

CAMEL

History of Camel

Richard Joshua Reynolds started in the tobacco business in 1870, producing chewing tobacco. Threatened by predatory pricing by the American Tobacco Co., Reynolds sold his company to James Buchanan Duke. By 1910, American Tobacco Co. controlled more than 80 percent of the American tobacco market.

During this time, Reynolds was concentrating on developing a national brand of smoking tobacco. The result was Prince Albert. From 1907 to 1911 U.S. sales soared from 250,000 to 14 million lbs.

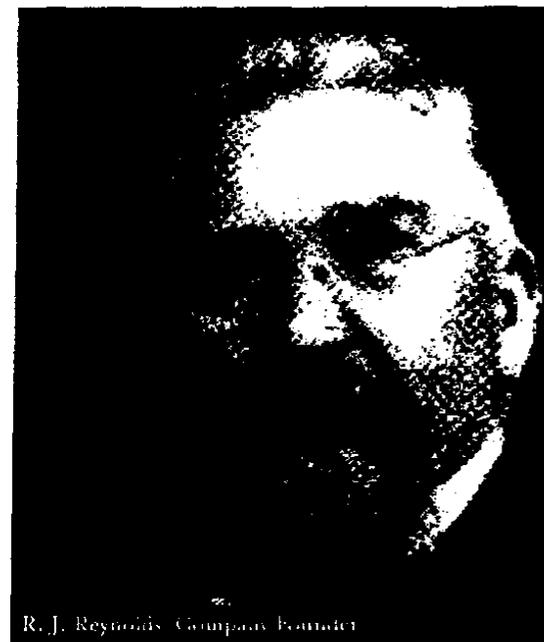
Reynolds regained his company in 1911, as a result of American Tobacco's breakup on grounds of antitrust. Prince Albert allowed Reynolds to establish RJR in the smoking tobacco marketplace and position the company before this inevitable break-up. He decided to enter the cigarette market and began to develop blended-tobacco cigarettes that would hit the market in 1913. The results of his efforts were: *Reyno*, a straight Flue-

Cured brand; *Osman*, a pure Turkish blend; *Red Kamel*, a Turkish brand with filters made from cork; and *Camel*, an experimental brand made from a blend of domestic and Turkish tobaccos.

Aside from *Camel*, *Reyno* remained on the market the longest, ceasing production in 1946. *Red Kamels* were discontinued in 1936 (but re-launched nationally in 1997). *Osman*, the least popular brand of the group, was discontinued in 1915.

In order to beat his competitors with his new *Camel* brand, Reynolds used different strategies than were the norm – he priced his product lower than the competition and chose not to include premiums or coupons with his superior-quality brand.

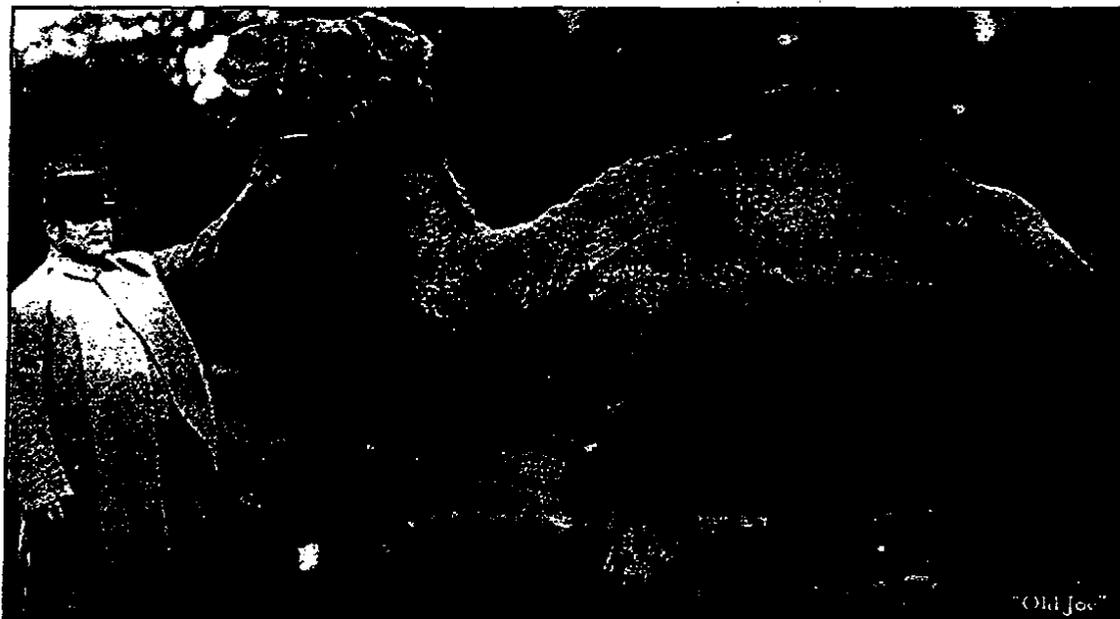
Reynolds knew the *Camel* brand needed to show adult smokers that it was a superior-quality product. The company decided that the best way to accomplish this was through its packaging design.



