



R.J. Reynolds Tobacco Company wins price discrimination lawsuit

Winston-Salem, N.C. - June 3, 2005 – R.J. Reynolds Tobacco Company applauds today’s ruling dismissing an antitrust lawsuit brought by Smith Wholesale Co., Inc. of Tenn., 19 other wholesalers, and the states of Tennessee and Mississippi claiming the company’s wholesale program is discriminatory.

“We were always confident we would prevail in this case,” said Darryl R. Marsch, senior counsel for R.J. Reynolds. “Our wholesale program is fair and our discounts are available to all of our wholesalers regardless of size. Antitrust experts generally recommend market-share based discount programs like R.J. Reynolds’ because they are ‘size-blind.’”

In granting summary judgment, U.S. District Judge J. Ronnie Greer of the U. S. District Court for the Eastern District of Tennessee (Greeneville) stated: “... because the plaintiffs did not take advantage of a lower price or discount which was functionally available on an equal basis, no price discrimination has occurred.”

The plaintiffs had sought unspecified damages.

[R.J. Reynolds Tobacco Company](#) (R.J. Reynolds) is an indirect wholly owned subsidiary of [Reynolds American Inc.](#) (NYSE: RAI). R.J. Reynolds is the second-largest tobacco company in the United States, manufacturing about one of every three cigarettes sold in the United States. R.J. Reynolds’ product line includes five of the nation’s 10 best-selling cigarette brands: Camel, Winston, Kool, Salem and Doral. For more information about R.J. Reynolds, visit the company’s Web site at www.RJRT.com.

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