

## Camel Dissolvables Q&A's

### Introduction

1. R.J. Reynolds Tobacco Company is offering adult tobacco consumers the opportunity to enjoy new smoke-free, dissolvable tobacco products with the introduction of Camel Orbs/Sticks/Strips. Camel Orbs/Sticks/Strips are being made available to adult tobacco consumers in Portland, Ore., Columbus, Ohio and Indianapolis, Ind.
2. Camel Orbs/Sticks/Strips will compete in the small but growing smoke-free tobacco category of dissolvable tobacco. We expect interest from all adult tobacco consumers including both adult smokers and adult moist snuff users.
  - Unlike traditional moist snuff, which is fermented, and traditional dry snuff, which comes in a loose powder, Camel Orbs/Sticks/Strips consists of finely milled, heat-treated tobacco complemented with widely used flavors and common food-grade binders. With Camel Orbs, the tobacco is compressed to form the unique shape. With Camel Sticks, the tobacco is extruded into a rod. With Camel Strips, the tobacco is formed into a thin sheet.
  - Similar to R.J. Reynolds' first smoke-free product, Camel Snus, Camel Orbs/Sticks/Strips have a low salt and even lower moisture content, which means no spitting is required. However, unlike Camel Snus, Orbs/Sticks/Strips doesn't have bags or loose tobacco to dispose of – Orbs/Sticks/Strips dissolve completely in the mouth.
  - Camel Orbs/Sticks/Strips will be sold at retail in child-resistant plastic containers, 15/10/20 to a package.
3. Our research to-date has shown there is interest among adult tobacco consumers for a product like Camel Orbs/Sticks/Strips.
4. The launch of Camel Orbs/Sticks/Strips, along with the expanding availability of Camel Snus, reflects our desire to offer a variety of different tobacco products to adult tobacco consumers.

## General Q&A – All Audiences

### 1. What are Orbs/Sticks/Strips?

Camel Orbs/Sticks/Strips are smoke-free, dissolvable tobacco products that do not require spitting.

### 2. Can you help me understand where dissolvable tobacco fits in within the smokeless tobacco category?

Okay:

- Smokeless tobacco is a category.
- Within the smokeless category, there are several sub-categories, the best known of which is Moist Snuff.
- R.J. Reynolds has recently introduced new products that it calls "Modern Smoke-free" tobacco products. These products do not require spitting and are thus convenient alternatives for adult users of tobacco products.
- The first RJRT smoke-free tobacco product was Camel Snus. Now we are introducing dissolvable tobacco products, Camel Orbs, Strips, Sticks.
- Camel Orbs/Sticks/Strips is our first offering in the dissolvable tobacco product segment.
- Camel Orbs/Sticks/Strips are made of finely-milled tobacco, complemented with widely used food-grade flavors and common food-grade binders to shape the product.
- Orbs/Sticks/Strips dissolve in the mouth without the need to spit.

### 3. How does it not require spitting?

The way it is formulated. It has less moisture and salt than moist snuff - therefore it does not require spitting.

### 4. How do you use Camel Orbs/Sticks/Strips?

For optimal enjoyment, we recommend that you simply place one Camel Orb between the upper lip and gum, although placing between the lower lip and gum, or moving the product to different locations in your mouth during use, is fine. Then, just let it dissolve completely until it is gone or remove it from your mouth and dispose of it if you are satisfied before it fully dissolves.

Camel Sticks can be held in the mouth like a toothpick, or an adult tobacco consumer can break off a piece of the Camel Stick and place it in the mouth between the upper lip and gum. Placing between the lower lip and gum, or moving the product to different locations in the mouth during use is fine. Let it dissolve completely until it is gone or remove it from the mouth and dispose of it if satisfied before it fully dissolves.

Camel Strips should be placed on the tongue. Let it dissolve completely until it is gone or remove it from the mouth and dispose of it if satisfied before it fully dissolves.

**5. You talk about the dissolvable tobacco category. What other dissolvable tobacco products are on the market?**

Star Scientific launched Ariva in 2001, and Stonewall Hard Snuff in 2003. Both are currently on the market today. *(Refer inquiries about the products to Star Scientific)*

**6. Why Camel?**

Camel has a long history of innovation in the tobacco business and has a track record of providing adult tobacco consumers with innovative product choices; for example, Camel Crush, Camel Wides and Camel Snus.

Additionally, using a brand like Camel, one that has a long history and is widely recognized by adult smokers as a high-quality brand, provides the best chance for success with the introduction of innovative products like Sticks/Strips/Orbs.

**7. Where are the lead markets? How many stores are you in?**

The lead markets are in Columbus, Ohio; Portland, Oregon; and Indianapolis, Indiana. -- about 3000 stores in total

**8. How many styles of Camel Orbs/Sticks/Strips are being offered in the lead market cities?**

Orbs: Two. Fresh and Mellow.

Sticks: One. Mellow

Strips: One. Fresh

**9. How many Orbs/Sticks/Strips come in a pack?**

There are 15 Orbs/10 Sticks/20 Strips to a pack.

