

Mr Bassam Audeh
Director
IBCS Trading and Distribution Co Ltd
Omimos & Araouzos Tower
7th Floor
Olympion Street 3035
PO Box 53049
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Limassol
CYPRUS

17th July 2009

Dear Sir,

As a follow up to our telephone conversation, we would like to reiterate JTI's position on illicit trade which is clear and unequivocal: "JTI is not, and will not be, involved in the illegal sale of its products".

Contraband damages our business and undermines our brands. It damages JTI and its business partners' reputation; and both JTI and its distributors have a major role to play in eliminating contraband.

The fight against cigarette smuggling is an important business priority for our Company. As you know, JTI did sign on December 14, 2007 a Cooperation Agreement with the EU and its participating Member States. This \$400 million commitment over 15 years demonstrates clearly our intents and our continuing efforts to work with Governments to eradicate contraband and counterfeit activities and, more importantly, to identify those who are part of the illicit trade "business".

JTI received an official notification from OLAF (European Anti Fraud Organization) for the seizure of Winchester Export Lights (over 50 cases) in Malta. We had to disclose to the EU that the said seized products were sold to IBCS and that JTI was addressing the matter.

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Registered in England and Wales: 06525036

As you know the products were shipped to Ramak, Syria and Interworld, Lebanon in August and September 2008. Because of the seizures of JTI products, we will have to pay approximately Euro 70,000 to OLAF for tax and duties evasions.

Therefore, we would greatly appreciate if you liaise with the above parties and inform them of this unacceptable situation and that JTI does not tolerate illicit trade activities or activities linked to tax and duties evasion. In addition, please inform both Ramak and Interworld that if we were to face a similar situation in the near future, JTI will have no other choice than to stop shipment of its products and to terminate any business with these two customers.

We appreciate your understanding and your support in resolving this matter.

Yours faithfully,



Fadoul Pekhazis
Regional President
MENEAT & WWDF