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Lorillard, Inc. Announces Quarterly Dividend on Common Stock and New \$750 Million Share Repurchase Program

GREENSBORO, NC, August 12, 2011—Lorillard, Inc. (NYSE:LO), the third largest manufacturer of cigarettes in the United States, announced today the declaration of a quarterly dividend on its common stock in the amount of \$1.30 per share, payable on September 12, 2011 to stockholders of record as of September 1, 2011.

The Company's Board of Directors also approved a new share repurchase program, authorizing the Company to repurchase in the aggregate up to \$750 million of its outstanding common stock. On August 9, 2011, the Company completed repurchases under its \$1.4 billion share repurchase program, which was announced on August 20, 2010 and amended on May 19, 2011. Purchases by the Company under the new program may be made from time to time at prevailing market prices in open market purchases, privately negotiated transactions, block purchase techniques or otherwise, as determined by the Company's management. The purchases will be funded from existing cash balances.

"Last week's successful \$750 million debt financing represented another significant step toward our objective of more effectively utilizing our balance sheet, a process that began more than two years ago," stated David H. Taylor, Executive Vice President, Finance and Planning, and Chief Financial Officer. "Today's announcement that the Board has authorized a new share repurchase program, combined with the declaration of the Company's regular quarterly dividend, reinforces the Company's intent to return cash to shareholders."

This program does not obligate the Company to acquire any particular amount of its common stock. The timing, frequency and amount of repurchase activity will depend on a variety of factors such as levels of cash generation from operations, cash requirements for investment in the Company's business, current stock price, market conditions and other factors. The share repurchase program may be suspended, modified or discontinued at any time and has no set expiration date.

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 menthol-flavored 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 brand families marketed under the Kent, True, Maverick, and Old Gold brand names. These five brands include 43 different product offerings which vary in price, taste, flavor, length and packaging. Lorillard maintains its headquarters and manufactures all of its 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.