND FOUR-WEEK SHARES WERE STABLE AT 8.8% AND 8.9% RESPECTIVELY.



Source: Nielsen Integrated Panel

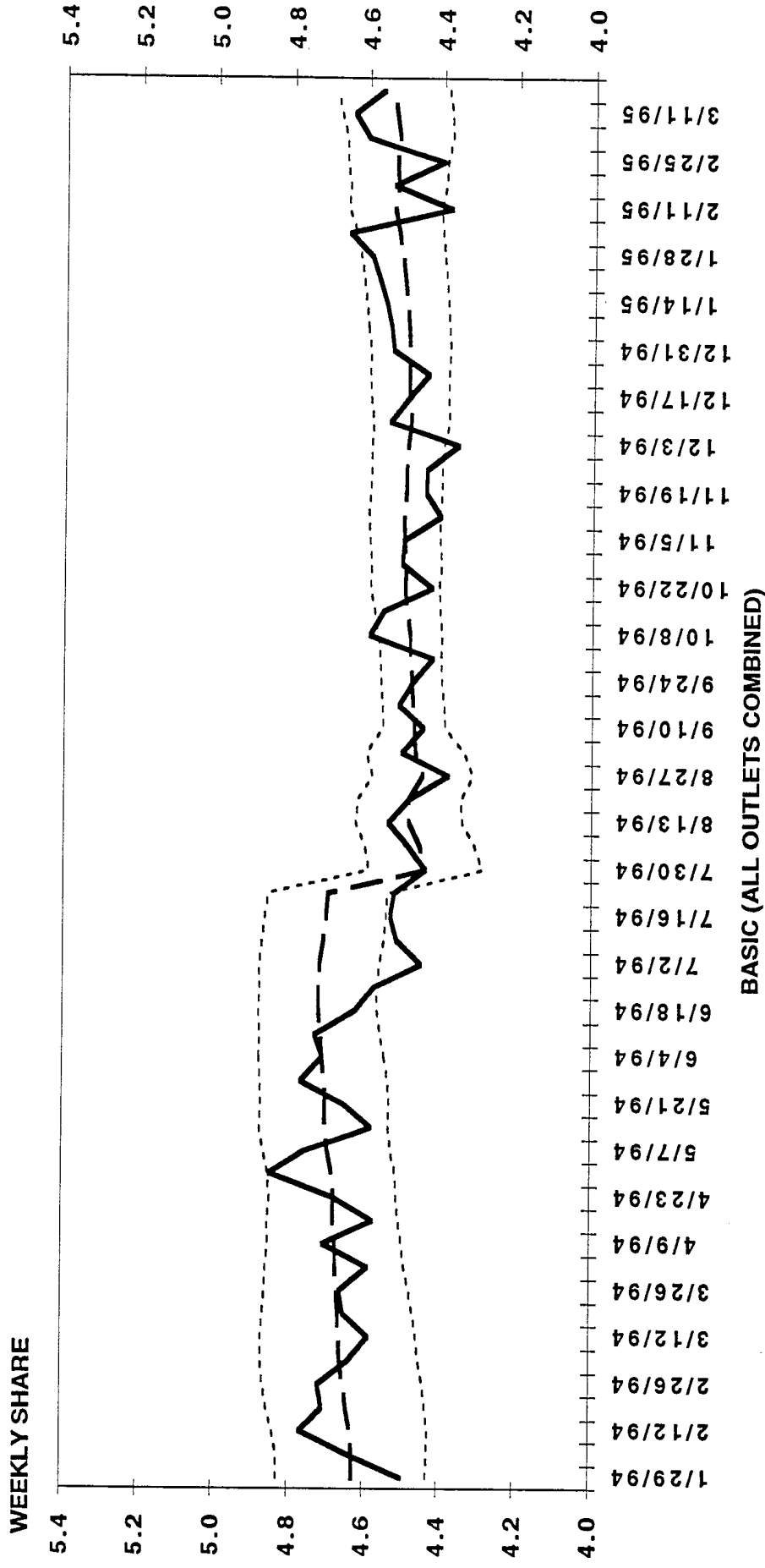
2045857755

PM DISCOUNT'S SHARE WAS DOWN -0.1 POINT ON BOTH A WEEKLY AND A FOUR-WEEK BASIS TO 8.0%. THIS WEEK'S LOSS WAS DRIVEN PRIMARILY BY BASIC.



Source: Nielsen Integrated Panel

BASIC'S WEEKLY SHARE WAS DOWN -0.1 POINT TO 4.6%, WHILE FOUR-WEEK SHARE WAS STABLE.

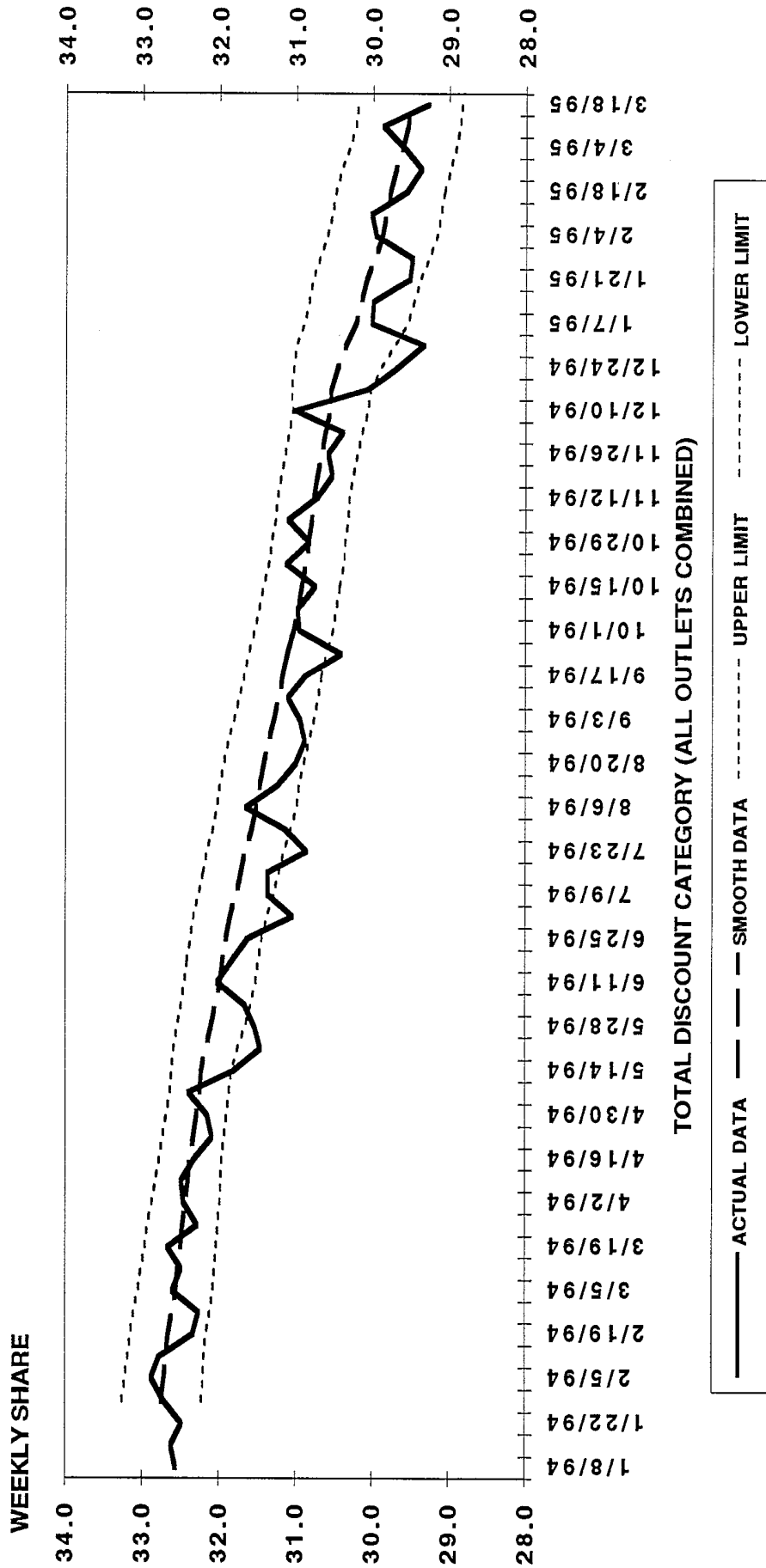


Source: Nielsen Integrated Panel

MARL

2045857757

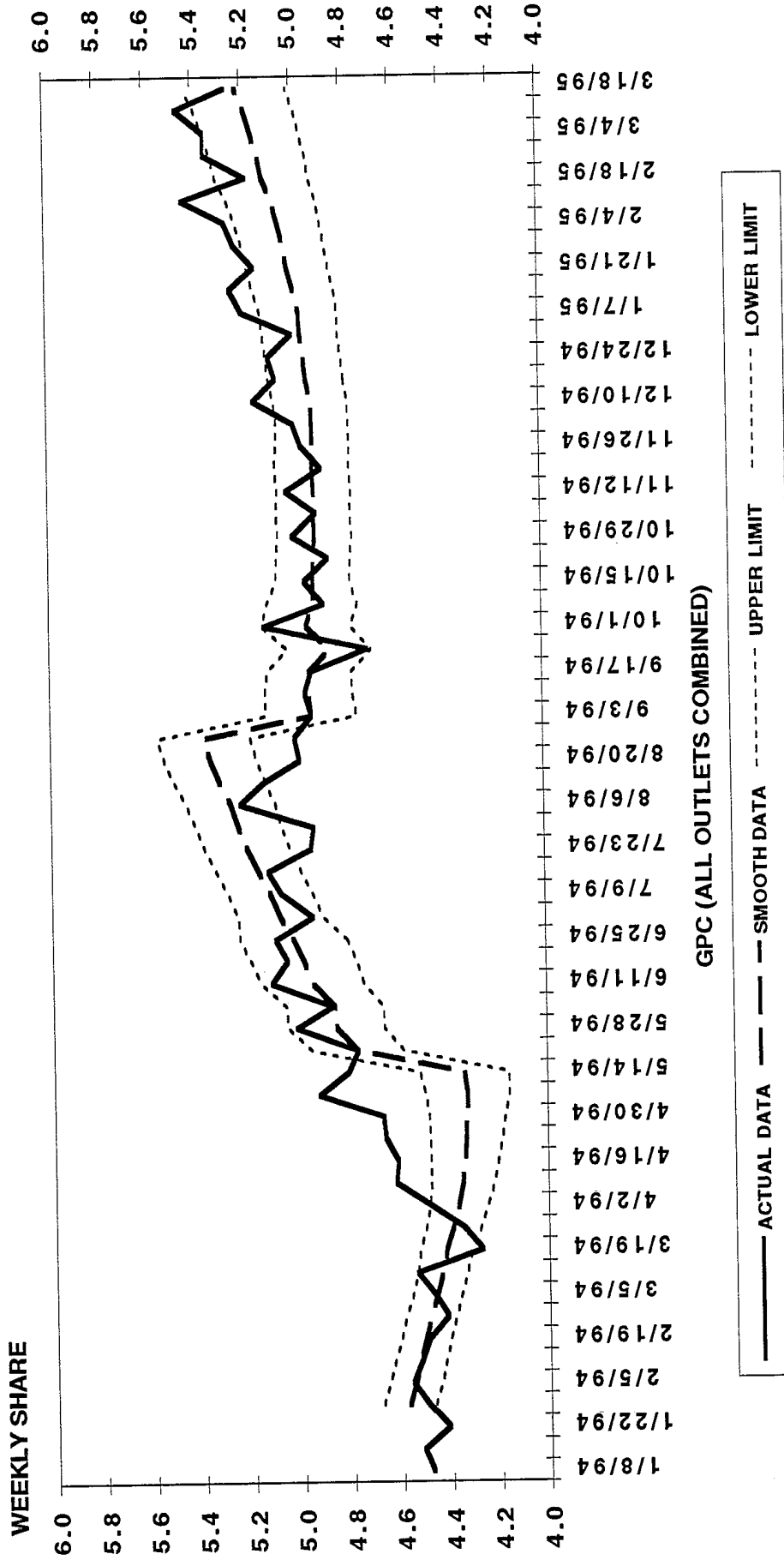
THE DISCOUNT CATEGORY'S WEEKLY SHARE WAS DOWN -0.6 POINTS TO 29.3%, MORE THAN NEGATING LAST WEEK'S GAIN. THIS WEEK'S LOSSES WERE DRIVEN BY RJR PL, GPC AND BASIC. FOUR-WEEK SHARE WAS DOWN -0.2 POINTS.



Source: Nielsen Integrated Panel

2045857758

GPC'S WEEKLY SHARE WAS DOWN -0.2 POINTS TO 5.3%, NEGATING MOST OF THE RECENT THREE WEEKS' GAINS. FOUR-WEEK SHARE WAS UP +0.1 POINT.



Source: Nielsen Integrated Panel

2045857759

PM-USA FIRST QUARTER PERFORMANCE W/E 3/24/95

- Industry volume remained at 9.1 billion units over the last three weeks, but fell below expected levels.
- RJR decreased for the second straight week.
- B&W Discount shipments increased to a YTD high.
- PM USA's volume (4.3 billion) was higher than last week but below projected levels:
- Lower MCS promotional shipments than forecasted.
- A change in McLane's shipment delivery policy to aid in balancing shipments on a daily basis.
- PM-USA's current shares increased and remain above First Quarter OB.
 - Week (47.5%)
 - QTD (45.9%)
- PM-USA's QTD volume was -0.3 billion units below OB and -1.2% below last year.
 - QTD share (45.9%), is expected to range between 45.9% and 46.0% for the First Quarter.
 - +0.7 points above OB.
 - +2.9 points above 1Q94.
 - +0.5 above 4Q94.
- Basic's 13 week share of Discount was 15.1%.

SHIPMENTS
(To All Direct Accounts)

<u>COMPANY</u>									
13 wk Base Dec. 23, 1994	<u>PM</u>		<u>RJR</u>	<u>B&W</u>	<u>Lorillard</u>	<u>Liggett</u>			
March 24, 1995 (13wm)	45.64	25.04	19.37	7.60	2.32				
	<u>45.77</u>	<u>25.70</u>	<u>18.57</u>	<u>7.88</u>	<u>2.06</u>				
	0.13	0.66	(0.80)	0.28	(0.26)				
<u>CATEGORY</u>									
13 wk Base Dec. 23, 1994	<u>Premium</u>	<u>Discount</u>							
March 24, 1995 (13wm)	67.71	32.29							
	<u>69.35</u>	<u>30.65</u>							
	1.64	(1.64)							
<u>PM MAJOR BRANDS</u>									
13 wk Base Dec. 23, 1994	<u>Marlboro</u>	<u>PM OPB</u>	<u>V. Slims</u>	<u>B & H</u>	<u>Merit</u>	<u>Parliament</u>			
March 24, 1995 (13wm)	29.10	7.87	2.36	2.30	2.36	0.66			
	<u>29.47</u>	<u>8.15</u>	<u>2.44</u>	<u>2.40</u>	<u>2.42</u>	<u>0.69</u>			
	0.37	0.28	0.08	0.10	0.06	0.03			
<u>PM BRANDED DISCOUNTS</u>									
13 wk Base Dec. 23, 1994	<u>Basic</u>	<u>Cambridge</u>	<u>Bristol</u>	<u>Alpine</u>					
March 24, 1995 (13wm)	4.94	1.76	0.15	0.32					
	<u>4.63</u>	<u>1.60</u>	<u>0.14</u>	<u>0.32</u>					
	(0.31)	(0.16)	(0.01)	0.00					
<u>PM PRIVATE LABEL</u>									
13 wk Base Dec. 23, 1994	<u>PM</u>								
March 24, 1995 (13wm)	1.43								
	<u>1.37</u>								
	(0.06)								

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INDUSTRY VOLUME UNCHANGED FROM LAST WEEK, BUT BELOW EXPECTED LEVELS. PM'S HIGHER VOLUME, INCLUDING MCS PROMOTIONAL SHIPMENTS, WAS BELOW PROJECTION. RJR DECLINED FOR THE SECOND CONSECUTIVE WEEK.

WEEKLY VOLUME
(MILLIONS)

	CURRENT WEEK 3/10/95	CURRENT WEEK 3/17/95	CURRENT WEEK 3/24/95	DIFF VS. PREVIOUS WK	% CHANGE
INDUSTRY	9,083	9,054	9,069	15	0.2%
PM	4,151	4,139	4,306	167	4.0%
RJ REYNOLDS	2,347	2,265	2,142	(123)	-5.4%
B & W (INCL. AMER)	1,673	1,744	1,732	(12)	-0.7%
LORILLARD	720	714	707	(7)	-1.0%
LIGGETT	190	189	180	(9)	-4.8%
PM SHARE	45.70	45.72	47.48	1.76	

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**PM-USA WEEKLY VOLUME PERFORMANCE
(MILLIONS)**

	MONTH <u>Jan-95</u>	MONTH <u>Feb-95</u>	WEEK <u>3/3/95</u>	WEEK <u>3/10/95</u>	WEEK <u>3/17/95</u>	WEEK <u>3/24/95</u>	1995 YTD
SALES	15,261	16,184	4,044	4,151	4,139	4,306	46,243
LIFO PAYBACK	926	42	0	0	0	0	968
ADJUSTED MCLANE PURCHASES	776	35	42	5	(35) (e)	78 (e)	882 (e)
PROMO	0	(564)	(41)	(53)	(57)	(330)	(1,026)
OTHER**	961	350	23	27	7	42	1,400
TOTAL	2,663	(136)	24	(21)	(85)	(210)	2,224
ESTIMATED GOING RATE*	17,924	16,048	4,068	4,130	4,054	4,096	48,467
WEEKLY	3,892	4,055	4,068	4,130	4,054	4,096	
PM OUTBOUND	17,743	16,446	4,266	4,245	4,054 (e)	4,096 (e)	48,907 (e)
PM BUDGET	17,820	16,171	4,111	4,149	4,149	4,149	48,677
DIFFERENCE	(77)	275	155	96	(95)	(53)	230

* ESTIMATED GOING RATE ADJUSTED FOR STARS PERFORMANCE.

** OTHER INCLUDES PROMOTIONAL PAYBACK, FORWARD BUYING, AND WHOLESALE INVENTORY CHANGES.

(e) ESTIMATE

NOTE: PROMO VOLUME ADJUSTED FOR BASIC INCREMENTAL PROMOTIONAL SHIPMENTS.

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PRELIMINARY WEEKLY VOLUME AND SHARE

W/E 3/24/95

WEEK

	<u>VOLUME</u>	<u>DIFF VS 1994</u>	<u>%CHANGE VS 1994</u>	<u>SHARE VS 1994</u>	<u>DIFF VS 1994</u>	<u>FCST</u>	<u>VOLUME DIFF VS FCST</u>	<u>%CHANGE VS FCST</u>
INDUSTRY	9,069	602	7.1%			9,439	-370	-3.9%
PHILIP MORRIS	4,306	557	14.9%	47.48	3.21	4,463	-157	-3.5%
R.J. REYNOLDS	2,142	35	1.6%	23.62	-1.27	2,376	-234	-9.8%
B&W(INCL AMER)	1,732	71	4.3%	19.10	-0.52	1,715	17	1.0%
LORILLARD	707	9	1.3%	7.80	-0.45	685	22	3.2%
LIGGETT	180	-70	-28.1%	1.98	-0.97	200	-20	-10.0%

DISCOUNT

	<u>VOLUME</u>	<u>SHARE</u>	<u>%CONT.</u>
INDUSTRY	2,710	29.89	70.11
PHILIP MORRIS	691	25.48	56.85
R.J. REYNOLDS	810	29.87	20.96
B&W (INCL. AMER)	1,045	38.56	10.81
LORILLARD	32	1.17	10.62
LIGGETT	133	4.91	0.74

PREMIUM

	<u>VOLUME</u>	<u>%CONT.</u>
INDUSTRY	6,359	70.11
PHILIP MORRIS	3,615	56.85
R.J. REYNOLDS	1,333	20.96
B&W (INCL. AMER)	687	10.81
LORILLARD	675	10.62
LIGGETT	47	0.74

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WEEKLY VOL

PRELIMINARY VOLUME AND SHARE

W/E 3/24/95

SHARE
YTD SHARE

TOTAL INDUSTRY YEAR TO DATE

INDUSTRY	VOLUME	DIFF VS 1994		% CHANGE VS 1994	SHARE	DIFF 1995 OB VS 1994		DIFF VS. 1995 OB FCST.
		VS 1994	VS 1994			FCST.	FCST.	
INDUSTRY	100,696	-7,286	-6.7%					
PHILIP MORRIS	46,243	-605	-1.2%	45.92	2.54	45.60	0.32	
R.J. REYNOLDS	25,917	-4,810	-15.7%	25.74	-2.72	25.98	-0.25	
B&W(INCL. AMER)	18,675	-1,175	-5.9%	18.55	0.16	18.80	-0.26	
LORILLARD	7,914	-169	-2.1%	7.86	0.37	7.50	0.36	
LIGGETT	1,928	-525	-21.4%	1.91	-0.36	2.12	-0.20	

DISCOUNT YEAR TO DATE

INDUSTRY	VOLUME	DIFF VS 1994		% CHANGE VS 1994	SOC	DIFF VS 1994	
		VS 1994	VS 1994			VS 1994	VS 1994
INDUSTRY	30,833	-5,372	-14.8%		30.62		-2.91
PHILIP MORRIS	8,286	-1,432	-14.7%	26.88		0.03	
R.J. REYNOLDS	9,953	-2,856	-22.3%	32.28		-3.10	
B&W(INCL. AMER)	10,791	-653	-5.7%	35.00		3.39	
LORILLARD	357	14	4.2%	1.16		0.21	
LIGGETT	1,444	-445	-23.6%	4.68		-0.53	

PREMIUM YEAR TO DATE

INDUSTRY	VOLUME	DIFF VS 1994		% CHANGE VS 1994	SOC	DIFF VS 1994	
		VS 1994	VS 1994			VS 1994	VS 1994
INDUSTRY	69,863	-1,913	-2.7%	69.38		2.91	
PHILIP MORRIS	37,957	827	2.2%	54.33		2.60	
R.J. REYNOLDS	15,964	-1,954	-10.9%	22.85		-2.11	
B&W(INCL. AMER)	7,884	-522	-6.2%	11.28		-0.43	
LORILLARD	7,557	-183	-2.4%	10.82		0.03	
LIGGETT	484	-81	-14.3%	0.69		-0.09	

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ORIGINAL BUDGET FORECAST FIRST QUARTER 1995

TOTAL VOLUME TOTAL SHARE

	WEEK ENDING 3/24		WEEK ENDING 3/24	
	ACTUAL	FCAST	ACTUAL	FCAST
INDUSTRY	9,069	9,439		
			DIFF.	DIFF.
			-370	
PHILIP MORRIS	4,306	4,463	-157	47.28
R.J. REYNOLDS	2,142	2,376	-234	25.17
B&W(INCL. AMER)	1,732	1,715	17	18.17
LORILLARD	707	685	22	7.25
LIGGETT	180	200	-20	1.98
				2.12
				0.20
				-1.55
				0.93
				0.55
				-0.14

	QUARTER TO DATE		QUARTER TO DATE		1Q95	
	ACTUAL	FCAST	ACTUAL	FCAST	FCAST	DIFF.
INDUSTRY	100,696	102,753				
			DIFF.			
			-2,057			
PHILIP MORRIS	46,243	46,535	-291	45.29		0.63
R.J. REYNOLDS	25,917	26,869	-952	26.15		-0.41
B&W(INCL. AMER)	18,675	19,395	-720	18.88		-0.33
LORILLARD	7,914	7,779	135	7.57		0.29
LIGGETT	1,928	2,175	-247	1.91		-0.20
				2.12		
					45.26	
					26.16	
					18.88	
					7.57	
					2.12	

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FORECAST

Philip Morris USA

McLane Shipments

PM SHIPMENTS TO MCLANE WERE BELOW NORM AND SHIPMENTS TO THEIR RETAILERS DUE TO A CHANGE IN THEIR SHIPMENT DELIVERY POLICY.

TOTAL PM VOLUME MCLANE (millions of cigarettes)

<u>Week Ending</u>	PM Shipped To		<u>Difference</u>
	<u>McLane</u>	<u>Retailers</u>	
1/6/95	779.1	551.0	228.1
1/13	142.7	579.6	-436.9
1/20	332.7	573.6	-240.9
1/27	258.1	555.5	-297.4
2/3	490.6	553.0	-62.4
2/10	594.4	583.6	10.8
2/17	565.6	584.4	-18.8
2/24	618.5	593.2	25.3
3/3	589.7	631.9	-42.2
3/10	616.2	620.8	-4.6
3/17	641.3	605.9 (e)	35.4
3/24	553.4	631.5 (e)	-78.1
AVERAGE WEEK-YTD	515.2	588.7	-73.5
YTD 1995	6,182.3	7,064.0	-881.7

All volumes through 10/21/94 exclude 24 Sam's Clubs in Michigan which purchased directly from PM. As of 10/28, these are included in McLane's Northeast Division.

