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R.J. Reynolds Tobacco Company Sues Washington Over Ban on Cigarette Promotions To Adult Smokers

Company Says Sampling Ban Violates First Amendment and Federal Law

Winston-Salem, N.C. – April 21, 2006 – R.J. Reynolds Tobacco Company today filed suit in U.S. District Court for the Western District of Washington (Tacoma Division) to overturn a recently enacted state law prohibiting tobacco companies from sampling products to adult smokers in bars, nightclubs and other adult-only venues.

In its court filing, R.J. Reynolds contends the new law, approved by Gov. Gregoire on March 9, violates the First Amendment and is preempted by the Federal Cigarette Labeling and Advertising Act, the federal law that bars states from regulating cigarette advertising and promotion.

“The new law says that its purpose is to protect minors, but Washington law already prohibits cigarette sampling where minors may be present,” says Darryl R. Marsch, senior counsel for R.J. Reynolds. “The new law is an unconstitutional attempt to prevent us from using an accepted form of product promotion with adult smokers.”

Marsch notes the Supreme Court has held that product sampling is a form of communication protected by the First Amendment, and federal courts have ruled that cigarette sampling bans are preempted by federal law.

R.J. Reynolds says in its filing that forms of cigarette advertising and promotion are sharply restricted by the Master Settlement Agreement (MSA). However, the MSA does not bar sampling in adult-only venues.

“Sampling in adult-only facilities is an effective and responsible way for us to communicate with adult smokers,” Marsch says.

The new law is due to take effect on June 7. R.J. Reynolds will ask the federal court for a hearing on its lawsuit before that date.

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, Kool, Winston, Salem and Doral. For more information, visit www.RJRT.com.

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