

January 19, 1996

*The Closing Bell Falls on Deaf Ears*

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For Further Information

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Strong Sell Recommendation

General Nutrition Companies, Inc ("GNCI") (Price: \$20.625)

We strongly believe that GNCI's business will not continue to grow as investors are anticipating. To the contrary, we believe that GNCI's business will deteriorate. In addition to concerns about the value and safety of GNCI's products, we strongly question the long-term viability of a large retail chain exclusively devoted to what was yesterday called a fad and quackery by Federal health officials. We view the National Institute of Health's decision to release yesterday's studies in a press conference as opposed to the traditional publication in medical journals as a clear sign that the government is opposed to the vitamin industry's continuing attempts to create new products based on unsubstantiated health claims.

This morning's market action shows the unwillingness of large institutional holders to sell their stock. Investors continue to listen to analysts who have no choice but to continue to recite the Company's position. We believe that there is no reason to hold these shares. Management sold stock, the market is saturated, and the Company's business is very controversial. We recommend that this stock be sold.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.