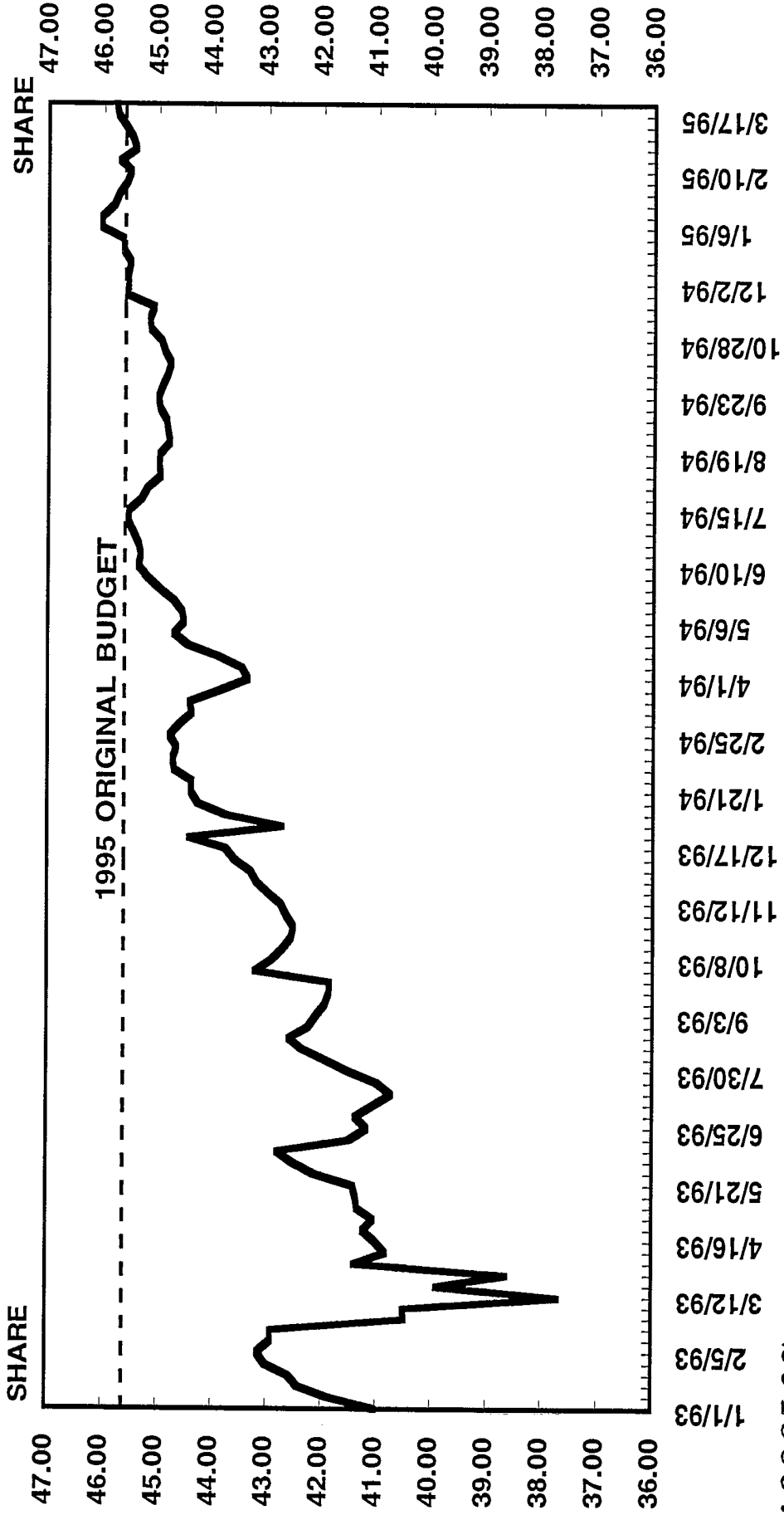
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PM-USA WEEKLY PERFORMANCE

	12/30	1/6	1/13	1/20	1/27	2/3	2/10	2/17	2/24	3/3	3/10	3/17	3/24	1Q OB WEEKLY TARGET
MARLBORO	2,472	2,302	2,010	2,154	2,175	2,372	2,551	2,879	2,437	2,598	2,660	2,693	2,903	2,564
B&H	200	207	169	177	183	203	207	227	197	217	217	214	207	211
MERIT	211	203	180	186	191	197	208	220	194	212	218	214	214	211
V.SLIMS	202	208	170	178	192	202	216	229	205	215	222	218	216	211
PARLIAMENT	58	53	51	52	53	56	58	67	51	61	71	60	58	57
OTHER PREMIUM	15	17	18	16	15	16	17	17	16	16	17	17	17	15
CANADIAN	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PREMIUM	3,158	2,989	2,597	2,764	2,809	3,046	3,258	3,639	3,099	3,319	3,405	3,417	3,615	3,269
CAMBRIDGE	126	147	142	125	121	132	142	141	127	137	144	136	132	154
ALPINE	26	24	24	24	25	26	29	31	32	28	31	27	26	31
BUCKS	2	2	2	2	2	2	2	2	2	2	2	2	2	2
FVB	120	104	108	101	90	108	115	116	134	140	122	118	120	131
BASIC	327	329	293	322	311	365	400	416	650	400	430	422	393	457
BRISTOL	12	12	12	11	11	12	13	14	12	13	13	11	12	14
OTHER	4	5	6	8	4	4	4	5	4	5	5	7	6	3
TOTAL DISCOUNT	616	623	587	593	563	648	705	723	961	724	746	723	691	792
TOTAL PM-USA	3,774	3,612	3,184	3,357	3,371	3,694	3,963	4,361	4,061	4,044	4,151	4,139	4,306	4,062

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PM SHARE OF MARKET 13 WEEK MOVING AVERAGE

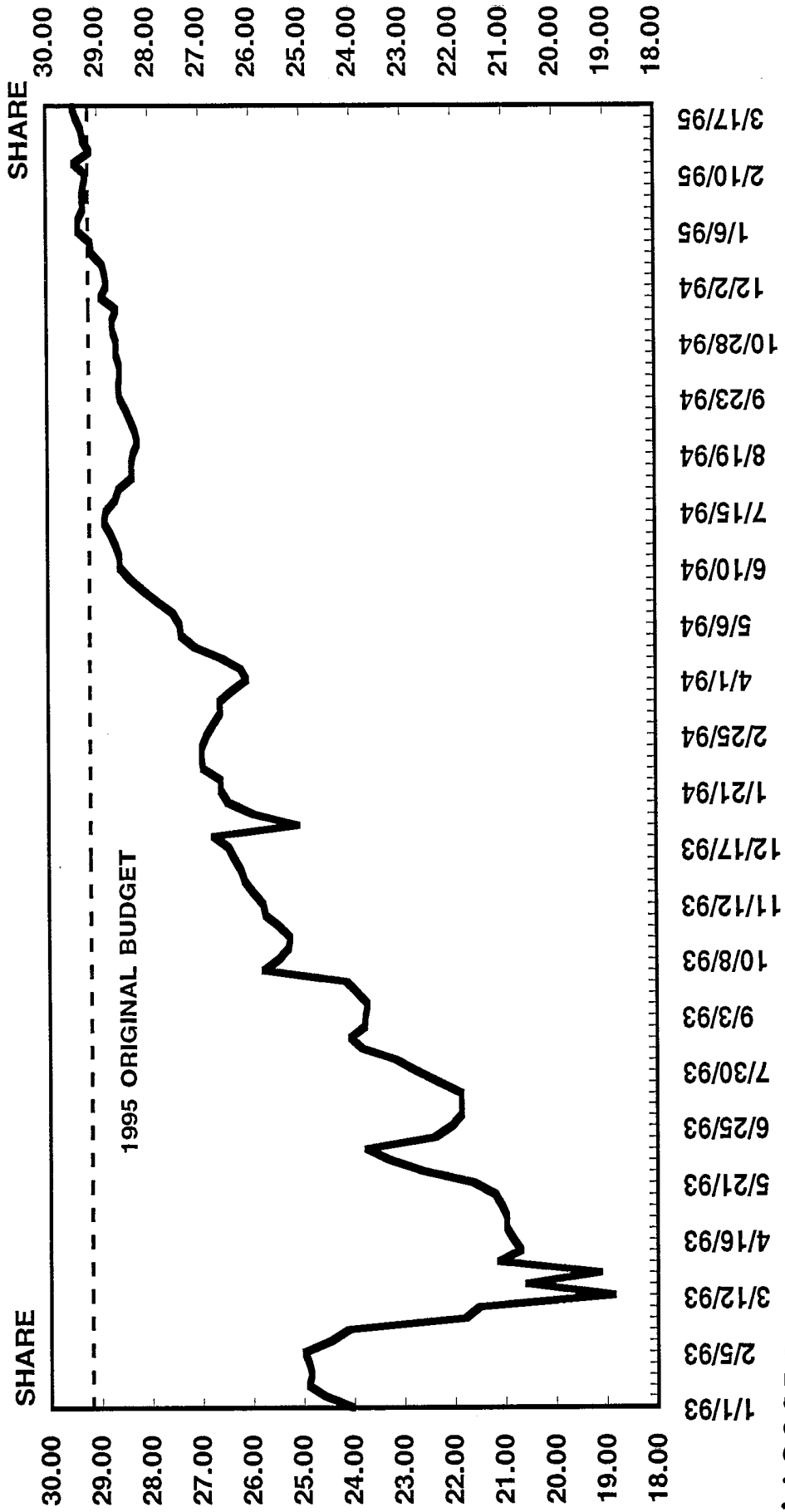


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SOURCE: MSA SHIPMENTS

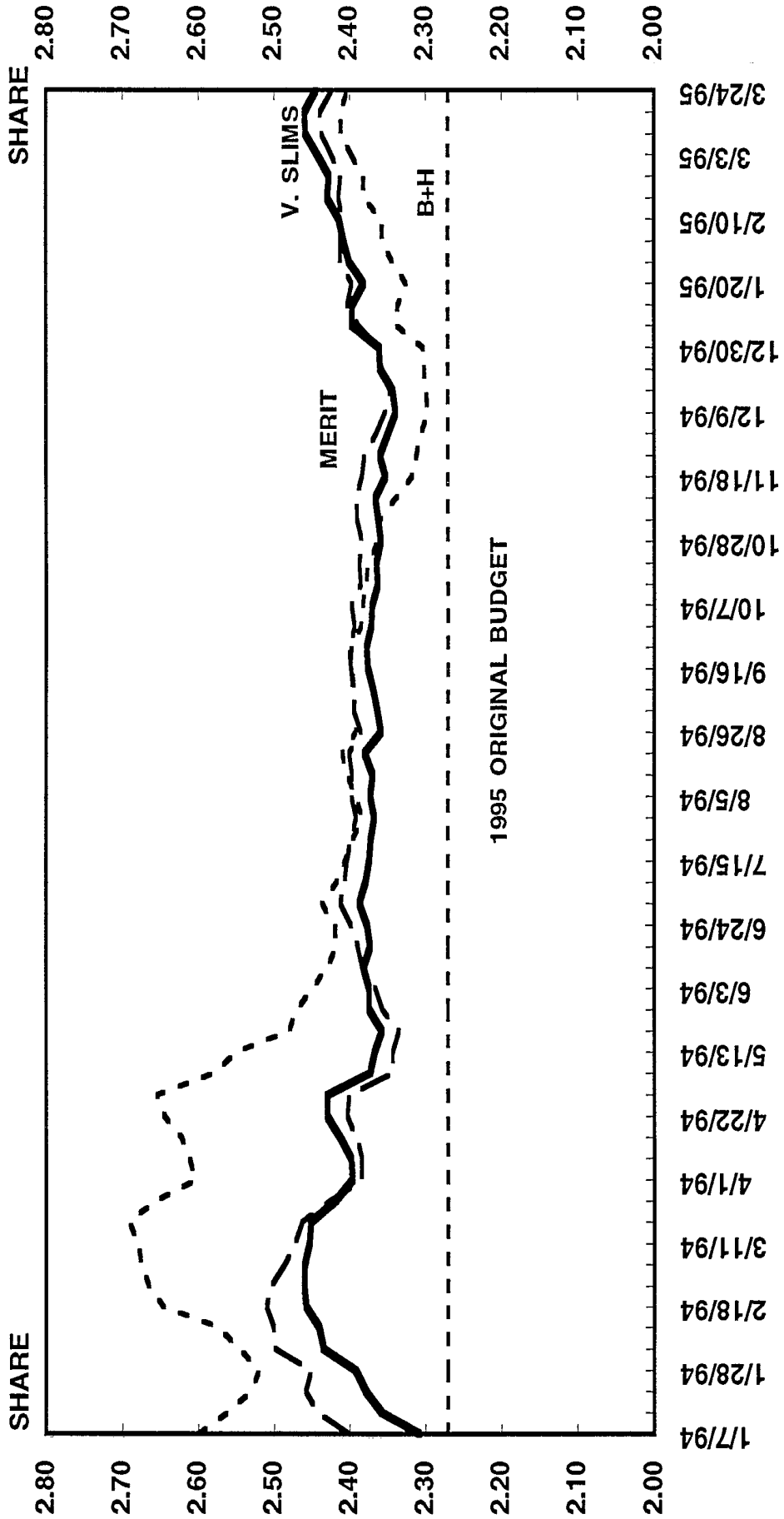
13WM BRANDS Chart 1

MARLBORO SHARE OF MARKET 13 WEEK MOVING AVERAGE



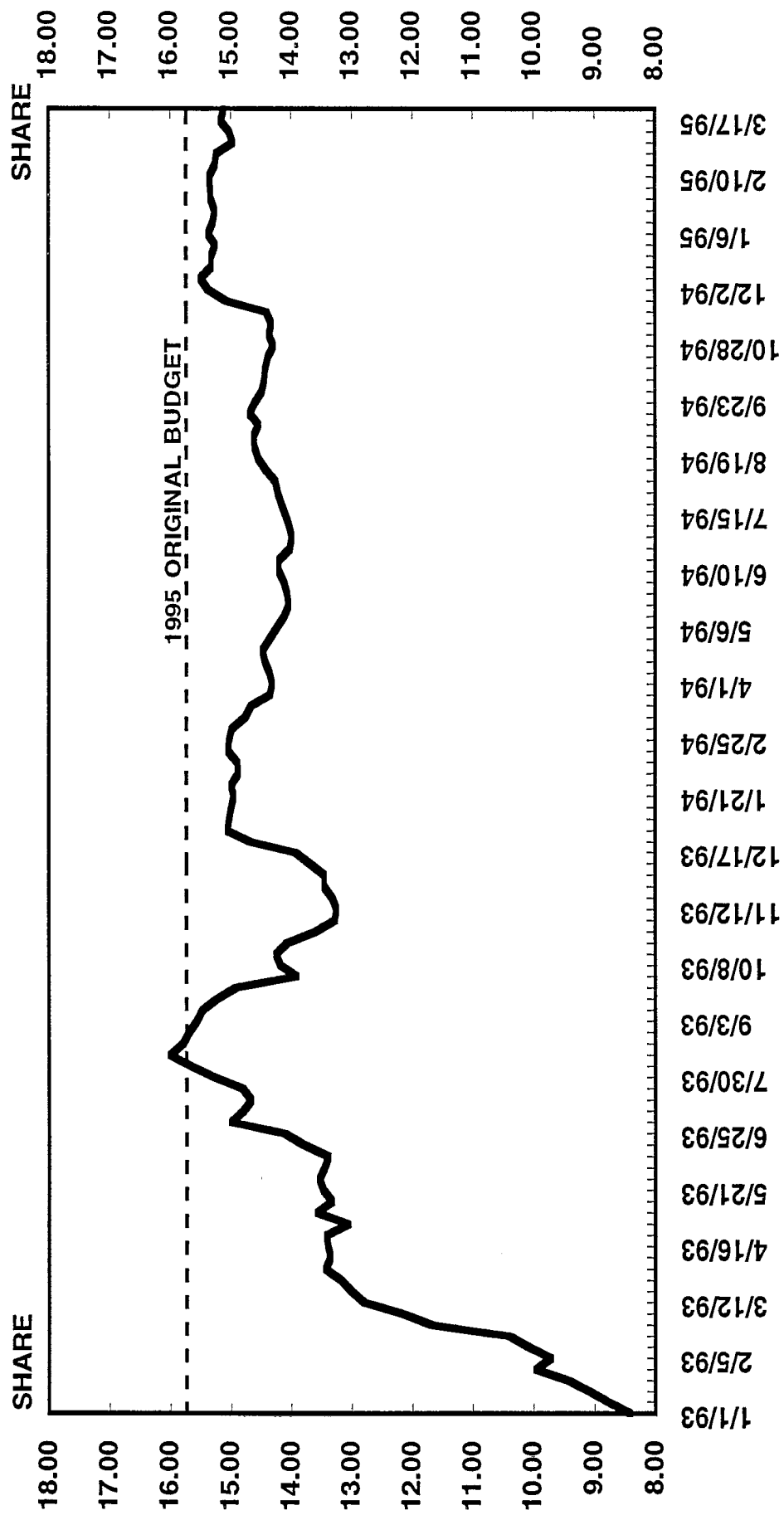
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B+H, MERIT AND V. SLIMS SHARE OF INDUSTRY 13 WEEK MOVING AVERAGE

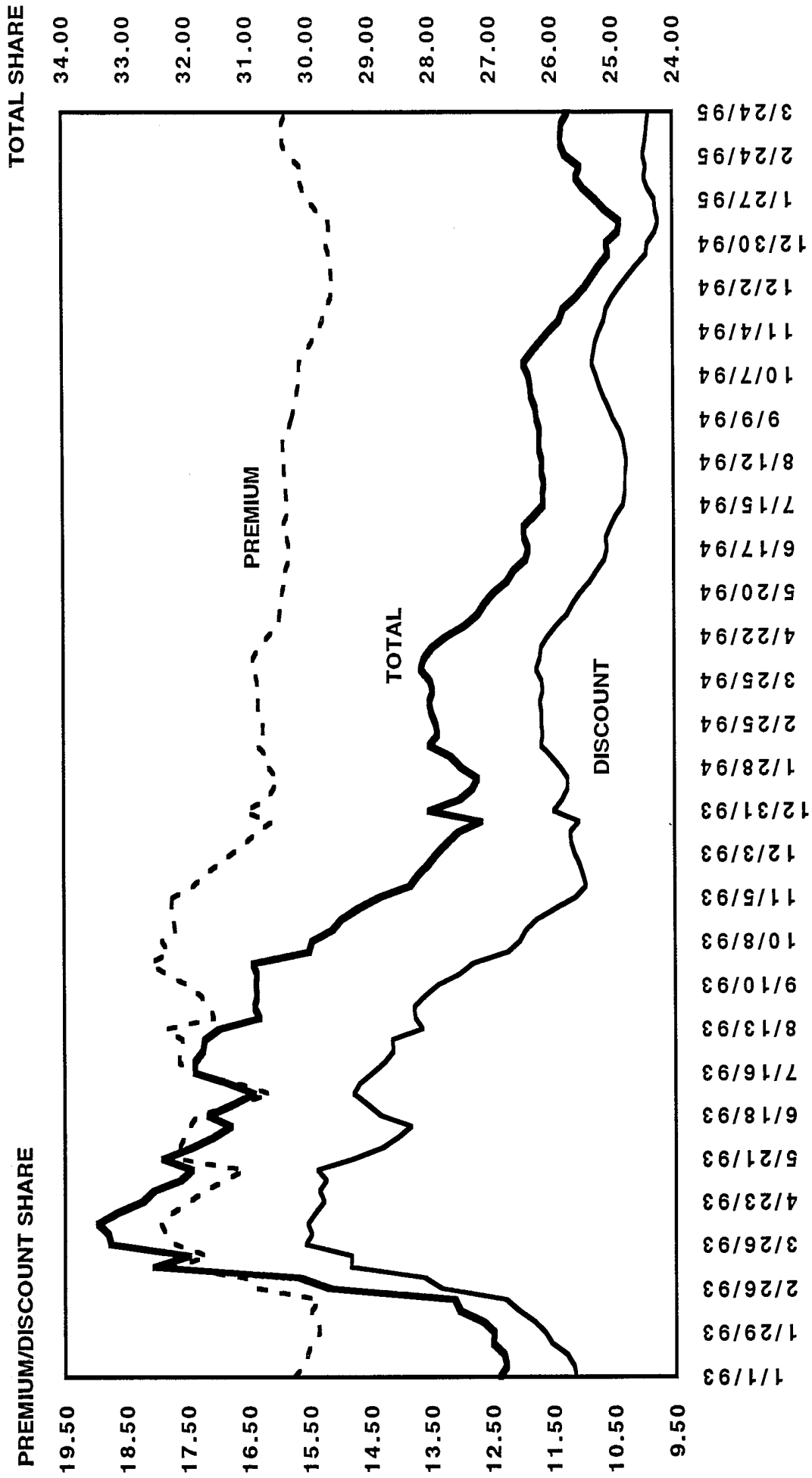


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BASIC SHARE OF DISCOUNT 13 WEEK MOVING AVERAGE



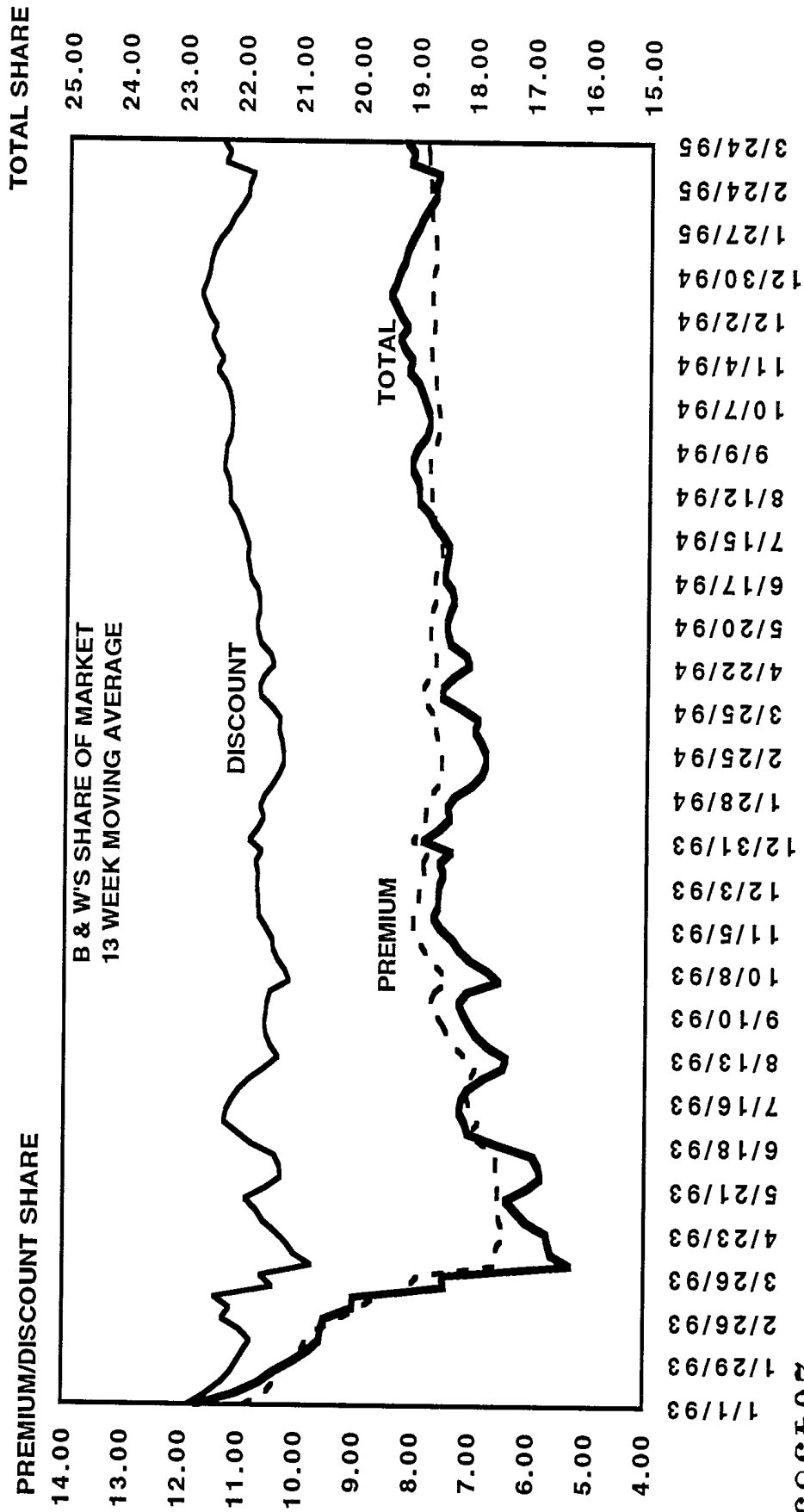
RJR SHARE OF MARKET
13 WEEK MOVING AVERAGE



SOURCE: MSA SHIPMENTS

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B & W's RECENT SHARE PERFORMANCE WAS DRIVEN BY DISCOUNT. LOSSES DURING 1995 ARE PRIMARILY DUE TO MONTCLAIR PARTIALLY OFFSET BY SMALLER GPC GAINS.

