



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

Contact: David Howard
(336) 741-3489

RJRT 2015-07

R.J. Reynolds Tobacco Company signs vapor technology term sheet with British American Tobacco

WINSTON-SALEM, N.C. – Sept. 22, 2015 – R.J. Reynolds Tobacco Company, an indirect subsidiary of Reynolds American Inc. (NYSE: RAI), announced today that it has signed a technology-sharing term sheet with British American Tobacco (Holdings) Limited (BAT).

The term sheet provides a framework for collaboration and mutual cross-licensing of vapor product technologies through 2022. Specifics of the agreement have not yet been finalized by the companies, but the term sheet is the first step in reaching a definitive agreement under which R.J. Reynolds and BAT will collaborate to develop next-generation vapor products.

The companies' collaboration will include a process for joint research and development (R&D) activities, and cooperation on regulatory, scientific and manufacturing issues related to vapor products. R.J. Reynolds and BAT continue to negotiate the specifics of their agreement, with a goal of reaching a definitive contract by the end of 2015.

“This proposed technology-sharing agreement makes great business sense as we lead the transformation of the tobacco industry, allowing us to continue to deliver innovative, high-quality vapor products to adult tobacco consumers seeking smoke-free alternatives,” said Debra Crew, R.J. Reynolds' president and chief commercial officer.

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 three of the best-selling cigarettes in the United States: Newport, Camel and Pall Mall. These brands, and its other brands, including Doral, Misty and Capri, are manufactured in a variety of styles and marketed in the United States. For more information, visit www.RJRT.com.

###