**10. Do Camel Orbs/Sticks/Strips contain tar and nicotine?**

Since Camel Orbs/Sticks/Strips are made of tobacco, of which nicotine is a natural component, they do contain nicotine. Since Camel Orbs/Sticks/Strips are smoke-free and do not burn, they do not produce tar.

- Camel Orbs contain about 1mg of nicotine per Orb
- Camel Sticks contain about 3.1mg of nicotine per Stick
- Camel Strips contain about .6mg of nicotine per Strip
- The amount of nicotine that a person gets will depend upon the manner and frequency of use

#### **11. How do these nicotine numbers compare to cigarettes?**

The amount of nicotine that a person gets from tobacco products depends on their frequency of use and how they use the product. Every smoker smokes differently.

A cigarette contains more tobacco than an Orb, Stick or Strip and therefore has more nicotine. In general, unsmoked cigarettes typically contain about 8 to 14 milligrams of nicotine. However, most of the nicotine in a cigarette is not absorbed by the smoker. Recent data suggest that smokers typically draw between .5 and 2.5 milligrams of nicotine from a cigarette.

When completely consuming an Orb or Strip, a smoker would be expected to get an amount of nicotine at the lower- to mid-range of that .5 to 2.5 average range from cigarettes. If a smoker completely consumed a Stick, they would be expected to get an amount of nicotine slightly above that range from smoking a cigarette – maybe as much as an additional .5 milligrams.

I have to repeat myself here – every smoker is different, and the same smoker behaves differently throughout the day. So these numbers will vary in individuals and are estimates.

#### **12. Why Columbus, Indianapolis and Portland?**

There are a number of things we considered when determining our lead markets for Camel Orbs/Sticks/Strips, including adult tobacco consumer audience (smokers, moist snuff, snus) and overall awareness of the Camel brand. Additionally, these were lead markets for Camel Snus and we believe they can serve as good indicators as to how dissolvable tobacco products will be received by adult tobacco consumers.

#### **13. What will be the cost at retail for a package of Camel Orbs/Sticks/Strips?**

We do not dictate retail prices. The price at retail will vary depending on the retail outlet. However, it is our expectation that they would probably be priced similar to that of a tin of Camel Snus.

#### **14. Is the launch of Orbs/Sticks/Strips a response to more and more cigarette restrictions?**

Convenience of their usage in places where cigarette smoking is not permitted is certainly something adult tobacco consumers tell us they are interested in. Camel Orbs/Sticks/Strips are in response to adult tobacco consumer demand for tobacco products they can enjoy in a variety of settings, without affecting others around them.

#### **15. Who is the expected consumer for Camel Orbs/Sticks/Strips? Smokers? Moist snuff users?**

We expect interest from both adult smokers and adult moist snuff users.

**16. Why Orbs/Sticks/Strips?**

Orbs/Sticks/Strips are consistent with our desire to offer differentiated tobacco products to adult tobacco consumers. The lead markets will provide an opportunity to learn about the potential business opportunity for Camel Orbs/Sticks/Strips, particularly since they do not require spitting or the disposal of pouches or spent tobacco and thus can be conveniently used in a variety of settings by adult tobacco consumers.

**17. Is the smokeless tobacco category growing in the United States?**

The overall smokeless category is growing, with gains in moist snuff offsetting declines in chewing tobaccos and dry snuff. The moist snuff segment of the smokeless tobacco category has been growing at an annual rate of about 5-7 percent in the United States over the last few years.

**18. Do you believe Orbs/Sticks/Strips offers risk-reduction compared to cigarettes?**

Adult tobacco consumers should have access to a range of tobacco, nicotine and cessation products and we believe they should be given information about the comparative risks of each product category.

There are a number of scientific studies that draw the conclusion that compared to cigarettes, smokeless tobacco products present less risk for a number of serious diseases. Adult tobacco consumers should be aware of these studies and the conclusions they draw.

We are making no health claims in the marketing of Camel Orbs/Sticks/Strips.

No tobacco product has been shown to be safe, and an individual's level of risk for serious disease is significantly affected by the type of tobacco product used as well as the manner and frequency of use.

U.S. Surgeon General Warnings are printed on packages of orbs, strips and sticks. Individuals should rely on the conclusions of the U.S. Surgeon General, the Centers for Disease Control and other public health and medical officials when making decisions regarding smoking or use of Camel Orbs/Sticks/Strips.

