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R.J. Reynolds Tobacco Company, other tobacco manufacturers, retailer, file suit challenging provisions of FDA Tobacco Act

Winston-Salem, N.C. – Aug. 31, 2009 – R.J. Reynolds Tobacco Company joined other tobacco manufacturers and a tobacco retailer in filing suit today in federal court in Bowling Green, Ky., seeking to protect their First Amendment right to communicate with adult tobacco consumers about their products. The law passed by Congress in June, granting the U.S. Food & Drug Administration (FDA) regulatory oversight over tobacco products, contains several provisions restricting or banning truthful speech, contrary to the requirements of the First Amendment.

“This suit does not challenge Congress’ decision to give the FDA regulatory authority over tobacco products, nor does it challenge the vast majority of the provisions of the new law,” said Martin L. Holton III, senior vice president and general counsel for R.J. Reynolds. “However, the law contains provisions that severely restrict the few remaining channels we have to communicate with adult tobacco consumers and, in our opinion, cannot be justified on any basis consistent with the demands of the First Amendment.”

Holton adds, “The law also contains provisions that chill our ability to participate in the broader public policy dialogue over the future of tobacco products in this country. Reynolds believes that governments, public health officials, tobacco manufacturers and others can and should play a role in providing adult tobacco consumers with accurate information about the various health risks and comparative risks associated with the use of different tobacco and nicotine products. This suit seeks to confirm that Reynolds’ ability to participate in that important dialogue has not been shut down.”

With respect to the remaining provisions of the new law, R.J. Reynolds stands ready to work with the FDA on its many important tasks and duties. “Moving forward, we will work with the FDA’s Center for Tobacco Products to affect an overall regulatory structure that has the potential to improve public health and is practical in its application, given that more than 40 million adult Americans consume tobacco products,” Holton said.

Joining R.J. Reynolds in the suit is Conwood Company, LLC. R.J. Reynolds and Conwood are operating companies of Reynolds American Inc. Other plaintiffs in the case are Commonwealth Brands, Inc., Lorillard, Inc., National Tobacco Company, L.P. and Discount Tobacco City & Lottery, Inc. The suit was filed in U.S. District Court for the Western District of Kentucky, Bowling Green Division.

Web Disclosure

Starting Jan. 1, 2010, RAI’s Web site, www.ReynoldsAmerican.com, will be the primary source of publicly disclosed news about RAI and its operating companies. In this way, RAI will comply with its disclosure obligations under SEC Regulation FD.

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

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