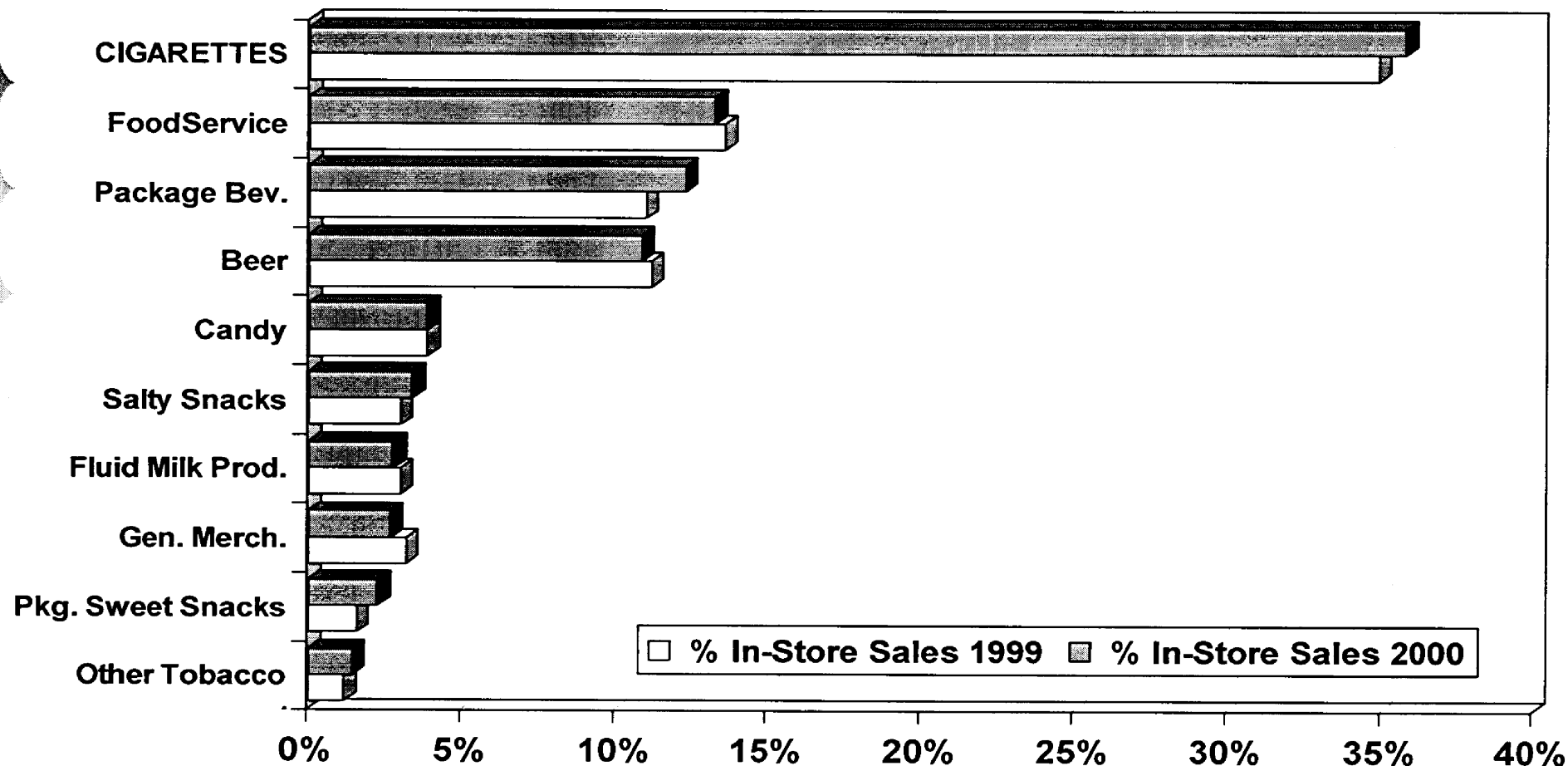


Conv/Gas - NACS Industry Highlights

Merchandise % Sales by Major Category

NACS Averages / Top 10 Product Categories 1999 - 2000

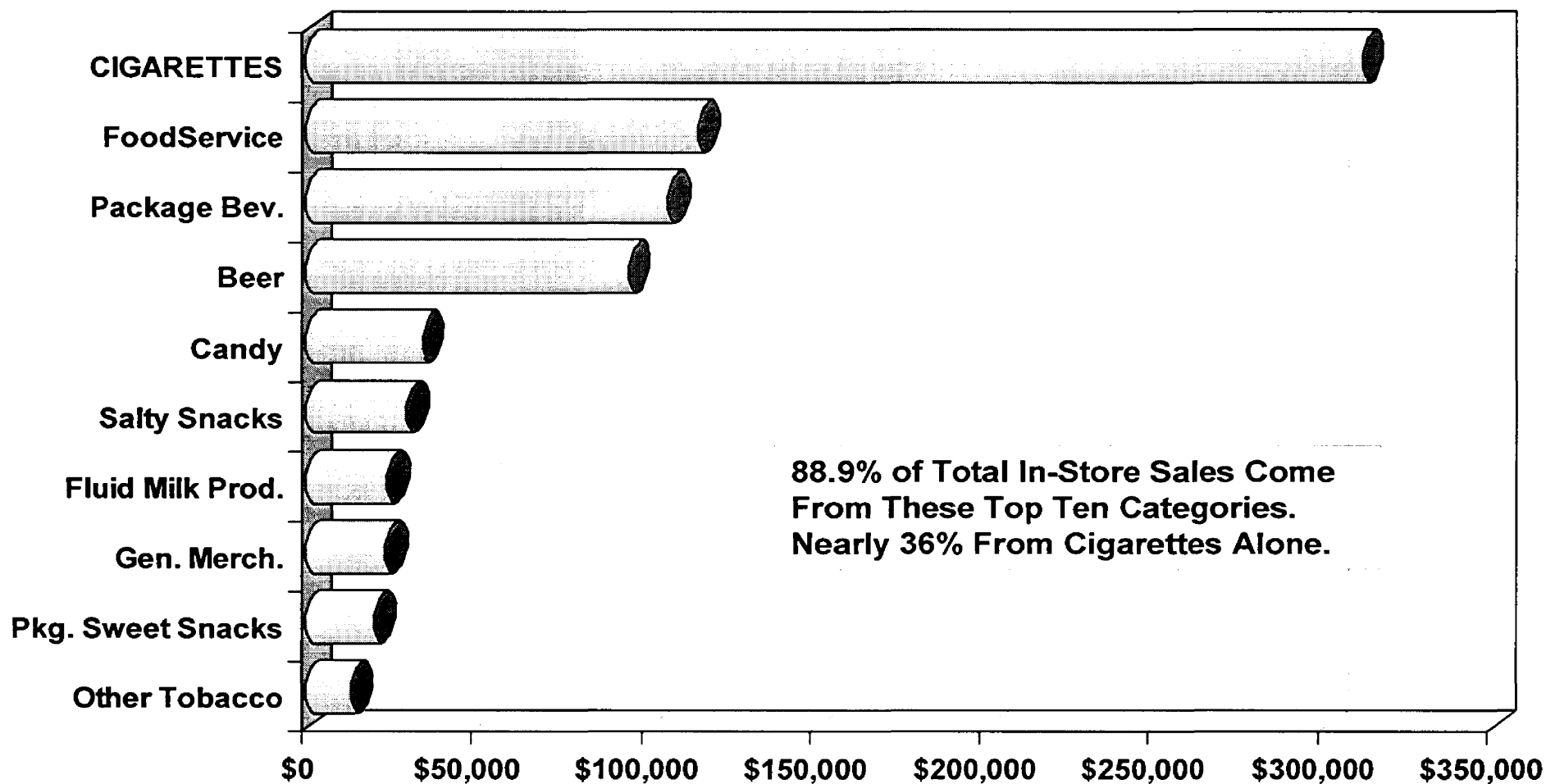


Source : 2001 NACS/CSNews Industry Databank

