

TO: Distribution

DATE: February 20, 1990

FROM: Marketing Information and Analysis/Deborah Potter

SUBJECT: Chelsea (2/04)

This memo provides an update on Chelsea's performance in Eastern PA, Nevada and Tampa/Orlando.

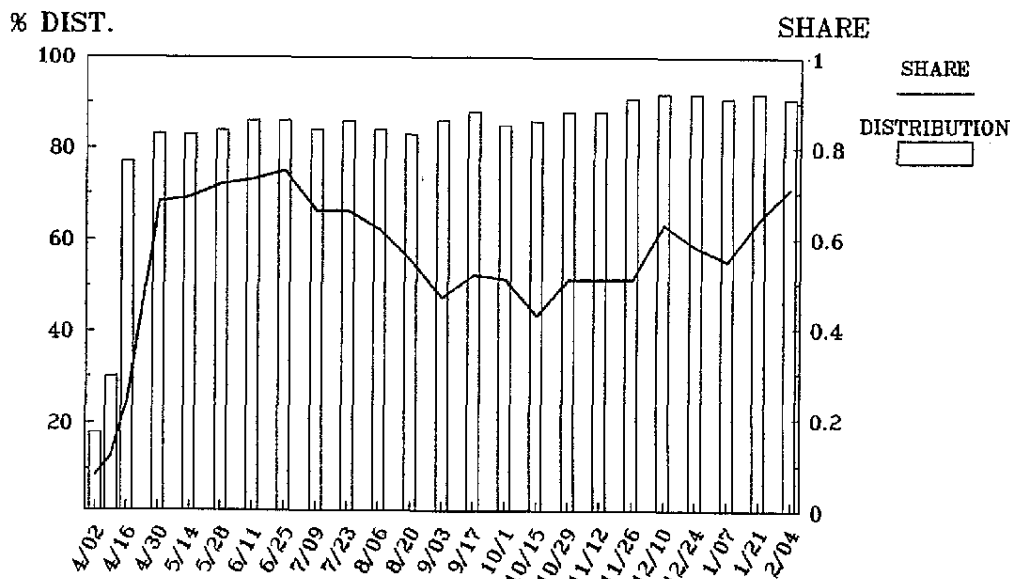
Due to significant share levels as reported in shipment and ICC data, retail audits will be conducted on Chelsea in Florida to provide a snapshot of the brand's current performance in that market. Data will be available in mid-March.

SHARE AND DISTRIBUTION

According to retail audits in Eastern PA, Chelsea registered at 0.7 (2 wks ending 2/04). This higher level, largely driven by promotions, had not been achieved since July '88.

Distribution is generally stable in Eastern PA and Nevada, at 91% and 71%, respectively. In Tampa/Orlando Chelsea's distribution is 88%, reflecting a continual decline since mid-December.

CHELSEA RETAIL AUDIT DATA EASTERN PENNSYLVANIA



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PROMOTIONAL ACTIVITY

In Eastern PA the percentage of stores with B1G1F's increased +8% to 18%, and accounted for 23% of total sales. Other promotions included a lighter w/2 pack promotion in 18% of the stores, an increase of +6% over the previous period.

Currently, Chelsea pack headers are being removed in all the test markets. Previously, Eastern PA's expanded panel had signs in 41 stores and currently only has them in 13 stores. Nevada only has one store remaining with a sign, down from 13 the previous period. \$3.00 off four packs is currently cited in Nevada for the first time. In addition, there is a marked increase in the two pack with lighter promotion in these two markets.

