



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

Contact: Fred McConnell
(336) 741-7405

RJRT 2006-29

R.J. Reynolds Tobacco Company, Attorneys General Agree on Flavored Cigarette Marketing Guidelines

WINSTON-SALEM, N.C. – Oct. 11, 2006 – R.J. Reynolds Tobacco Company and a multi-state group of attorneys general announced a collective agreement on the future marketing of specialty “flavored” cigarettes to adult smokers.

“This agreement codifies R.J. Reynolds’ practice for some time of not using language describing fruit or candy flavors in magazine and newspaper advertising, or point-of-sale communications in non-age-restricted venues,” said Lynn J. Beasley, R.J. Reynolds’ president and chief operating officer.

In addition to the conditions of the agreement, which are specific to the company’s specialty blends, R.J. Reynolds announced it will voluntarily extend comparable guidelines to all of its brands.

“We believe that this agreement and our new policy is responsible, appropriate and resolves the issues that have been of concern,” Beasley said.

Under the agreement, other than in adult-only venues and communications, R.J. Reynolds’ specialty blends will not use the name of a fruit, candy or alcoholic beverage in the future naming of its cigarette brand styles. R.J. Reynolds further agreed to limit its use of fruit, candy and alcoholic beverage names and images in a variety of non age-restricted marketing communications.

Most of R.J. Reynolds’ specialty “flavored” cigarettes were marketed as part of the Camel Exotic Blend family of styles, which were originally introduced in 1999 as a super-premium priced product. In total, these styles represented less than 1/10th of one percent of the company’s annual cigarette volume. In May, R.J. Reynolds ceased manufacturing the last three of its remaining Camel Exotic Blends.

“We recognize that the past use of certain names on a limited number of our brand styles resulted in unintended perceptions and concerns. Today’s agreement is the appropriate step in resolving these perceptions and this issue,” Beasley said.

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.

###