

Reynolds American board boosts dividend

WINSTON-SALEM, N.C. – Oct. 6, 2009 – The board of directors of Reynolds American Inc. (NYSE: RAI) today announced a 5.9 percent increase (\$0.05 per share) in the company's quarterly cash dividend.

The new quarterly dividend on the company's common stock is \$0.90 per share (\$3.60 per share annualized). The board declared the dividend payable on Jan. 4, 2010, to shareholders of record on Dec. 10, 2009.

"I am very pleased to announce this dividend increase, which reflects the continued strength of our business," said Susan M. Ivey, RAI's chairman, president and chief executive officer. "The increase reaffirms our commitment to shareholders and maintains our policy of returning about 75 percent of the company's net income to our shareholders in the form of dividends."

This is the 22nd consecutive quarterly cash dividend that Reynolds American has declared since it became a public company on July 30, 2004.

Web Disclosure

Starting Jan. 1, 2010, RAI's Web site, www.ReynoldsAmerican.com, will be the primary source of publicly disclosed news about RAI and its operating companies. In this way, RAI will comply with its disclosure obligations under SEC Regulation FD. Those wishing to stay on top of company news should sign up for e-mail alerts by going to Shareholder Tools in the Web site's Investors Section.

ABOUT US

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

- R.J. Reynolds Tobacco Company is the second-largest U.S. tobacco company. The company's brands include five of the 10 best-selling cigarettes in the United States: Camel, Pall Mall, Kool, Winston and Doral.
- Conwood Company, LLC is the nation's second-largest manufacturer of smokeless tobacco products. Its leading brands are Kodiak, Grizzly and Levi Garrett. Conwood also sells and distributes a variety of tobacco products manufactured by Lane, Limited, including Winchester and Captain Black little cigars, and Bugler roll-your-own tobacco.
- Santa Fe Natural Tobacco Company, Inc. manufactures Natural American Spirit cigarettes and other additive-free tobacco products, and manages and markets other super-premium brands.

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

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