R. J. Reynolds Company founder

RJR determined that a camel would represent his Turkish and domestic blend. The search was underway for a drawing that would bring the beast to life on the front of the pack. In the end, however, the camel chosen for the cover was from an actual photograph taken of Old Joe, a camel on display at the Barnum & Bailey Circus in Winston-Salem.

History of Camel



RJR had found an icon for its packaging, but needed a way to promote Camel cigarettes on a national basis. In 1913, the entire country saw three-day teaser ads in local papers that read, simply – "The CAMELS are coming!" The ads peaked the curiosity of the general public, who incorrectly assumed that live camels were set to appear in their towns.

Instead, on the fourth day, the final ad unveiled a new brand of cigarettes – "The CAMELS are here." That same year, the *Saturday Evening Post* printed its first cigarette advertisement, a two-page Camel promotion. Soon the ads were everywhere, on billboards and posters along the sides of roads, and on the sides of buildings.

The campaign worked and Camel gained national exposure that resulted in tremendous product sales. In 1914, RJR sold 425 million cigarettes. By 1921, sales had risen to more than 18 billion cigarettes – half of the cigarettes smoked in the U.S.

Reynolds quickly established Camel as an innovative brand through the introduction of the *American Blend* – the first manufactured blend of Turkish and Domestic tobaccos – and the design of a cellophane cover that kept the cigarettes fresh until they reached the consumer. The brand also used new areas of advertising to get its message to the smoker – sponsorship of the Camel Pleasure hour and the Camel Caravan (with Benny Goodman) radio shows in the 30s.

History of Camel



During World Wars I & II, Camel was the most popular cigarette among GI's. Customers were able to send Camel cigarettes to servicemen just by filling out a form at their local retailer. Because of Camel's availability, soldiers came home with a loyalty to the brand that resulted in Camel being the leading brand in the nation. Camel still holds the record for the most cigarettes sold domestically in a single year — 105 billion sticks in 1952.

Over the years, the Camel pack acquired a mystique of its own. People saw images — a woman, a lion and so forth — in the illustration of Old Joe. Others liked to demonstrate how the word "CHOICE" reads the same in the mirror as it does on the label. There were parlor and bar games such as count the "c's" or the "t's" on the back panel or count the camels; some thought there was one behind the pyramid. The package had even attained a kind of spiritual honor when a United States congressman, at an audience with the Pope, accidentally held a pack of Camels along with some medals as they were blessed by the Pontiff.

In 1958, Reynolds decided to change the packaging. "Just a few minor changes in the familiar camel and the pyramid symbol to modernize the 45-year old design," was the official description. But smokers raised the roof when they found out. Many concluded that the omission of the phrase "Turkish and Domestic Blend" meant that their favorite tobacco formula had been tampered with.