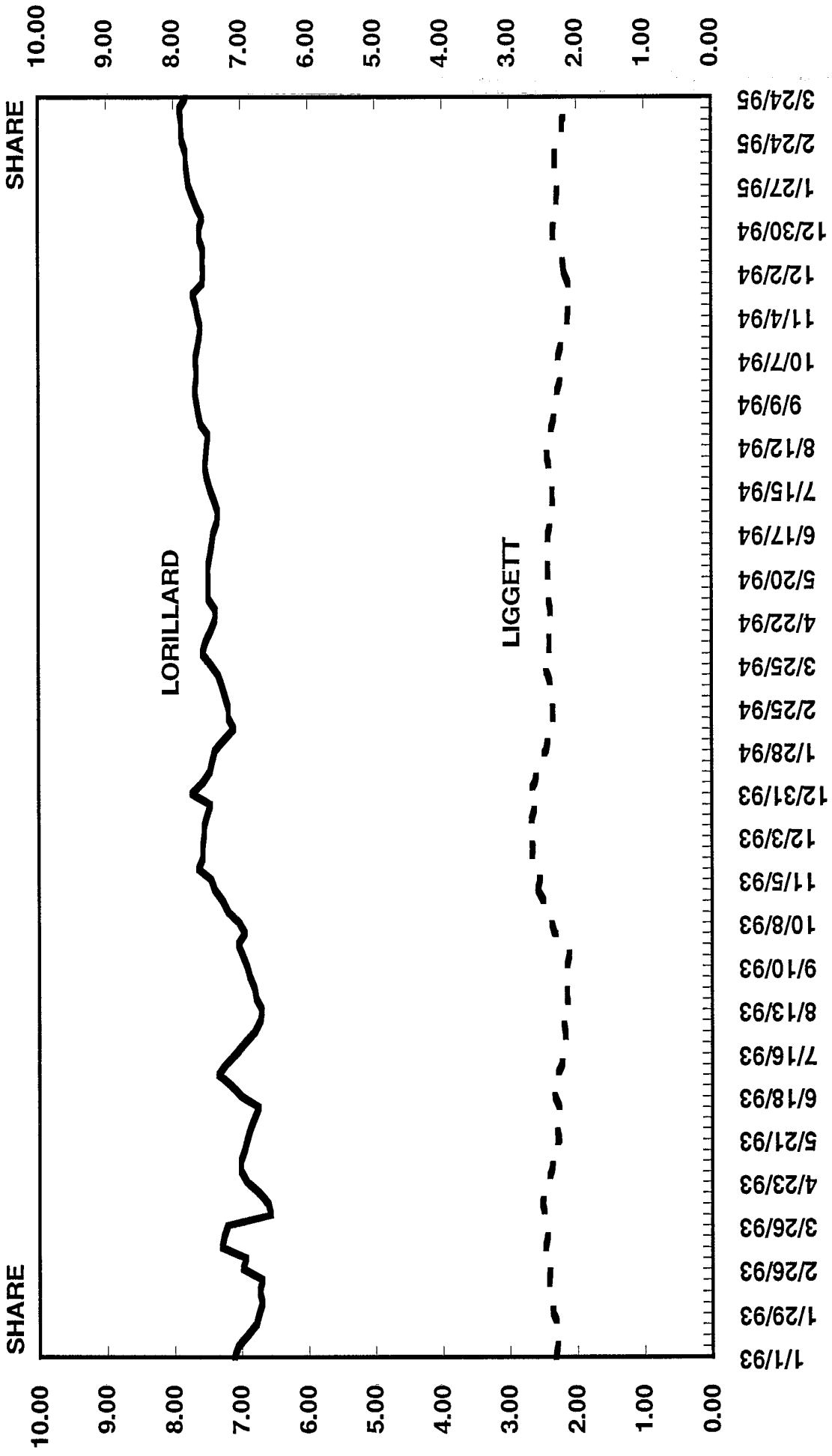


2045857774

SOURCE: MSA SHIPMENTS

13 WM SHARES B&W, RJR Chart 8

COMPETITORS' SHARE OF MARKET 13 WEEK MOVING AVERAGE

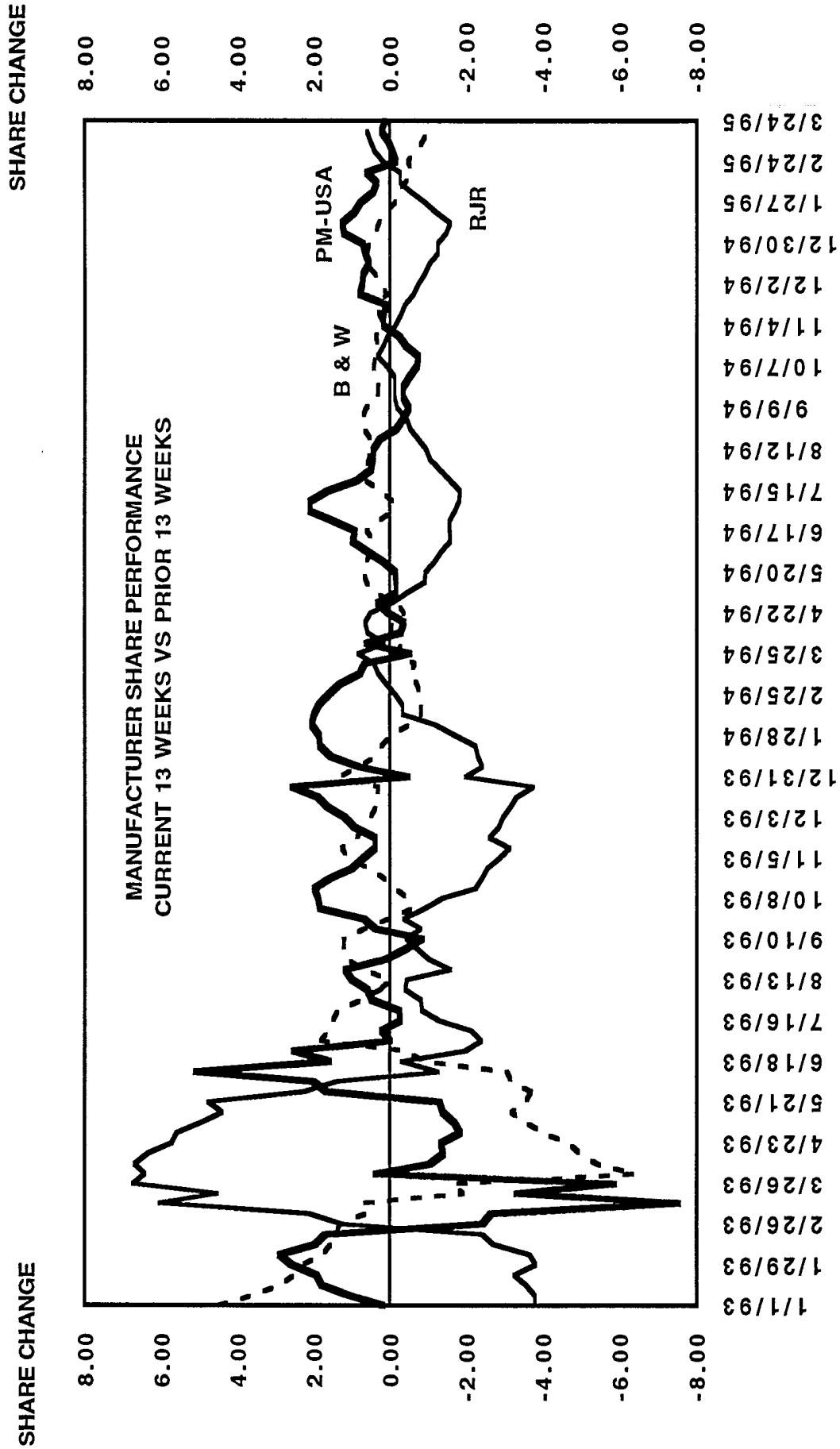


SOURCE: MSA SHIPMENTS

13 WM COMPANY SHARES Chart 5

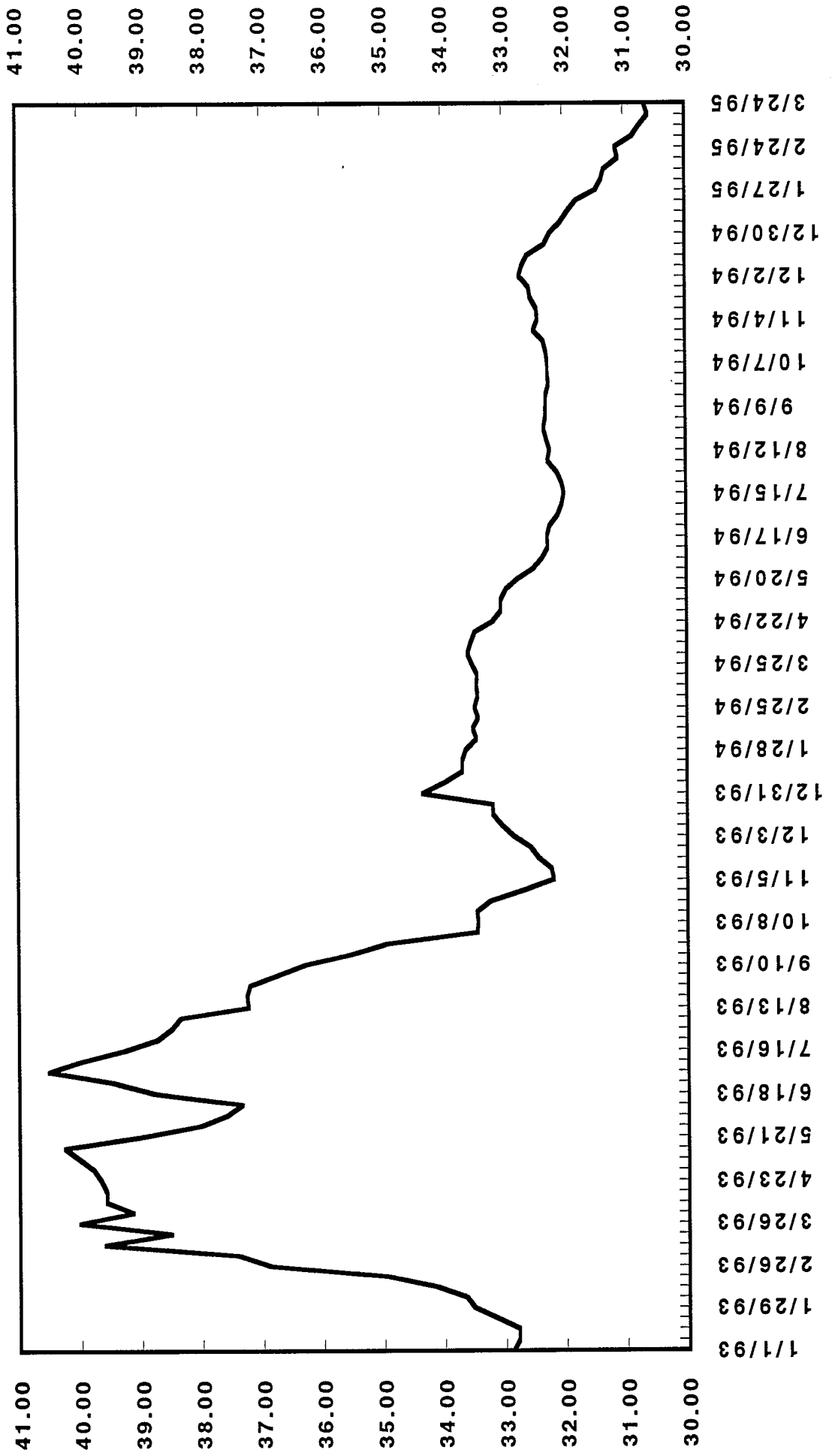
2045857775

PM HAS HAD THE GREATEST INTERACTION WITH RJR.
 PM's GROWTH CYCLES HAVE BEEN PREMIUM DRIVEN, WHILE B+W's REMAIN
 RELATED TO DISCOUNT PROMOTIONS. RJR'S HAS RECENTLY SWITCHED TO
 PREMIUM.



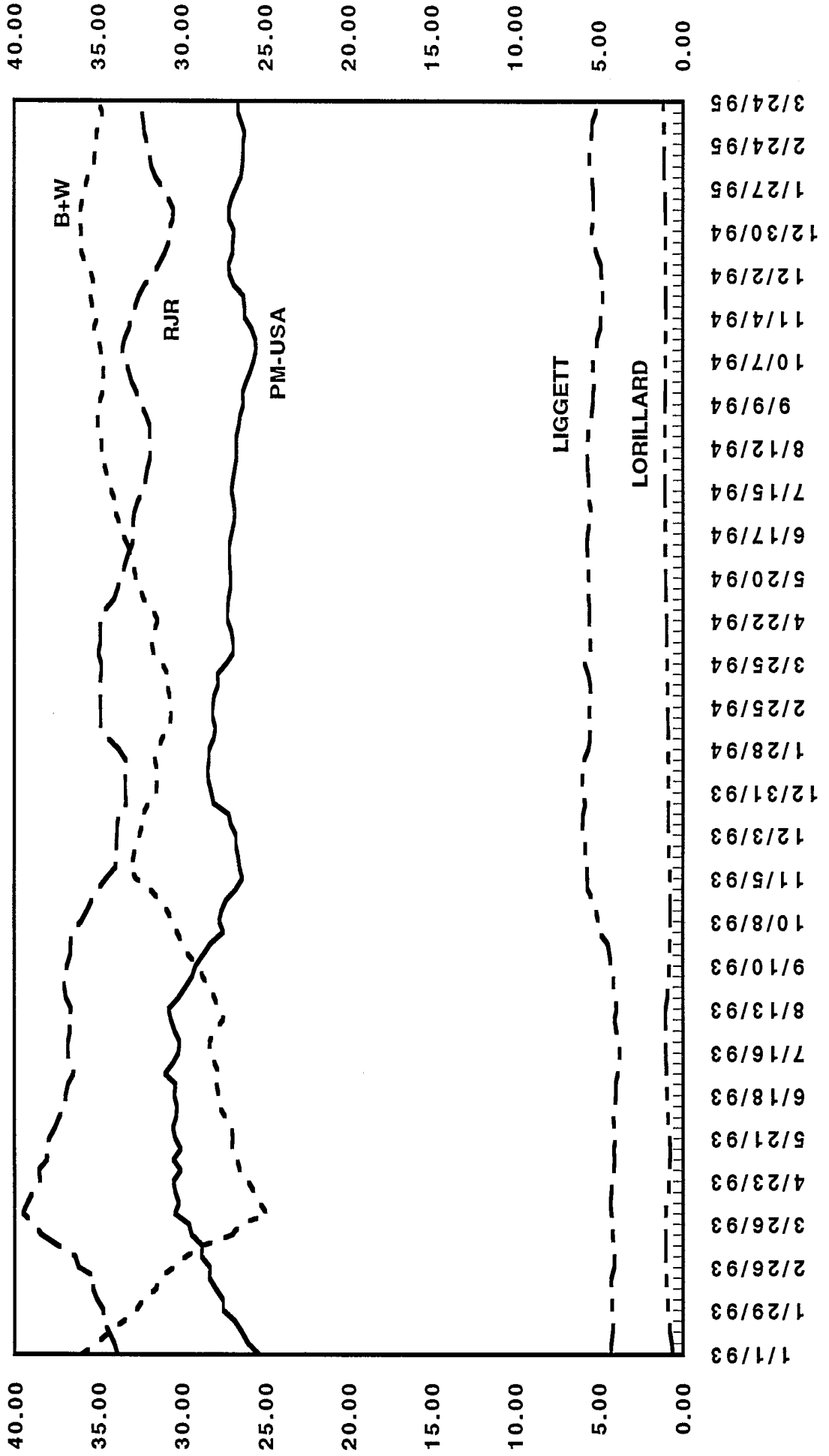
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DISCOUNT SHARE OF INDUSTRY 13 WEEK MOVING AVERAGE



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COMPANIES SHARE OF TOTAL DISCOUNT 13 WEEK MOVING AVERAGE



Philip Morris USA

Trigger Points

PM-USA PERFORMANCE TRIGGERS FOR DISCUSSION

(4wm Nielsen, Consumer Tracking Trend, Nielsen Pricing)

Measures	Trigger Latest			
	1st half 1995	4wm	1995 O.B.	1994 4Q 1994
• Marlboro share of Market	29.6	30.6	29.6	28.6 29
• Marlboro share of young adult smoker volume	59.0	60.6 **	n/a	58.6 60.9
• Marlboro share of young adult smokers	60.0	62.5 **	n/a	61.3 61.8
• Premium Category share of market	69.3	70.5	68.5	68.5 69.5
• Basic share of Discount Category	15.2	15.4	15.8	14.5 14.7
• Basic less GPC share of market	-0.5	-0.8	n/a	-0.3 -0.5
• Total Branded Products share of market	92.8	93.6	93.1	92.8 93.3
• Marlboro vs. Lowest Discount pack price gap*	65¢	63¢	n/a	59¢ 59¢
• PM-USA share of market	46.5	47.4	47.0	46.2 46.4

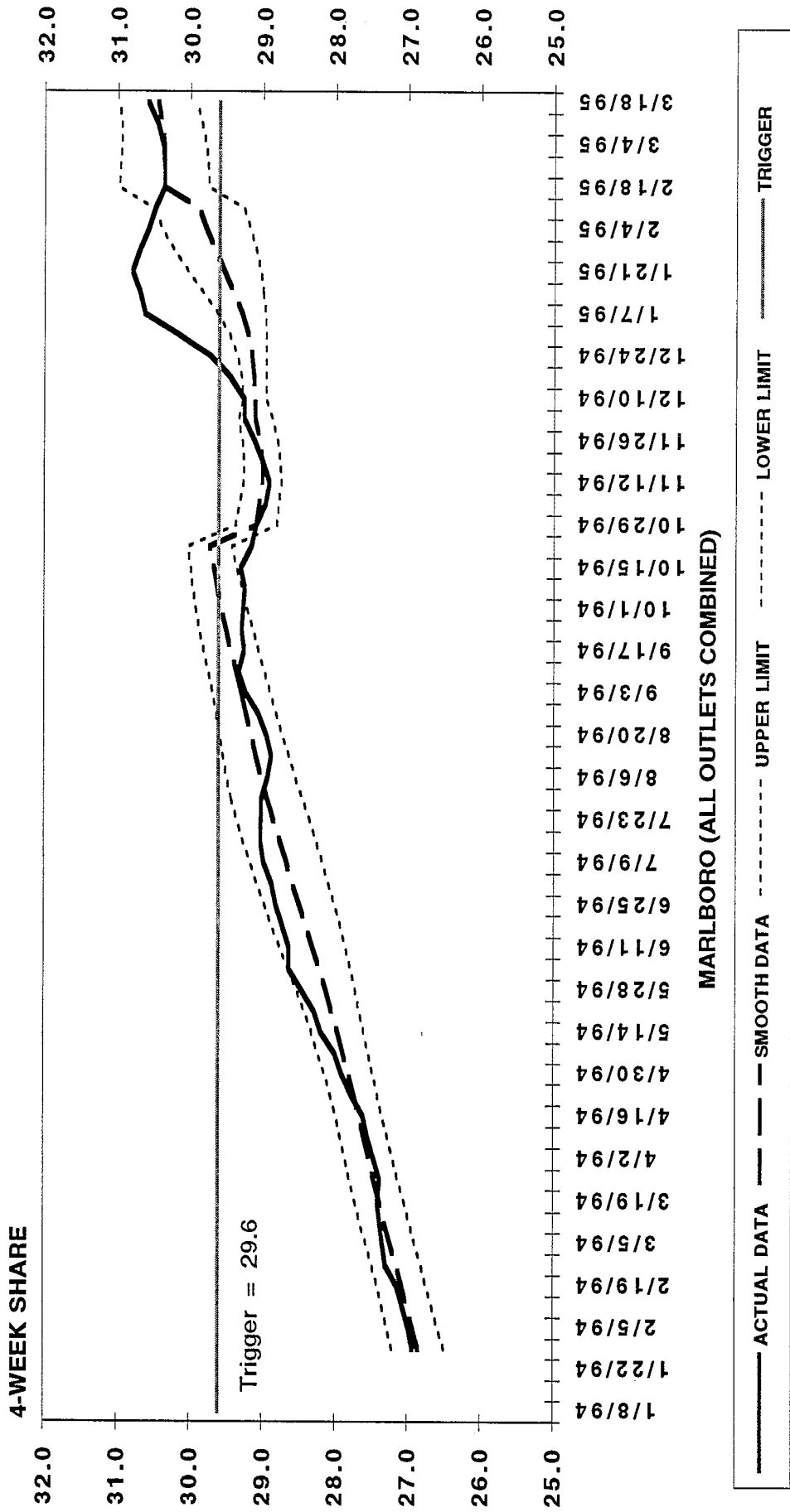
Note:

* New Nielsen pricing panel data are shown for 1995, while 1994 data reflects old pricing panel.

