June 7, 2013

Cigarette & Tobacco Price Increase

Philip Morris, RJ Reynolds, Santa Fe, and Lorillard have announced a list price increase on select brands of cigarette and tobacco products.

The total increases will be as follows:

**Philip Morris:** Basic, Benson & Hedges, Lark, Merit, Parliament, Virginia Slims-Increase by $0.65 a carton

**RJ Reynolds:** Camel, Kool, Winston, Salem, Pall Mall, Doral, GPC, Misty, Red Kamel, Capri, Carlton, Dunhill, Lucky Strike, More, Now, Tareyton, Vantage, Monarch-Increase by $0.65 a carton

**Lorillard:** Newport (Menthol and Non-Menthol), Maverick, Old Gold, Kent, True-Increase by $0.65 a carton

**Santa Fe Natural Tobacco:** American Spirit Cigarettes- Increase by $0.65 a carton
Natural American Spirit Roll-Your-Own (RYO) pouches- Increase by $0.10 a pouch
Natural American Spirit Roll-You-Own (RYO) tins- Increase by $0.40 per tin

Philip Morris has also announced they are decreasing the national off-invoice promotional allowances on all Marlboro and L&M cigarette brands.

<table>
<thead>
<tr>
<th>Brands</th>
<th>Current: Off-Invoice Promotional Allowances (per pack/per carton)</th>
<th>Decrease: Off-Invoice Promotional Allowances (per pack/per carton)</th>
<th>Effective 6/10/13: Off-Invoice Promotional Allowances (per pack/per carton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marlboro</td>
<td>$0.21 / $2.10</td>
<td>($0.06 / $0.60)</td>
<td>$0.15 / $1.50</td>
</tr>
<tr>
<td>L&amp;M</td>
<td>$0.34 / $3.40</td>
<td>($0.06 / $0.60)</td>
<td>$0.28 / $2.80</td>
</tr>
</tbody>
</table>

Both the increase in list prices and the decrease in allowances will go into effect with deliveries on or after **Monday, June 10th, 2013**

Please update any signage and shelf tags accordingly.

Please feel free to contact Christine Letares at (603)223-5367 or Kathryn Fleury at (603)223-5365 with any questions.