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## **R.J. Reynolds Tobacco Company wins complete defense verdict in Missouri hospitals lawsuit**

**WINSTON-SALEM, N.C. – April 29, 2011** – R.J. Reynolds Tobacco Company, a subsidiary of Reynolds American Inc. (NYSE: RAI), is very pleased with today's jury verdict in favor of the company and other cigarette manufacturers in a case brought by 37 Missouri hospitals (City of St. Louis v. American Tobacco, et al.). After a three month trial, the jury concluded that Reynolds' products were not defective or unreasonably dangerous. Plaintiffs' attorneys had asked the jury to award \$455 million in damages.

"We applaud the jury's verdict," said J. Jeffery Raborn, vice president and assistant general counsel for R.J. Reynolds. "The jury carefully evaluated all the evidence presented, used their common sense and came to the right decision. They recognized that cigarettes are not defective or unreasonably dangerous simply because they contain nicotine."

The hospitals filed suit in 1998 seeking to recover unreimbursed healthcare costs for treatment of smokers who did not pay all of their bills. The plaintiff hospitals claimed they suffered financial damages as a result of treating these patients.

The trial was held in the Circuit Court of the City of St. Louis.

### **Web Disclosure**

RAI's website, [www.reynoldsamerican.com](http://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](http://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 six of the 10 best-selling U.S. cigarette brands: Camel, Pall Mall, Winston, Kool, Doral and Salem. For more information, visit [www.rjrt.com](http://www.rjrt.com).

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