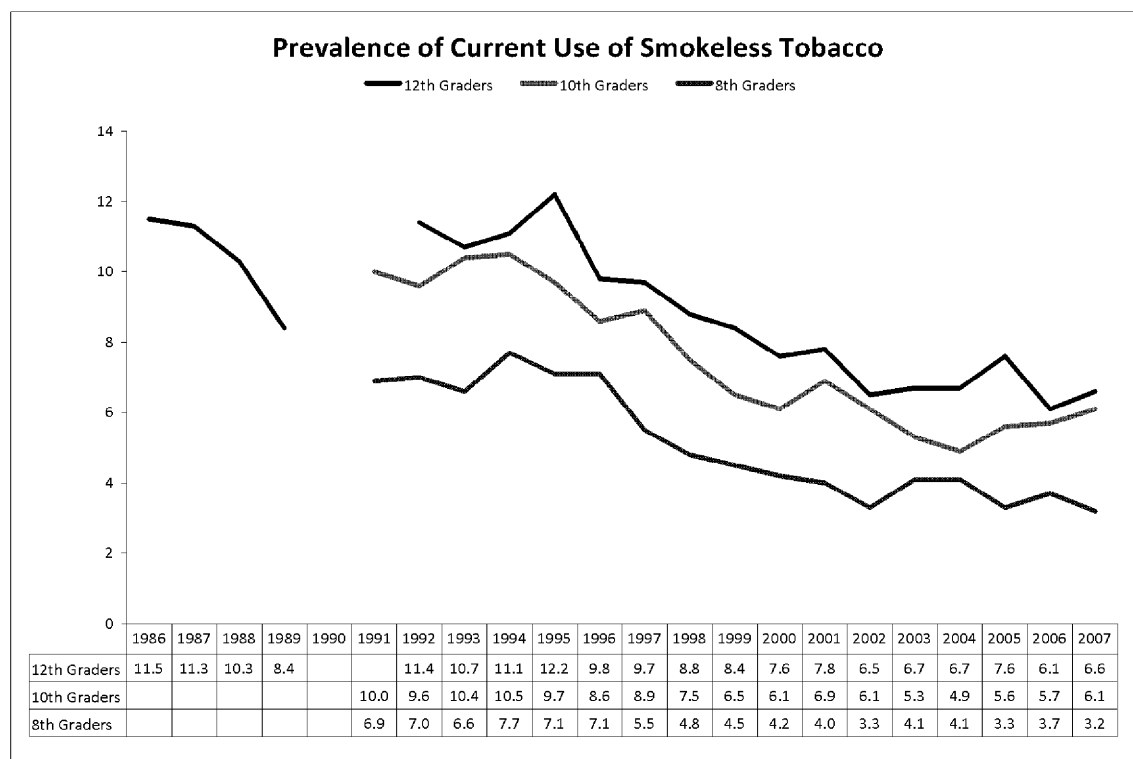
**19. Some critics may say this is a "gateway" product intended to induce consumers into tobacco consumption?**

Camel Orbs/Sticks/Strips are made for and marketed to adult tobacco consumers. Minors should never use tobacco products and adults who do not use or have quit using tobacco products should not start.

We will abide by all advertising and marketing restrictions for tobacco products under the MSA and Camel Orbs/Sticks/Strips will carry the appropriate warning labels.

Additionally, we will conduct research in the lead markets on usage of the products among adult tobacco consumers to gain insight on product usage.

**20. What are the trends among youth of smokeless tobacco usage?**



Source: University of Michigan "Monitoring the Future" study

**21. Why are you using the name "Orbs/Sticks/Strips?"**

The shape/design of the product lends itself to the name "Orbs"/"Sticks"/"Strips." In focus group testing, adult tobacco consumers also told us the name "Orbs"/"Sticks"/"Strips" best described the product.

**22. Where are you manufacturing the product?**

RJRT is manufacturing the Orbs and Sticks products at its facilities in Winston-Salem, North Carolina.

Camel Strips are manufactured under contract by a company that specializes in the manufacture of this type of product.

**23. Does this product need to be refrigerated at retail?**

Camel Orbs/Sticks/Strips do not require refrigeration.

**24. Do you have to keep the product refrigerated after purchase to ensure freshness?**

No. Camel Orbs/Sticks/Strips do not have to be refrigerated while in use or after you purchase.

**25. Does Camel Orbs/Sticks/Strips have a shelf-life or best-before date like Camel Snus?**

We will be testing the product's optimal shelf life in the weeks ahead and communicate that to our trade partners.

**26. Will you abide by the MSA U.S. Tobacco signed; doesn't that just apply to your cigarette business?**

We'll abide by advertising and marketing restrictions for cigarettes incorporated in the MSA of which R.J. Reynolds Tobacco Company is an original participating manufacturer.

**27. What about MSA payments?**

Payment obligations related to the MSA are based solely on cigarettes shipped.

**28. What about the smokeless MSA that UST signed – will you make payments?**

R.J. Reynolds Tobacco Company is not a signatory to that agreement. In the lead markets we will abide by the advertising and marketing restrictions applicable to tobacco products included in the MSA that R.J. Reynolds is a party to.

**29. You stated last year that you were pulling out of magazine advertisements. Does that decision apply to Orbs/Sticks/Strips as well?**

R.J. Reynolds did not advertise its cigarette brands in consumer print publications in 2008. This policy did not apply to advertising for smoke-free tobacco products.

