



R.J. Reynolds Tobacco Company
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RJRT 2014-02

R.J. Reynolds Tobacco Company announces sale of iconic Reynolds Building

WINSTON-SALEM, N.C. – May 22, 2014 – R.J. Reynolds Tobacco Company (RJRT) today announced that it has sold the historic Reynolds Building to a partnership consisting of PMC Property Group and Kimpton Hotels & Restaurants for \$7.8 million. The building will be converted into a mixed-use building consisting of a boutique hotel, restaurant and upscale apartments.

“From the beginning our goal was to take extra time, care and effort ensuring we did this the right way. We wanted to come to the best result, not only for us but also for the city of Winston-Salem and the building itself, considering its historic significance,” said Andrew D. Gilchrist, president and chief commercial officer of RJRT. “We are confident that we have found the right owners to successfully transform this beautiful building while still honoring its place in the community, and once again make the Reynolds Building a centerpiece of downtown activity.”

Located in downtown Winston-Salem, N.C., the Reynolds Building is a 22-story art-deco style building completed in 1929. Designed by the highly acclaimed New York architectural firm of Shreve and Lamb, the Reynolds Building was selected as the 1929 Building of the Year by the National Association of Architects and later served as the model for the Empire State Building.

“We are very excited to be in Winston-Salem and to have such a magnificent building to offer as part of our collection of boutique hotels,” said Mike Depatie, Kimpton’s chief executive officer. “Our guests want to feel like they are part of a community when they stay with us and the Reynolds Building is full of the rich history and elegance that reflects the City of Winston-Salem.”

Ron Caplan, president and founder of Philadelphia-based PMC Property Group, added, “We have had our eye on downtown Winston-Salem for a number of years, and we are ecstatic that our first foray into the city is such an important landmark as the Reynolds Building. We are looking forward to bringing our upscale residential living experience to the area and introducing a dynamic, downtown destination with our partner, Kimpton Hotels.”

The sale of the Reynolds Building is the latest in a series of economic development-related transactions by RJRT to help support the transformation of downtown Winston-Salem and its surrounding communities. Some examples include RJRT’s donation of 38 acres and several buildings, including the historic Bailey Power Plant, in downtown Winston-Salem to Piedmont Triad Research Park. RJRT also donated 360 acres of prime commercial real estate to the Davie County Economic Development Corporation and 30 acres in Rural Hall to Winston Salem Business Inc. RJRT has sold several key properties that will be used for economic development, including the aviation hanger at Smith Reynolds Airport and several other properties in the downtown area to support the development of the Innovation Quarter.

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 website 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, an indirect subsidiary of Reynolds American Inc. (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, Doral and Kool. For more information, visit www.RJRT.com.

San Francisco-based Kimpton Hotels & Restaurants is the leading collection of boutique hotels and restaurants in the United States and the acknowledged industry pioneer that first introduced the boutique hotel concept to America. The company is highly-regarded for its innovative employee culture and benefits and has been named a Fortune magazine "Best Place to Work" five times since 2009. Kimpton is continuously growing and currently operates 60 hotels and nearly 70 restaurants, bars and lounges in 26 cities. For more information, visit www.KimptonHotels.com and www.KimptonRestaurants.com.

Philadelphia-based PMC Property Group is a vertically integrated real estate development company, focusing on the renovation and adaptive reuse of urban commercial buildings into modern residential apartments and commercial uses. PMC specializes in discovering unique opportunities in under-utilized and overlooked urban properties throughout the East Coast corridor and transforming them into thriving rental communities and commercial spaces. PMC operates in 13 cities in eight states. For more information, visit Corporate.PMCPropertyGroup.com.

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