



THE PLEASURES OF SMOKING

ON BEHALF OF NJOY, CEO Jack Leadbeater

July 23, 2009

NJOY RESPONSE TO FDA CONFERENCE CALL

NJOY's products have been on the market since at least April 2007 with no reports of significant adverse health consequences. We do not market our products to children, and indeed take affirmative steps to ensure that our products are not sold to minors by requiring retailers to agree to where the product is placed and request verification of appropriate age as it pertains to each state law.

NJOY has been tested by an independent third-party laboratory, Exponent. This testing, as well as our consultation with medical experts, gives us confidence that our products are appropriate alternatives for traditional cigarettes for the committed smoker. We are therefore surprised the FDA's testing has resulted in the Agency suggesting that our products represent a health risk on par with conventional cigarettes. We will provide more information on NJOY's testing and the results in the next few days.

The FDA's report admits its conclusions don't apply to all products.

- Broad statements were made on the call that Diethylene glycol (DEG) was detected in the test samples, but the specific report shows that DEG was not found in NJOY's products.
- The results touted by FDA related to antifreeze are inapplicable to NJOY's products (per the FDA report) .
- FDA's report simply shows that the products contain certain tobacco-specific impurities (at much lower levels than conventional cigarettes, and this is something we are having our experts compare in the reports conduct by NJOY and the FDA).

We find it interesting the FDA's report is dated May fourth and is only now being released. The FDA has not asked us to relabel our product, or to remove it from product shelves, at any point in the two years we have been in the market.

We remain willing to work with FDA to address the Agency's concerns.

Contact: Amy Linert (480) 529-8326 or at amy.linert@mcmurry.com