



JT International Business Results for 2013

Tokyo, Japan

January 31, 2014

Caution on Forward-Looking Statements

Today's presentations contain forward-looking statements. These statements appear in a number of places in these presentations and include statements regarding the intent, belief, or current and future expectations of our management with respect to our business, financial condition, and results of operations. In some cases, you can identify forward-looking statements by terms such as "may", "will", "should", "would", "expect", "intend", "project", "plan", "aim", "seek", "target", "anticipate", "believe", "estimate", "predict", "potential" or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating results are particularly subject to a variety of assumptions, some or all of which may not be realized.

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- (1) decrease in demand for tobacco products in key markets;
- (2) restrictions on promoting, marketing, packaging, labeling and usage of tobacco products in markets in which we operate;
- (3) increases in excise, consumption or other taxes on tobacco products in markets in which we operate;
- (4) litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products ;
- (5) our ability to realize anticipated results of our acquisition or other similar investments;
- (6) competition in markets in which we operate or into which we seek to expand;
- (7) deterioration in economic conditions in areas that matter to us;
- (8) economic, regulatory and political changes, such as nationalization, terrorism, wars and civil unrest, in countries in which we operate;
- (9) fluctuations in foreign exchange rates and the costs of raw materials; and
- (10) catastrophes, including natural disasters.

This presentation contains images or packages of our brands in some slides. Those slides have been included exclusively to illustrate JT Group's strategy or performance to our investors. They are not to be used for any other purpose.

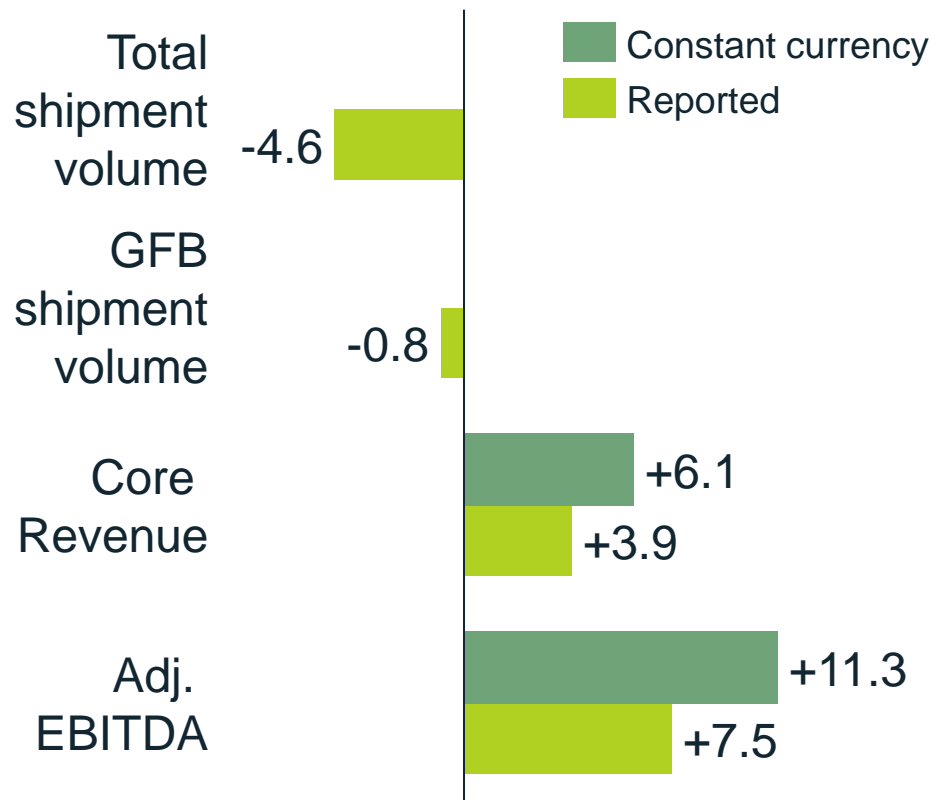
Thomas A. McCoy
President &
Chief Executive Officer

Business Results 2013

Strong profit results driven by top-line growth

Key Performance Indicators 2013

Year-over-Year Growth (%)

