

IMPORTANT U.S. FEDERAL INCOME TAX INFORMATION CONCERNING THE LORILLARD, INC. STOCK DISTRIBUTION

On June 16, 2008, Loews Corporation (“Loews”) completed the distribution (the “Separation”) to its shareholders of all of the outstanding shares of Lorillard, Inc. (“Lorillard”). The Separation consisted of two steps:

- On June 10, 2008, Loews distributed approximately 62 percent of the outstanding shares of Lorillard common stock to holders of record of Carolina Group stock in exchange for and in complete redemption of all of the outstanding shares of Carolina Group stock (the “Redemption”). Each holder of record of Carolina Group stock received one share of Lorillard common stock in exchange for each share of Carolina Group stock it held.
- On June 16, 2008, Loews distributed its remaining shares of Lorillard common stock (approximately 38 percent of the outstanding shares of Lorillard common stock) in exchange for shares of Loews common stock that were validly tendered and accepted by Loews (the “Exchange Offer”). Each tendering Loews shareholder received 0.70 of a share of Lorillard common stock in exchange for each share of Loews common stock validly tendered and accepted by Loews. Certain Loews shareholders also received cash in lieu of the fractional shares of Lorillard common stock that such Loews shareholders would otherwise have received in the Exchange Offer.

NOTE: Since the Exchange Offer was oversubscribed, Loews accepted on a pro rata basis a portion of the tendered shares of Loews common stock based on a final proration factor of 54.1% (the “Proration”). Most but not all of the tendered shares were subject to the Proration.

This notice contains a general explanation of certain U.S. federal income tax consequences of the Separation for current and former holders of Loews common stock and former holders of Carolina Group stock. Attached to this notice is a form of a tax information statement that must be completed by certain significant distributees in respect of the Separation and attached to their 2008 U.S. federal income tax returns.

CONSULT YOUR TAX ADVISOR

The information contained in this notice represents our general understanding of the application of certain existing U.S. federal income tax laws and regulations relating to the Separation. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of current and former holders of Loews common stock and former holders of Carolina Group stock. This notice also does not discuss any consequences that may result from the Proration. *You are urged to consult your tax advisor regarding the particular consequences of the Separation to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.* We also urge you to read (i) the Information Statement/Prospectus dated May 9, 2008 regarding the Redemption, noting especially the section entitled “Certain U.S. Federal Income Tax Consequences” beginning on page 95 and (ii) the Offer To Exchange/Prospectus dated May 9, 2008 regarding the Exchange Offer, noting especially the section entitled “Certain U.S. Federal Income Tax Consequences” beginning on page 110. You may access these documents on our website at www.loews.com.

The discussion below contains examples for determining the tax basis of Lorillard common stock received in the Separation. Such examples have been provided solely for illustrative purposes and as a convenience to holders of Lorillard common stock and their tax advisors when establishing

their specific tax positions. Please remember that neither Loews nor Lorillard provides its shareholders with tax advice, and this notice is not intended to provide tax advice.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS INFORMATION STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY YOU FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON YOU UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY LOEWS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

GENERAL TAX INFORMATION

Loews received a private letter ruling from the Internal Revenue Service and an opinion of counsel from Skadden, Arps, Slate, Meagher & Flom LLP (which is not binding on the Internal Revenue Service) to the effect that the Separation qualifies as a tax-free distribution for U.S. federal income tax purposes. As a result, Loews shareholders and Carolina Group shareholders generally will not recognize gain or loss for U.S. federal income tax purposes on the receipt of Lorillard common stock in the Separation, except with regard to any cash received by Loews shareholders in the Exchange Offer in lieu of fractional shares of Lorillard common stock. Loews shareholders that receive cash in lieu of fractional shares of Lorillard common stock in the Exchange Offer will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the tax basis allocable to such fractional shares and the amount of cash received therefor.

GUIDANCE REGARDING TAX BASIS OF LORILLARD COMMON STOCK RECEIVED IN THE REDEMPTION

A Carolina Group shareholder's tax basis in the Lorillard common stock received by the shareholder in the Redemption will be the same as the tax basis of the Carolina Group stock exchanged therefor.

For example, if you originally purchased a single block of 100 shares of Carolina Group stock for \$70 per share, your aggregate tax basis in the 100 shares of Lorillard common stock received in the Redemption would be \$7,000 (i.e., your aggregate tax basis in your Carolina Group stock), or \$70 per share of Lorillard common stock.

Shareholders that acquired different blocks of Carolina Group stock at different times or at different prices will need to calculate their tax basis in each block of Carolina Group stock separately and then allocate such tax basis to the Lorillard common stock received in exchange therefor in the Redemption.

GUIDANCE REGARDING TAX BASIS OF LORILLARD COMMON STOCK RECEIVED IN THE EXCHANGE OFFER

A Loews shareholder's tax basis in the Lorillard common stock received by the shareholder in the Exchange Offer will be the same as the tax basis of the Loews common stock exchanged therefor, less the portion of such tax basis allocable to any fractional shares of Lorillard common stock with respect to which the shareholder receives cash.