The public outcry quickly convinced the directors to go back to the original package. As tastes changed for smokers, so did their cigarettes. Camel started producing a filter version in 1966. Throughout the 70s and 80s, Camel developed line extensions to keep up with the ever-changing tastes of smokers. Camel Lights, Ultra Lights and 100s versions of each were introduced, with Camel Lights becoming the biggest seller of all brands' styles. Camel even reintroduced Red Kamel in 1997 with the tagline, "Back for no good reason, except they taste good."



History of R.J. Reynolds

- 1874: Richard Joshua Reynolds, 24, arrives in Winston, a town with unpaved roads; population, about 400.
- 1875: Reynolds starts R.J. Reynolds Tobacco Co. by building "The Old Red Factory," which in its first year, produces 150,000 pounds of tobacco used mainly for chewing tobacco products.
- 1890: R.J. Reynolds Tobacco is incorporated in North Carolina.
- 1913: Reynolds Tobacco introduces Camel cigarettes.
- 1923: Camel accounts for almost half of U.S. cigarettes sold.
- 1929: Reynolds Tobacco headquarters building is completed. Later, the building becomes the model for Empire State Building.
- 1954: Winston, the nation's first major filtered cigarette, is introduced.
- 1956: Salem, Reynolds' first menthol cigarette, is introduced, in competition with B&W's Kools.
- 1969: Reynolds buys Sea-Land, a shipping company, and Aminoil, an oil company.
- 1984: Reynolds spins off Sea-Land and sells Aminoil.
- 1985: Reynolds buys snack-food giant Nabisco to form RJR Nabisco in a \$4.9 billion deal, the largest merger outside the oil industry at that time.
- 1986: Ross Johnson, former Nabisco CEO, takes over as RJR's CEO.
- 1987: RJR announces headquarters move to Atlanta.
- 1988: Reynolds celebrates the 75th anniversary of Camel by launching the "Joe Camel" campaign.
- 1989: RJR goes private in a \$25 billion deal, the largest corporate takeover at the time.
- 1991: RJR goes public for the second time.
- 1997: Reynolds retires Camel's "Joe Camel" campaign.
- 1998: Tobacco industry agrees to pay \$206 billion over 25 years to settle 46 states' claims.
- May, 1999: RJR sells its international tobacco business to Japan Tobacco for \$8 billion.
- June, 1999: R. J. Reynolds Tobacco Co. becomes a stand-alone, publicly-traded company.
- October, 1999: Camel launches its "Pleasure to Burn" campaign.

Manufacturing

TOBACCOVILLE

Tobaccoville, RJR's largest and most modern cigarette production facility, began production in 1986. The 26-acre complex has a two million square foot production building which adjoins an administrative building. It also houses a 200,000 square foot power plant that produces power for all the manufacturing facilities and sells excess capacity to Duke Power Company. The production facility is totally automated – every piece of equipment is computer-controlled – ensuring the production of the highest quality cigarettes. At full capacity, the Tobaccoville plant is able to produce 110 billion cigarettes a year.

Forming the Cigarette Rod:

Once the appropriate domestic and Turkish tobaccos have been selected, blended, flavored and cut, the tobacco, now referred to as "cigarette cut-filler," is transferred to the cigarette maker on a gentle stream of air, or pneumatic conveyor, which preserves the fragile strands. The cigarette maker sifts the tobacco, in very precisely controlled amounts, onto a moving belt. This flexible belt also carries a continuous tape-like strand of cigarette paper delivered from a bobbin. As the belt moves forward, it begins to curve around the tobacco to form the cigarette rod. If left uncut, one bobbin of cigarette paper would form a tobacco rod 6,500 meters long, or about four miles. However, shortly after the cigarette rod is formed, it is cut to the appropriate length for a cigarette. Approximately 8,000 individual cigarette rods are formed in this manner every minute.

