



Reynolds American Inc.
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RAI 2012-09

RAI announces dividend increase of 5.4 percent and issues results of 2012 shareholders' meeting

WINSTON-SALEM, N.C. – May 3, 2012 – Reynolds American Inc. (NYSE:RAI) announced today that its board of directors approved an increase of 5.4 percent in the quarterly cash dividend on the company's common stock to \$0.59 per share (\$2.36 per share annualized) from \$0.56 per share (\$2.24 per share annualized).

The dividend will be payable on July 2, 2012, to shareholders of record on June 11, 2012.

"This increase further demonstrates our commitment to returning shareholder value, and is in line with the company's policy of returning about 80 percent of net income to shareholders in the form of dividends," said Thomas R. Adams, chief financial officer of Reynolds American.

This is the 32nd consecutive quarterly cash dividend and the ninth dividend increase that Reynolds American has declared since it became a public company on July 30, 2004.

In addition, RAI announced that at their annual meeting today, shareholders:

- Re-elected six directors;
- Approved, on an advisory basis, the compensation of named executive officers;
- Approved an amendment to RAI's Articles of Incorporation implementing a majority voting standard in uncontested director elections;
- Ratified the appointment of KPMG LLP as independent auditors for RAI's 2012 fiscal year; and
- Defeated the sole shareholder proposal.

Re-elected today as Class II directors (with terms that expire in 2015) were: Thomas C. Wajnert, John P. Daly, Holly K. Koeppel, H.G.L. (Hugo) Powell and Richard E. Thornburgh. Also re-elected was H. Richard Kahler as a Class I director (with a term that expires in 2014).

The final voting results for each of the proposals voted on at the annual meeting will be reported on a Current Report on Form 8-K, in accordance with the rules of the Securities and Exchange Commission.

Web Disclosure

RAI's website, 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 to receive alerts when news about the company has been posted.

About Us

Reynolds American Inc. (NYSE: RAI) is the parent company of R.J. Reynolds Tobacco Company; American Snuff Company, LLC; Santa Fe Natural Tobacco Company, Inc.; and Niconovum AB.

- R.J. Reynolds Tobacco Company is the second-largest U.S. tobacco company. The company's brands include many of the best-selling cigarettes in the U.S.: Camel, Pall Mall, Winston, Kool, Doral and Salem.
- American Snuff Company, LLC is the nation's second-largest manufacturer of smokeless tobacco products. Its leading brands are Grizzly and Kodiak.
- Santa Fe Natural Tobacco Company, Inc. manufactures Natural American Spirit cigarettes and other additive-free tobacco products.
- Niconovum AB markets innovative nicotine replacement therapy products in Sweden under the Zonnic brand name.

Copies of RAI's news releases, annual reports, SEC filings and other financial materials, including risk factors containing forward-looking information, are available at www.reynoldsamerican.com.

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