Conv/Gas - NACS Industry Highlights

Merchandise Sales by Major Category

Average Sales \$ per Store 2000

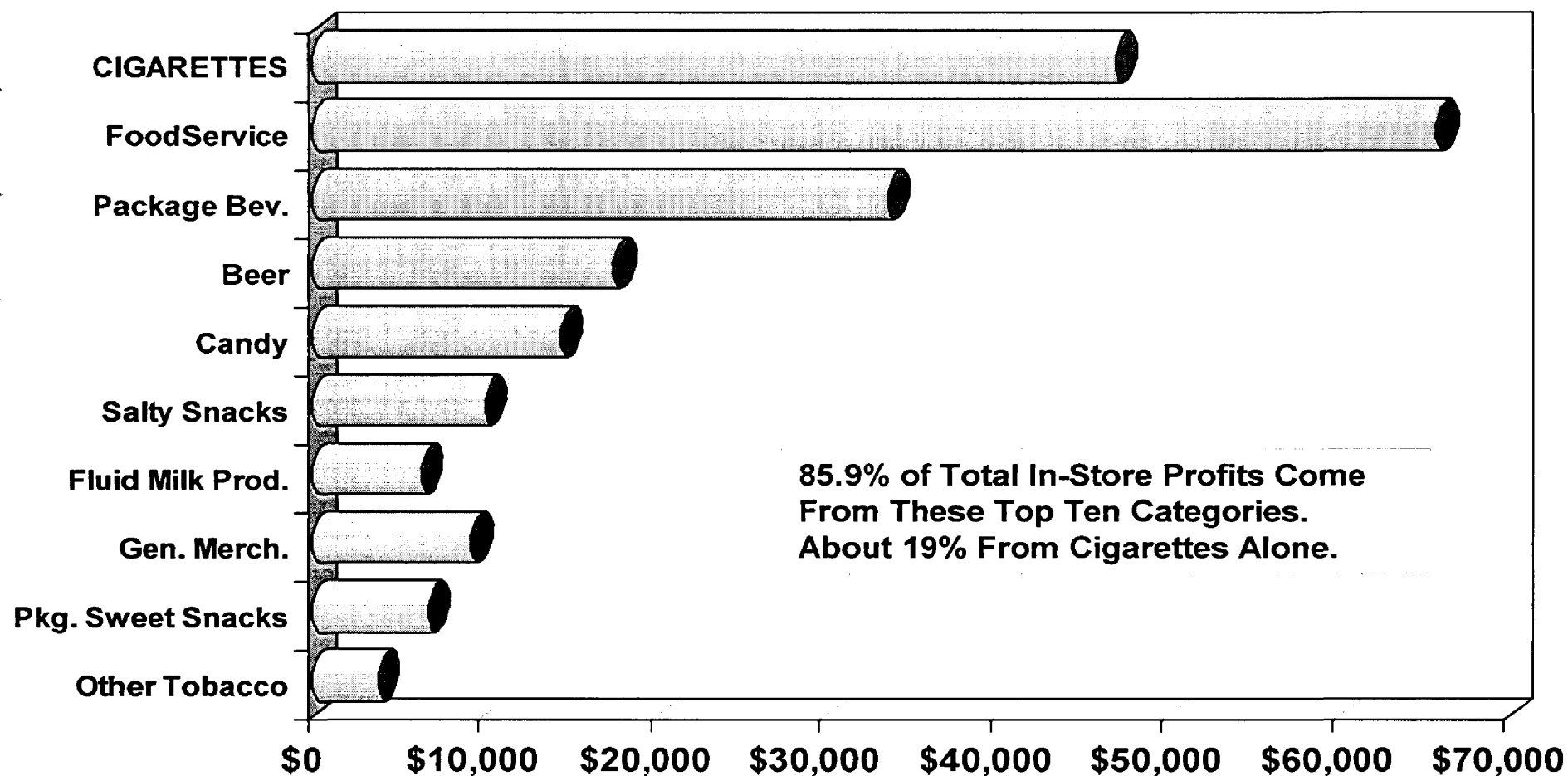


Source : 2001 NACS/CSNews Industry Databank

Conv/Gas - NACS Industry Highlights