** Latest smoothed trend point (Feb)

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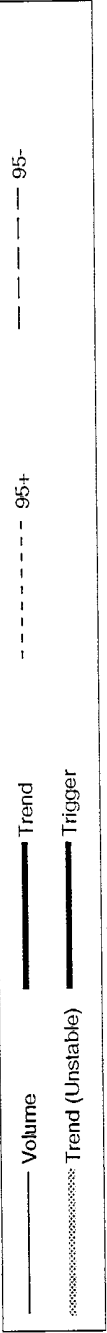
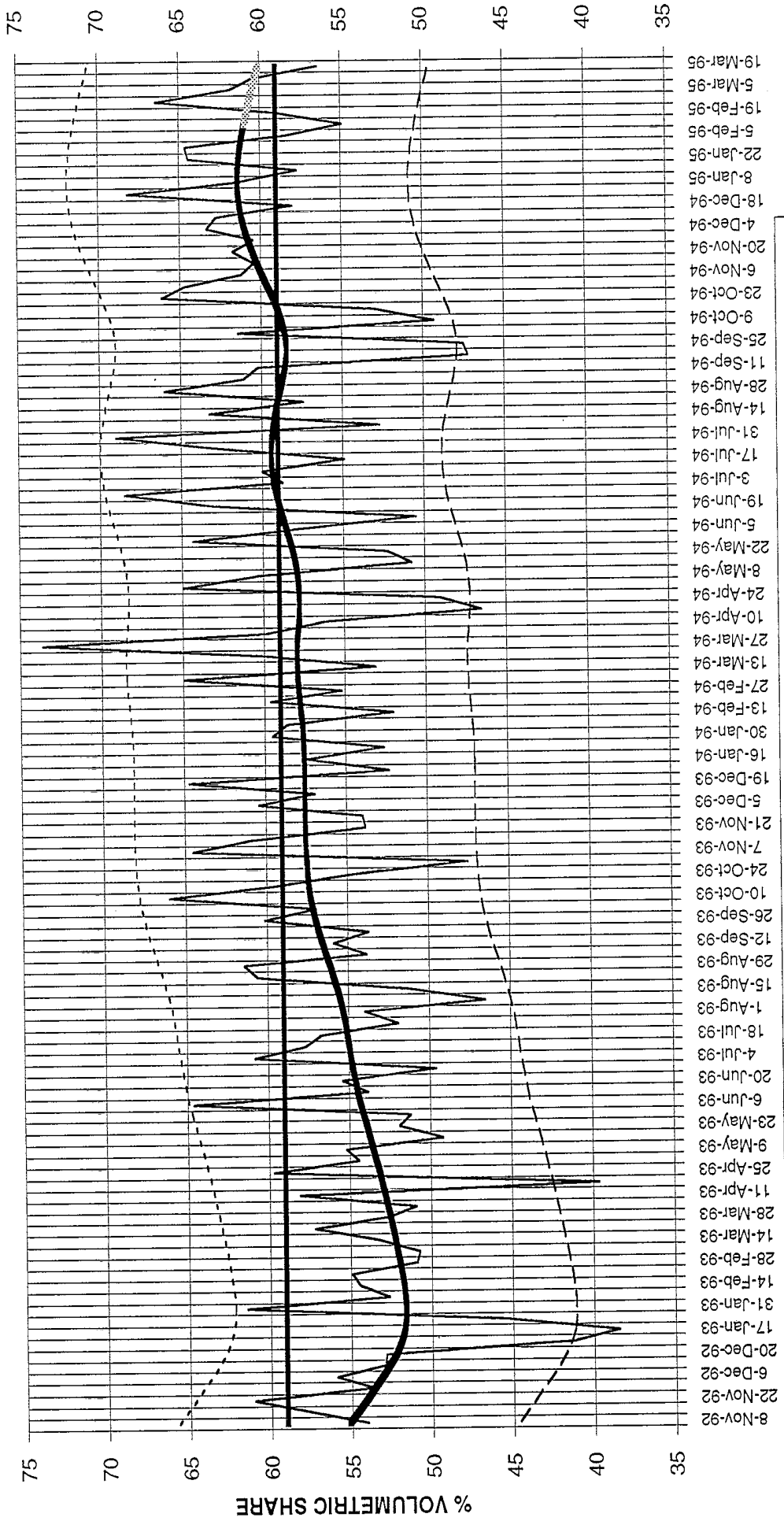
**Marlboro 4 WM Share
Total U.S. All Outlets Combined**



Source: Nielsen Integrated Panel

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MARLBORO VOLUMETRIC SHARE (AMONG 18-24 SMOKERS)



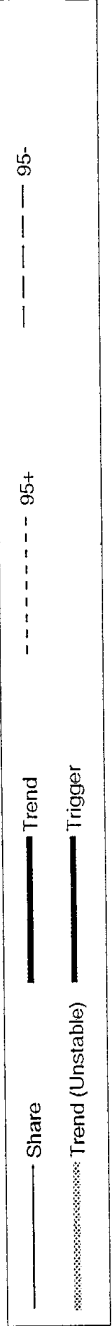
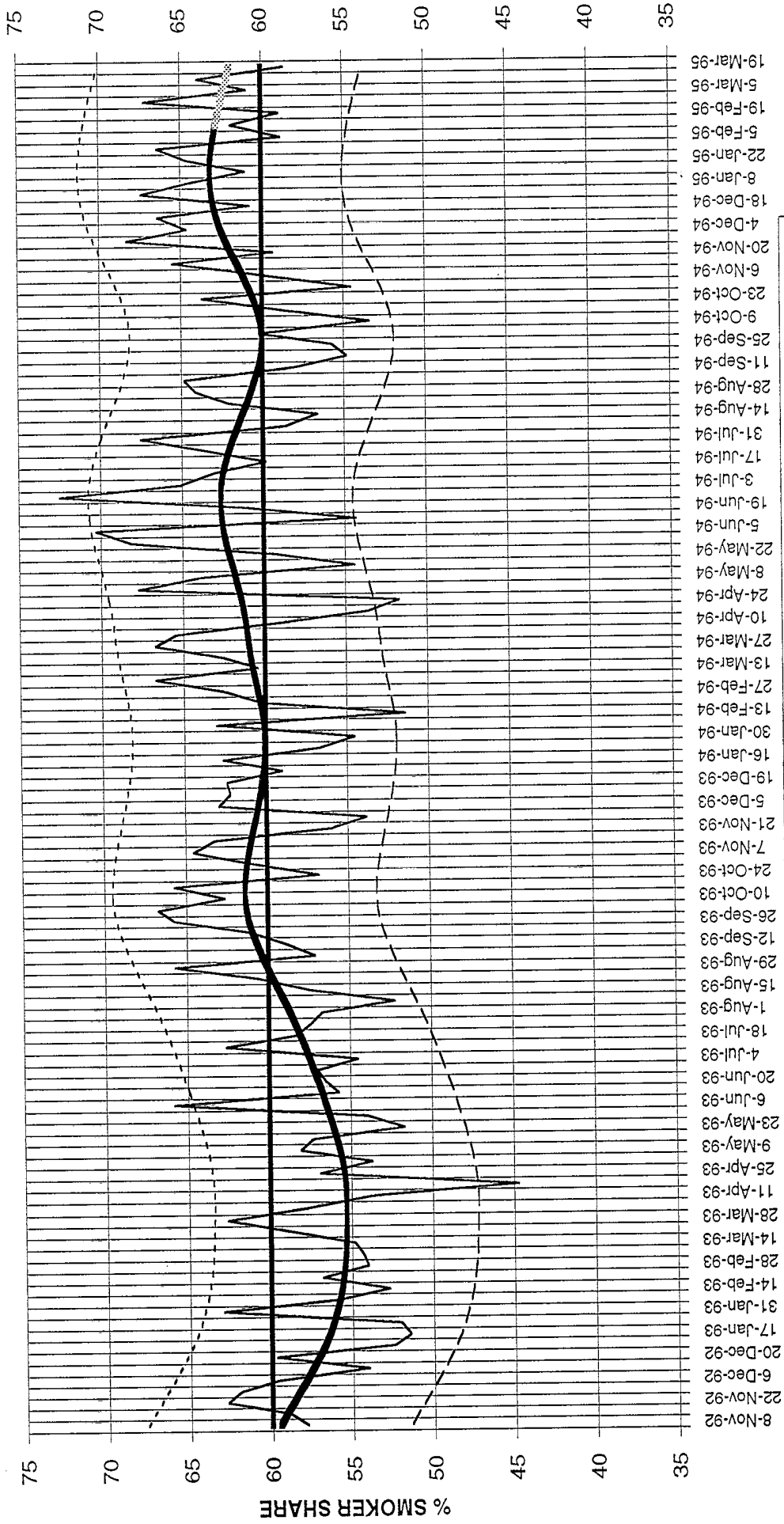
WIKMAFV.AGE (SPLINE BY 1000)

FEBRUARY AND MARCH '95 REPRESENT TOP LINE DATA

SOURCE: VOLUMETRICS-WEEKLY

2045857781

MARLBORO SMOKER SHARE (AMONG 18-24 SMOKERS)



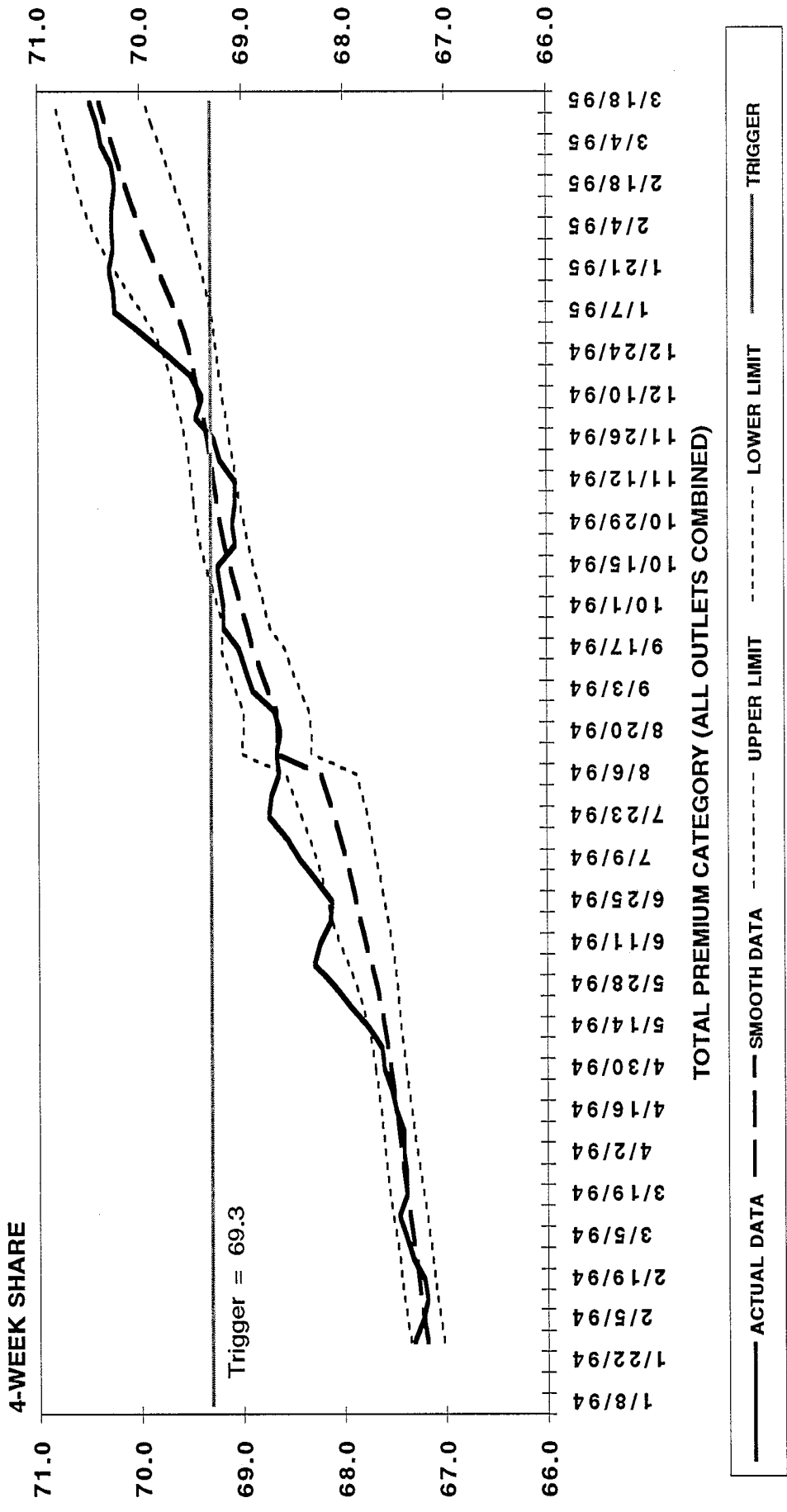
2045857782

SOURCE: SMOKER TRACKING STUDY-WEEKLY

FEBRUARY AND MARCH '95 REPRESENTS TOP LINE DATA

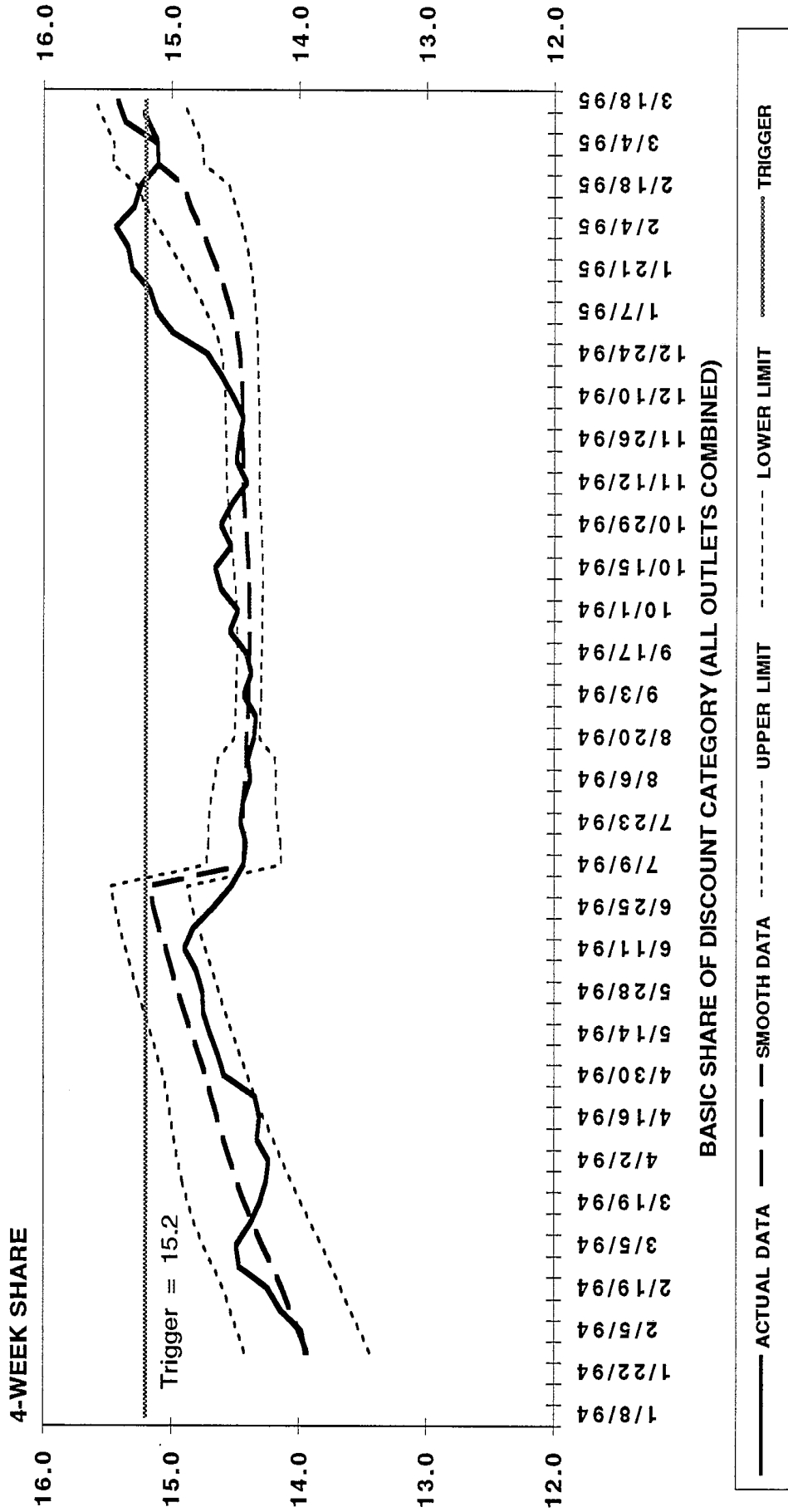
WKMAPS-AGE (SPLINE BY: 1000)

**Total Premium Category 4 WM Share
Total U.S. All Outlets Combined**



Source: Nielsen Integrated Panel

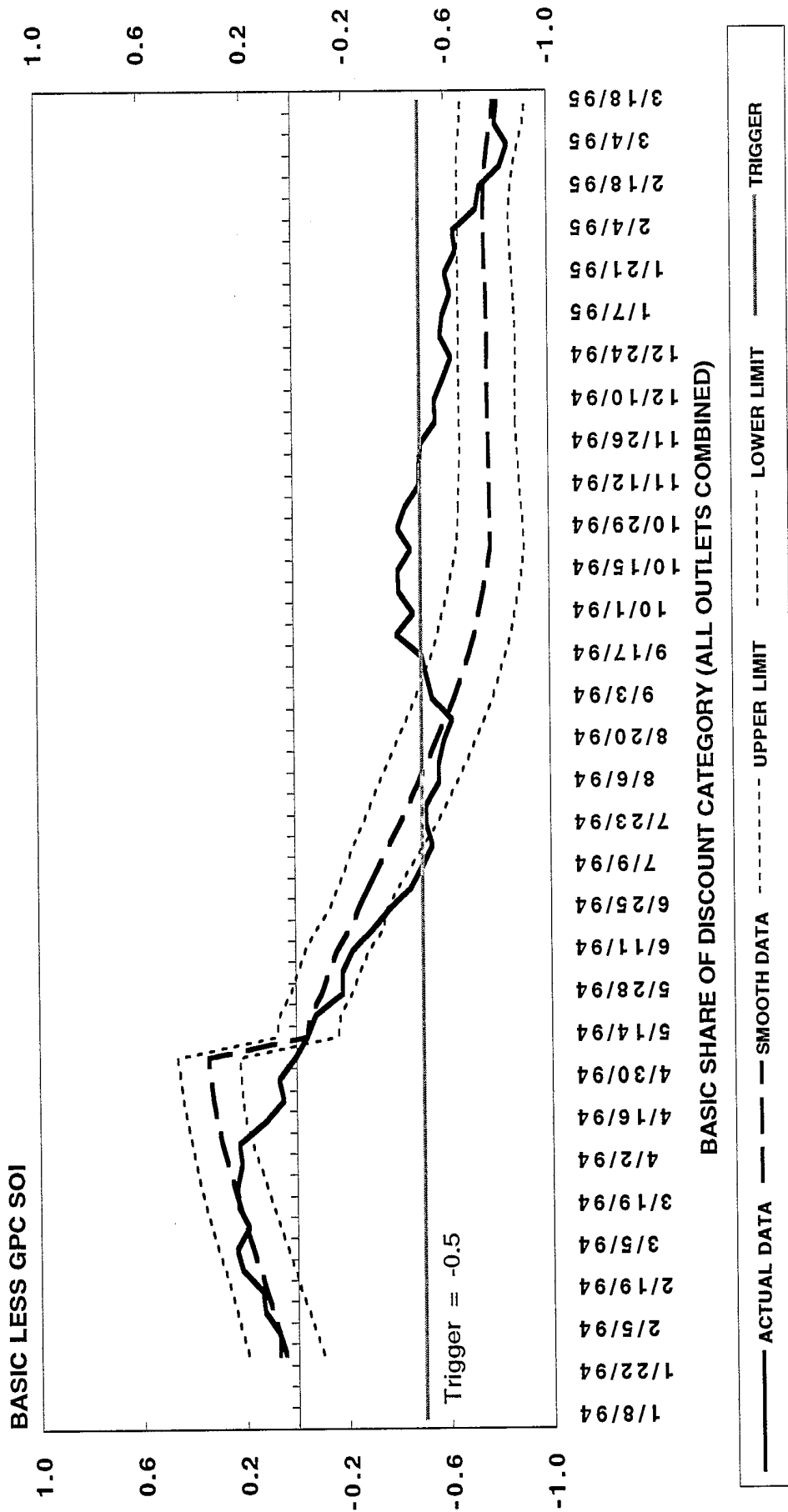
**Basic SOC 4 WM Share
Total U.S. All Outlets Combined**



Source: Nielsen Integrated Panel

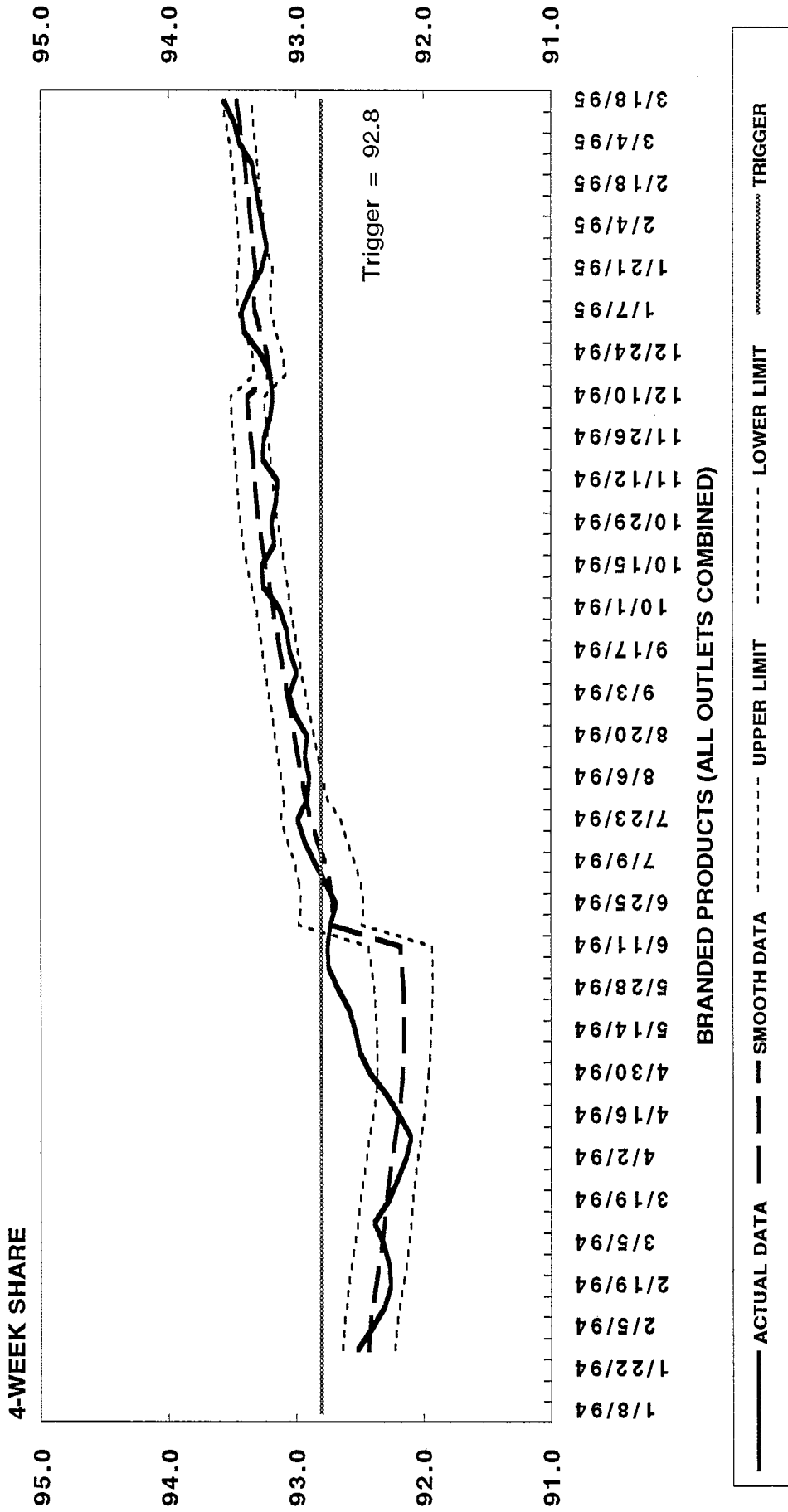
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4 WM Basic Less GPC SOI
Total U.S. All Outlets Combined



Source: Nielsen Integrated Panel

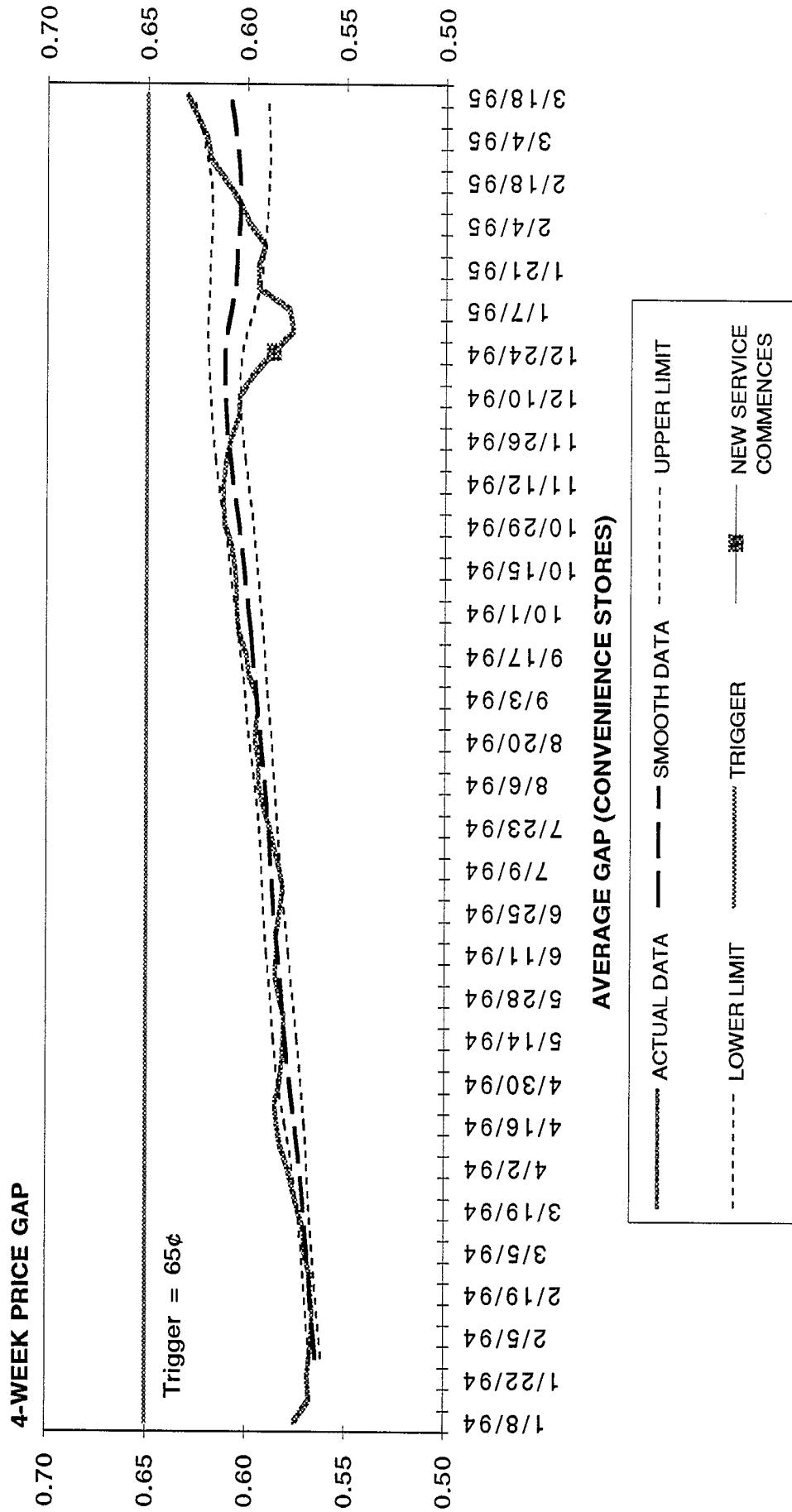
**Branded Products 4 WM Share
Total U.S. All Outlets Combined**