**30. Why not?**

Adult tobacco consumers need to be made aware of new entries into the smoke-free tobacco market like Camel Snus and Camel Orbs/Sticks/Strips. If adult tobacco consumers don't know that the products exist, they obviously can't decide if they might be interested in trying them. .

**31. Does this change the litigation profile/open you up to new types of litigation risks?**

No. We don't see why it would. (*If pressed* - Historically, there has been little litigation concerning the health effects of smokeless tobacco products. Since all tobacco products carry health risks for adults who choose to use them, there is always the potential for legal challenges against tobacco manufacturers.)

**32. How will this product be taxed?**

Camel Orbs/Sticks/Strips will be taxed like other smokeless tobacco products. All applicable excise taxes will be paid.

**33. Is Conwood involved in this market launch?**

No. The launch is being conducted by R.J. Reynolds Tobacco Company.

**34. Will this launch of the dissolvable platform in these lead markets and/or its future expansion call for the production of these products by Conwood?**

I am not going to speculate on any plans we may or may not consider regarding Camel Orbs/Sticks/Strips moving forward.

**35. Where does the tobacco come from?**

The varieties and grades of tobacco used in the formulation of Camel Orbs/Sticks/Strips are common to tobacco products currently sold by R.J. Reynolds.

**36. Are you concerned about cannibalism of your current adult smokers, especially Camel smokers?**

We may find adult tobacco consumers may smoke at times and when they don't or can't smoke, they may use Camel Orbs/Sticks/Strips. Or, they may choose to use only Camel Orbs/Sticks/Strips. These are some of the learnings we expect to gather in the lead markets.

Bottom line, there are more than 40 million adult tobacco consumers in the United States. No matter what type of smokeless or dissolvable tobacco product is available, there will most likely still be adults who choose to smoke. It's sound business strategy that we offer a range of tobacco products to meet the needs/expectations of adult tobacco consumers. We believe our dissolvable tobacco products are a good business proposition.

**37. Where else besides the United States is dissolvable tobacco sold and how has it performed there?**

Dissolvable tobacco products are currently being marketed in Scandinavia. We are not aware of how the products are performing there.



## **Star Scientific Questions**

### **38. Is Camel Orbs/Sticks/Strips the first dissolvable tobacco product sold in the United States?**

No, Star Scientific was the first company to our knowledge to launch a dissolvable tobacco product in the United States with the introduction of Ariva in 2001 followed by Stonewall Hard Snuff in 2003. It is our understanding that both products are still in distribution. (Refer any specific questions on the products to Star Scientific)

### **39. How does your product differ from Ariva or Stonewall?**

Although Orbs/Sticks/Strips is a dissolvable tobacco product within the same category as Ariva and Stonewall and all are in a compressed form, Orbs/Sticks/Strips has its own proprietary tobacco blend, food-grade ingredients and manufacturing process.

### **40. Doesn't Star have a patent on the production of dissolvable tobacco?**

Our understanding is that Star has licenses to patents that involve smokeless tobacco technologies. Other companies are pursuing patent coverage in this field also, as is RJRT. Our attorneys have determined that the technologies for which Star has attempted to seek patent coverage are not the same types of technologies used by RJRT in its products.

### **41. Did you or the former Brown & Williamson Tobacco Company have an agreement with Star regarding the development of dissolvable tobacco products?**

The parties had an agreement regarding "Hard Tobacco" that terminated in 2004.

### **42. Aren't you and Star currently involved in a patent infringement suit? What is the status of that lawsuit?**

Star sued RJRT for patent infringement in 2001. The lawsuit involved technologies associated with RJRT's flue-cured tobacco curing barn conversion program. In 2007, a federal district court judge in Baltimore ruled that Star's patents are unenforceable due to Star's inequitable conduct before the patent office during the procurement of its patents. Star appealed to the Court of Appeals for the Federal Circuit in Washington, DC. On August, 25, 2008 the Federal Circuit Court of Appeals in Washington, DC (1) reversed the district court's ruling that the patents-in-suit were unenforceable due to inequitable conduct and (2) reversed the district court's ruling that the patents-in-suit were invalid for indefiniteness. RJRT has filed a petition to the court of appeals for a re-hearing and re-hearing en banc. If that petition is denied, RJRT intends to file a petition for writ of certiorari to the U.S. Supreme Court, asking the Court to review the reversal of the district court's decision.

## Stewardship/ Scientific Testing

### **43. Is Orbs/Sticks/Strips safer than smoking cigarettes? Is Orbs/Sticks/Strips safe? (Any similar health-related question)**

No tobacco product has been shown to be safe. We're not making any health claims about this product. There are inherent risks with the use of cigarettes, smokeless tobacco products and dissolvable tobacco products. An individual's level of risk for serious disease is significantly affected by the type of tobacco product used as well as the manner and frequency of use. U.S. Surgeon General Warnings are required to be printed on packaging for both categories of products. Individuals should rely on the conclusions of the U.S. Surgeon General, the Centers for Disease Control and other public health and medical officials when making decisions regarding smoking or use of smokeless tobacco such as Camel Orbs/Sticks/Strips.