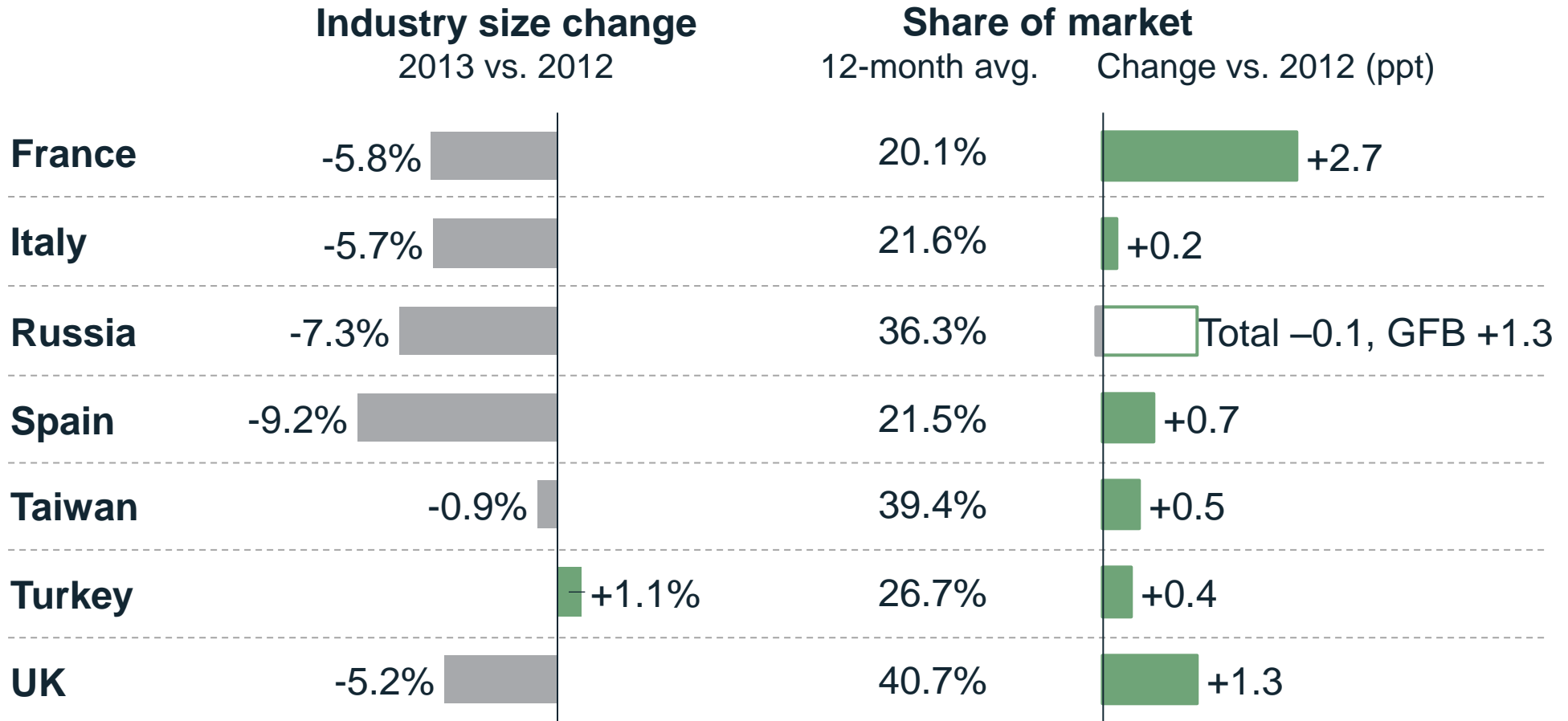


Robust EBITDA growth of 11.3% at constant rates of exchange, despite an increasingly challenging environment

Key drivers:

- robust pricing,
- share of market and share of value gains in most key markets, and
- broadened business base

Continued SOM growth despite significant industry contraction










Source: JTI estimates, Nielsen, Logista (Industry size and SOM include cigarettes and fine cut)

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Share of value grew in a down-trading environment

Share of value (12-month moving avg.)

