



R.J. Reynolds Tobacco Company
P.O. Box 2959
Winston-Salem, NC 27102

Contact: David Howard
(336) 741-3489

RJRT 2006-14

Georgia Supreme Court Bars Punitive Damages from Individual Smoking and Health Lawsuits

Winston-Salem, N.C. – March 14, 2006 – R.J. Reynolds Tobacco Company is pleased with yesterday's ruling by the Georgia State Supreme Court that the Master Settlement Agreement (MSA) bars punitive damages in individual smoking and health lawsuits in Georgia.

"The Court determined that, under Georgia law, punitive damages are a matter of public interest and when a state dismisses its claim for those damages in a consent decree, individuals are bound and may not recover them on their own," said Martin L. Holton III, senior vice president and deputy general counsel – litigation for R.J. Reynolds. "We obviously are pleased with the decision."

In the *Gault* case, the family of Clara Gault Freeman, who died of lung cancer in 2001, has brought a product liability action against the former Brown & Williamson Tobacco Corporation (B&W's domestic tobacco business merged with R.J. Reynolds Tobacco Company on July 31, 2004) seeking compensatory and punitive damages. The case will now return to a federal district court for further handling.

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.

###