

PROPOSED STATEMENT

Lorillard Tobacco Company and Harley-Davidson, Inc. have mutually agreed to settle their litigation over their 1986 License Agreement which had enabled Lorillard to manufacture and sell cigarettes under the Harley-Davidson brand name. The settlement agreement provides for the dismissal of the lawsuit and for the orderly phaseout of Harley-Davidson cigarettes, first in the United States and then in all foreign markets over a six-year period. Both companies believe their settlement is in the best interests of all concerned and will avoid what would have been an expensive and prolonged legal battle. Harley-Davidson has no plans to license its trademarks to another cigarette maker in the future.

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