Markets	2013	Change vs. last year (ppt)
France	18.8%	 +1.6
Italy	21.1%	 +0.2
Russia	36.7%	 +0.5
Spain	24.0%	 +2.7
Taiwan	44.5%	 +1.2
Turkey	26.7%	 +0.5
UK	41.0%	 +1.5

Share of value grew in all key markets as a result of:

- strong GFB equity,
- well-balanced portfolio,
- mix improvement, and
- effective pricing across the portfolio

Note: SOV in Spain is 12-month rolling average to November.
 Source: Nielsen, Logista, IRI (SOV includes cigarettes and fine cut)
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Competitive portfolio across all price segments and categories

Global RMC



Fine Cut



Emerging Products



Resilient GFB performance

GFB shipment volume variance vs. 2012 (%)



GFB as % of total shipment volume

2013	Change vs. last year (ppt)
64.0%	+2.4

GFB share of market (12-month moving avg.)

2013	Change vs. last year (ppt)
14.4%	+4.4

Note: ME includes Middle East and Near East markets; GFB SOM based on 44 markets
 Source: JTI estimates (SOM includes cigarettes and fine cut)
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Winston continued to achieve volume and share gains

Shipment volume variance vs. 2012

(%)



Share of market (SOM)

	2013	vs. 2012 (ppt)
Winston	7.7%	+0.5
France	6.9%	+0.3
Italy	8.6%	+0.4
Russia	14.3%	+1.6
Turkey	16.2%	+0.4
Ukraine	10.3%	+1.0

- Winston shipment volume grew 0.7% compared to last year
- excluding ME, Winston grew 3.7%
- Positive momentum across several markets led to a Winston share of 7.7%
- Consistent investment in brand equity and portfolio enhancement



Note: ME includes Middle East and Near East markets; Winston SOM based on 38 markets

Source: JTI estimates, Nielsen, Logista (SOM includes cigarettes and fine cut)

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LD further expanded beyond CIS+

Shipment volume variance vs. 2012

(%)



- LD shipment volume grew 11%, excluding Russia
- Expansion in non-CIS+ markets with market share gains mainly driven by:
 - growth in fine cut, and
 - successful introduction of new line extensions

Share of market (SOM)

	2013	vs. 2012 (ppt)
LD	4.4%	+0.2
Hungary	6.2%	+1.8
Kazakhstan	10.3%	+1.3
Poland	11.6%	+1.8
Turkey	3.5%	+0.4
Ukraine	3.6%	+0.6



Note: LD SOM based on 18 markets

Source: JTI estimates, Nielsen (SOM includes cigarettes and fine cut)

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Camel grew market share in its core markets

Shipment volume variance vs. 2012

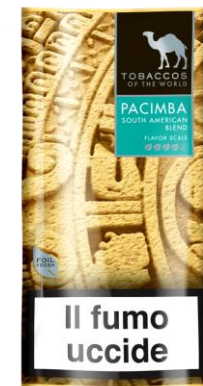
(%)



- Growing share despite industry contraction and down-trading in most of its core markets
- Continuing to build equity with innovative propositions
- Leveraging the 100 year anniversary campaign

Share of market (SOM)

	2013	vs. 2012 (ppt)
Camel	2.4%	+0.1
France	7.3%	+0.2
Italy	9.8%	+0.2
Netherlands	7.7%	+1.0
Poland	2.5%	+0.4
Spain	6.5%	+0.3



Note: Camel SOM based on 42 markets

Source: JTI estimates, Nielsen, Logista (SOM includes cigarettes and fine cut)

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Fine cut shipment volume growth accelerated

Fine cut shipment volume variance vs. 2012 (%)



Fine cut share of market

(rank #)	2013	vs. 2012 (ppt)
Europe (#2)	18.3%	+3.2
Belgium (#3)	20.3%	+4.2
France (#1)	32.4%	+12.5
Germany (#5)	4.5%	+0.7
Spain (#2)	20.5%	+5.8
UK (#2)	40.8%	+1.8

- Strong volume growth driven by:
 - positive performance of both GFB and non-GFB,
 - share of market gains across Europe, and
 - new product features



Note: Europe SOM based on 16 markets. SOM in Belgium and Germany is 12-month rolling average to November.

