

State of the Business**Nielsen Shares**

	April, 1996	March, 1996	Change
Total PM	50.7	49.6	1.1
Marlboro	35.8	34.5	1.3
Total Premium	45.2	43.9	1.3
Total Discount	5.5	5.8	-0.3
PM Premium SOC	62.5	61.5	1.0
PM Discount SOC	19.9	20.0	-0.1
PM OPB	9.4	9.4	0.0
Basic	3.8	3.8	0.0

Nielsen share in April grew 1.1 points. Marlboro and PM Premium grew 1.3, while PM Share of Premium was up 1.0.

Marketplace & Key Customer News

Lorillard has been promoting Newport with 40¢ off per pack in all accounts in the key B&H markets. Slight distribution and sales gains have occurred.

RJR continues to buy down 20 cents on Doral. B&W: GPC and Misty are bought down by 20 cents while Kool and Carlton have 30¢ buy down in selected accounts.

RJR continues to aggressively buy down Camel and Winston in their contracted stores. Their buy down amount varies and they try to keep Camel at least \$.10 cheaper per pack than Marlboro.

Progress Against Priorities

Basic Box distribution in SPACE has reached 86.3%. Following is a breakdown of distribution by packing: Full Flavor Box -- 83.3%, Light Box -- 82.1%, Menthol Box -- 79.2%. The latest Nielsens indicate distribution of 61% in Region 5.

Retail Masters sell-in is progressing, with nearly all significant accounts signed. Through 5/17, 60% of Region 5 volume is signed to Retail Masters, compared to 65% at year end 1995. Our priority is to protect our exclusive accounts and to target remaining unsigned chains and independents.

Other

In the Los Angeles market, we are kicking off a 43 store test with PIA. PIA is a company that specializes in store resets and POGs.

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