Merchandise GM's by Major Category

Average Profit \$ per Store 2000

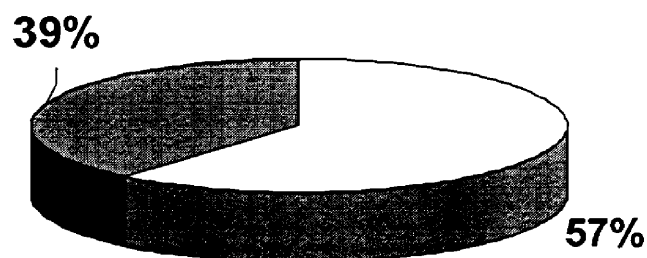


Source : 2001 NACS/CSNews Industry Databank

Conv/Gas - NACS Industry Highlights

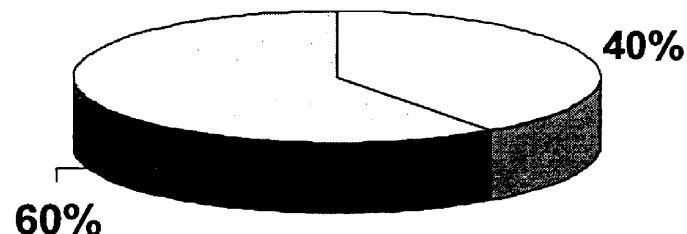
Motor Fuel sales represent an average of 61% of total dollar Sales but only about 40% of total dollar Profits in Conv/Gas outlets

2000 FUELS - % Weekly Sales \$



□ Motor Fuels ■ In-Store Merch.

2000 FUELS - % Weekly Profit \$



□ Motor Fuels ■ In-Store Merch.

