

U.S. TOBACCO COOPERATIVE

Jimmy Hill
Chairman

Stuart Thompson
Chief Executive Officer

1304 Annapolis Drive • Raleigh, North Carolina 27608 • USA • Telephone: 919-821-4560 • Fax: 919-821-4564 • www.ustobaccofarmer.com

FOR IMMEDIATE RELEASE

U.S. Tobacco Cooperative Pays Member Growers \$5.1 Million in Cash Dividend

RALEIGH, NC (July 25, 2014) – The Board of Directors of U.S. Tobacco Cooperative Inc. declared a patronage dividend of \$0.21 per pound of tobacco sold to the Cooperative during Fiscal Year 2014.

Due to a high quality 2013 crop and record earnings, the Cooperative was able to authorize a cash payment of \$0.11 cents per pound to be paid immediately and to allocate \$0.10 per pound to each Grower's account in Certificates of Interest. A total of 889 Growers shared in the \$5,142,568 payout which is based on the patronage income from consolidated operations for the fiscal year ending April 30, 2014.

Stuart Thompson, CEO, affirmed, "Our Cooperative is committed to our Growers. We are constantly looking for new markets so that we can buy more of our Growers' tobacco and maximize patronage dividends. This is the fourth consecutive year that the Cooperative has paid a patronage dividend, paying out over \$14.1 million to our members from patronage source income since 2010."

The Board of Directors also authorized the Cooperative to pass its Section 199 Domestic Production Activities Deduction to its Growers of \$0.14 per pound. While the Cooperative is entitled to take this tax deduction on its Federal Income Taxes, it may choose instead to pass the deduction along to its Growers and allow the Growers to take advantage of this valuable tax deduction.

###

About U.S. Tobacco Cooperative Inc.

Founded in 1946 and previously known as the Flue-Cured Tobacco Cooperative Stabilization Corporation for its role in administering the price support program of the Federal Tobacco Program, U.S. Tobacco Cooperative (USTC) is now a dynamic, nimble and competitive player in world tobacco markets. Headquartered in Raleigh, North Carolina, the Cooperative comprises flue-cured tobacco farmers from Virginia, North Carolina, South Carolina, Georgia and Florida. With USTC, domestic and global customers can buy the finest flue-cured tobacco in the world directly from the farmer. In addition to its leaf business, USTC also owns six consumer brands and operates 13 locations throughout the United States.

For more information, please contact:

Amanda Johnson
919-821-4560
ajohnson@usleaf.com