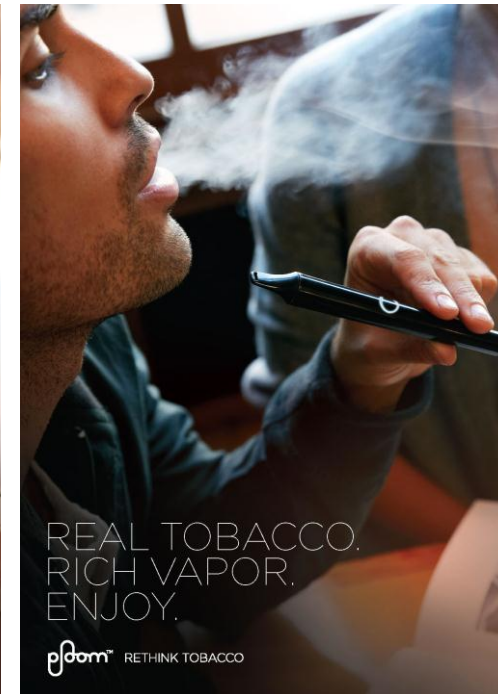
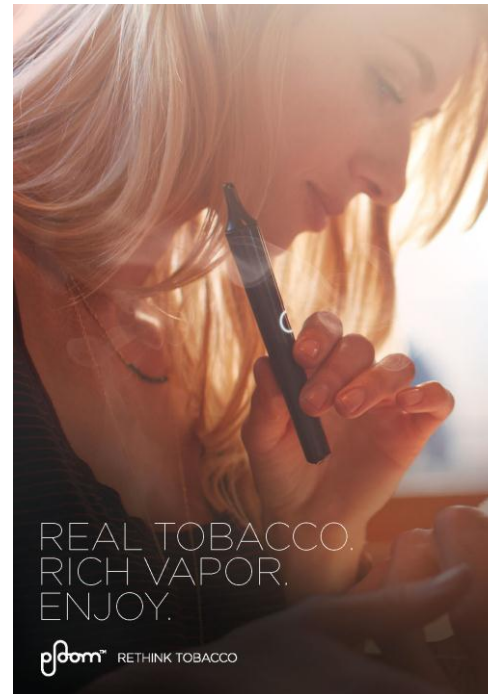
Source: JTI estimates, Nielsen, Logista

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Ploom expanded its international presence



- Ploom, the first and only tobacco vapor product, is now available in Austria, Italy, Korea and Japan
- Positive consumer and trade acceptance driven by concept, design and taste
- Building our capabilities in the tobacco vapor category
- Expanding geographically
- Continuing to enrich the product pipeline

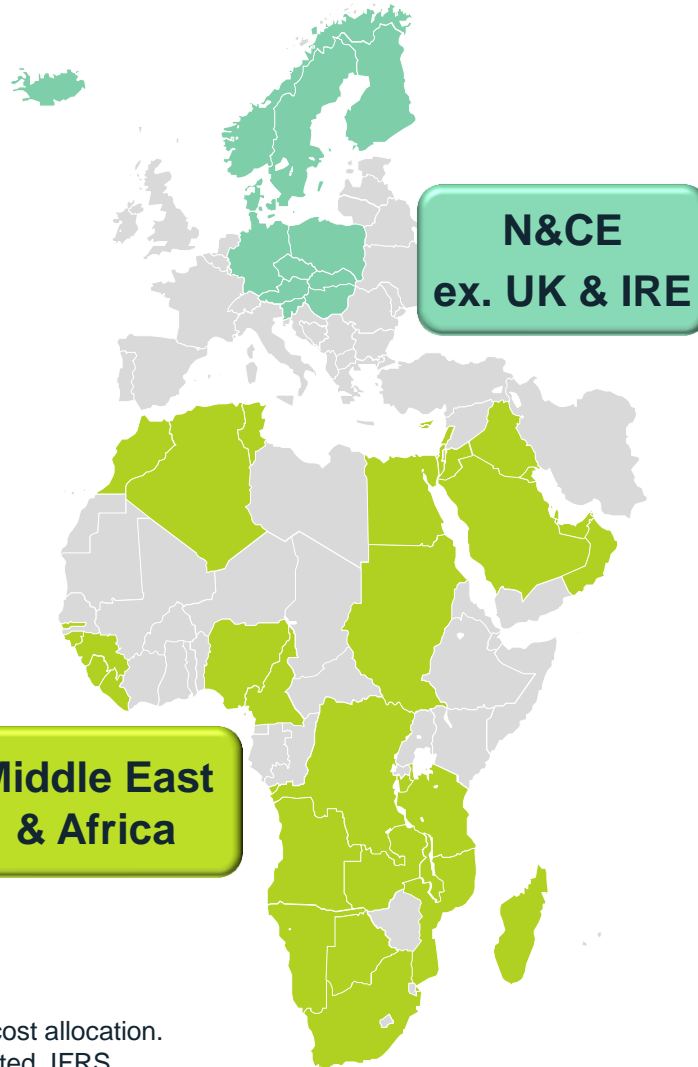


Business base continued to broaden and generated solid returns

Total shipment volume
growth 2013 vs. 2009

+22%

+52%



EBITA growth
CAGR 2013-2009

+24%

+22%

Note: EBITA before adjustment and before HQ cost allocation.
2009: Reported, US-GAAP / 2013: Reported, IFRS