### **44. From reading about your product, I understand that unlike many smokeless products Camel Orbs/Sticks/Strips will dissolve and be swallowed by the adult tobacco consumer, correct?**

It's true that Camel Orbs/Sticks/Strips will dissolve in the mouth and will be swallowed. However, Orbs/Sticks/Strips is not the only dissolvable tobacco on the market today. Using any smokeless tobacco product, including moist snuff or snus, also results in some tobacco and/or tobacco juice being swallowed by the adult tobacco consumer.

### **45. What testing have you done to determine whether these smokeless tobacco products present health risks to the consumer in addition to those risks known about smokeless tobacco products in general?**

RJRT either already has or is in the process of performing:

- extensive review of published literature on smokeless and dissolvable tobacco products
- chemical analyses of each product,
- short-term *in vitro* biological tests,
- short-term *in vivo* animal studies, and
- clinical studies in humans.

Based on this analysis, we believe that the risk of using dissolvable tobacco products is no greater than that of other smokeless tobacco products currently on the market. .

We will be conducting a series of additional studies through 2011 on all of our dissolvable products. RJRT plans to or is already conducting:

- additional clinical studies of the products
- chronic feeding study in animals of smokeless tobacco
- research with adult tobacco consumers (21 years of age and older) of its dissolvable tobacco products to learn more about interest in the products, migration from other types of tobacco products to dissolvable products, as well as possible risk reduction compared to the use of cigarettes.

Our Product Stewardship Program guides RJRT's research and development efforts and follows the fundamental principle that RJRT works to ensure that nothing it does or adds to any product increases the inherent risks associated with using that product.

**46. What testing have you done to determine whether swallowing these smokeless tobacco products present health risks to the consumer in addition to those risks known about smokeless tobacco products in general?**

RJRT has performed:

- extensive review of published literature on smokeless and dissolvable tobacco products
- chemical analyses of each product,
- short-term *in vivo* animal studies.

RJRT is currently conducting a long-term chronic feeding study in animals of smokeless tobacco.

**47. Why aren't you waiting to complete these additional studies before launching the test market?**

Existing animal feeding studies, scientific literature and studies performed by Brown & Williamson on dissolvable tobacco products prior to its merger with RJRT indicate that dissolvable tobacco products would not be expected to carry any greater risk than smokeless tobacco products currently on the market.

RJRT is conducting the chronic animal feeding study on tobacco to expand its knowledge base on the effects, if any, on the chronic consumption of tobacco compared to traditional smokeless tobacco products.

**48. What is known about "dual usage" of this and other products? I understand that if you switch from a higher-risk tobacco product to a lower-risk product, that could have a positive impact on public health. But what if smokers keep smoking the same number of cigarettes as before, and just augment their total tobacco intake with these new products?**

We are in the process of addressing these questions as part of ongoing research in the lead markets on usage of the products among adult tobacco consumers.

**49. If your product was a food and the Orb contained a new ingredient wouldn't you have to have conducted the 2 year feeding study before market launch?**

Dissolvable tobacco products are not foods; they are tobacco products. Tobacco is the largest ingredient in Orbs/Sticks/Strips.

**50. Isn't this another reason that the federal government should assert regulatory control over tobacco?**

No – smokeless tobacco products, including dissolvable tobacco products, have been on the market for years.

**51. Did you develop Orbs with the Gothiatek® standard in mind?**

Yes. Chemical analyses have shown that dissolvable tobacco products contain levels of carcinogens and other toxicants that meet the Gothiatek® limits.

RJRT is constantly reviewing its stewardship program and will adjust as new science becomes available.

*(Note to spokespersons: GothiaTek® limits have not been endorsed by any U.S. or international regulatory body. However, the constituents contained in the Gothiatek® list are used frequently in the evaluation of smokeless tobacco products by tobacco researchers and scientists both inside and outside the industry.)*

**52. How do the levels of nitrosamines and nicotine compare with Camel Snus? Grizzly? Ariva?**

The levels of nicotine and tobacco specific nitrosamines in Camel Orbs/Sticks/Strips are generally lower than those in Camel Snus and Grizzly; and similar to or less than Ariva.

It's important to note that the amount of nicotine and/or nitrosamines a person gets from tobacco products depends on their frequency of use and how they use the product. Every adult tobacco consumer uses these products differently.

**53. Are you willing to make your product available for others to conduct research?**

Yes. RJRT has for many years supported the scientific and medical community's efforts to conduct testing of RJRT's new product entrants in the market.

**54. Are you going to publish your research? Can I see a copy of it now?**

We intend to publish our research and present it at scientific meetings in the future. I can't provide you with results of our studies prior to publication, but am happy to provide you with a bibliography and copies of already-published research on smokeless tobacco.