Source : 2001 NACS/CSNews Industry Databank

Conv/Gas - NACS Industry Highlights

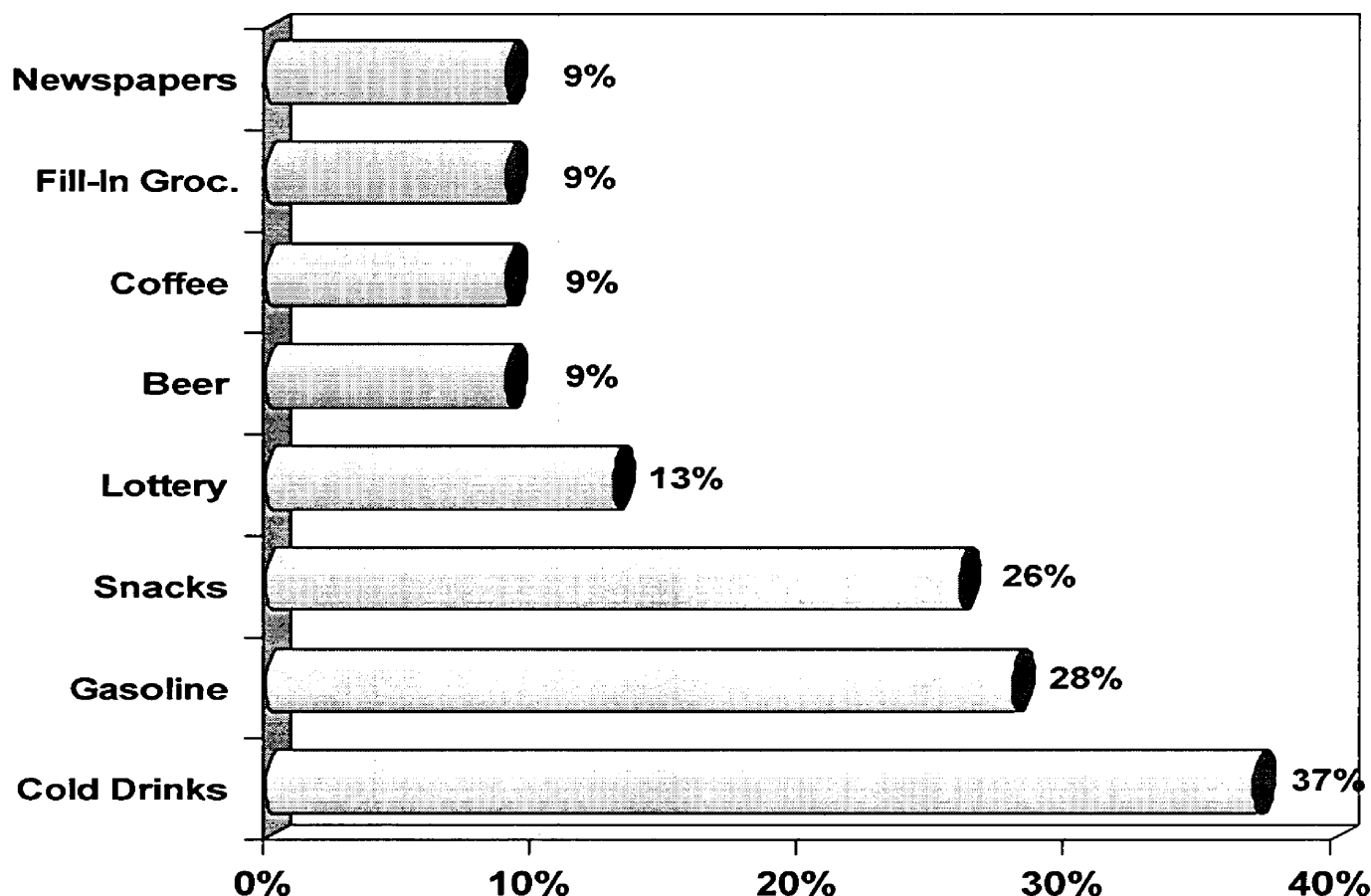
Top Ten C-Store Product Categories - 2000 :

<i>Category</i>	<i>Ranking</i>	<i>% of Sales</i>	<i>GM \$ (Mil.)</i>
Cigarettes	1	35.8%	\$5,634
FoodService	2	13.3%	\$7,878
Packaged Beverage	3	12.3%	\$4,036
Beer	4	10.9%	\$2,105
Candy	5	3.9%	\$1,735
Salty Snacks	6	3.4%	\$1,208
Fluid Milk Products	7	2.8%	\$768
General Merchandise	8	2.7%	\$1,111
Packaged Sweets Snacks	9	2.3%	\$816
Other Tobacco	10	1.5%	\$467

Source : 2001 NACS/CSNews Industry Databank

Conv/Gas - The Market Basket Effect

What Else Do Smokers Purchase ? :



Cigarettes are rarely purchased alone in convenience store transactions. 81% of cigarette pack sales include other inside merchandise and / or gasoline sales.*

The top 8 most likely categories to be purchased by adult cigarette buyers in c-stores are those shown in this graph. Only 19% of cigarette purchases do not include other product sales.*

Source : * The Outlook for the Convenience Store Industry Through 2005, Beyond 2005 (PriceWaterhouseCoopers, Feb. 2000)