Source: Nielsen Integrated Panel

2045857786

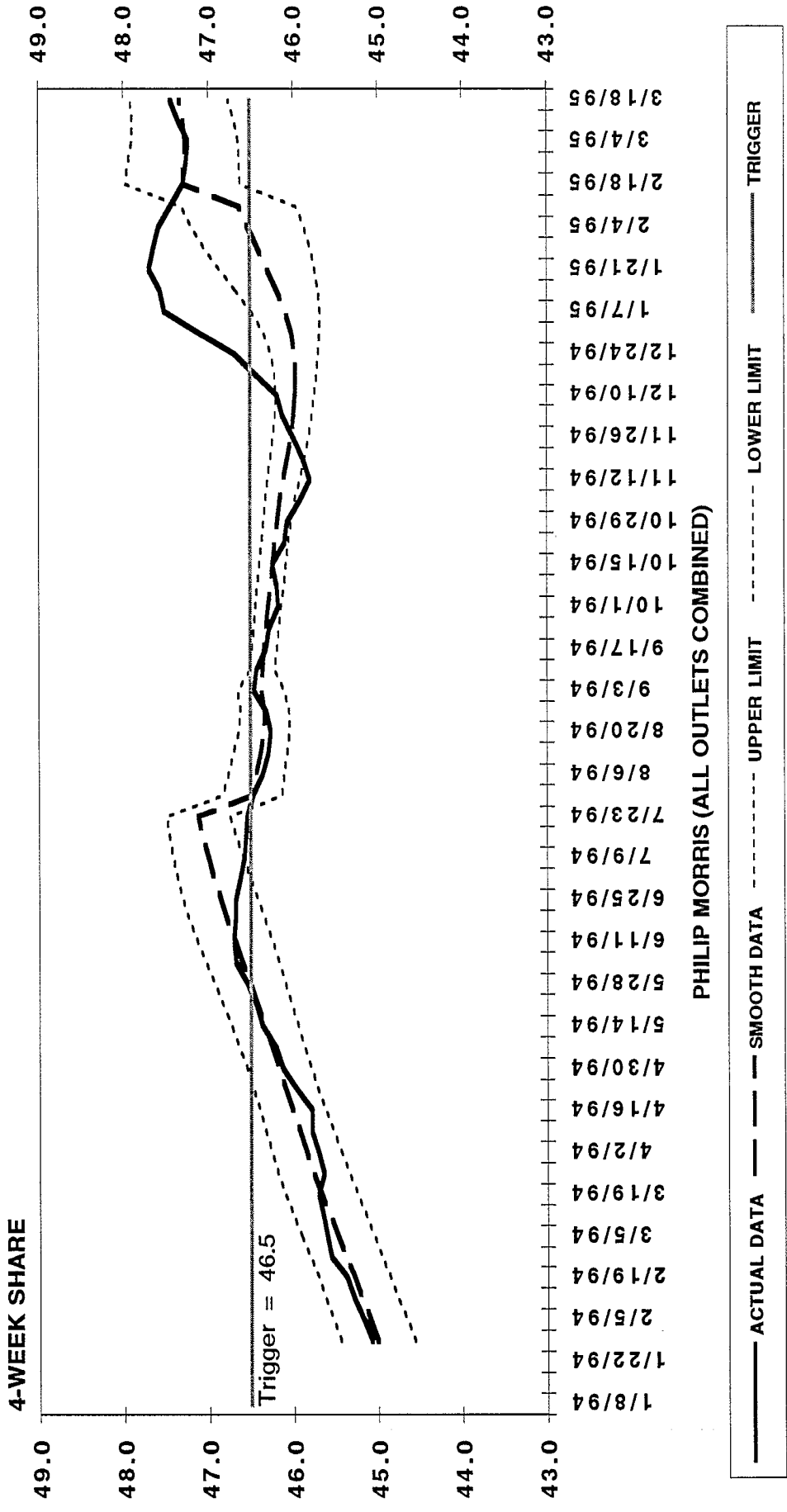
Marlboro - Lowest Discount Price Gap (4WM) Total U.S. Convenience Stores



Source: Nielsen Pricing Database

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**Philip Morris 4 WM Share
Total U.S. All Outlets Combined**



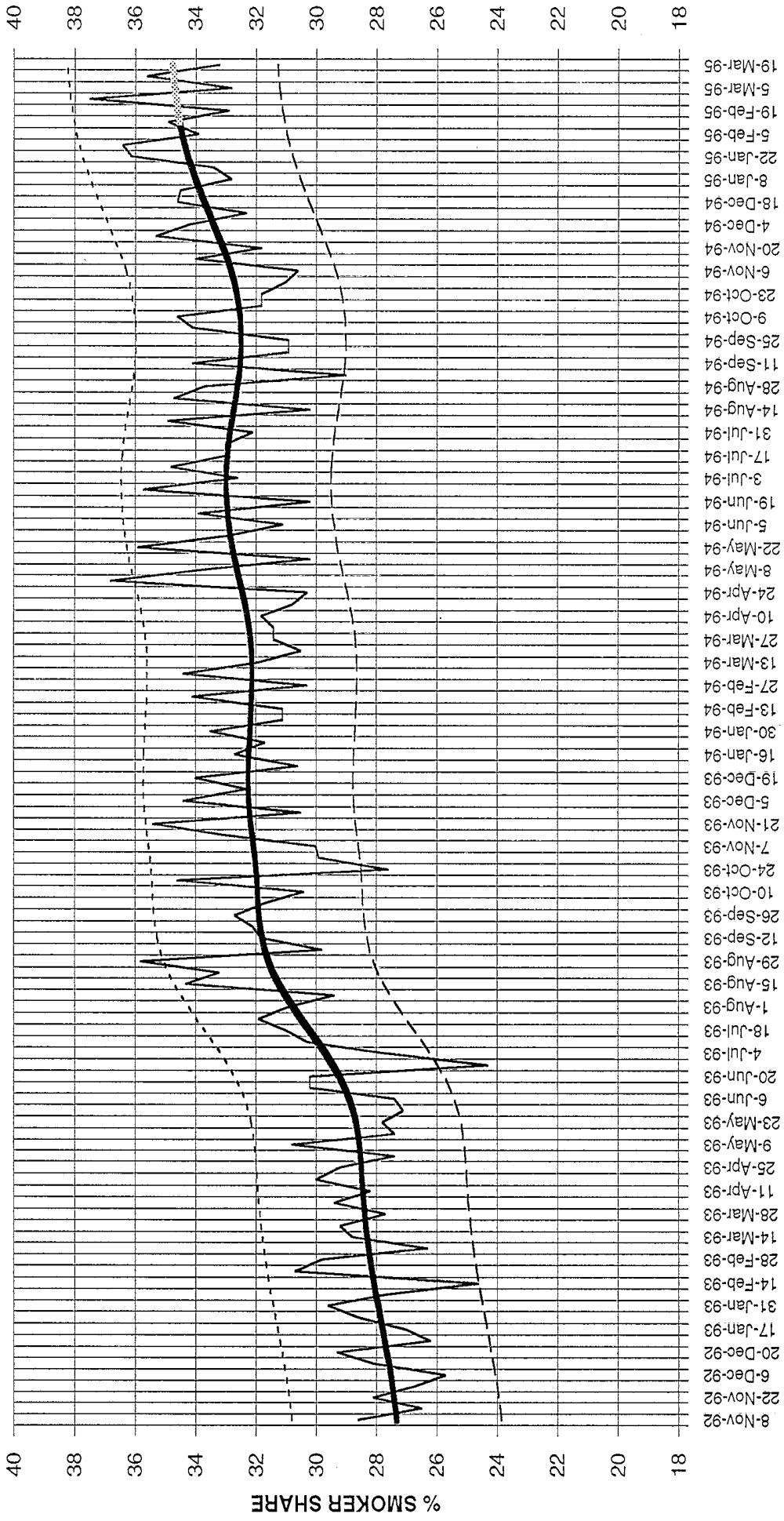
Source: Nielsen Integrated Panel

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MARLBORO SMOKER SHARE

- Like Nielsen Marlboro smoker and volumetric share trends remain near record highs, somewhat below the peak reached during the Holiday Bonus promotional period.
- Among Young Adult Smokers, share trends are leveling off, but remain above 60%.
- Among Total Smokers, trends remain positive, over 34% in smoker and 31% in volumetric share.
- 25-34 year olds have contributed a large portion of Marlboro's growth over the past year.

MARLBORO SMOKER SHARE (AMONG TOTAL SMOKERS)



Share
 Trend
 Trend (Unstable)

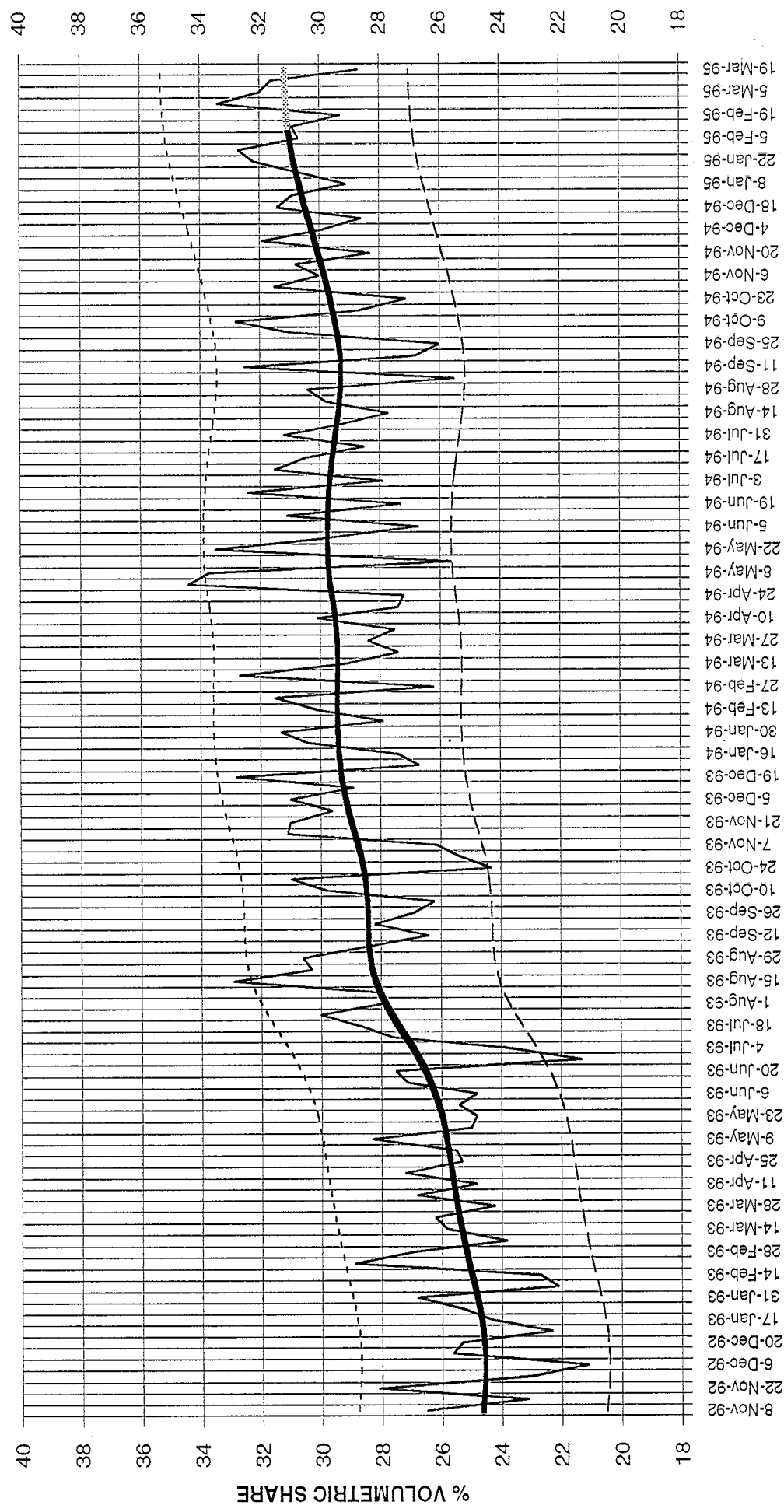
SOURCE: SMOKER TRACKING STUDY-WEEKLY

FEBRUARY AND MARCH '95 REPRESENT TOP LINE DATA

WKMAFS.TOT (SPLINE BY 1000)

2045857790

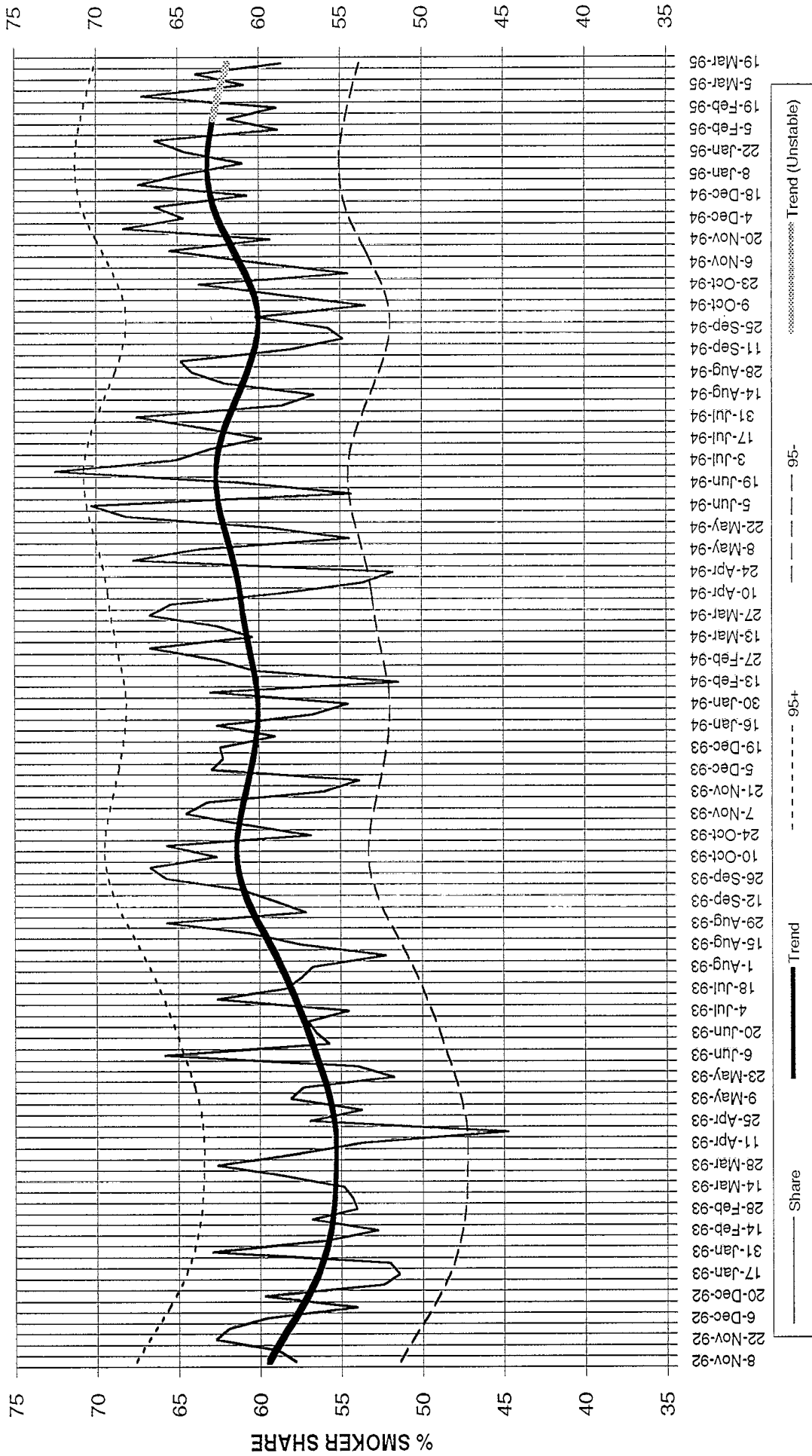
MARLBORO VOLUMETRIC SHARE (AMONG TOTAL SMOKERS)



Volume
 Trend
 Trend (Unstable)

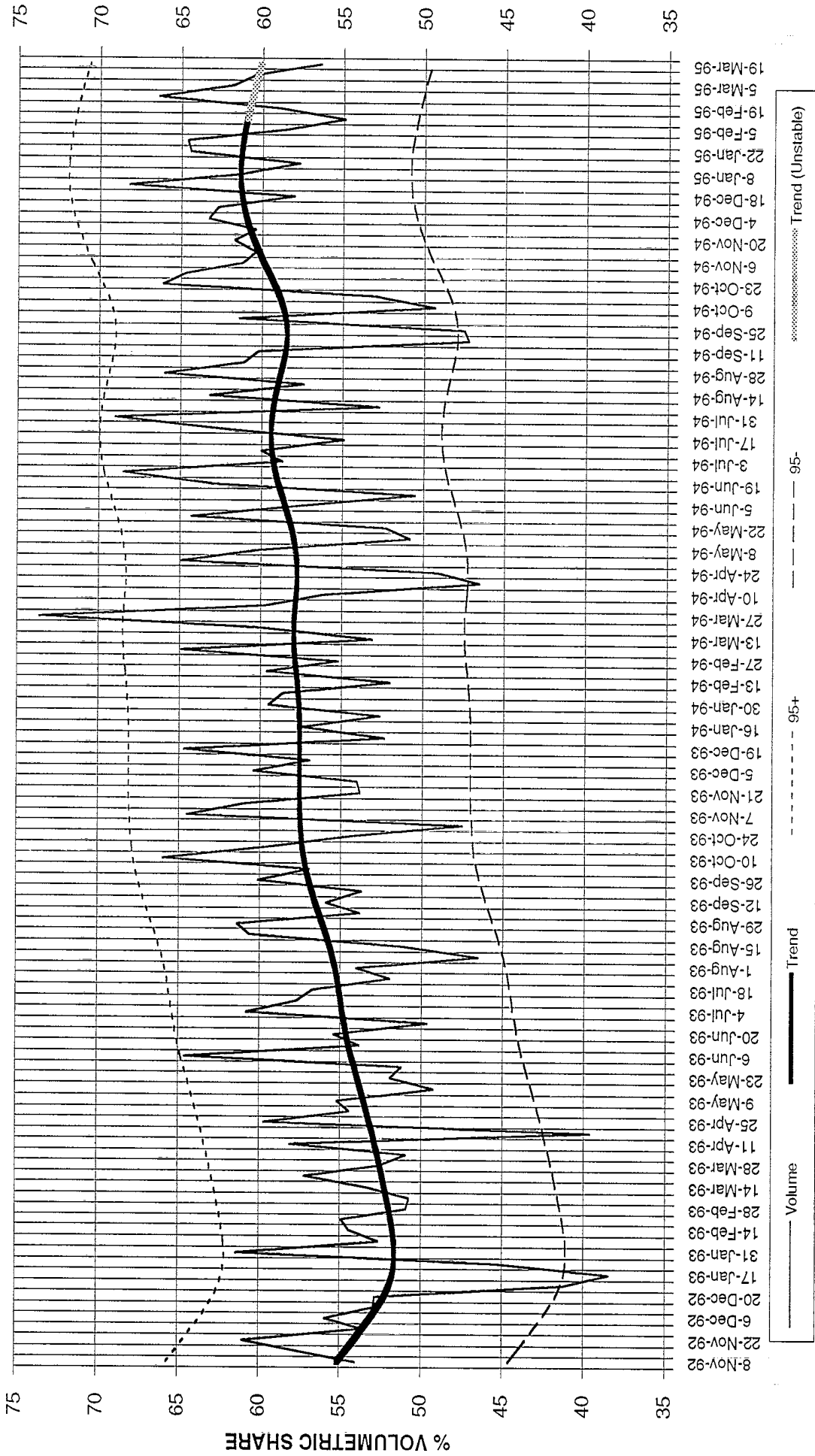
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MARLBORO SMOKER SHARE (AMONG 18-24 SMOKERS)



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MARLBORO VOLUMETRIC SHARE (AMONG 18-24 SMOKERS)



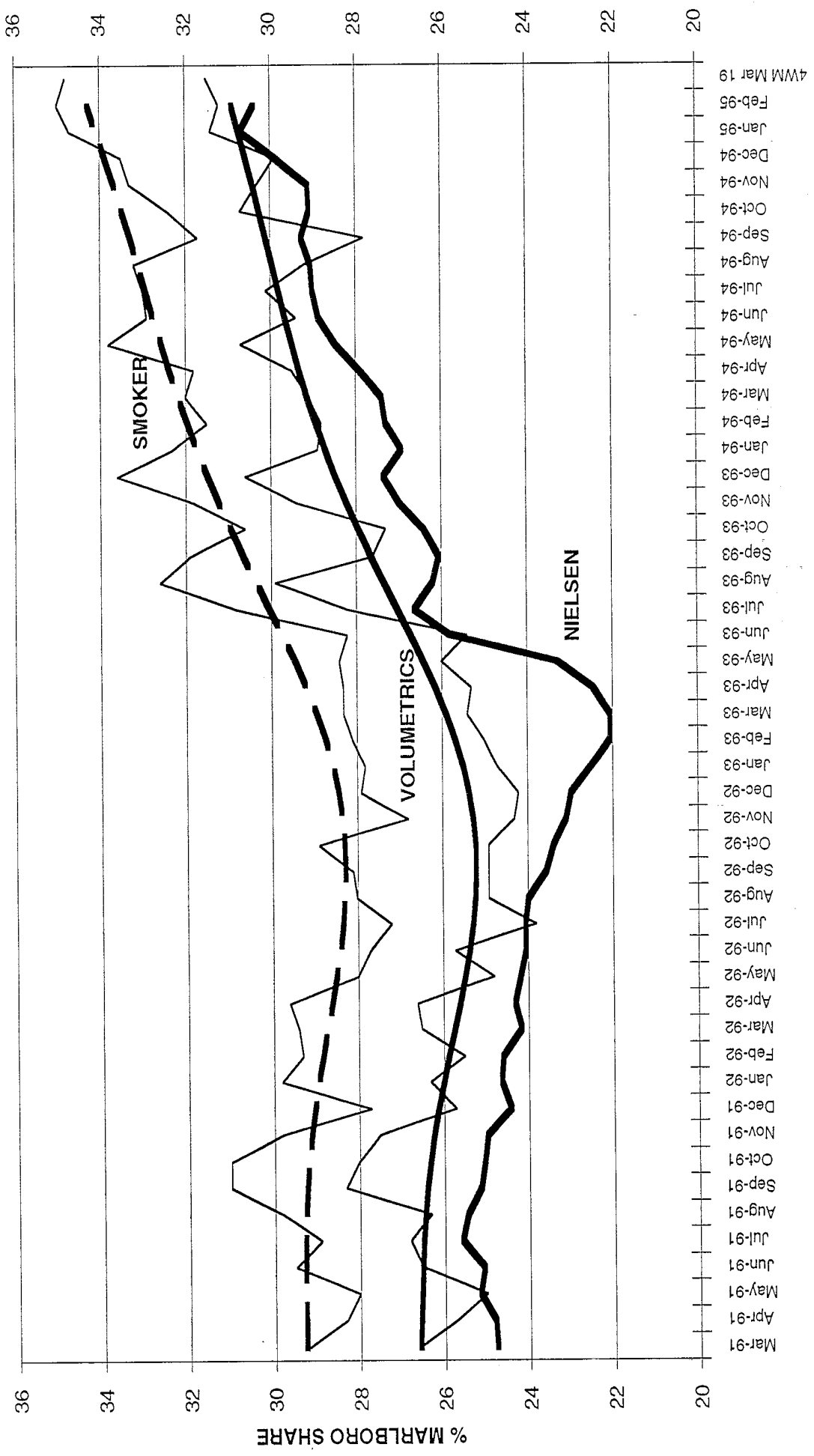
SOURCE: VOLUMETRICS-WEEKLY

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FEBRUARY AND MARCH '95 REPRESENT TOP LINE DATA

WKMARV.AGE (SPLINE BY 1000)