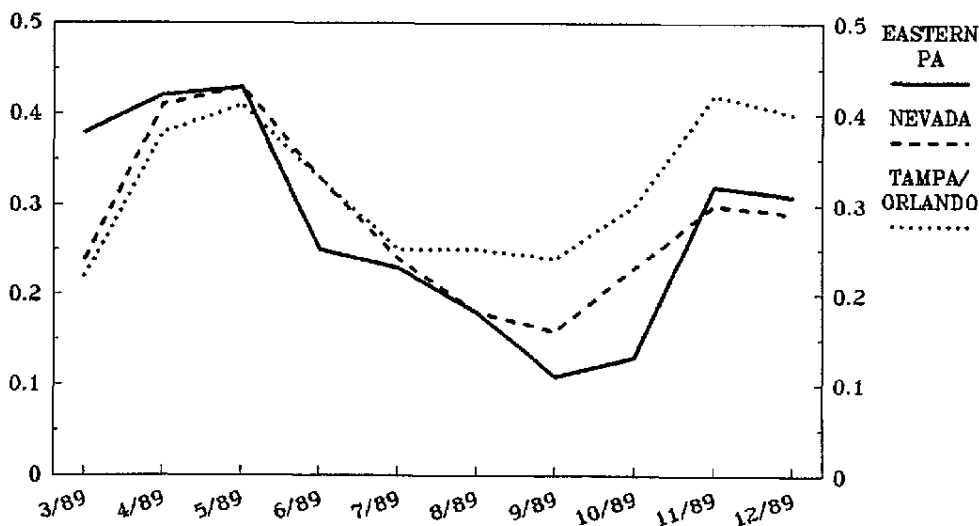
Also take note that high incidence levels remain in Tampa/Orlando for the 50¢ pack coupon and continues to only be offered in this market. Other promotions in Florida include \$1.50 off three packs and \$3 carton coupons.

B1G1F's continue to be available in all markets. Incidence on the new Nevada promotion and information on Tampa/Orlando's sign activity will be forthcoming in the next report.

FACTORY SHIPMENTS

Shipment shares during December (3MM) registered in the 0.3/0.4 range. The share increase from October to Nov/Dec levels may be due to promotional product shipped during that time period. Cumulatively, Chelsea reports a 0.3 in all three test markets.

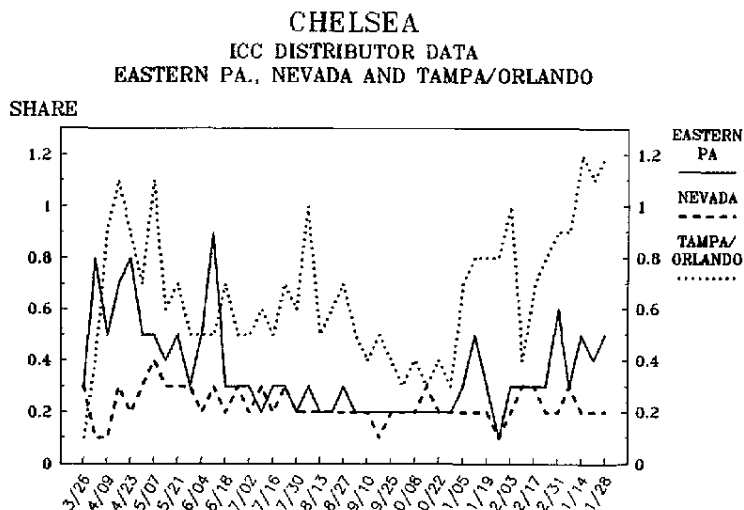
CHELSEA
FACTORY SHIPMENTS (3MM)
EASTERN PA, NEVADA AND TAMPA/ORLANDO



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ICC DISTRIBUTOR DATA

Distributor shares in Tampa/Orlando remained relatively high with levels in the 1.1/1.2. However, recall that RJR sales reps are reported to be working out of the Florida ICC distributors, and are using full priced product to create BlG1F's at retail. This most likely accounts for much of the higher share levels in Tampa/Orlando. Eastern PA reports slightly higher levels since the end of December, also due to promotional product. Nevada's distributor shares remained in the 0.2 range.



CHELFLA7.DOC

Distribution:

R. Anise	L. Johnson	S. Rivera
T. Beane	J. Kuhlman	S. Sabella
D. Beran	C. Levy	T. Saloun
S. Bloom	W. Lott	K. Sass
V. Buccellato	N. Lund	B. Schuyler
E. Butson	E. Merlo	J. Scully
J. Chaump	R. Mikulay	L. Suwarna
D. Dangoor	H. Mize	J. Taylor
K. Eisen	J. Morgan	R. Tomei
H. Glastein	D. Nelson	S. Vasquez
S. Jannetta	P. Paoli	L. Wexler

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CHELSEA EASTERN PENNSYLVANIA

PERIOD ENDING SUNDAY	RETAIL AUDITS						INFOSCAN				IOC		MSA
	SHARE	% SALES DUE TO BIG1F*	% EFF DIST(COS)	% STORES W/BIG1F	% STORES W/32 COUPONS	STORES W/32 FREE LIGHTER STICKERS	% STORE SHARE	% STORES SELLING*	% STORES W/DISPLAY*	STORES W/IRC*	% SALES SHARE	MONTHLY ON PROMO	MONTHLY SHARE
3/26	-	-	-	-	-	-	-	-	-	-	0.3	0	0.71
4/02	0.1	0	18(-)	0	-	-	0.0	-	-	-	0.6	13	-
4/09	0.1	0	30(-)	0	-	-	0.1	-	-	-	0.6	21	-
4/16	0.2	5	77(-)	5	-	-	0.1	-	-	-	0.7	45	-
4/23	-	-	-	-	-	-	0.3	-	-	-	0.6	30	-
4/30	0.7	9	83(2)	8	-	-	0.4	-	-	-	0.6	17	0.28
5/7	-	-	-	-	-	-	0.3	-	-	-	0.6	2	-
5/14	0.7	9	83(-)	8	-	-	0.4	-	-	-	0.4	7	-
5/21	-	-	-	-	-	-	0.3	-	-	-	0.6	15	-
5/28	0.7	5	84(-)	4	-	2	0.3	-	-	-	0.3	6	0.22
6/4	-	-	-	-	-	-	0.3	-	-	-	0.6	19	-
6/11	0.7	9	88(1)	4	-	8	0.2	-	-	-	0.9	19	-
6/18	-	-	-	-	-	-	0.3	-	-	-	0.3	19	-
6/25	0.8	0	86(2)	0	-	8	0.4	82	0	-	0.3	0	0.25
7/02	-	-	-	-	-	-	0.4	82	0	-	0.3	2	-
7/09	0.7	0	85(-)	0	-	2	0.3	74	0	-	0.2	0	-
7/16	-	-	-	-	-	-	0.5	86	0	-	0.3	0	-
7/23	0.7	0	86(-)	0	-	4	0.4	82	0	-	0.3	0	-
7/30	-	-	-	-	-	-	0.4	78	0	-	0.2	0	0.21
8/6	0.6	0	84(-)	0	-	-	0.3	78	0	-	0.3	0	-
8/13	-	-	-	-	-	-	0.3	78	0	-	0.2	0	-
8/20	0.6	0	83(-)	0	-	4	0.3	74	0	-	0.2	0	-
8/27	-	-	-	-	-	-	0.3	82	0	-	0.3	0	0.07
9/3	0.5	0	88(2)	0	-	4	0.3	74	4	-	0.2	0	-
9/10	-	-	-	-	-	-	0.3	70	0	-	0.2	0	-
9/17	0.5	0	85(2)	0	2	2	0.3	82	0	-	0.2	0	-
9/25	-	-	-	-	-	-	0.3	70	0	-	0.2	0	0.09
10/1	0.5	0	85(3)	0	-	-	0.2	82	0	-	0.2	0	-
10/8	-	-	-	-	-	-	0.3	65	0	-	0.2	0	-
10/15	0.4	0	86(6)	0	-	4	-	-	-	-	0.2	0	-
10/22	-	-	-	-	-	-	-	-	-	-	0.2	0	-
10/29	0.5	0	88(2)	-	-	4	-	-	-	-	0.2	0	0.25
11/5	-	-	-	-	-	-	-	-	-	-	0.3	1	-
11/12	0.5	5	88(2)	4	-	-	-	-	-	-	0.6	70	-
11/19	-	-	-	-	-	-	-	-	-	-	0.3	30	-
11/26	0.5	12	91(-)	4	-	-	-	-	-	-	0.1	0	0.63
12/3	-	-	-	-	-	-	-	-	-	-	0.3	41	-
12/10	0.8	10	92(2)	6	-	-	-	-	-	-	0.3	0	-
12/17	-	-	-	-	-	-	-	-	-	-	0.3	26	-
12/24	0.5	17	92(2)	8	-	-	-	-	-	-	0.3	0	-
12/31	-	-	-	-	-	-	-	-	-	-	0.6	71	0.08
1/07	0.8	11	91(2)	6	-	2	-	-	-	-	0.3	17	-
1/14	-	-	-	-	-	-	-	-	-	-	0.5	46	-
1/21	0.6	16	92(2)	10	6	-	-	-	-	-	0.4	34	-
1/28	-	-	-	-	-	-	-	-	-	-	0.5	0	-
2/4	0.7	23	91(2)	18	-	16	-	-	-	-	-	-	-

* Back data will become available at a later date

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CHELSEA NEVADA

PERIOD ENDING SUNDAY	RETAIL AUDITS				ICC		ICC - C-STORE		MSA	
	% EFFECTIVE DISTRIBUTION	% STORE FREE LIGHTER W/10 IF W/2 PACKS	% STORES		SHARE	% SALES ON PROMO	SHARE	% SALES ON PROMO	MONTHLY SHARE	
9/26					0.3	0			0.46	
402	34	-			0.1	0				
409					0.1	0				
418					0.3	0				
423	6				0.2	0				
430					0.3	0	0.6	0	0.65	
577	72	14			0.4	0				
514					0.3	0				
521	6				0.3	0				
528					0.3	0	0.2	0	0.30	
54	70	6			0.2	0				
611					0.3	0				
618	70	0			0.2	0				
625					0.3	0	0.1	0	0.19	
702	74	0			0.2	0				
709					0.3	0				
716	66	0			0.2	0				
723					0.3	0	0.1	0	0.21	
730	70	0			0.2	0				
805					0.2	0				
813	66	0	10		0.2	0				
820					0.2	0	0.1	0	0.15	
827	74	0	10		0.2	0				
83					0.2	0	0.1	0	0.15	
810	72	0	6		0.2	0				
817					0.1	0				
925	72	0	6		0.2	0				
10/1					0.2	0				
10/8	72	0	2		0.2	0	LT 0.1	0	0.37	
10/15					0.3	0				
10/22	72	0			0.2	0				
10/28					0.2	0				
11/5	72	6			0.2	0	LT 0.1	0	0.36	
11/12					0.2	0				
11/19	73	6			0.2	0				
11/26					0.1	0				
12/3	76	33			0.2	0	LT 0.1	0	0.14	
12/10					0.3	0				
12/17	76	20			0.3	1				
12/24					0.2	0				
12/31	71	16			0.2	0				
1/7					0.3	0				
1/14	71	4	4		0.2	0				
1/21					0.2	0				
1/28	71	2	24		0.2	0				

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CHELSEA TAMPA/ORLANDO

07-Feb

RETAIL AUDIT										INFO SCAN			USA	
PERIOD	ENDNG	% OFF	STORES	% STORES	% STORES	% STORES	% STORES	% STORES	% STORES	% STORES	% STORES	% STORES	% SALES	MONTHLY
SUNDAY	DIST	W/1G1F	W/2 PKGS	FREE LIGHTER	\$1.00 OFF	\$1.00 A	\$1.00 A	\$1.00 A	\$1.00 A	\$1.00 A	\$1.00 A	\$1.00 A	ON PR	SHARE
3/20														
4/02	22	-											0.4	0.42
4/09													0.9	0.43
4/16													1.1	0.26
4/23	04	14											0.8	0.27
4/30													0.7	0.58
5/7	06	26											1.1	0.6
5/14													0.6	0
5/21	04	16											0.7	0
5/28													0.6	0.27
6/4	02	12											0.5	0
6/11													0.5	0
6/18	06	8											0.7	0.19
6/25													0.5	0
7/2	05	4											0.5	0
7/9													0.5	0
7/16	06	2											0.5	0
7/23													0.5	0
7/30	08	4											0.5	0.39
8/6													0.5	0
8/13	06	0	14										0.5	0
8/20													0.5	0
8/27	08	2	28										0.7	0.27
9/3													0.5	0
9/10	06	22											0.5	0
9/17													0.5	0
9/24	06	20											0.4	0.16
10/1													0.3	0
10/8	08	18											0.4	0
10/15													0.3	0
10/22	08	10											0.4	0.47
10/29													0.3	0
11/5	08	12	6										0.7	0.51
11/12													0.5	0
11/19	08	28	4										0.6	0
11/26													0.9	0
12/3	06	32	2										1.0	0.09
12/10													0.4	0
12/17	08	28											0.7	0
12/24													0.6	0
12/31	02	18											0.9	0
1/7	08	6	4										0.9	0
1/14													1.2	0
1/21	08	-	6										1.1	0
1/28													1.2	0

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