



Contact: Bob Bannon
Investor Relations
(336) 335-7665

Lorillard, Inc. Acquires British-based SKYCIG, Expanding its Electronic Cigarette Business

Acquisition Marks First Major Step in Building the Company's Global e-Cigarette Business

GREENSBORO, NC, October 1, 2013—Lorillard, Inc. (NYSE: LO), the third largest manufacturer of cigarettes in the United States, announced today that it has acquired all of the assets and operations of SKYCIG[®], a British-based electronic cigarette (e-cigarette) business for approximately £30 million in cash paid at closing and additional contingent consideration of up to an additional £30 million to be paid in 2016 based on the achievement of certain financial performance benchmarks.

The acquisition provides Lorillard with a major UK electronic cigarette brand and, along with its leading U.S. electronic cigarette brand – blu eCigs[®], a global presence in the rapidly growing worldwide e-cigarette category. SKYCIG is expected to benefit from Lorillard's significant sales, marketing, regulatory, research and development expertise to further strengthen its competitive position in the UK e-cigarette market.

SKYCIG is a leading premium brand of electronic cigarettes in the UK. From its formation in 2011, it has achieved strong growth and has procured exceptional control over the manufacturing process, providing it with a unique ability to develop and commercialise high quality products and meet continued developments in the regulatory environment. SKYCIG will operate as a separate operating subsidiary under Lorillard's ownership and it is Lorillard's intention to retain SKYCIG's current management team and its current business locations in Great Britain.

“It has been Lorillard's mission to be first and best in the electronic cigarette category, and with the acquisition of SKYCIG, our mission is now a global one,” said Murray Kessler, Lorillard Chairman, President and CEO. “We believe that with the addition of SKYCIG, Lorillard is uniquely positioned to lead the global e-cigarette industry to reach its full potential, and to do so in a responsible manner. We firmly believe that e-cigarettes may present the most significant harm reduction option ever made available to smokers in the U.S. and abroad and we look forward to working with regulators around the world to confirm this conclusion.”

About Lorillard, Inc.

Lorillard, Inc. (NYSE: LO), through its Lorillard Tobacco Company subsidiary, is the third largest manufacturer of cigarettes in the United States. Founded in 1760, Lorillard is the oldest continuously operating tobacco company in the U.S. Newport, Lorillard's flagship premium cigarette brand, is the top selling menthol and second largest selling cigarette in the U.S. In addition to Newport, the Lorillard product line has four additional cigarette brand families marketed under the Kent, True, Maverick and Old Gold brand names. These five brands include 41 different product offerings which vary in price, taste, flavor, length and packaging. Lorillard, through its LOEC, Inc. subsidiary, is also the leading electronic cigarette company in the U.S, marketed under the blu eCigs brand. Newport, Kent, True, Maverick, Old Gold and blu eCigs are the registered trademarks of Lorillard and its subsidiaries. Lorillard maintains its headquarters and manufactures all of its traditional cigarette products in Greensboro, North Carolina.

Forward-Looking Statements

Certain statements made in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, or the Reform Act. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, and may contain the words "expect," "intend," "plan," "anticipate," "estimate," "believe," "may," "will be," "will continue," "will likely result" and similar expressions. In addition, any statement that may be provided by management concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects and possible actions by Lorillard, Inc. are also forward-looking statements as defined by the Reform Act.

Forward-looking statements are based on current expectations and projections about future events and are inherently subject to a variety of risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those anticipated or projected. Information describing factors that could cause actual results to differ materially from those in forward-looking statements is available in Lorillard, Inc.'s filings with the Securities and Exchange Commission (the "SEC"), including but not limited to, our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. These filings are available from the SEC over the Internet or in hard copy, and are available on our website at www.lorillard.com. Forward-looking statements speak only as of the time they are made, and we expressly disclaim any obligation or undertaking to update these statements to reflect any change in expectations or beliefs or any change in events, conditions or circumstances on which any forward-looking statement is based.