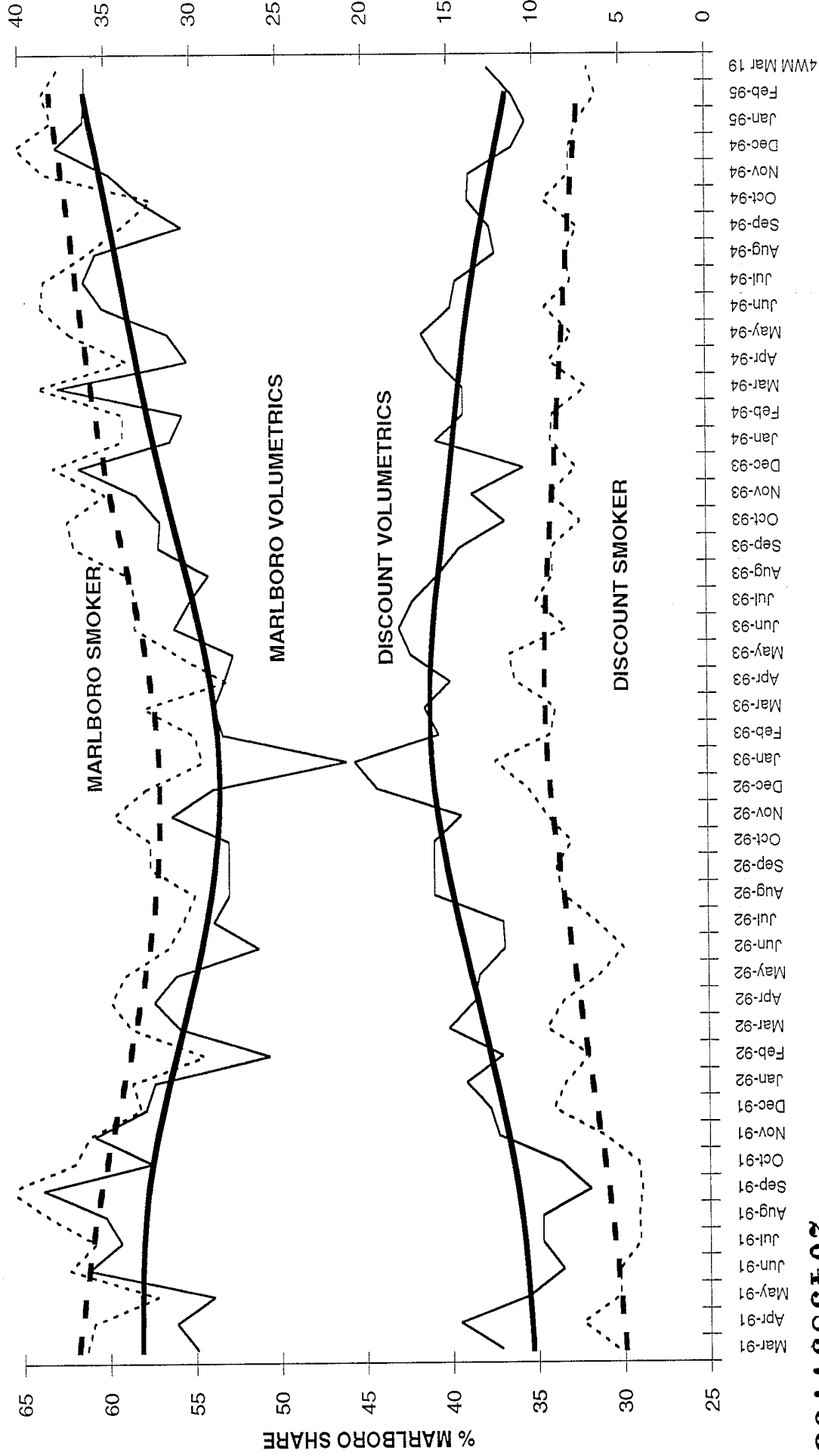
MARLBORO SMOKER AND VOLUMETRIC SHARE TRENDS (AMONG TOTAL SMOKERS)



SOURCE: CONTINUOUS TRACKING STUDY, NIELSEN-MONTHLY
 MARCH '95 REPRESENT TOP LINE DATA
 MONTH,TOT (SPLINE BY 1000)

2045857794

MARLBORO SMOKER AND VOLUMETRICS SHARE TRENDS (AMONG 18-24 SMOKERS)



4WMM Mar 19

MARCH '95 REPRESENT TOP LINE DATA

SOURCE: CONTINUOUS SMOKER TRACKING STUDY-1MM

2045857795

MONTHAGE (SPLINEBY 1000)

DAVE'S TEST MARKET

UPDATE: W/E 3/18/95

SEATTLE

- At week 11, Dave's share in Seattle was much higher than its level in Denver with lower distribution and no promotional incidence.
- C-store share (2.5%) and share in stores stocking (3.0%) rose this week.
- Distribution is 8 points lower than Denver at week 11 but closing the gap.
- C-Store distribution (82%) declined -1 point for the week.
- Dave's pack price (\$1.99) is higher than Basic (\$1.94).

DENVER

- Dave's weekly C-Store share (.82%) declined as the level of in-store promotions remained at zero for the second week in a row.
- Dave's pack price (\$1.52) was slightly higher than Basic's (\$1.48).
- **STARS reorderers were in 83% of C-Stores that have carried Dave's.**
- Weekly supermarket distribution (60%) and shares have both increased slightly.
- 0.3% share, 0.43% in stores stocking.

DAVE'S STATUS

SOURCE:	DENVER		SEATTLE	
	DENVER STARS C-STORES (CUM THRU 3/11)	NIELSEN C-STORES (w/e 3/18)	NIELSEN C-STORES (w/e 3/18)	NIELSEN SUPERMARKETS (w/e 3/18)
RETAIL DISTRIBUTION	89%	100%	82%	34%
SHARE	1.08%	0.82%	2.49%	0.33%
SHARE IN STORES STOCKING	1.14%	0.82%	3.03%	0.97%
% STORES W/ PROMO	N/A	0%	1%	0%
DAVE'S PRICING	-	\$1.52	\$1.99	\$2.09
MARLBORO PRICING		\$1.83	\$2.36	\$2.55

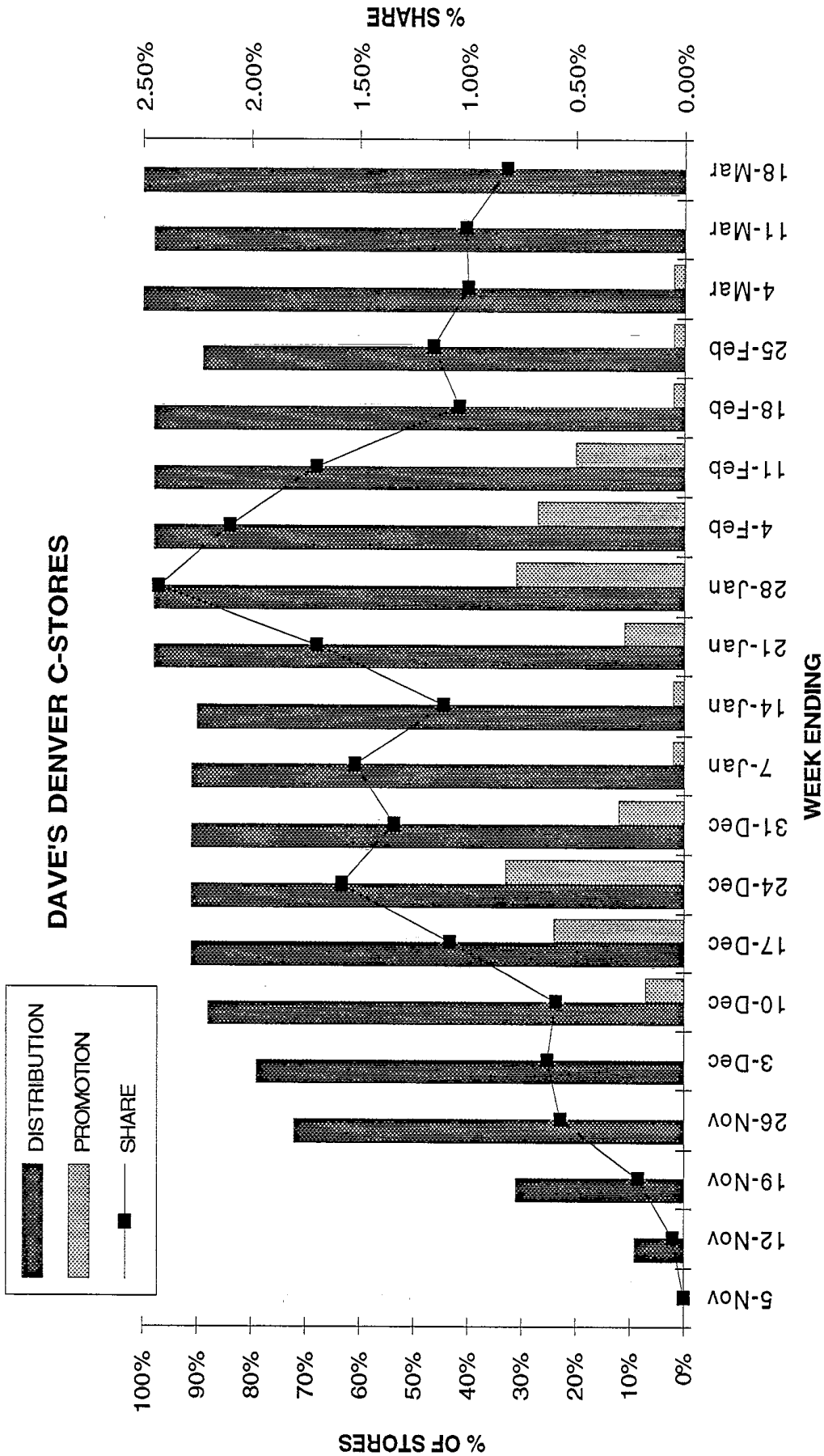
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**DAVE'S C-STORE PERFORMANCE - DENVER VS. SEATTLE
NIELSEN**

WEEK	DISTRIBUTION		SHARE		% OF STORE W/PROMO	
	DENVER	SEATTLE	DENVER	SEATTLE	DENVER	SEATTLE
1	0%	18%	0.00%	0.04%	0%	0%
2	9%	28%	0.05%	0.19%	0%	0%
3	31%	47%	0.21%	0.47%	0%	0%
4	72%	58%	0.57%	0.60%	0%	0%
5	79%	67%	0.63%	0.98%	0%	19%
6	88%	77%	0.59%	2.44%	7%	19%
7	91%	76%	1.08%	1.26%	24%	9%
8	91%	75%	1.58%	1.45%	33%	0%
9	91%	81%	1.34%	1.14%	12%	0%
10	91%	83%	1.52%	1.73%	2%	8%
11	90%	82%	1.11%	2.49%	2%	1%
12	98%		1.70%		11%	
13	98%		2.43%		31%	
14	98%		2.10%		27%	
15	98%		1.70%		20%	
16	98%		1.04%		2%	
17	89%		1.16%		2%	
18	100%		1.00%		2%	
19	98%		1.01%		0%	
20	100%		0.82%		0%	

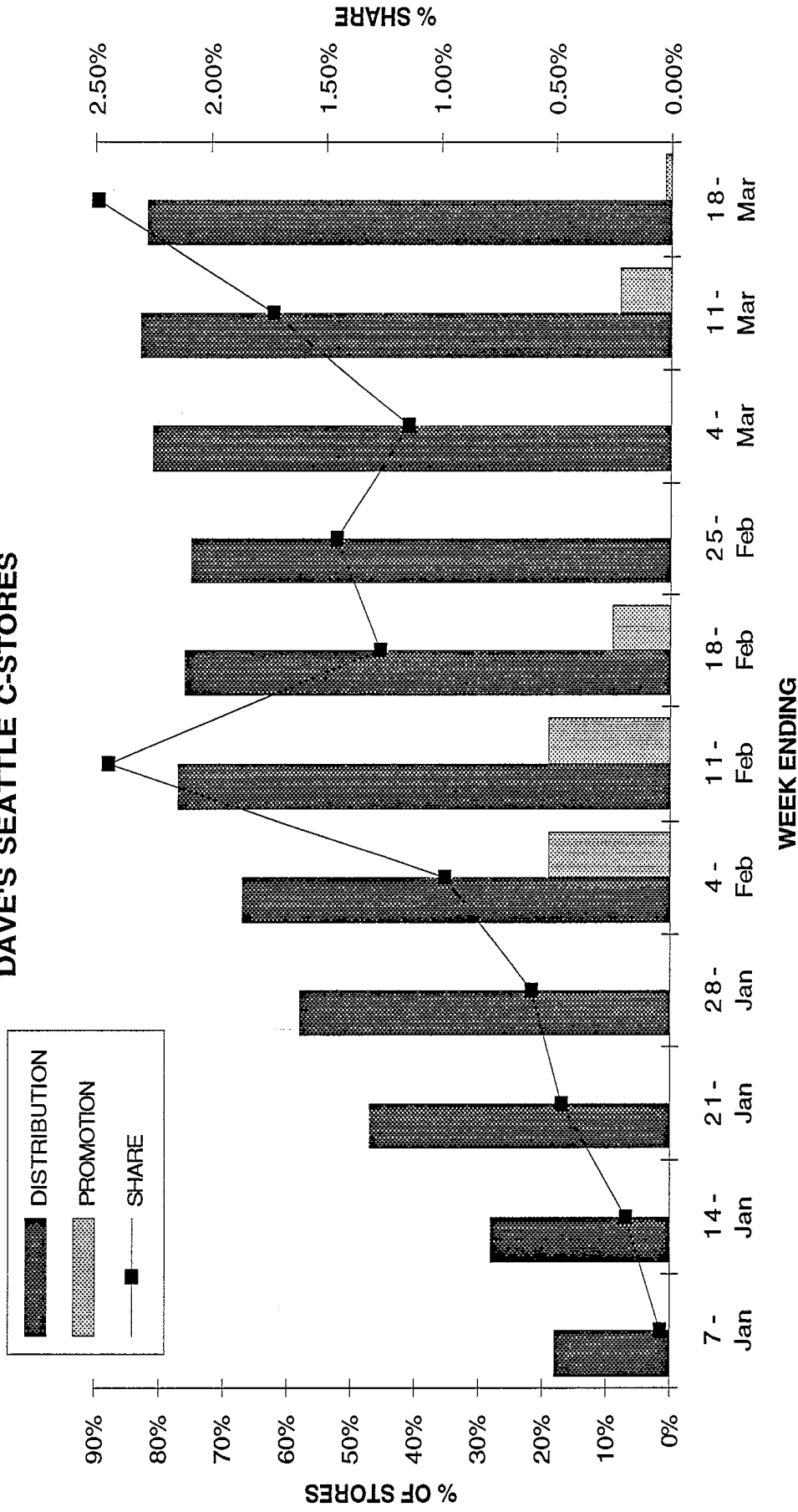
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SOURCE: NIELSEN



2045857799

DAVE'S SEATTLE C-STORES



2045857800

DAVE'S TEST MARKET

UPDATE: W/E 3/18/95

SEATTLE

- At week 11, Dave's share in Seattle was much higher than its level in Denver with lower distribution and no promotional incidence.
- C-store share (2.5%) and share in stores stocking (3.0%) rose this week.
- ~~Distribution is 8 points lower than Denver at week 11 but closing the gap.~~
~~86% of C-Stores About Same as Dave's level (stars)~~
~~86% of C-Stores About Same as Dave's level (stars)~~
- C-Store distribution (82%) declined - 1 point for the week.
- Dave's pack price (\$1.99) is higher than Basic (\$1.94).

DENVER

- Dave's weekly C-Store share (.82%) declined as the level of in-store promotions remained at zero for the second week in a row.
- Dave's pack price (\$1.52) was slightly higher than Basic's (\$1.48).
- **STARS reorders were in 83% of C-Stores that have carried Dave's share.** ~~reordered (stars)~~
- ~~Weekly supermarket distribution (60%) and shares have both increased slightly.~~
- ~~0.3% share, 0.43% in stores stocking.~~

dist.
C-store
TOT

PM-USA FIRST QUARTER PERFORMANCE W/E 3/24/95

- Industry volume remained at 9.1 billion units over the last three weeks, but fell below expected levels.
- RJR decreased for the second straight week.
- B&W Discount shipments increased to a YTD high.
- PM USA's volume (4.3 billion) was higher than last week but below projected levels:
- Lower MCS promotional shipments than forecasted.
- A change in McLane's shipment delivery policy to aid in balancing shipments on a daily basis.
- PM-USA's current shares increased and remain above First Quarter OB (45.3%).
 - Week (47.5%)
 - QTD (45.9%)
 - *First Quarter Volume (50.7 billion) was -70 million budget +1.7% above*
 - PM-USA's ~~QTD volume~~ *was -0.8 billion units below OB and -1.2% below last year.*
 - ~~QTD share~~ *expects* (45.9%), is expected to range between 45.8% and 46.0% for the First Quarter.
 - +0.7 points above OB.
 - +2.9 points above 1Q94.
 - +0.5 above 4Q94.
- Basic's 13 week share of Discount was 15.1%.

Prof 3/24/95

First Quarter
~~PM-USA~~

Andy, we need
to talk about
this.
Thanks
SOB x2419

2045857803

Philip Morris USA

Summary

WEEKLY UPDATE

March 24, 1995

Shipments

- Industry volume held at 9.1 billion units for the last three weeks, but fell below projected levels this week.
- PM, higher than last week, and RJR, lower than last week, were both below projection.
- PM QTD volume (46.2 billion) was -0.3 billion units below projected level, and -1.2% below 1994.
- First Quarter volume (50.6 billion units) is projected to ~~nearly match~~ match OB. *50.5 - 0.07 billion below budget -70 million +1.7% above 1994*
- PM ~~QTD~~ share (45.9%) remains favorable with First Quarter OB (45.3%).
- First Quarter share is expected to range between 45.0 - 46.0%, +0.7 points above OB and +2.9 points higher than year ago.

Retail and Consumer Trends

- Basic's share gap with GPC remains the only performance measure below its trigger.
- PM-USA and Marlboro share ~~grows~~ *Conspicuous* increased ~~coinciding~~ *coinciding* with increased MCS support.
- ~~Marlboro share growth is slowing among Total and Young Adult Smokers.~~
- Discount category decline resumed, erasing gains associated with the "First Week of the Month"
- Promotional Buydown incidence is increasing for Montclair and Misty.
- GPC money-off and Basic free product incidence ~~was unchanged.~~ *WNL*
- Competitive Premium promotional activity continues to expand.
- Camel B3G3F and Newport money-off incidence at 12 and 31%, respectively.
- The Retail Pack Gap (49%, 63¢) held steady.
- ≤99¢ incidence (18%) remained at the high end of its recent range.

94 95
49691 50530 +1.7%
[Signature]

2045857804

Philip Morris USA

Summary

WEEKLY UPDATE

March 24, 1995

Shipments

- Industry volume held at 9.1 billion units for the last three weeks, but fell below projected levels this week.
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- PM QTD volume (46.2 billion) was -0.3 billion units below projected level, and -1.2% below 1994.
- First Quarter volume (50.6 billion units) is projected to nearly match OB (50.6 billion units)
- PM QTD share (45.9%) remains favorable with First Quarter OB (45.3%).
- First Quarter share is expected to range between 45.9 - 46.0%, +0.7 points above OB and +2.9 points higher than year ago.

wait
11:11
2:00

Retail and Consumer Trends

- Basic's share gap with GPC remains the only performance measure below its trigger.
- PM-USA and Marlboro share growth increased, coinciding with increased MCS support.
- ~~Marlboro share growth is slowing among Total and Young Adult Smokers.~~
continues
- Discount category decline resumed, erasing gains associated with the "First Week of the Month" ~~week-to-week~~
- Promotional Buydown incidence ~~is~~ increasing for Montclair and Misty.
- GPC money-off and Basic free product incidence was unchanged.
- Competitive Premium promotional activity continues to expand.
- Camel B3G3F and Newport money-off incidence at 12 and 31%, respectively.
- The Retail Pack Gap (49%, 63¢) held steady.
- ≤99¢ incidence (19%) remained at the high end of its recent range.

Finishing page says 19%

19%

2045857805

MARLBORO SMOKER SHARE

- Like Nielsen, Marlboro smoker and volumetric share trends remain near record highs, somewhat below the peak reached during the Holiday Bonus promotional period.
- Among Young Adult Smokers, share trends ^{growth is} leveling off, but remain above 60%.
- Among Total Smokers, trends remain positive, over 34% in smoker and 31% in volumetric share.
- 25-34 year olds have contributed a large portion of Marlboro's growth over the past year.

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2045857807

MARLBORO SMOKER SHARE

- Like Nielsen, Marlboro smoker and volumetric share trends remain near record highs, somewhat below the peak reached during the Holiday Bonus promotional period.

- Among Young Adult Smokers, share trends ^{growth is} are leveling off, but remain above 60%.

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- 25-34 year olds have contributed a large portion of Marlboro's growth over the past year.

BW
update

Philip Morris USA

Smoker Share

MARLBORO SMOKER SHARE

Like Nielsen,

reached during the
Marlboro smoker and volumetric share trends remain ~~at~~ record highs, ~~in contrast with peer~~ ^{near} highs, somewhat below ~~the~~ ^{the peak}

- Among Young Adult Smokers, share trends are leveling off, but remain above 60%.
- Among Total Smokers, trends remain positive, over 34% in smoker and 31% in volumetric share.
- 25-34 year olds have contributed a large portion of Marlboro's growth over the past year.

PM-USA FIRST QUARTER PERFORMANCE W/E 3/24/95

- Industry volume remained at 9.1 billion units over the last three weeks, but fell below expected levels.
- RJR decreased for the second straight week.
- B&W Discount shipments increased to a YTD high.
- PM USA's volume (4.3 billion) was higher than last week but below projected levels:
- Lower MCS promotional shipments than forecasted.
- A change in McLane's shipment delivery policy to ~~more~~ ^{more} equalize shipments on a daily basis.
- PM-USA's current shares increased and remain above First Quarter OB.
 - Week (47.5%)
 - QTD (45.9%)
- PM-USA's QTD volume was -0.3 billion units below OB and -1.2% below last year.
- QTD share (45.9%), is expected to range between 45.9% and 46.0% for the First Quarter.
 - +0.7 points above OB.
 - +2.9 points above 1Q94.
 - +0.5 above 4Q94.
- Basic's 13 week share of Discount was 15.1%.

Philip Morris USA

Summary

WEEKLY UPDATE

March 24, 1995

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- First Quarter volume (50.6 billion units) is projected to nearly match OB.
- PM QTD share (45.9%) remains favorable with First Quarter OB (45.3%).
- First Quarter share is expected to range between 45.9 - 46.0%, +0.7 points above OB and +2.9 points higher than year ago.

Retail and Consumer Trends

- Basic's share gap with GPC remains the only performance measure below its trigger.
- PM-USA and Marlboro share growth increased, coinciding with increased MCS support.
- Marlboro share growth is slowing among Total and Young Adult Smokers.
- Discount category decline resumed as ^{at 18%} ~~the recent weeks'~~ gains associated with the "First Week of the Month" ~~were erased.~~
- Promotional Buydown incidence is increasing for Montclair and Misty.
- GPC money-off and Basic free product incidence was unchanged.
- Competitive Premium promotional activity continues to expand.
- Camel B3G3F ~~(18%)~~ Newport money-off incidence ~~at 18%~~ ^{at 18%} and 31%, respectively.
- The Retail Pack Gap (49%, 63¢) held steady.
- ≤99¢ incidence (18%) remained at the high end of its recent range.

11825857811

Philip Morris USA

Summary

WEEKLY UPDATE

March 24, 1995

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Retail and Consumer Trends

- Basic's share gap with GPC remains the only performance measure below its trigger.
- PM-USA and Marlboro share growth increased, coinciding with increased MCS support.
- Marlboro share growth is slowing among Total and Young Adult Smokers.
- Discount category decline resumed as ^{air sales} ~~the recent weeks~~ gains associated with the "First Week of the Month" ~~were erased~~.
- Promotional Buydown incidence is increasing for Montclair and Misty.
- GPC money-off and Basic free product incidence was unchanged.
- Competitive Premium promotional activity continues to expand.
- Camel B3G3F ~~(47.2%)~~ Newport money-off incidence ~~is at a high~~ ^{at a} ~~31%~~ ^{31%, respectively.}
- The Retail Pack Gap (49%, 63¢) held steady.
- ≤99¢ incidence (18%) remained at the high end of its recent range.

1182557811

BW

Philip Morris USA Trigger Points

PM-USA PERFORMANCE TRIGGERS FOR DISCUSSION (4wm Nielsen, Consumer Tracking Trend, Nielsen Pricing)

Measures	Trigger 1st half		Latest Data		1994	4Q 1994
	1995	4wm	4wm	1995 O.B.		
• Marlboro share of Market	29.6	30.5 ⁶	29.6	28.6	28.6	29
• Marlboro share of young adult smoker volume	59.0 ^{60.6}	61.7 ^{61.7} **	n/a	58.6	58.6	60.9
• Marlboro share of young adult smokers	60.0 ^{62.5}	63.1 ^{63.1} **	n/a	61.3	61.3	61.8
• Premium Category share of market	69.3	70.4 ⁵	68.5	68.5	68.5	69.5
• Basic share of Discount Category	15.2	15.4 [✓]	15.8	14.5	14.5	14.7
• Basic less GPC share of market	-0.5	-0.8 [✓]	n/a	-0.3	-0.3	-0.5
• Total Branded Products share of market	92.8	93.5 ⁶	93.1	92.8	92.8	93.3
• Marlboro vs. Lowest Discount pack price gap*	65¢	63¢ [✓]	n/a	59¢	59¢	59¢
• PM-USA share of market	46.5	47.3 ⁴	47.0	46.2	46.2	46.4

Note:
 * New Nielsen pricing panel data are shown for 1995, while 1994 data reflects old pricing panel.
 ** Latest smoothed trend point (Jan) (Feb) K

DAVE'S TEST MARKET

UPDATE: W/E 3/18/95

SEATTLE

- At week 11, Dave's share in Seattle was much higher than its level in Denver with lower distribution and ^{W/A volume} promotional incidence.
- C-store share (2.5%) and share in stores stocking (3.0%) rose this week.
- Distribution is 8 points lower than Denver at week 11 but closing the gap.
- C-Store distribution (82%) declined -1 point for the week.
- Dave's pack price (\$1.99) is higher than Basic (\$1.94).

DENVER

- Dave's weekly C-Store share (.82%) declined as the ^{for week 11} level of in-store promotions remained ~~at zero~~ for the second week in a row.
- Dave's pack price (\$1.52) was slightly higher than Basic's (\$1.48).
- **STARS reorders were in 88% of C-Stores that have carried Dave's.**
- Weekly supermarket distribution (60%) and shares have both increased slightly.
- 0.3% share, 0.43% in stores stocking.

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DAVE'S C-STORE PERFORMANCE - DENVER VS. SEATTLE

STARS

NIELSEN

WEEK	DISTRIBUTION		DISTRIBUTION		SHARE		% OF STORE W/PROMO	
	DENVER	SEATTLE	DENVER	SEATTLE	DENVER	SEATTLE	DENVER	SEATTLE
1	17%	44%	0%	18%	0.00%	0.04%	0%	0%
2	30%	56%	9%	28%	0.05%	0.19%	0%	0%
3	46%	60%	31%	47%	0.21%	0.47%	0%	0%
4	50%	64%	72%	58%	0.57%	0.60%	0%	0%
5	62%	70%	79%	67%	0.63%	0.98%	0%	19%
6	65%	73%	88%	77%	0.59%	2.44%	7%	19%
7	78%	75%	91%	76%	1.08%	1.26%	24%	9%
8	80%	77%	91%	75%	1.58%	1.45%	33%	0%
9	82%	78%	91%	81%	1.34%	1.14%	12%	0%
10	83%		91%	83%	1.52%	1.73%	2%	8%
11	84%		90%	82%	1.11%	2.49%	2%	1%
12	85%		98%		1.70%		11%	
13	86%		98%		2.43%		31%	
14	86%		98%		2.10%		27%	
15	87%		98%		1.70%		20%	
16	87%		98%		1.04%		2%	
17	89%		89%		1.16%		2%	
18	89%		100%		1.00%		2%	
19			98%		1.01%		0%	
20			100%		0.82%		0%	

2045857814

SOURCE: NIELSEN

DAVE'S STATUS

SOURCE:	DENVER		SEATTLE	
	STARS C-STORES (CUM THRU 2/18)	NIelsen C-STORES (w/e 3/18)	NIelsen C-STORES (w/e 3/18)	NIelsen C-STORES (w/e 3/18)
RETAIL DISTRIBUTION	83% <i>89%</i>	100%	60%	82%
SHARE	1.19% <i>1.08</i>	0.82%	0.26%	2.49%
SHARE IN STORES STOCKING	1.28% <i>1.16</i>	0.82%	0.43%	3.03%
% STORES W/ PROMO	N/A	0%	10%	1%
DAVE'S PRICING	-	\$1.52	\$1.53	\$1.99
MARLBORO PRICING	-	\$1.83	\$1.84	\$2.36
				34%
				0.33%
				0.97%
				0%
				\$2.09
				\$2.55

2045857815

PM-USA FIRST QUARTER PERFORMANCE

W/E 3/15/95 24

- Industry volume remained at 9.1 billion units over the last three weeks, but fell below expected levels.
- RJR decreased for the second straight week.
- B&W Discount shipments increased to a YTD high.
- PM USA's volume (4.3 billion) was higher than last week but below projected levels:
 - Lower MCS promotional shipments than forecasted.
 - A change in McLane's shipment delivery policy to more equalize shipments on a daily basis.
- PM-USA's current shares increased and remain above First Quarter OB.
 - Week (47.5%)
 - QTD (45.9%)
- PM-USA's QTD volume was -0.3 billion units below OB and -1.2% below last year.
- QTD share (45.9%), is expected to range between 45.9% and 46.0% for the First Quarter.
 - +0.7 points above OB.
 - +2.9 points above 1Q94.
 - +0.5 above 4Q94.
- Basic's 13 week share of Discount was 15.1% increased ~~10.2 points~~.

BW

Philip Morris USA

Shipments

PM-USA FIRST QUARTER PERFORMANCE

W/E 3/17/95

new volume last week
more to last week than last week, but below

- Industry volume (9.1 billion units) remained even with last week and near expected levels.
- RJR decreased, while B&W was higher. *for last week RJR was higher than B&W*
- Discount shipments for B&W and Liggett continued to be higher than normal. *higher than last week but below*

BTW

- PM USA's volume (4.7 billion) was near last week and slightly above projected levels.
- PM-USA's current shares were stable and above First Quarter OB.

- Week (45.7%) (47.5%) *increased volume*
- QTD (45.8%) *9*

- PM-USA's QTD volume was -0.1 billion units below OB and ^{-1.2} 2.6% below last year.
- QTD share (45.8%), is expected to ~~reach~~ ^{reach} 46.0% for the First Quarter. *initially below OB - 45.9% end*
- +0.7 points above OB.
- +2.9 points above 1Q94.
- +0.5 above 4Q94.

- Basic's 13 week share of Discount (15.2%) ¹ increased ~~+0.2~~ ^{+0.2} points above last week.

- Lower MGS promotional shipments *managed*
- A change in MGS's share of discount policy to *more gradual than last year's*

PM'S ALL OUTLET COMBINED PERFORMANCE
WEEKLY INTEGRATED NIELSEN - W/E 3/18/95

*add line
graph*

4-WEEK PERFORMANCE ISSUES

- PM Share Growth Rebounding as Promotion ^{MCS S} Activity Expand
- Marlboro Share Growth Resuming
- PM OPB Share Stable, At Long Term Trend
- PM Discount Share Stable
- Basic SOC Stabilizing *in selling*

RJR Share Stabilizing

- Camel Share Stable - *Q3 Q3 F support*
- Doral's Moderate Gains Continue
- Winston Share Stabilizing, as Promotions Sell Through

Discount Category On Long Term Decline

*5.4 4.4 share and ... and highest
discuss to ...*

	<u>LATEST 4 WEEKS</u>		<u>LATEST WEEK</u>	
	<u>SHARE%</u>	<u>CHG</u>	<u>SHARE%</u>	<u>CHG</u>
PM Share Growth Rebounding as Promotion Activity Expand	47.4%	0.2	47.7%	0.3
Marlboro Share Growth Resuming	30.6	0.2	30.9	0.5
PM OPB Share Stable, At Long Term Trend	8.9	0.0	8.8	0.0
PM Discount Share Stable	8.0	-0.1	8.0	-0.1
Basic SOC Stabilizing	15.4	0.2	15.6	0.0
RJR Share Stabilizing	27.4	-0.2	27.3	0.0
Camel Share Stable - support	4.5	0.0	4.5	0.1
Doral's Moderate Gains Continue	5.0	0.2	5.0	0.0
Winston Share Stabilizing, as Promotions Sell Through	5.8	0.0	5.8	0.0

Discount Category On Long Term Decline	29.5	-0.2	29.3	-0.6
	5.4	0.1	5.3	-0.2
	3.0	0.08	5.74	-20

PM'S PERFORMANCE IN C-STORES
WEEKLY C-STORE AUDITS - W/E 3/18/95

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4-WEEK PERFORMANCE ISSUES

- PM Share Growth Rebounding as ^{W.C.P.} Promotional ~~Activity~~ Expands
- Marlboro Share Growth Resuming
- PM OPB Share Stable, At-Long-Term-Trend
- PM Discount Share Stable
- Basic SOC Stabilizing *will carry*
- RJR Share Stabilizing
- Camel Share Stable - *CS&CF support*
- Doral Share-Stabilizing *Marlboro share decline*
- Winston Share Stabilizing, as Promotions Sell Through

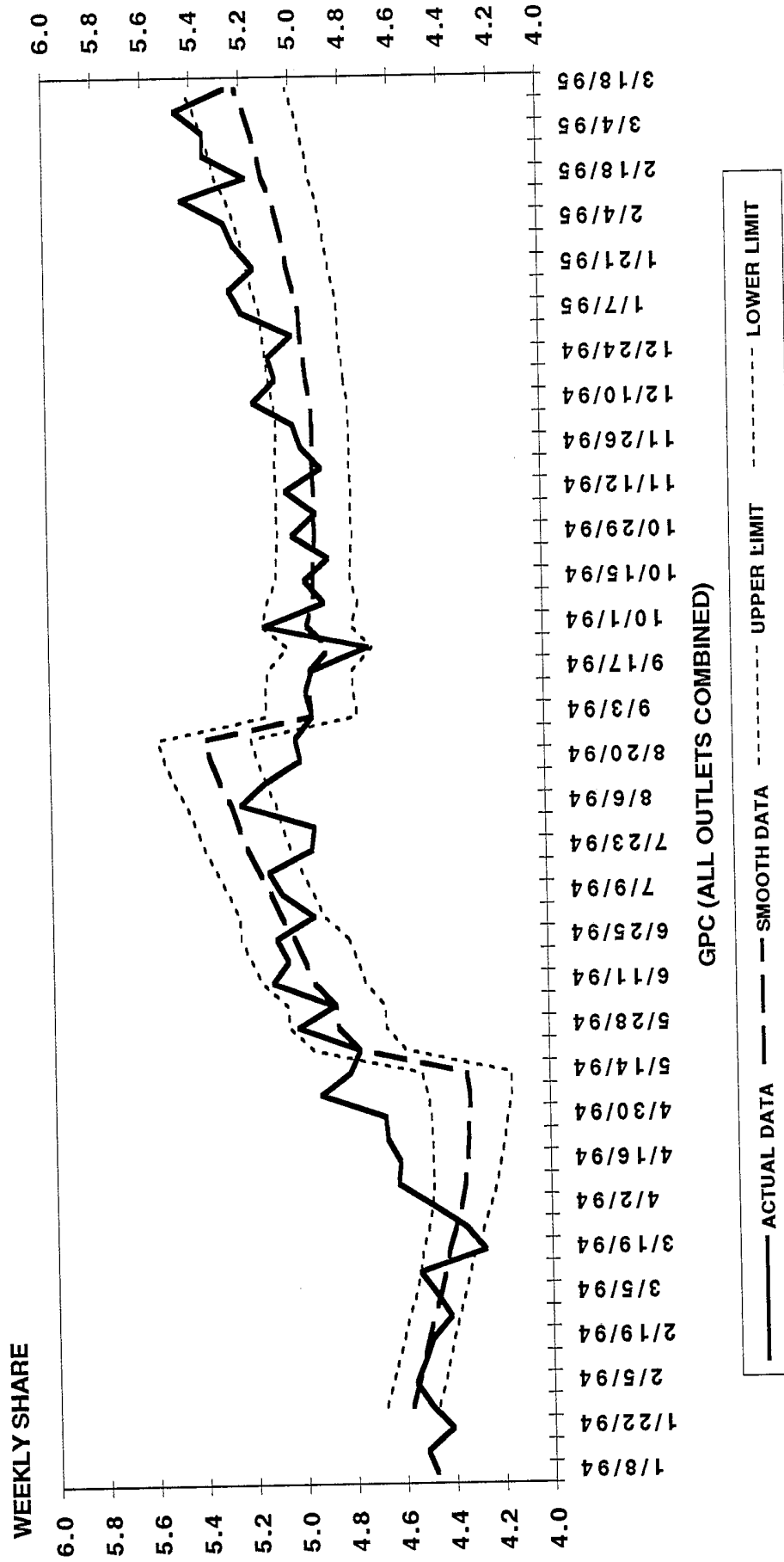
Discount Category On Long Term Decline

- *GPC 400 stores at highest level*
- *4 wk share remains at highest level*

	LATEST 4 WEEKS		LATEST WEEK	
	SHARE%	CHG	SHARE%	CHG
PM	48.8%	0.4	49.1%	0.5
Marlboro	33.3	0.5	33.6	0.6
PM OPB	7.7	0.1	7.6	0.0
PM Discount	7.8	-0.1	7.9	-0.1
Basic SOC	15.8	0.2	16.0	0.0
RJR	26.7	-0.4	26.6	-0.1
Camel	5.0	0.0	5.1	0.2
Doral	4.7	0.2	4.7	-0.1
Winston	5.5	0.0	5.4	0.0

Discount Category	30.2	-0.4	29.9	-0.7
GPC	6.1	0.1	6.0	-0.3
4 wk share	6.14	0.05	6.02	-0.29

GPC'S WEEKLY SHARE WAS DOWN ~~0.2~~ ^{three} POINTS TO 5.3%, NEGATING MOST OF THE RECENT WEEKS' GAIN. ~~FOUR~~ ^{three}-WEEK SHARE WAS UP +0.1 POINT.



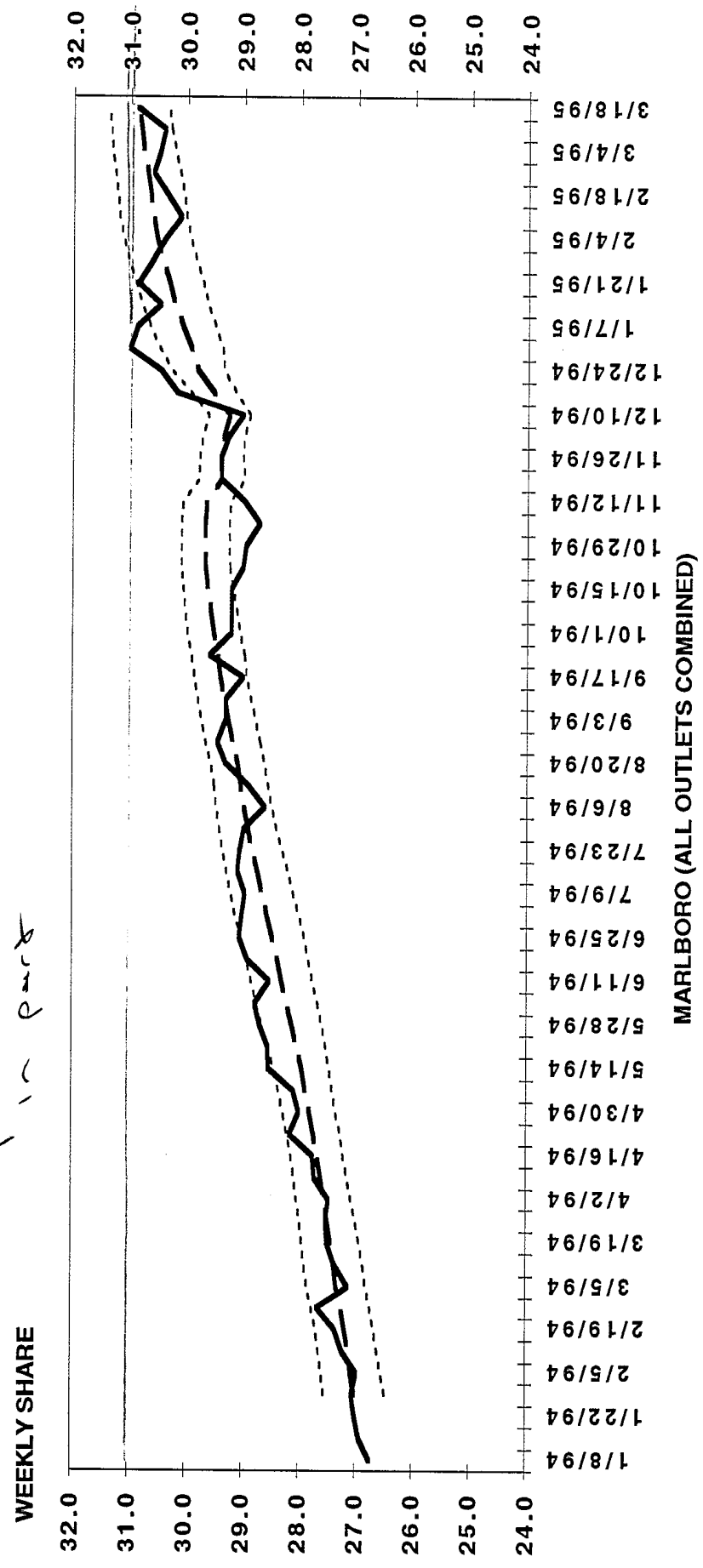
Source: Nielsen Integrated Panel

2045857820

Since we 1/21/95

MARLBORO'S WEEKLY SHARE WAS UP +0.5 POINTS TO 30.9%, ITS HIGHEST LEVEL TO-DATE. THIS WEEK'S PERFORMANCE LIKELY BENEFITED FROM INCREASED FREE PRODUCT ACTIVITY. ON A FOUR-WEEK BASIS, PERFORMANCE WAS UP +0.2 POINTS.

in pack



Source: Nielsen Integrated Panel

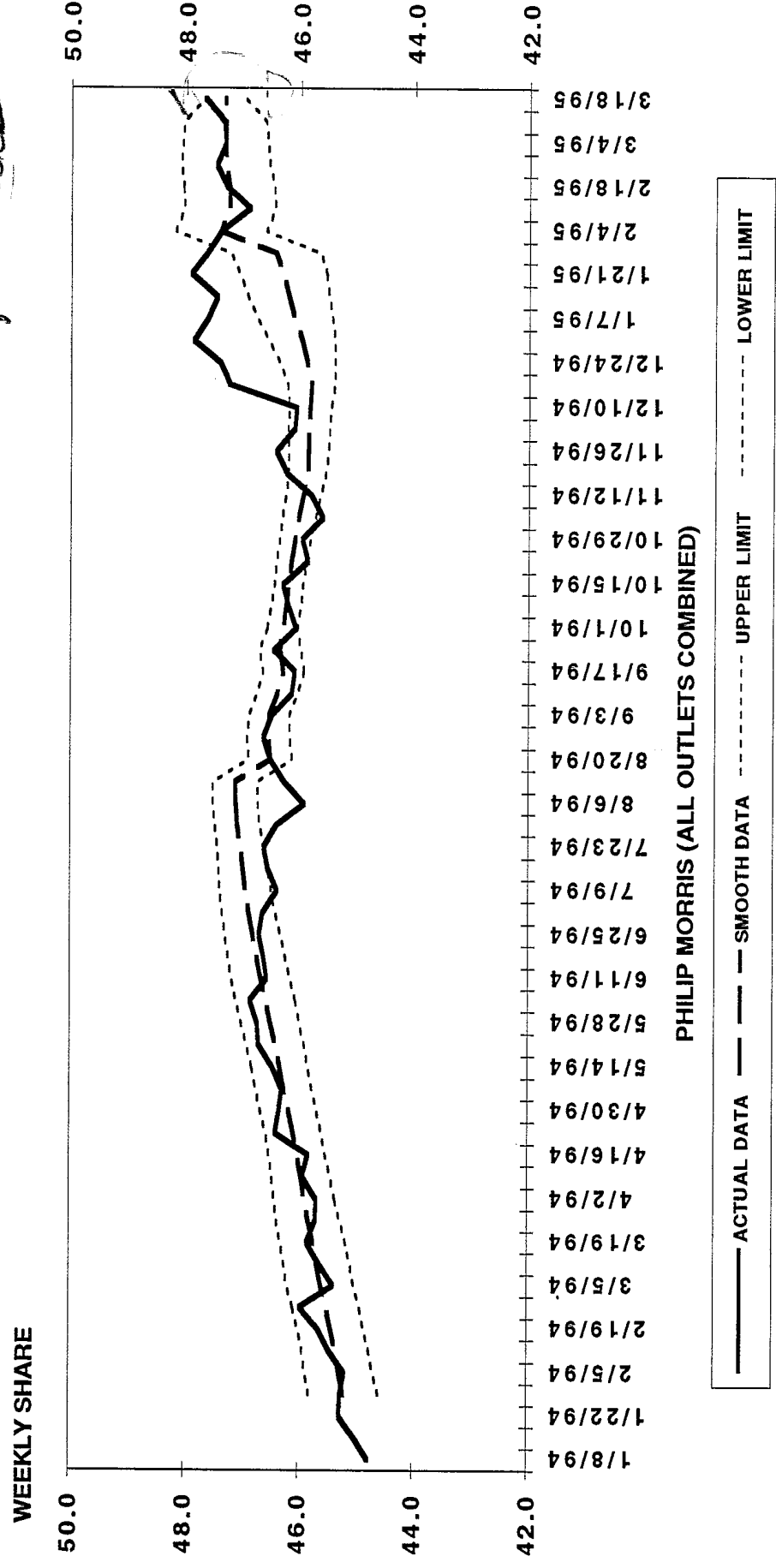
2045857821

I'm aware of this
problem and
have spent time
investigating it.
I'm following up
w/ relevant people.