Out-Of-Stock Impact

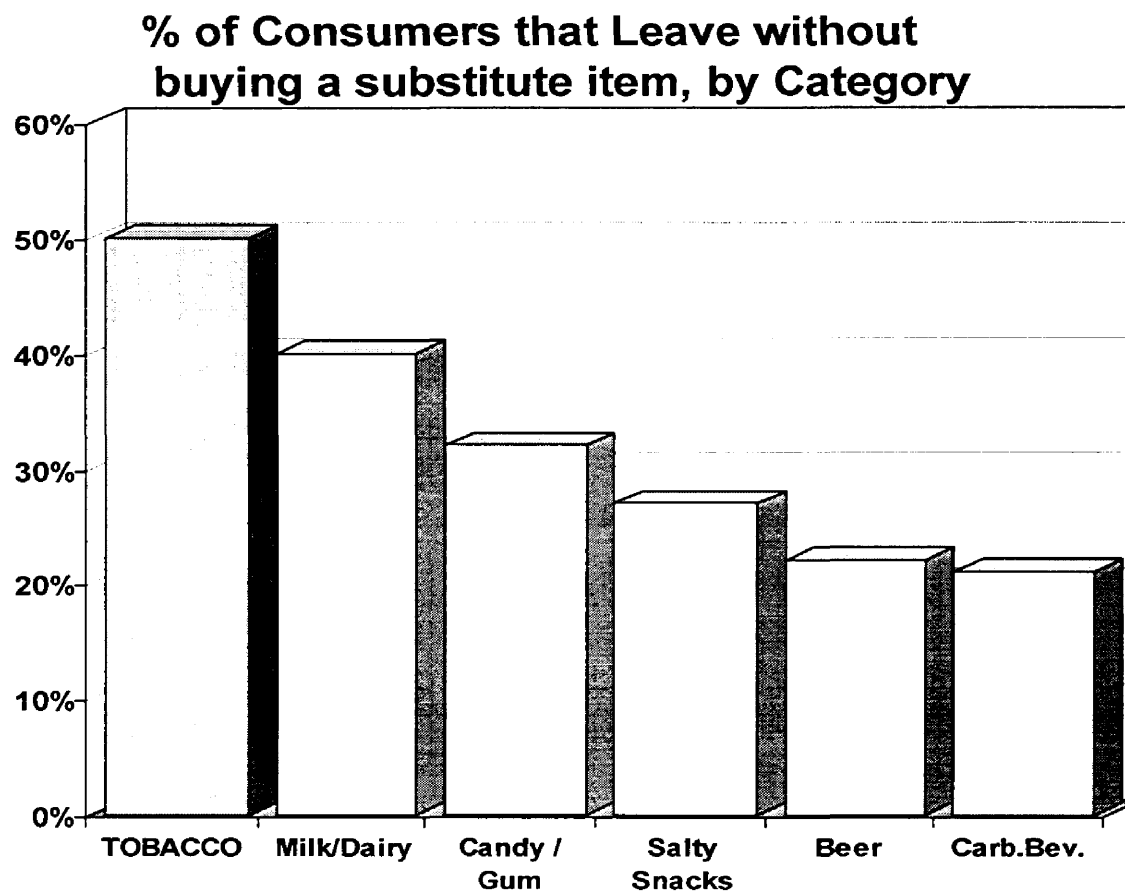
Customers Vote With Their Feet

The CSN Out-Of-Stock Study (1998) showed conclusively that Conv/Gas retailers who think Out-Of-Stocks are of minimal concern are gravely mistaken. Here are some of the findings :

❑ 29% of shoppers encountering an Out-Of-Stock will Not buy a substitute item.

❑ 50% of Tobacco consumers who face an Out-Of-Stock would leave without a substitute, (compared to 29% overall).

❑ Consumers switch stores permanently after an average of just 2.4 Out-Of-Stock experiences.

