



EMPLOYEE ANNOUNCEMENT

June 24, 1992

TO ALL EMPLOYEES:

This morning, the U.S. Supreme Court rendered a decision in the Cipollone case. You may be interested in the following statement, which we have used today to respond to press inquiries.

We are certainly pleased with the Supreme Court's decision in the Cipollone matter insofar as it upholds the preemption of certain claims. As to those claims which the Court has determined may not be preempted, our posture has not changed. As we have said before, each of these cases will ultimately be decided on its own merits. American Tobacco believes that it has meritorious defenses and it will vigorously defend these matters.

While there will undoubtedly be press coverage of this decision in tomorrow's papers, you may be interested in the reports Wall Street analysts have circulated thus far on the decision.

As is customary, if you should receive an outside inquiry on this matter, you should refer it without comment to Public Affairs.

A handwritten signature in black ink, appearing to read "Bob Rukeyser".

Robert J. Rukeyser
Senior Vice President -
Corporate Affairs