## **Packaging**

### **55. Your packaging contains the term “child resistant”, what support do you have for this statement?**

We contracted an outside research laboratory that specializes in the testing of child-resistant packaging. The testing program used by the outside lab followed the guidelines set by the Consumer Product Safety Commission (CPSC) to obtain “child resistant” certification on the packaging. The packaging for all of RJRT’s dissolvable tobacco products meets the standards for child-resistant packaging.

Although the CPSC does not have jurisdiction over tobacco products, RJRT voluntarily chose to package all of its dissolvable tobacco products in child-resistant packaging.

It is against the law to sell tobacco products, including dissolvable products, to anyone under the age of 18 in the United States. Reynolds will market dissolvable tobacco products only to adult tobacco-users as it does with all tobacco products that it currently sells.

### **56. Why did you take this step?**

Reynolds believes that child-resistant packaging is warranted for these products given the relative unfamiliarity of this type of product in the marketplace.

The goal of child-resistant packaging is to prevent accidental use of dissolvable tobacco products, and to minimize the possibility of a young person accidentally ingesting a dissolvable tobacco product. Adults who use any tobacco products should take care to be sure to keep them out of the hands of children.

### **57. It’s my understanding that Ariva and Stonewall come in single-unit blister packaging. Why not choose that packaging? Is your packaging less protective against children obtaining access?**

We are unaware of what Star Tobacco has done with regard to testing its packaging for child resistance.

Our packaging clearly communicates to adult tobacco consumers that these are tobacco products that are different from cigarettes and other smokeless tobacco products and all of the packaging for RJRT dissolvable tobacco products fully comply with the standards set by the CPSC for child-resistant packaging.

### **58. What health impacts would occur if children ate one or more Orb/Stick/Strip? How about pets?**

Adults should take care to ensure that children do not have access to any tobacco products, including dissolvable tobacco products like Camel Orbs/Sticks/Strips.

The 2006 Annual Report by The American Association of Poison Control Centers (AAPCC) identified 6,883 cases of tobacco-product exposures reported across the entire range of tobacco products (chewing tobacco, cigars, cigarettes, filters, snuff and

unknown). No deaths were reported; but six cases of major health events for an accidental exposure to any type of tobacco product were reported.

We believe a child or pet could ingest up to four Camel Orbs/10 Camel Strips/two Camel Sticks without suffering any major health events, though they would likely become sick to their stomachs, just as they would if they ingested other forms of tobacco products.

**59. What are you doing to educate poison control officials about the potential that children may get a hold of this product and how adverse effects could be ameliorated?**

RJRT has provided information to poison control officials on RJRT's dissolvable tobacco products and the potential effects if a child were to accidentally ingest the products and experience adverse symptoms.

There is a nationwide toll-free phone number for access to the 62 United States poison control centers. The number, 1-800-222-1222, is routed to the local poison center serving the caller, based on the area code and exchange of the caller. The number is functional 24-hours a day in all 50 states and the District of Columbia.

**60. Is the container recyclable? If so, why doesn't the pack have the symbol?**

The packs are made of a recyclable plastic. However, due to the costs of recycling this type of plastic, many areas do not collect it. You should check with your local waste management office or recycling center to determine whether you can recycle the package.

**61. Is the container made of recycled content?**

No. We have been unable to find a supplier of recycled plastics that meet our product specifications.

## **General – Product**

### **62. Can I use Camel Orbs/Sticks/Strips while smoking?**

As with other smokeless tobacco products, Camel Orbs/Sticks/Strips should not be used while smoking a cigarette.

### **63. Can I use several (more than one) Camel Orbs/Sticks/Strips at one time?**

Adult tobacco consumers should use just one at a time. If you place two or more in your mouth at the same time, you might experience some mild discomfort or nausea – just as you might with other smokeless tobacco products if you were to use them in large portions or multiple units. If you have these symptoms, you should stop use of the product immediately and wait for the symptoms to subside. If symptoms persist or worsen, you should seek medical attention.

### **64. Can you swallow your Camel Orbs/Sticks/Strips product before it dissolves away?**

As with other smokeless tobacco products on the market, Camel Orbs/Sticks/Strips are not designed to be swallowed in whole or part before dissolving. Instead, Camel Orbs/Sticks/Strips are designed to provide long-lasting tobacco pleasure and will dissolve in your mouth while you enjoy them. You should take as much time as you like and allow the product to slowly and completely dissolve in your mouth. If you accidentally swallow more than one Camel Orb/Stick/Strip in a short period of time, you might experience some mild discomfort or nausea as can happen when swallowing other smokeless tobacco products. If you have these symptoms, you should stop use of the product immediately and wait for the symptoms to subside. If symptoms persist or worsen, you should seek medical attention.

### **65. What does it taste like? How long do you keep it in your mouth?**

It has a tobacco taste, complemented with additional flavors. You can keep it in your mouth until it dissolves away completely which may take about –

- 10 to 15 minutes (Orbs)
- 20 to 30 minutes (Sticks)
- 2 to 3 minutes (Strips)

This, of course, depends on the individual, and you can obviously remove it from your mouth and dispose of it if you wish before it fully dissolves.

