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R.J. Reynolds Tobacco Company and Piedmont Triad Research Park mark milestone in downtown development

Winston-Salem, N.C. – April 7, 2010 – R.J. Reynolds Tobacco Company (R.J. Reynolds) and Piedmont Triad Research Park (PTRP) announced today that they had reached a milestone in downtown development, with R.J. Reynolds essentially completing its pledges since 2002 of gifting approximately 38 acres of downtown properties to the research park. In addition, R.J. Reynolds today donated \$2 million to PTRP for unrestricted use in the research park's long-term expansion.

The gifted properties are worth approximately \$19 million. The last major piece of property to be transferred to the PTRP was the Bailey power plant property, located between Fourth and Chestnut streets. R.J. Reynolds stopped using the coal-fired power plant in 1997, but it continued to use the property as a site for emergency power generators, which will be relocated to other company property.

In December 2005, R.J. Reynolds completed an initial donation of 16 acres in downtown Winston-Salem to PTRP, and also pledged to give the research park an additional 22 acres, including the Bailey power plant property. One final parcel of land still has to be transferred to PTRP — a small part of the company's gifted property on Martin Luther King Jr. Boulevard and Linden Street that is currently being used as a forklift maintenance facility. R.J. Reynolds is working with the state to facilitate the creation of a new onramp to U.S. 52, which will incorporate part of that property. Once that project is completed, expected in the fall of 2010, that final section will be officially handed over to PTRP.

"R.J. Reynolds has long supported the local community and Winston-Salem's economic development, and today's announcement underscores the company's commitment to play an important role in downtown revitalization," said Susan M. Ivey, chairman, president of chief executive officer of Reynolds American Inc., the parent company of R.J. Reynolds.

"The property transfer, as well as the \$2 million donation, will allow PTRP to continue its master-plan expansion and realize its vision of creating a vibrant life-sciences research and product development complex downtown," she said. "I'm delighted at the prospect of new life being given to these properties."

Douglas L. Edgeton, president of PTRP, thanked Ivey and R.J. Reynolds. "This kind of partnership is key to the success of Winston-Salem, and the company's latest property gift and financial donation will be a tremendous boost for the research park's expansion." Edgeton is also executive vice president for administration of Wake Forest University Baptist Medical Center.

Plans for the expansion of the research park to about 230 acres over 30 years were announced in 2002. The research park currently owns about 172 acres.

Edgeton said that the research park plans to convert the power plant building, rather than demolish it, and is working through a master-planning development process to attract a developer.

"This property has a unique character and will attract a variety of tenants who are interested in creative uses for this space. The building could be well suited for a number of uses, such as a library, museum, entertainment venue, restaurants or shops. Redevelopment will not happen overnight, but hopefully over the next five years or so you will see a major transformation in this historic Northern District property. We also hope to use a variety of tax credits in the redevelopment," Edgeton said.

Mayor Allen Joines welcomed the announcement on behalf of the city of Winston-Salem. "The handover of additional property and the financial donation to the research park is the continuation of a long series of actions that Reynolds American and R.J. Reynolds have taken in support of the PTRP," he said. "I am personally very grateful to Reynolds and Susan Ivey for their continued support of this very critical project in the rebuilding of Winston Salem's economy."

Web Disclosure

RAI's Web site, www.ReynoldsAmerican.com, is the primary source of publicly disclosed news about RAI and its operating companies. We use the Web site as our primary means of distributing quarterly earnings and other company news. We encourage investors and others to register at www.ReynoldsAmerican.com to receive alerts when news about the company has been posted.

[R.J. Reynolds Tobacco Company](http://www.RJRT.com), an indirect subsidiary of [Reynolds American Inc.](http://www.ReynoldsAmerican.com) (NYSE: RAI), is the second-largest tobacco company in the United States, manufacturing about one of every three cigarettes sold in the country. The company's brands include five of the 10 best-selling U.S. cigarette brands: Camel, Pall Mall, Winston, Kool and Doral. For more information, visit www.RJRT.com.

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