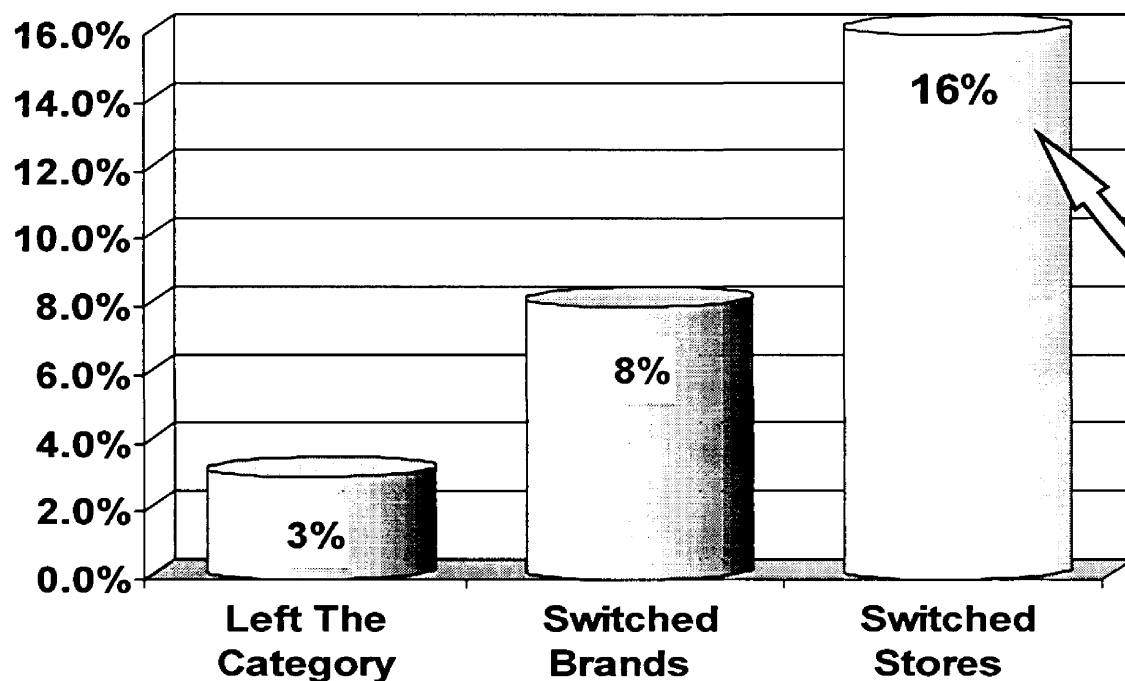


Source : Convenience Store News
Out-Of-Stock Study - 1998.

Product Availability

Customer Loyalty / Store Switching -

During 1999, 89% of Smokers Remained Loyal To Their Cigarette Brand (11% switched brands or quit purchasing cigarettes), While Only 84 % Remained Loyal To Their Store (16% switched stores) -



What this means :

Cigarette manufacturers need to worry about the 8% of smokers who are switching brands.

Retailers need to focus intensely on the 16% who are switching stores !

***There has been an increase in smokers switching stores.
Are you keeping your customers happy ?***

Source : RJRT Outlet Switching Study - April, 2000.

Product Availability =

⇒ Stock Assortment / Brand Selection

⇒ Out-Of-Stock Avoidance

What Is The Value Of Sound Product Availability Management ?

' type Account Name here '