### **66. How many Camel Orbs/Sticks/Strips do adult tobacco consumers typically use in a day?**

It varies from person to person.

**67. What will be the sizes of the individual Camel Orbs/Sticks/Strips?**

Each Orb weighs about .23 gram

Each Stick weighs about .6 gram

Each Strip weighs about .135 gram

**68. Will you be putting "best-before dates" on all your Camel Orbs/Sticks/Strips packaging?**

We'll be testing the products' optimal shelf life shortly and will communicate that to our trade partners, but the packaging will not carry a "best before" date.



## **FDA Jurisdiction/ Litigation Questions**

### **69. As a percentage of the product, how much of it is tobacco?**

Tobacco is the largest single ingredient in Camel Orbs. The actual percentage of each ingredient in Camel Orbs/Sticks/Strips is proprietary

### **70. How much is the flavoring?**

The actual percentage of each ingredient in Camel Orbs/Sticks/Strips is proprietary.

### **71. Are all the ingredients in this product customarily used in tobacco products?**

Each tobacco manufacturer considers and treats the identity and exact amounts of the ingredients found in any of its tobacco products as proprietary. Therefore, we do not have complete knowledge as to every single component or ingredient used by other tobacco manufacturers in a competitive product – but all are reported annually by manufacturers to the U.S. Dept. of Health and Human Services. However, based on the analysis that we have done of competitive products as well as the knowledge we have about our own products, we are confident that every category of ingredient found in Camel Orbs/Sticks/Strips, such as sweeteners and binders, are found in tobacco products currently in the marketplace today.

### **72. Isn't this just candy disguised as a tobacco product?**

No – this is a tobacco product designed for use solely by adults who currently use other forms of tobacco. They are not candy and should not be consumed by anyone who is not already using tobacco products, including youth, non-tobacco users, or former tobacco users.

### **73. Tell me why this product won't appeal to minors?**

We believe that no tobacco product, including cigarettes, Camel Orbs/Sticks/Strips or other forms of tobacco, should be used by minors.

Through our marketing and sales practices as well as our packaging, we are taking responsible steps to minimize availability of our products to minors.

The sale of Camel Orbs/Sticks/Strips, as with all tobacco products, is age-restricted. It is against the law to sell tobacco products to anyone under the legal age in the United States. We will abide by all advertising and marketing restrictions for tobacco products under the MSA and Camel Orbs/Sticks/Strips will carry the appropriate warning labels.

### **74. Is this a way of attracting under-age people to nicotine and then into smoking?**

No, it is not. Our only focus is adult tobacco consumers. We believe that no tobacco product, including cigarettes, Camel Orbs/Sticks/Strips or other forms of tobacco, should be used by minors. Every state has established minimum-age laws making it illegal to sell tobacco products to minors. And, in some states, it's illegal for minors to purchase tobacco products.

**75. Did you just develop and test this product with young adult smokers as a surrogate for kids?**

No – because we believe these products will appeal to all adult tobacco consumers, we tested them among an equal number of consumers aged 21 – 30 and 30 – 49.

**76. How do you think anti-tobacco groups will react? Surely not all think Camel Orbs/Sticks/Strips will be acceptable?**

You will need to talk to those folks about that.

However, it should be noted that some members of the tobacco control community support the use of smokeless tobacco products as an alternative to cigarettes for those who don't quit smoking.

**77. Is Camel Orbs/Sticks/Strips a smoking-cessation product?**

No. Camel Orbs/Sticks/Strips is a premium smokeless, dissolvable tobacco product that offers adult tobacco consumers a new way to enjoy tobacco pleasure, anytime, anywhere as allowed by law.

## Trade

### **78. How / where do I merchandise this product?**

To help ensure your adult tobacco customers gain awareness of the product in your store(s), a best practice would be to give RJRT dissolvable products positioning within the cigarette merchandising set.

Your RJRT rep will work closely with you to establish the most effective way for you to merchandise RJRT dissolvable products within your store(s).

### **79. How should I price this product?**

RJRT does not set the price at retail. It's suggested that you consider pricing dissolvable products in line with Camel Snus.

### **80. Will you be offering trial incentive promotions?**

Yes.

### **81. Is there a guaranteed return policy?**

There is not a guarantee return policy for Camel Sticks/Strips/Orbs at this time. However, R.J. Reynolds will cover the cost of the initial product order for participating retail partners.

### **82. Are there any trade incentives for selling this product?**

Yes, there are multiple incentives based on performance. Your RJRT trade rep will be able to outline these for you in detail.

### **83. Are you doing this with the hope that smokers will switch to Camel Orbs/Sticks/Strips over cigarettes?**

The lead markets will provide an opportunity to generate valuable learning regarding the potential business opportunity for Camel Orbs/Sticks/Strips and is consistent with R.J. Reynolds' desire to offer a variety of differentiated tobacco products to adult tobacco consumers.