Filters are made in a similar manner, on a separate machine that wraps paper around the filter material. The cigarette tobacco rod and the cigarette filter rod are placed against each other and tied together by a third piece of paper that is wrapped around both. This is the typically brown or white filter on a finished cigarette. Throughout this process each individual cigarette is constantly being inspected for criteria such as tobacco weight and density. Cigarettes that don't meet RJR's exacting quality standards are kicked out of the making process and never make it to the pack. Finished cigarettes are conveyed to a packer where they are counted into groups of 20, wrapped in foil, placed in a paper label or box, over-wrapped in clear film, cartoned, cased and made ready for shipment.

Leaf

FLUE-CURED: More than one third of the plant (34.5%) is made up of the leaves on the middle to upper stalk. These leaves are firm, thick and heavy-bodied with pointed tips. From 3% to 3.5% nicotine and up to 15.5% sugars.

BURLEY: These leaves grow above the midpoint of the stalk. Cured leaves tend to fold, concealing the face of the leaf and exposing the stem or midrib.

These leaves have a pointed tip, are medium to heavy in body, and are narrower in relation to their length than Lugs and Cutters. Tan and red leaf make up more than 60% of total plant weight with nicotine levels of 4 to 4.5%.

Cutters

FLUE-CURED: The largest leaves on the plant, both in length and width, although only 8% of its weight. Thin to medium-bodied leaves from the middle of the stalk or below, cutters have rounded tips and a most desirable color when ripe. High in oil and resin content, cutters contain about 2.5% nicotine and 12 to 22% sugars.

Primings

FLUE-CURED: The first leaves to ripen and the first to be harvested, primings make up 12% of the total plant weight and contain only 1.5 to 2% nicotine, and 5 to 10% sugars.

Flyings

BURLEY: These leaves normally grow at the bottom of the stalk. These flat, open-faced leaves have a blunt or oblate tip. Flyings are relatively thin leaves which show the highest degree of maturity, and the most open leaf structure. They may also show injuries characteristic of leaves grown near the ground. Less than 10% of the total plant weight, Flyings contain nicotine levels of about 2.5%.

More than 2,500 different chemical compounds have been identified in the leaves of *Nicotiana glauca*, the commercially-grown tobacco plant. The most important of these is nicotine, of course. But the various sugar levels found in the plant also play a vital role when different tobaccos are blended. Note: The nicotine and sugars in the leaves will vary according to soil, light, moisture and temperature, as well as stalk position.

Tips

FLUE-CURED: These leaves at the stalk top make up around 18% of the plant's total weight. Tip leaves are narrow and pointed, smaller than lower leaves, yet thicker and more full-bodied. Tips of flue-cured tobaccos contain 3 to 3.5% nicotine, and 6 to 6.5% sugars.

BURLEY: These leaves grow at the very top of the stalk. Relatively narrow and sharp-pointed, these leaves are similar to Leaf grades, but shorter and narrower with a slightly lower degree of maturity and leaf structure than other leaves on the stalk. Tips make up 5% of total plant weight and contain nicotine levels of 3.5 to 4%.

Smoking Leaf

FLUE-CURED: The leaves just above the stalk middle are thinner than the "bodied" leaves above them and their tips are less pointed. About 7.5% of the plant, smoking leaf ripens to a rich orange color. They contain about 3% nicotine, and 12 to 20% sugars.

Lugs

FLUE-CURED: These thin, blunt-tipped leaves around the bottom of the stalk make up 13% of the plant weight. Lugs contain about 2.5% nicotine, and 12 to 20% sugars.

BURLEY: These leaves, also called Cutters, grow just below the middle portion of the stalk. Cured leaves from this stalk position have a tendency to roll, concealing the stem or midrib. These broad leaves have an oblate to rounded tip and are usually thin to medium in body. They make up less than 25% of total plant weight, and have nicotine levels of about 3.25%.



Camel Styles

In 1988, Camel celebrated its 75th birthday with the introduction of "Joe Camel" — making a 75-year old product relevant to modern day consumers. The Joe Camel campaign distinguished the brand through innovative advertising, promotions and sponsorships. After a successful, but controversial run in the market, Joe was retired in the late 90s.