2045857822



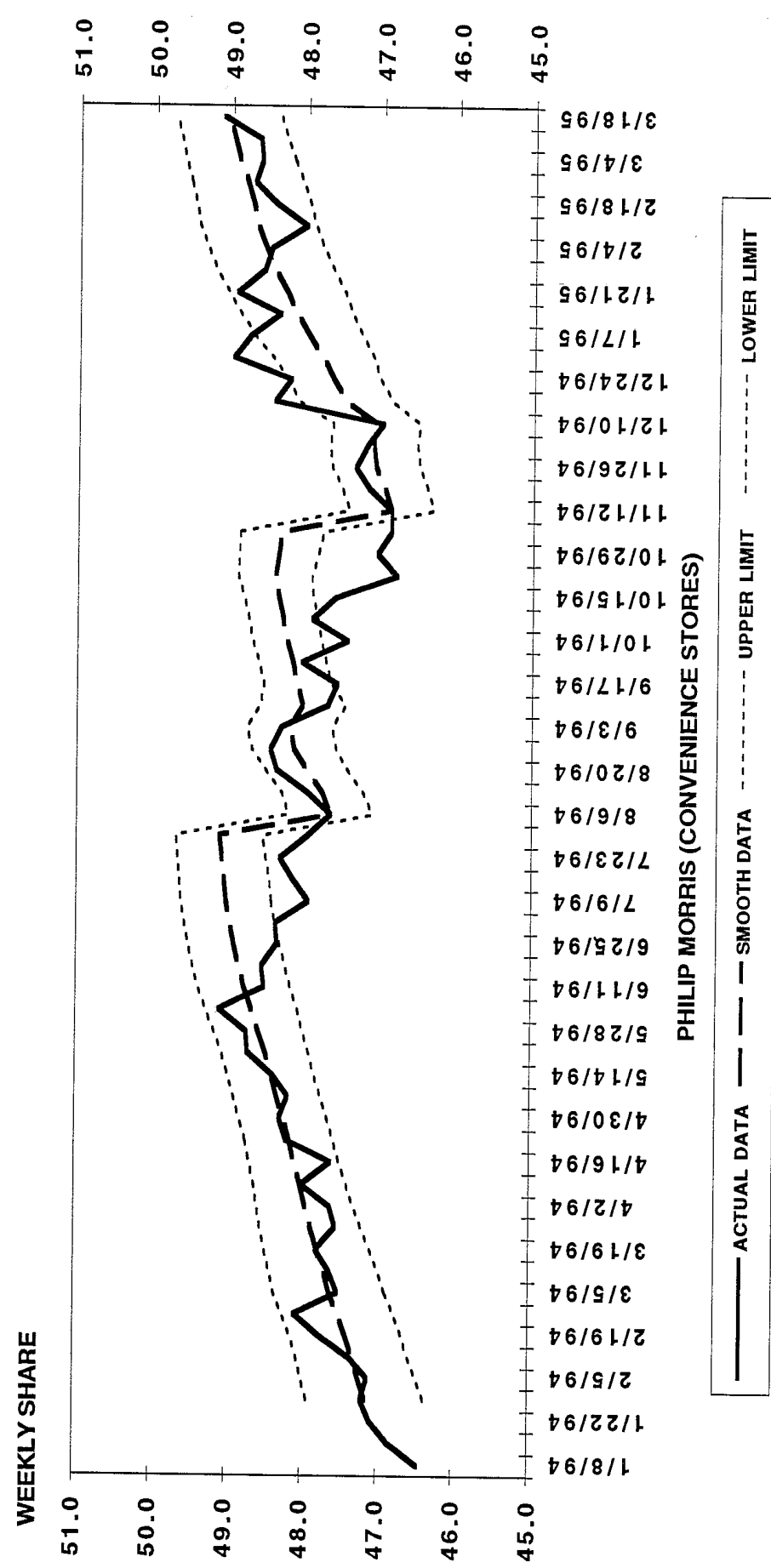
S were driven by Marlboro:
 PM'S WEEKLY SHARE ADVANCED +0.3 POINTS TO 47.7% AS FOR THE WEEK AND
 MARLBORO'S ADVANCE MORE THAN OFFSET BASIC'S DECLINE. FOUR-
 WEEK SHARE INCREASED +0.2 POINTS TO 47.4%, DRIVEN PRIMARILY BY
 MARLBORO. *for the latest four weeks*



Source: Nielsen Integrated Panel

returning to January's
Holiday Bonus
 program levels

**PM'S WEEKLY PERFORMANCE WAS UP +0.5 POINTS TO 49.1%, MATCHING
 ITS HIGHEST LEVEL IN THE WEEK ENDING 6/4/94. MARLBORO'S GAIN
 MORE THAN OFFSET BASIC'S LOSS. FOUR-WEEK SHARE WAS UP +0.4
 POINTS.**

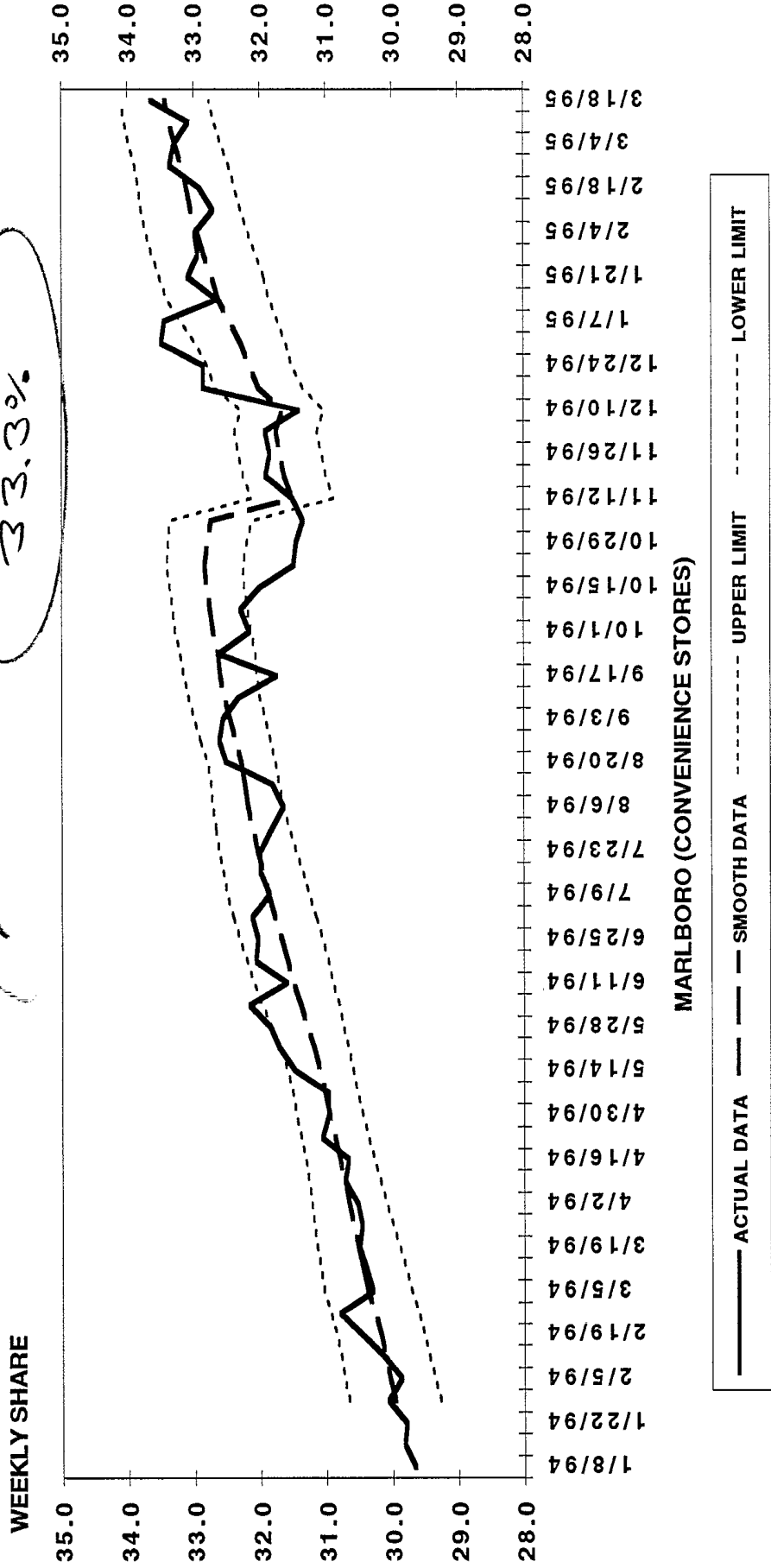


Source: Nielsen Integrated Panel

2045857824

MARLBORO'S WEEKLY SHARE INCREASED +0.6 POINTS TO 33.6%, *connected with*
 REACHING ITS HIGHEST LEVEL TO DATE. THIS WEEK'S GAIN WAS ~~LIKELY~~
~~INFLUENCED BY~~ EXPANDING FREE PRODUCT AND ~~MAINTENANCE~~ ACTIVITY.
 FOUR-WEEK SHARE WAS ALSO UP +0.5 POINTS TO 48.8%.

33.3%

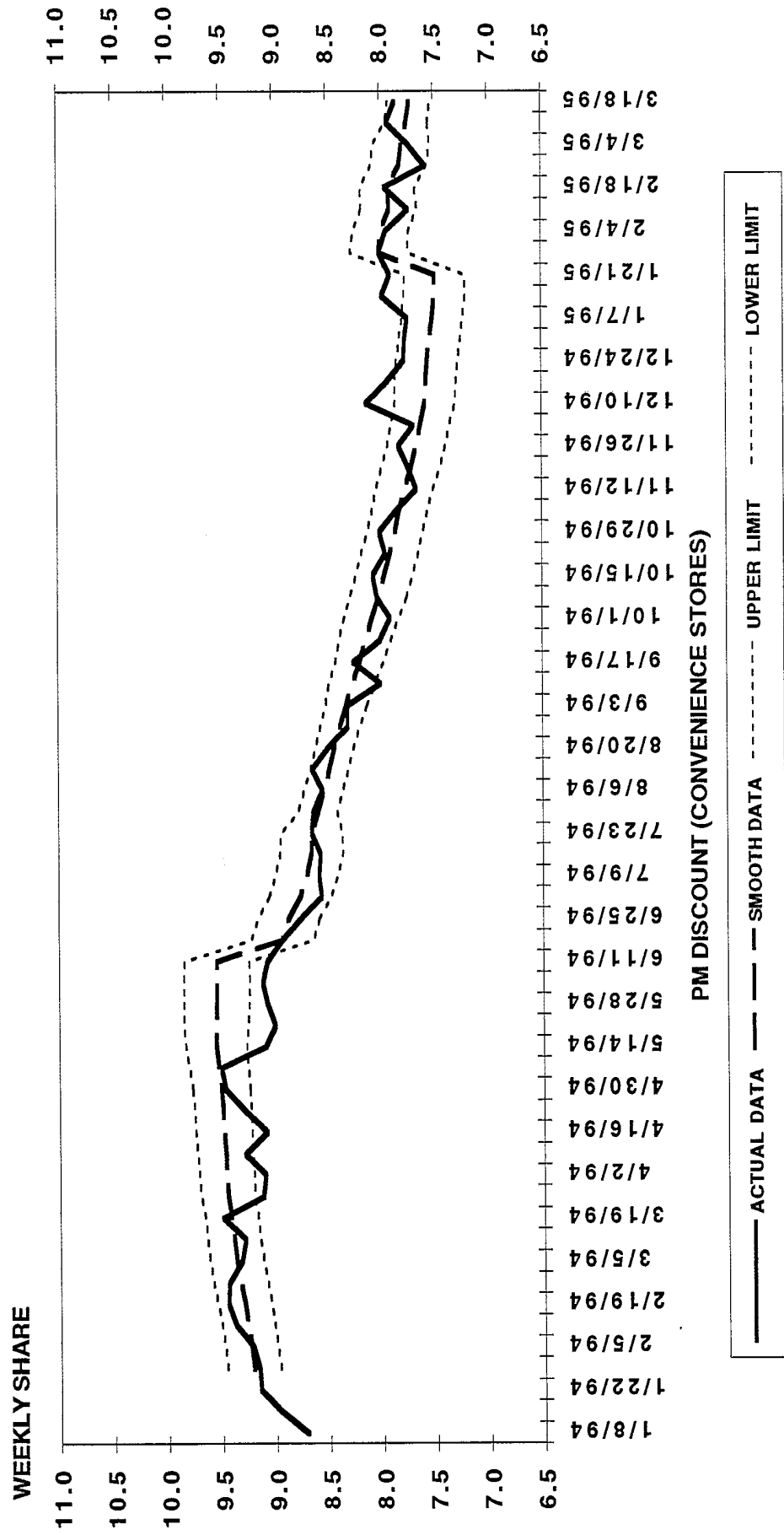


Source: Nielsen Integrated Panel

2045857825

2/50

PM DISCOUNT'S WEEKLY SHARE DECLINED -0.1 POINT TO 7.9%, WITH BASIC CONTRIBUTING TO THE LOSS. FOUR-WEEK SHARE WAS/DOWN - 0.1 POINT TO 7.8%.



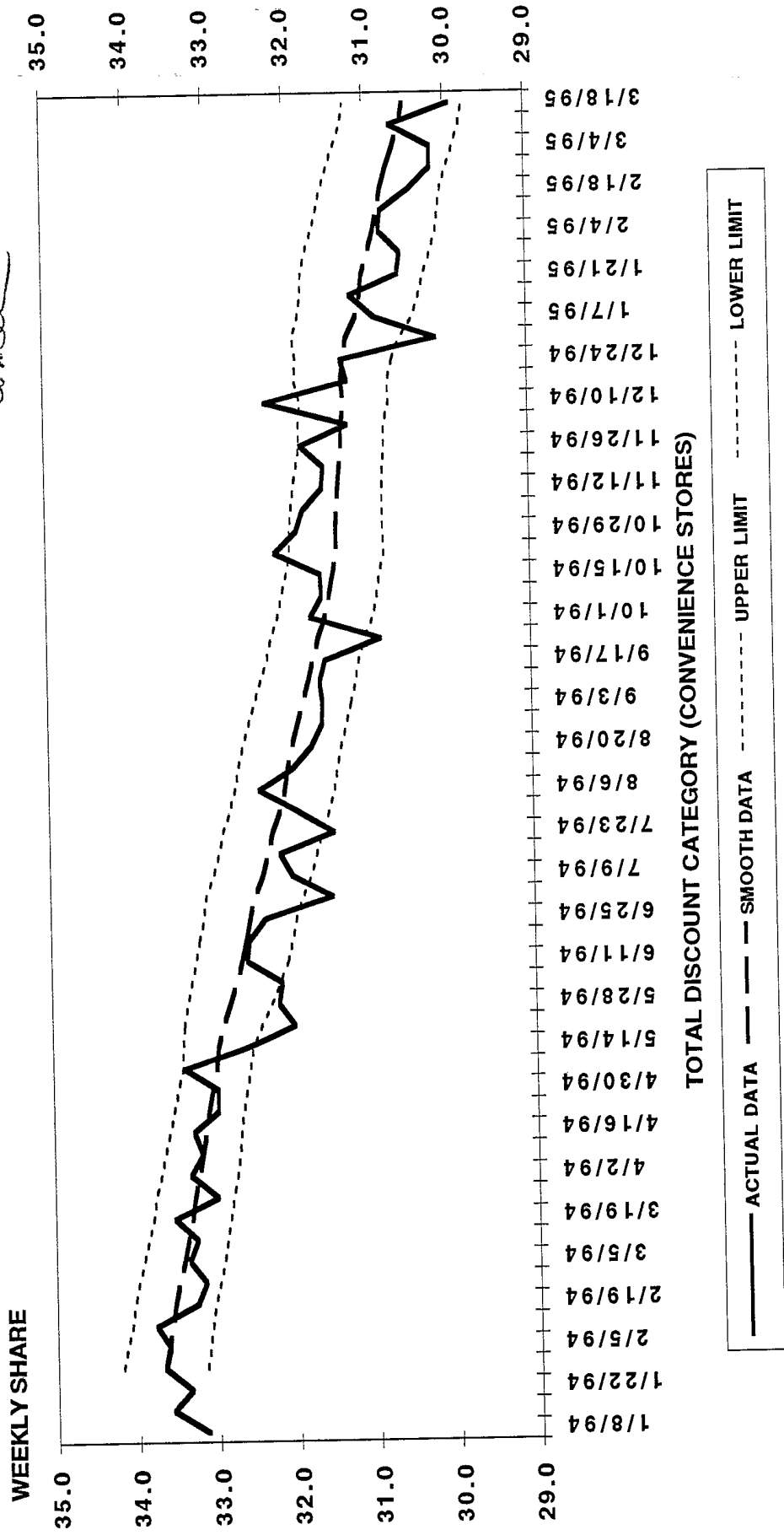
Source: Nielsen Integrated Panel

2045857826

than offset last week's gain

this week's
 THE DISCOUNT CATEGORY WAS DOWN -0.7 POINTS THIS WEEK TO 29.9%, MORE LOSS WITH RJR PL AND GPC EXPERIENCING THE LARGEST LOSSES. THE CATEGORY'S FOUR-WEEK SHARE WAS DOWN -0.4 POINTS.

lower



Source: Nielsen Integrated Panel

2045857827

REGIONALLY, ON A WEEKLY BASIS PRICE GAPS REMAINED ST
 ALL GEOGRAPHIES EXCEPT REGION 1, AS THE AVERAGE LOW
 DISCOUNT PRICE DECLINED -2¢ DUE TO LOWEST-AVERAGE PF
 REYNOLDS DORAL AND MONARCH.

3/18

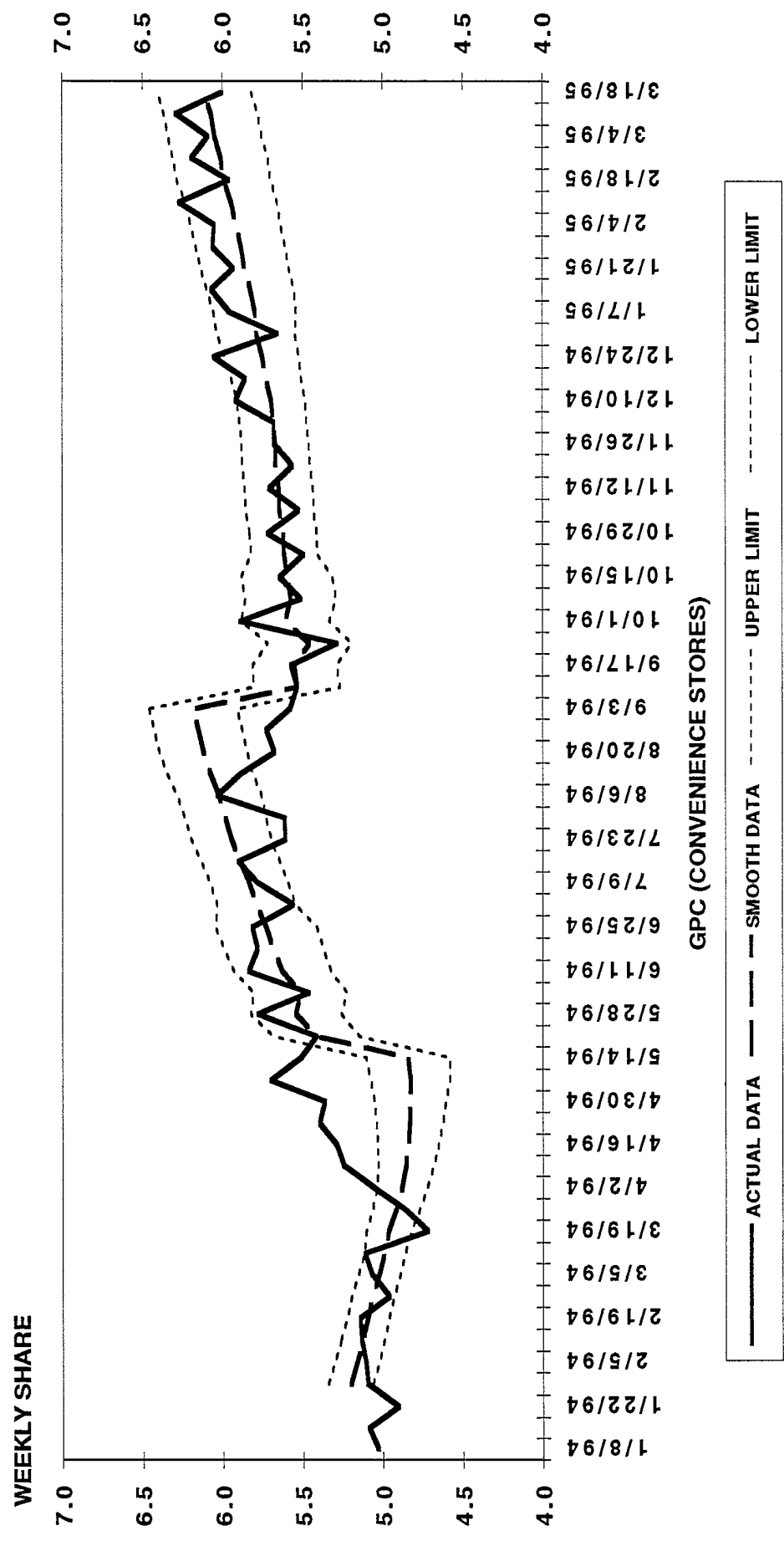
	<u>Marlboro</u>	<u>Lowest Discount</u>	<u>\$ GAP</u>	<u>% GAP</u>	<u>Chg. vs. WAGO</u>	<u>4 WK vs. 4 WAGO</u>
NATIONAL	1.92	1.29	\$0.63	48.8%	\$0.00	\$0.01
R1	2.09	1.46	\$0.63	43.2%	\$0.02	\$0.00
R2	1.76	1.14	\$0.62	54.4%	\$0.00	\$0.01
R3	1.90	1.28	\$0.62	48.4%	\$0.00	\$0.02
R4	1.89	1.30	\$0.59	45.4%	\$0.00	\$0.01
R5	2.06	1.36	\$0.70	51.5%	\$0.00	\$0.01

SOURCE: NIELSEN PRICING AUDIT

6284989702

3/28/95

**GPC'S WEEKLY PERFORMANCE WAS DOWN -0.3 POINTS TO 6.0%,
 REVERSING RECENT WEEKS' GAINS. FOUR-WEEK SHARE WAS UP +0.1
 POINT.**



Source: Nielsen Integrated Panel

REGIONALLY, ON A WEEKLY BASIS PRICE GAPS REMAINED STABLE IN ALL GEOGRAPHIES EXCEPT REGION 1, AS THE AVERAGE LOWEST DISCOUNT PRICE DECLINED -2¢ DUE TO LOWEST-AVERAGE PRICE ON REYNOLDS DORAL AND MONARCH.

3/18

	<u>Marlboro</u>	<u>Lowest Discount</u>	<u>\$ GAP</u>	<u>% GAP</u>	<u>Chg. vs. WAGO</u>	<u>4 WK vs. 4 WAGO</u>
NATIONAL	1.92	1.29	\$0.63	48.8%	\$0.00	\$0.01
R1	2.09	1.46	\$0.63	43.2%	\$0.02	\$0.00
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R3	1.90	1.28	\$0.62	48.4%	\$0.00	\$0.02
R4	1.89	1.30	\$0.59	45.4%	\$0.00	\$0.01
R5	2.06	1.36	\$0.70	51.5%	\$0.00	\$0.01

SOURCE: NIELSEN PRICING AUDIT

62845857829

3/28/95

THE AVERAGE PACK PRICE GAP WAS UNCHANGED AT 63¢ OR 48.8%.

**C-STORE
PACKS**

	<u>1/7/95</u>	<u>3/4/95</u>	<u>3/11</u>	<u>3/18</u>	<u>Change</u> <u>Prior Week</u>
Marlboro (net)	\$1.90	\$1.93	\$1.92	\$1.92	\$0.00
Lowest Discount	1.31	1.31	1.29	1.29	\$0.00
\$ Gap	0.59	0.62	0.63	0.63	\$0.00
% Gap	45.0%	47.3%	48.8%	48.8%	\$0.00

**SUPERMARKET
CARTONS**

Marlboro (net)	\$16.24	\$16.61	\$16.59	N/A	(\$0.02)
Lowest Discount	12.03	\$12.18	\$12.16	N/A	(\$0.02)
\$ Gap	4.21	\$4.40	\$4.43	N/A	\$0.03
% Gap	35.0%	36.1%	36.4%	N/A	\$0.00

SOURCE: NIELSEN EXPANDED PRICING

THE AVERAGE PACK PRICE GAP WAS UNCHANGED AT 63¢ OR 48.8%.

**C-STORE
PACKS**

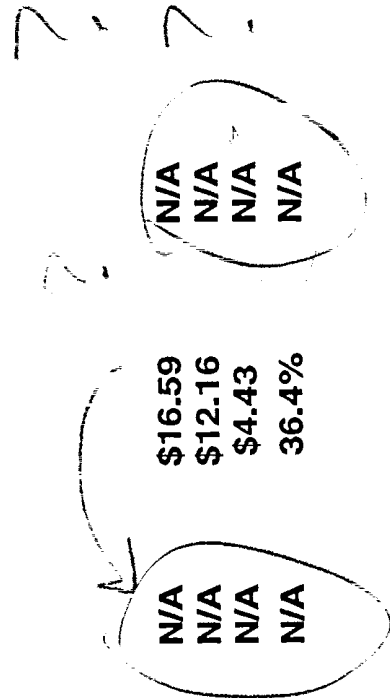
<u>1/7/95</u>	<u>3/4/95</u>	<u>3/11</u>	<u>3/18</u>	<u>Change</u>
\$1.90	\$1.93	\$1.92	\$1.92	\$0.00
1.31	1.31	1.29	1.29	\$0.00
0.59	0.62	0.63	0.63	\$0.00
45.0%	47.3%	48.8%	48.8%	\$0.00

Marlboro (net)
Lowest Discount
\$ Gap
% Gap

**SUPERMARKET
CARTONS**

\$16.24	\$16.61	N/A	\$16.59	N/A
12.03	\$12.18	N/A	\$12.16	N/A
4.21	\$4.40	N/A	\$4.43	N/A
35.0%	36.1%	N/A	36.4%	N/A

Marlboro (net)
Lowest Discount
\$ Gap
% Gap



SOURCE: NIELSEN EXPANDED PRICING

Philip Morris USA

Pricing

PRICING - W/E 3/18/95

PERFORMANCE ISSUES

- C-store Pack Gap increased as Lowest-Discount-decreased.

	CHANGE VERSUS		
	3/18/95	WK AGO	4 WKS AGO

\$ Gap	\$0.63	\$0.00	\$0.00	\$0.04
% Gap	49%	0%	1%	4%
• Supermarket Carton Gap fairly stable YTD	\$4.43	\$0.02	\$0.02	\$0.18
\$ Gap	36%	0%	0%	1%
% Gap				

INCIDENCE

- Basic's price disadvantage w/Lowest
- Incidence decreased
 - Avg \$ Disadvantage stable
- ≤99¢ Incidence (increased)
- Montclair money-off incidence increased
- Misty money-off incidence increased
- GPC money-off incidence remained unchanged

75%	(1%)	1%	(5%)
\$0.31	\$0.00	\$0.01	(\$0.02)
19%	1%	2%	1%
22%	1%	2%	(7%)
30%	1%	(6%)	2%
49%	0%	(2%)	2%

DAVE'S STATUS

SOURCE:	DENVER		SEATTLE	
	STARS C-STORES (CUM THRU 3/4)	NIELSEN C-STORES (w/e 3/18)	NIELSEN C-STORES (w/e 3/18)	NIELSEN C-STORES (w/e 3/18)
RETAIL DISTRIBUTION	89%	100%	60%	82%
SHARE	1.08%	0.82%	0.26%	2.49%
SHARE IN STORES STOCKING	1.16%	0.82%	0.43%	3.03%
% STORES W/ PROMO	N/A	0%	10%	1%
DAVE'S PRICING		\$1.52	\$1.53	\$1.99
MARLBORO PRICING		\$1.83	\$1.84	\$2.36
				34%
				0.33%
				0.97%
				0%
				\$2.09
				\$2.55

2045857833