### **84. If the lead markets are successful, will you sell Camel Orbs/Sticks/Strips nationally? Will you introduce other Camel Orbs/Sticks/Strips styles? Will other R.J. Reynolds brands introduce Orbs/Sticks/Strips styles?**

I am not going to speculate on any future brand/product activities we may or may not consider.

**85. How many Orbs/Sticks/Strips come in a package? How are multiple packages shipped?**

Camel Orbs: 15 per package; 5 packages per carton  
Camel Sticks: 10 per package; 5 packages per carton  
Camel Strips: 20 per package; 5 packages per carton.

**86. How much will a package of Camel Orbs/Sticks/Strips cost at wholesale?**

Trade reps in the lead markets will be calling on customers with that information.

**87. How will you inform adult tobacco consumers of Camel Orbs/Sticks/Strips?**

Camel Orbs/Sticks/Strips will have full marketing support including retail point-of-sale, print advertising, direct-mail and engagement with adult tobacco consumers at age-restricted venues.

**88. How much are you spending to support the launch of Camel Orbs/Sticks/Strips in the lead markets?**

That information is proprietary.

**89. How long will the products remain in the lead markets solely?**

We do not have a definitive length of time for remaining only in the lead markets. But it's safe to say it will be as long as we believe necessary to obtain the learning we hope to gather regarding adult tobacco consumer preference and acceptance of this type of smokeless product.

**90. What are your measures of success to determine if you expand beyond the lead markets?**

Overall, we wish to gain learning on awareness and acceptance for dissolvable tobacco products by adult tobacco consumers. As we gain that learning, we will evaluate any/all plans moving forward.

**91. What are your expansion plans?**

I am not going speculate on any plans we may or may not be considering moving forward.

**92. Who designed the Camel Orbs/Sticks/Strips marketing?**

Gyro Worldwide, based in Philadelphia.

**93. Will this introduction affect Camel's brand equity?**

This introduction is consistent with Camel's history of offering adult tobacco consumers innovative products. Adult tobacco consumers want more choice and this is what we are delivering in this test.

**94. Camel is your flagship brand. Aren't you worried it will hurt the brand?**

No. Camel stands for innovation and providing tobacco pleasure for adult tobacco consumers. We believe Camel Orbs/Sticks/Strips should enhance Camel's position as an innovative tobacco brand.

**95. How will you talk about the product and position the product with consumers?**

Camel Orbs/Sticks/Strips is a new way for adult tobacco consumers to experience tobacco pleasure and are consistent with the brand's tradition of innovation in the market.

**96. A key concern of this product will be what impact it may have on agreements/contracts with other companies – cigarette and smokeless. Will the elements we are requesting in any way interfere with requirements of other companies' programs?**

It should not interfere with requirements of other companies' programs. Other smokeless companies' space/position should not be impacted; and other cigarette companies' space/presence is not being changed.

**97. Will this be part of the R.J. Reynolds Retail Bundle?**

No, this is a standalone offering and at this time will not be considered with, nor will it interfere with, any other R.J. Reynolds program offerings.

## Camel Orbs Facts for "TRADE" Media

### General Facts

- Available in plastic packaging, Camel Orbs/Sticks/Strips is sold at select retail outlets in Portland, Oregon, Indianapolis, Indiana and Columbus, Ohio. Additionally, the Camel brand will be communicating with adult tobacco consumers in age-restricted venues offering them the opportunity to sample Camel Orbs/Sticks/Strips.
- The lead markets will enable Camel to gain valuable learning regarding the product and its acceptance among adult consumers of tobacco products in the U.S.
- We do not set the price at retail.  
*If pressed: The price for a package of Camel Orbs/Sticks/Strips will be similar to that of a tin of Camel Snus*

### Retail Advertising

During the lead market roll-out, retail point-of-sale materials, to be displayed at select retail outlets, will contain images of the Camel Orbs/Sticks/Strips products and indicate to adult consumers that Camel Orbs/Sticks/Strips is available at that location. (As information: Point-of-sale materials will include signage, wobblers and danglers)

### Direct to Consumers or One-on-One

During the lead market roll-out, Camel will provide age-verified and certified adult tobacco consumers the brand interacts with at age-restricted venues the opportunity to sample Camel Orbs/Sticks/Strips. Adult tobacco consumers who provide proof-of-age (drivers' license, Passport, military ID) and certify that they are an adult tobacco consumer who wishes to participate in the promotion and receive communications from a tobacco company, will be given a sample of Camel Orbs/Sticks/Strips.

### Internet

Adult tobacco consumers will be able to get more information on the products at [www.Cameldissolvables.com](http://www.Cameldissolvables.com). The Web site is age-restricted and password protected. Age-verified and certified adult tobacco consumers who visit the site will also be required to provide a PID number to access the Web site.

### 877 #

Camel Orbs/Sticks/Strips packs have a toll-free telephone number, 877-672-7265 posted on them for adult tobacco consumers to call with any questions regarding the product.

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