



Arthur J. Stevens
Senior Vice President,
General Counsel

September 8, 1998

(336) 335-7700
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→Mr. Samuel D. Chilcote, Jr.
President
The Tobacco Institute
1875 I Street, NW
Suite 800
Washington, DC 20006

Handwritten initials 9/16

Mr. William A. Adams
Senior Vice President & Secretary
The Tobacco Institute
1875 I Street, NW
Suite 800
Washington, DC 20006

The attachment is for your information.

Handwritten signature of Arthur J. Stevens
Arthur J. Stevens

AJS/t
Attachment

cc: Stanley L. Temko, Esq.
Clausen Ely, Esq.
Keith A. Teel, Esq.
David H. Remes, Esq.
Herbert Dym, Esq.
James A. Goold, Esq.
(w/attachment)

Corporate Office:
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Greensboro, NC 27404-0529

Lorillard Tobacco Company



ORGANIZATION NOTICE

To: All Employees

From: A. W. Spears

This is to inform you of my intention to work on a reduced schedule during the years 1999 and 2000, and to retire effective January 1, 2001. I will continue to serve as Chairman and remain active in the management of Lorillard during these last two years.

I am pleased to announce that effective January 1, 1999, Martin Orlowsky will assume the additional responsibilities of Chief Executive Officer. Marty has demonstrated his leadership abilities as Chief Operating Officer and has played a major role in Lorillard's recent success. Please give Marty your complete support as you have given to me over the years.

This Company and the Tobacco Industry have been under unprecedented political and legal attacks recently, but we have maintained a commitment to our business goals. The results have been outstanding: increased market share, increased volume and maintenance of our profitability. Your continued dedication to excellence and our business objectives will allow us to remain a vigorous competitor.

Lorillard
TOBACCO COMPANY

714 Green Valley Road
Post Office Box 10529
Greensboro, North Carolina 27404-0529

Senior Vice President -
General Counsel

**LORILLARD
AREA CODE 306**



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