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Roland Kostantos
Chief Financial Officer

Financial and Operational
Overview 2013

Revenue and earnings growth in a challenging environment

BnU, US\$ MM

	2012	2013	% Change	
			Reported	Constant currency
Total shipment volume	436.5	416.4	-4.6%	
GFB shipment volume	268.8	266.6	-0.8%	
Core revenue	11,817	12,273	+3.9%	+6.1%
Adjusted EBITDA	4,300	4,623	+7.5%	+11.3%

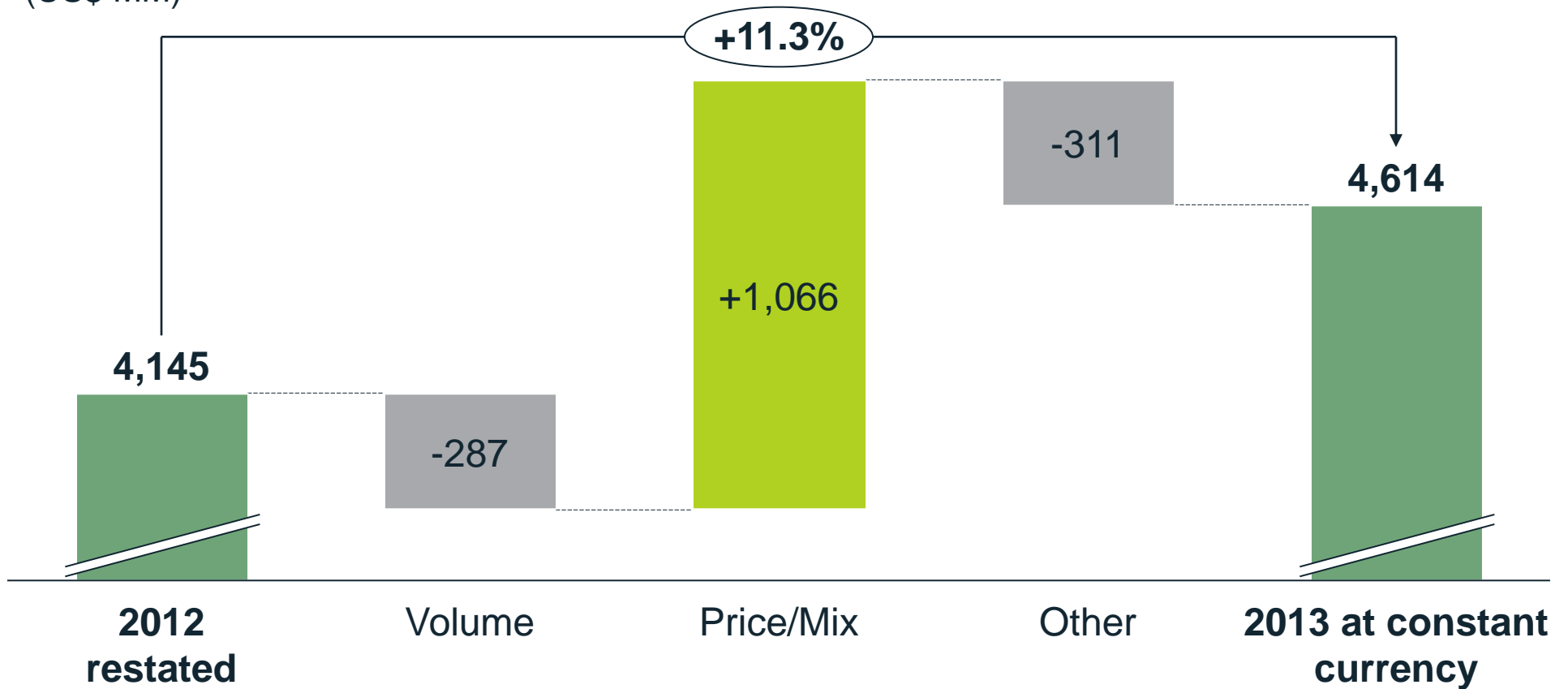
Core revenue increased driven by Price/Mix

