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NEWS RELEASE



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**Attorney General Announces Tobacco Manufacturer Vibo Corporation
Joins Tobacco Master Settlement Agreement**

(Juneau) – Attorney General Gregg Renkes announced today that Vibo Corporation of Miami, Florida has joined the tobacco Master Settlement Agreement (“MSA”) as a Participating Manufacturer. Vibo, which does business as General Tobacco, sells a number of cigarette brands, including Bronco, GT One, Silver and Champion.

“Under current market conditions, this agreement will be worth \$1.7 billion to all the states over the next ten years. Alaska’s share of that will be around \$5.8 million,” said Renkes. “Eighty percent of the money the state receives under the MSA goes to the AHFC to service our tobacco settlement bonds used to finance various rural school projects. The remaining 20 percent goes to the general fund and has been historically appropriated to the Tobacco Use Education and Cessation Fund.”

The MSA was originally entered into between 46 states and the major tobacco companies in November 1998. Since that time, more than 40 other companies have joined the MSA.

Participating manufacturers under the MSA are bound by a wide array of restrictions on the advertising, promotion and marketing of cigarettes, including outright bans on targeting youth, outdoor advertising and distribution of any merchandise advertising a cigarette brand. Since the MSA took effect, youth smoking rates nationally have dropped by more than 25 percent and overall smoking has declined nearly 20 percent. Participating manufacturers also make substantial payments to the States, and as a result of today’s agreement Vibo will make an immediate payment of \$78 million to the MSA states, and make full payment of its ongoing obligations in each succeeding year. Vibo agreed to make quarterly payments of these obligations to the states.

Vibo’s decision to join the MSA is especially significant because the company represents by far the largest tobacco product manufacturer remaining outside the MSA. Vibo is the exclusive U.S. importer of cigarettes from Protabaco, S.A., of Bogota, Columbia, and today’s agreement binds Protabaco to sell all of its cigarettes in the U.S. through Vibo and in accordance with the MSA.

More

(Tobacco MSA Viso Release, con't.)

Attorneys General Lawrence Wasden of Idaho and Tom Miller of Iowa, co-chairs of the Tobacco Committee of the National Association of Attorneys General, which coordinates state enforcement of the MSA, said: "Vibo's agreement to join the MSA is a very important indicator of a growing recognition by companies outside the agreement that it is in their interest to observe the public health restrictions of the MSA. Persuading the largest cigarette company outside the MSA to join the Agreement represents a great achievement for the MSA states."

A copy of the MSA is available for review on the National Association of Attorneys General ("NAAG") website at: <http://www.naag.org/issues/tobacco/index.php?sdpid=919>.

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