



MAY 8, 1998

TO: OUR DIRECT BUYING CUSTOMERS

EFFECTIVE IMMEDIATELY, THE LIST PRICE OF ALL LORILLARD TOBACCO COMPANY BRANDS WILL INCREASE IN PRICE AS FOLLOWS:

BRAND	PRICE INCREASE
ALL	\$2.50 PER M CIGARETTES

ALL ORDERS ON HAND, INCLUDING PREVIOUSLY QUOTED FUTURE ORDERS, WILL REFLECT THIS PRICE ADJUSTMENT.

CREDIT MEMORANDUM

AS SOON AS PRACTICABLE, WE WILL ISSUE A CREDIT MEMORANDUM AT THE RATE OF \$2.50 PER M CIGARETTES, LESS ANY APPLICABLE CASH DISCOUNT, COVERING TWO WEEKS AVERAGE PURCHASES, BASED ON SHIPMENTS TO YOU DURING THE FOUR WEEK PERIOD MONDAY, OCTOBER 13, 1997 THROUGH FRIDAY, NOVEMBER 7, 1997.

SHOULD YOU HAVE QUESTIONS REGARDING E.P.T., AS IT RELATES TO THIS PRICE ANNOUNCEMENT, PLEASE CALL OUR CREDIT DEPARTMENT AT 336-335-7171.

WE APPRECIATE YOUR COOPERATION AND THANK YOU FOR YOUR CONTINUING INTEREST IN THE MARKETING OF OUR PRODUCTS.

LORILLARD TOBACCO COMPANY

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