Camel now offers "Pleasure to Burn" — an advertising campaign and tagline that captures Camel's extraordinarily smooth and distinctively flavored smoking experience, and its witty, irreverent and often humorous persona. Taking its inspiration from Camel's authentic heritage, as well as its contemporary image, the "Pleasure to Burn" campaign depicts classic images from previous decades with modern cues. Reynolds also looks to highlight Camel's exotic heritage derived from its exotic blend of Turkish and domestic tobaccos by introducing Turkish Gold — a smooth and mellow blend of Turkish and domestic tobacco — and a line of exotic specialty blends.



Camel Styles

Camel non-filtered:

(also called "Straights" and "Regulars").

Introduced in 1913, it was the first popular *factory made* cigarette to incorporate the ultra smooth aromatic qualities of Turkish tobaccos with the robust American tobaccos.

Camel Filters:

Offers the full, rich taste which Camel is known for – full-flavored smoke, full-bodied, rich taste.

Camel Lights:

The fastest growing cigarette in the U.S. today offers the perfect balance of premium domestic and Turkish tobaccos to deliver a smooth rich flavor.

Camel Special Lights:

Same taste as Lights, but on the milder side.

Ultra Lights:

Camel's rich taste in an Ultra Lights version, lighter taste but smooth, rich and balanced.

Camel Wides:

Uniquely designed, wide-gauge cigarette offers an especially easy draw, as well as a combination of smoothness and flavor unattainable in narrower gauge cigarettes.

Turkish Gold:

"Smooth and Mellow" – the unique Turkish blend in Turkish Gold makes for an extraordinarily smooth and mellow cigarette, with a premium tobacco taste.

Red Kamel (*Originals and Lights*):

A recipe developed in 1913 brought back from the archives "for no good reason except it tastes good." A blend of high quality Turkish and domestic tobaccos, Red Kamel's emphasis is on delivering a smooth smoking experience.

Camel Menthol / K-Menthe:

A premium combination of Camel's distinct signature taste with the refreshing taste and feel of menthol – the perfect balance of menthol and the blend of Turkish and domestic tobaccos.



THE TOBACCONIST'S HANDBOOK

Comparison of Styles

CAMEL STYLE	COMPETITOR OR COMPARABLE STYLE
Camel 70	Pall Mall KNFSP
Camel Filter King (85)	Marlboro King (85)
Camel Filter King Hard Pack (85)	Marlboro King 85 Box
Camel Filter 100's	Marlboro Filter 100's
Camel Lights Kings (85)	Marlboro Lights 85
Camel Lights Kings Hard Pack (85)	Marlboro Lights 85 Box
Camel Lights 100's	Marlboro Lights 100's
Camel 99's Filter Hard Pack	Marlboro 100's Box
Camel Lights 99's Hard Pack	Marlboro Lights 100's Box
Camel Wides Filters (box)	Marlboro King 85 Box
Camel Wides Lights (box)	Marlboro Lights 85 Box
Camel Ultra Lights (85)	Merrit Ultra Light 85
Camel Ultra Lights Hard Pack (85)	Marlboro Ultra Lights 85 Box
Camel Ultra Lights 100's Hard Pack	Marlboro Ultra Lights 100's Box
Camel Special Lights (85 soft pack)	Marlboro Lights 85
Camel Special Lights (hard pack)	Marlboro Lights 85 Box
Camel Special Lights 100's (box)	Marlboro Light 100's Box
Red Kamel 85 Box	Marlboro King 85 Box
Red Kamel Light 85 Box	Marlboro Lights 85 Box
Kamel Menthe Slide Box	Newport 85 Box, Marlboro Menthol
Kamel Menthe Lights Slide Box	Marlboro Menthol Lights 85 Box
Camel Menthol 85 Hard Pack	Newport 85 Box, Marlboro Menthol
Camel Menthol Light 85 Hard Pack	Marlboro Menthol Lights 85 Box