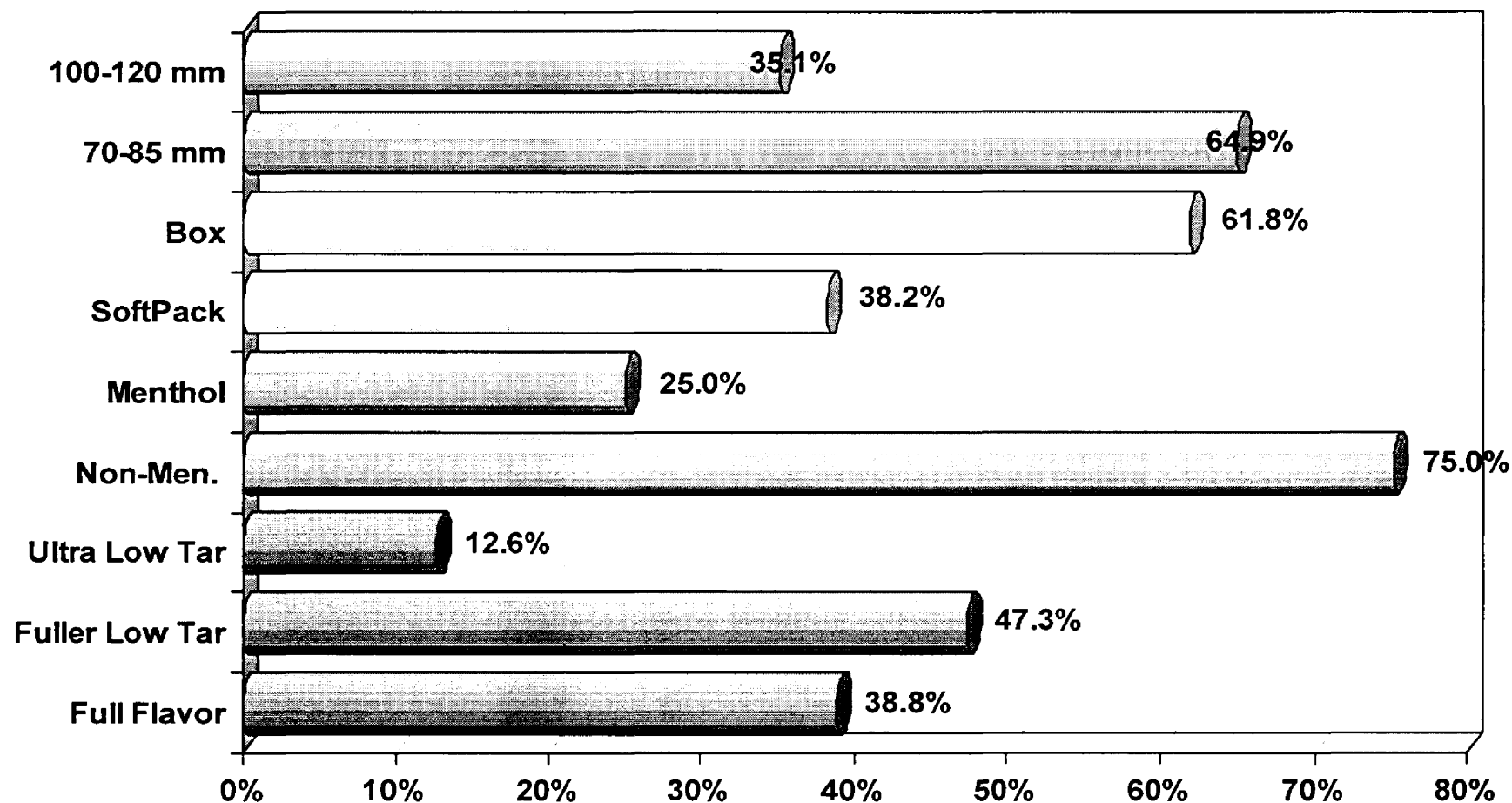
Customer Satisfaction Impact	Monthly	Annually
Number Of Stores : 1	Per Store	1 Store
Average In-Store Sales \$ (ACV excluding fuels)	\$71,335	\$856,024
Avg. Cigarette % of Tot. In-Store Sales	34.9%	34.9%
Avg. Cigarette Sales \$	\$24,896	\$298,752
Avg. Wtd. Cigarette GM %	16.8%	16.8%
Avg. Cigarette Profit \$	\$4,190	\$50,280
Avg. Cigarette Out-Of-Stock Level	9.3%	9.3%
Avg. Lost Cigarette Sales due to O-O-S	\$2,315	\$27,784
Avg. Lost Other In-Store Sales due to Cig. O-O-S	\$1,030	\$12,359
Total Projected \$ Loss *	\$3,345	\$40,143

* Projected sales \$ loss of In-Store merchandise sales attributable to Cigarette Out-Of-Stocks, based on proof sources listed below, and/or user input.

Proof Sources : 2000 NACS/CSNews Industry Databank / Convenience Store News In-Stock Solutions - 2000 /
The Outlook for the Convenience Store Industry Through 2005, Beyond 2005 (PriceWaterhouseCoopers, Feb. 2000).

Major Cigarette Category Sales

Conv/Gas Shares by Product Type - 2001 Est



Source : IRI / Marlin Data - 2001 Estimates are based on projected data as of YTD thru August '01.