(US\$ MM)



Adjusted EBITDA growth driven by Price/Mix

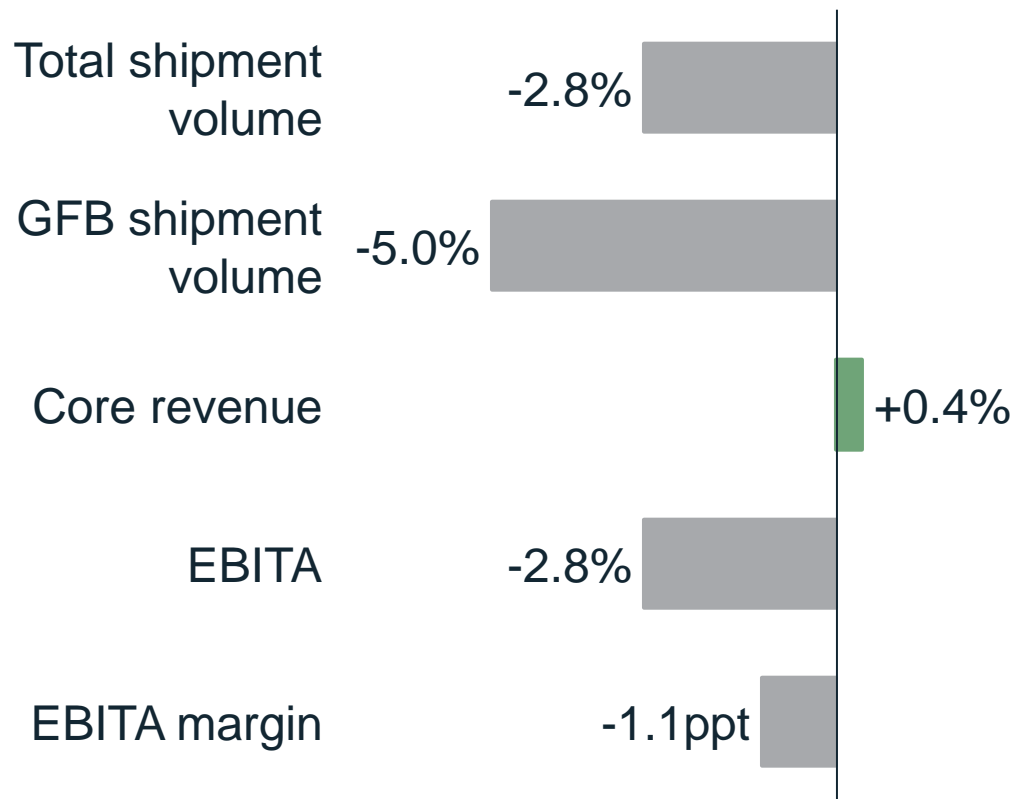
(US\$ MM)



South & West Europe: Challenging economic environment

Key Performance Indicators 2013

Year-over-Year Growth



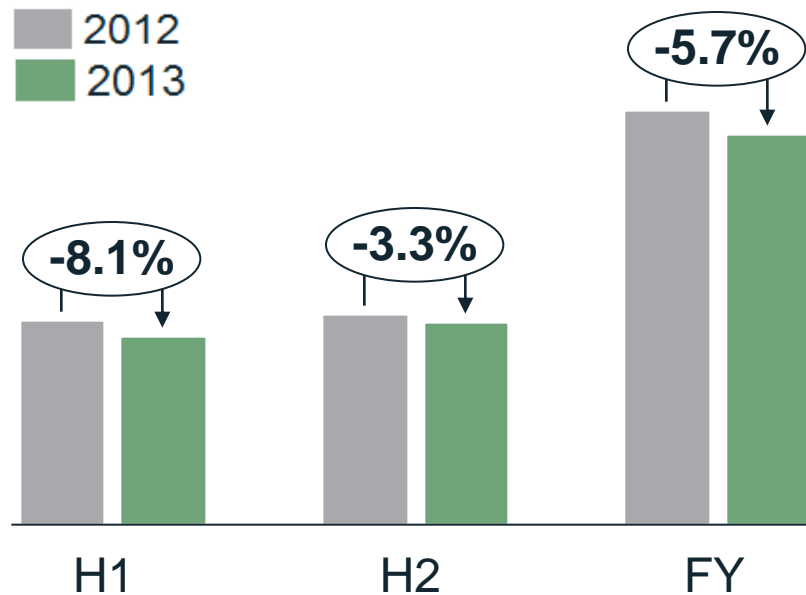
- Significant industry contraction impacted shipment volume
- Share of market gained across several markets
 - Belgium +2.7ppt
 - France +2.7ppt
 - Greece +1.0ppt
 - Italy +0.2ppt
 - Netherlands +1.3ppt
 - Spain +0.7ppt
- Excluding Italy, EBITA and EBITA margin grew

