

RJReynolds

Statement regarding Study of Camel No. 9 advertising

March 10, 2010

Minors should never use tobacco products and adults who do not use or have quit using tobacco products should not start. That is a guiding principle of R.J. Reynolds Tobacco Company. R.J. Reynolds adheres to numerous restrictions on how it markets its tobacco products and does not take any action to target youth.

Camel No. 9 was developed in response to female adult smokers, both of Camel and of competitive brands, who were asking for a product that better reflected their taste preferences and style.

The recently published study in the journal *Pediatrics* asserts that it is analyzing advertising for Camel No. 9, but it is based on a series of surveys that do not appear to have asked any of the participants whether they in fact ever saw a single Camel No. 9 advertisement. The study also asserts that Camel's overall market share "increased sharply" after the launch of Camel No. 9, but that is not factually correct. Market share for all of Camel's filtered cigarettes for the year 2007 was 7.78, for 2008 it was 7.65 and for 2009 it was 7.53.

Moreover, according to the most recent market share data (January 2010), Camel No. 9's share of the cigarette market is slightly more than one-quarter of 1 percent (0.26%). Since its launch in 2007, Camel No. 9 has never had more than a 0.60 percent share of the cigarette market. Additionally, the study references that the Federal Trade Commission (FTC) is investigating Camel No. 9, but fails to mention that the FTC closed their investigation in June 2009 with no complaint being filed.

When Camel No. 9 was launched in 2007, all magazine advertisements for it appeared in publications whose readership was at least 85 percent age 18 or older. More importantly, R.J. Reynolds has not run any print advertising for cigarettes, including Camel No. 9, for more than two years and there has been no in-store advertising for Camel No. 9 since 2008.

According to the Monitoring the Future Survey conducted by the Institute for Social Research at the University of Michigan, youth smoking rates are at historic lows, and those rates have continued declining since 2007 when Camel No. 9 was introduced, including among females nationally between 2007 and the most recent data published which includes 2009.

We welcome discussions with any interested parties regarding Camel No. 9 or any of our marketing practices. Open and objective discussions have the greatest potential to yield an acceptable environment for all.

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