For example, if you originally purchased a single block of 100 shares of Loews common stock for \$42 per share and tendered all 100 shares in the Exchange Offer, you would be entitled to receive 70 shares of Lorillard common stock (reflecting the exchange ratio of 0.70 and disregarding the Proration) and you would actually receive 70 shares of Lorillard common stock and no cash in lieu of fractional shares. Your

aggregate tax basis in such 70 shares would be \$4,200 (i.e., your aggregate tax basis in your Loews common stock), or \$60 per share of Lorillard common stock. In this example, none of your tax basis in Loews common stock is allocable to fractional shares of Lorillard common stock since you did not receive cash in lieu of any fractional shares of Lorillard common stock.

Alternatively, if you originally purchased a single block of 105 shares of Loews common stock for \$42 per share and tendered all 105 shares in the Exchange Offer, you would be entitled to receive 73.5 shares of Lorillard common stock (reflecting the exchange ratio of 0.70 and disregarding the Proration) and you would actually receive 73 shares of Lorillard common stock and cash in lieu of 0.5 shares of Lorillard common stock. Your aggregate tax basis in such 73 shares of Lorillard common stock would be \$4,380, or \$60 per share of Lorillard common stock. The \$4,380 figure equals your aggregate tax basis in your Loews common stock (\$4,410) less the portion of such tax basis (\$30, calculated as 0.5 shares/73.5 shares x \$4,410) allocable to the 0.5 shares of Lorillard common stock with respect to which you received cash. You will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the \$30 of tax basis allocable to the 0.5 shares of Lorillard common stock with respect to which you received cash and the amount of cash that you received therefor.

Shareholders that acquired different blocks of Loews common stock at different times or at different prices will need to calculate their tax basis in each block of Loews common stock tendered and accepted in the Exchange Offer separately and then allocate such tax basis to the Lorillard common stock received in exchange therefor in the Exchange Offer.

DISCLOSURE REQUIRED FROM SIGNIFICANT DISTRIBUTEES; RECORDKEEPING

Certain holders of Loews common stock or Carolina Group stock (i.e., those shareholders who, immediately before the Separation, (i) owned at least 5% (by vote or value) of the total outstanding stock of Loews or (ii) owned securities in Loews with an aggregate tax basis of \$1 million or more) who received shares of Lorillard common stock in the Separation are required to include a tax information statement in respect of the Separation in their U.S. federal income tax returns for the year in which the Separation occurs. A form of this tax information statement is attached to this notice.

All shareholders who received Lorillard common stock in the Separation are required to keep certain information relating to the Separation in their permanent records, specifically including information regarding the amount, tax basis and fair market value of the Lorillard common stock received. Shareholders are urged to consult their tax advisors regarding these requirements.

FORM OF STATEMENT PURSUANT TO TREASURY REGULATIONS

SECTION 1.355-5(b) BY (Name:) _____,

(Taxpayer Identification Number or Social Security Number:) _____,

A SIGNIFICANT DISTRIBUTE

On June 16, 2008, Loews Corporation (“Loews”) completed the distribution (the “Separation”) to its shareholders of all of the outstanding shares of Lorillard, Inc. (“Lorillard”). The Separation consisted of two steps:

- On June 10, 2008, Loews distributed approximately 62 percent of the outstanding shares of Lorillard common stock to holders of record of Carolina Group stock in exchange for and in complete redemption of all of the outstanding shares of Carolina Group stock (the “Redemption”). Each holder of record of Carolina Group stock received one share of Lorillard common stock in exchange for each share of Carolina Group stock it held.
- On June 16, 2008, Loews distributed its remaining shares of Lorillard common stock (approximately 38 percent of the outstanding shares of Lorillard common stock) in exchange for shares of Loews common stock that were validly tendered and accepted by Loews (the “Exchange Offer”). Each tendering Loews shareholder received 0.70 of a share of Lorillard common stock in exchange for each share of Loews common stock validly tendered and accepted by Loews. Certain Loews shareholders also received cash in lieu of the fractional shares of Lorillard common stock that such Loews shareholders would otherwise have received in the Exchange Offer.

The following information is provided pursuant to Treasury Regulations Section 1.355-5(b) with regard to the Separation:

1. Name, address and employer identification number of the distributing corporation:

Loews Corporation
655 Madison Avenue
New York, New York 10065-8068
EIN: 13-2646102

2. Name, address and employer identification number of the controlled corporation:

Lorillard, Inc.
714 Green Valley Road
Greensboro, North Carolina 27408-7018
EIN: 13-1911176

3. The Redemption occurred on June 10, 2008.

The Exchange Offer occurred on June 16, 2008.

4. The undersigned surrendered _____ shares of Carolina Group stock with an aggregate tax basis of \$ _____ in the Redemption.

The undersigned surrendered _____ shares of Loews common stock with an aggregate tax basis of \$ _____ in the Exchange Offer.

5. The undersigned received _____ shares of Lorillard common stock with an aggregate fair market value of \$ _____ in the Redemption.

The undersigned received _____ shares of Lorillard common stock with an aggregate fair market value of \$ _____ in the Exchange Offer.

Taxpayer’s Signature

IF APPLICABLE, THIS FORM OF STATEMENT SHOULD BE COMPLETED AND ATTACHED TO YOUR 2008 U.S. FEDERAL INCOME TAX RETURN. IT SHOULD NOT BE SENT TO LOEWS OR LORILLARD.