Note: Core revenue and EBITA at constant rate of exchange. SOM in Belgium is 12-month rolling average to November.

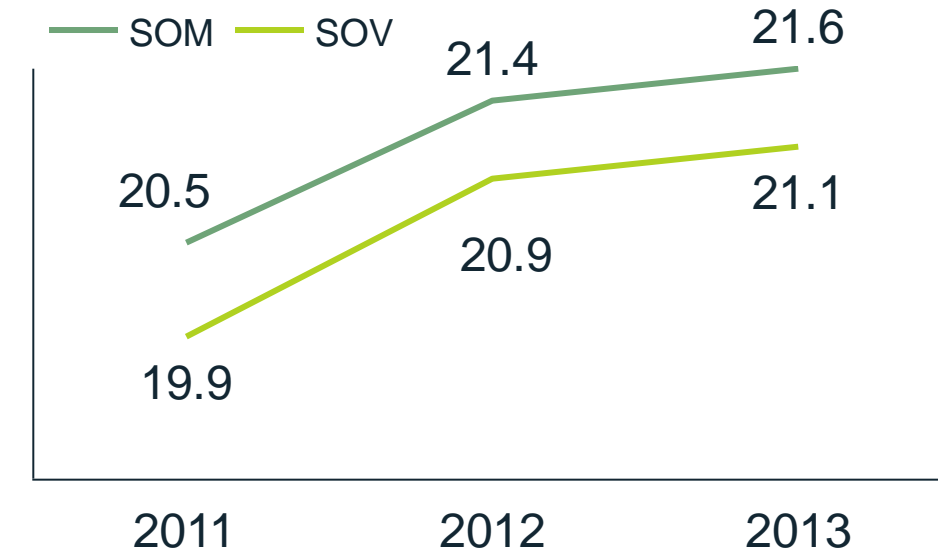
Source: Logista, Nielsen (SOM includes cigarettes and fine cut)

Italy: Continued share of market and share of value growth

Industry size



JTI share of market and share of value evolution (%)

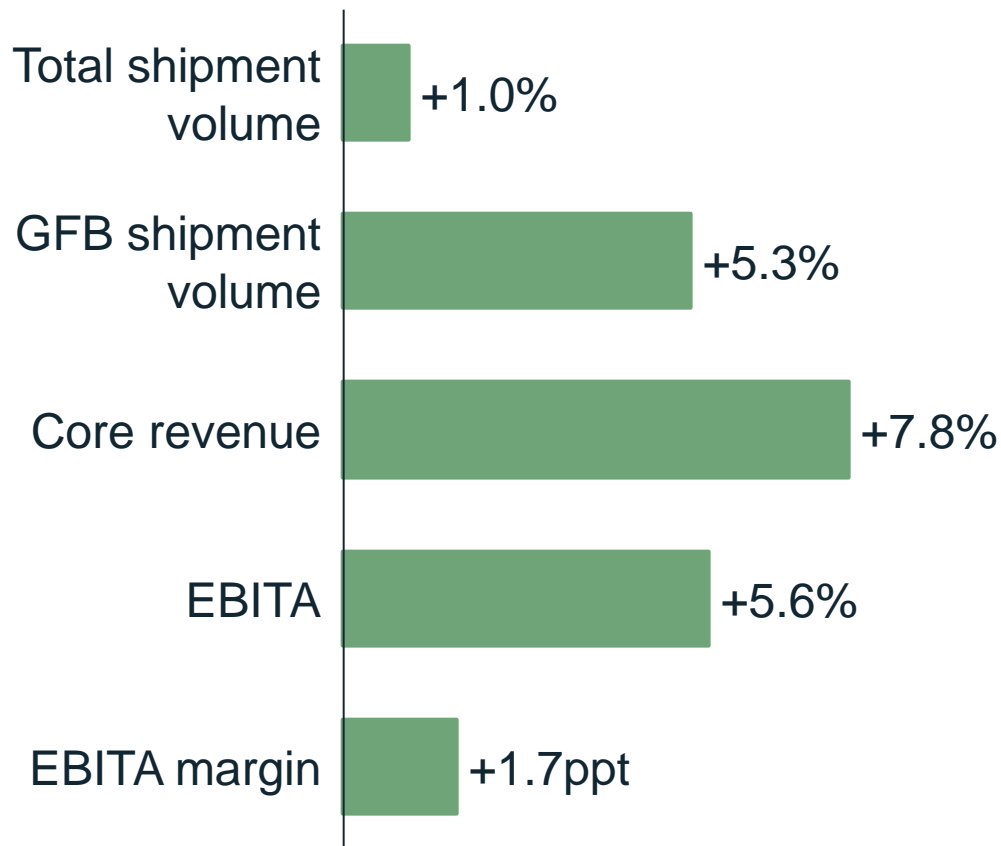


- Significant industry contraction but with improved H2 volume trend
- Share of market growth driven by Winston +0.4ppt and Camel +0.2ppt
- No price increase since March 2012; VAT increase absorbed from October 2013

North & Central Europe: Strong business performance

Key Performance Indicators 2013

Year-over-Year Growth



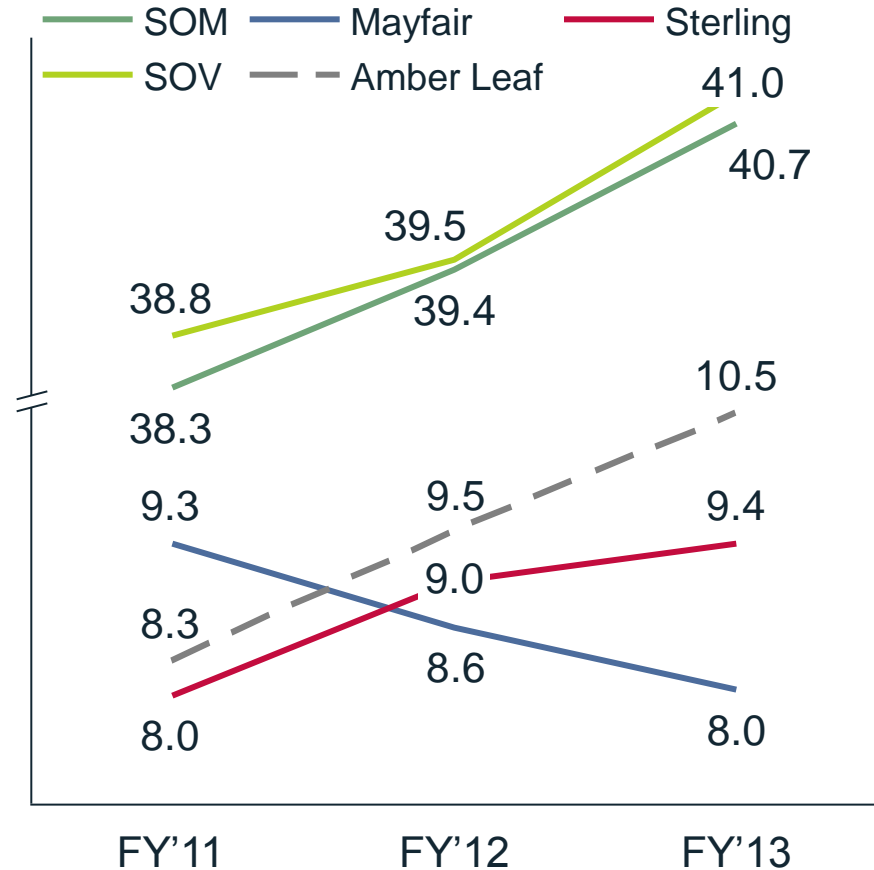
- Strong volume and financial performance
- GFB shipment volume increased in Czech, Germany, Hungary and Sweden
- Core revenue growth driven by volume and pricing gains in Czech, Germany, Poland, