



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

Contact: David Howard
(336) 741-3489

RJRT 2015-02

R.J. Reynolds Tobacco Company and other manufacturers reach favorable resolution of hundreds of *Engle* progeny cases in Florida federal courts

WINSTON-SALEM, N.C. – Feb. 25, 2015 – R.J. Reynolds Tobacco Company announced today that it, Philip Morris and Lorillard have successfully negotiated an agreement to resolve virtually all *Engle* progeny cases pending and not yet tried in the Florida federal courts. These individual smoking and health cases arose out of the so-called *Engle* class action in Florida.

Under the terms of the agreement, R.J. Reynolds will pay \$42.5 million to resolve these federal cases. Philip Morris will pay an equal amount and Lorillard will pay \$15 million. The agreement only covers cases pending in federal court and does not apply to the cases pending against R.J. Reynolds, Philip Morris and Lorillard in the state courts across Florida.

"This agreement presented a unique opportunity to essentially close out the federal docket, and we are pleased to put the federal *Engle* litigation behind us," said Jeff Raborn, vice president and assistant general counsel for R.J. Reynolds. "With respect to the cases pending in state court, we will continue to defend them vigorously, which includes appealing adverse verdicts."

The federal court agreement is subject to the approval of all of the individual plaintiffs in the cases covered by the agreement, and will not become final unless all agree to participate or the parties otherwise agree. All further activity in federal court will be stayed pending implementation and approval of the agreement. The agreement does not apply to cases in federal court that have already been tried or are pending on appeal.

R.J. Reynolds Tobacco Company, an indirect subsidiary of Reynolds American Inc. (NYSE: RAI), is the second-largest tobacco company in the United States. R.J. Reynolds' brands include two of the best-selling cigarettes in the United States: Camel and Pall Mall. These brands, and its other brands, including Winston, Kool, Doral, Salem, Misty and Capri, are manufactured in a variety of styles and marketed in the United States. For more information, visit www.RJRT.com.

###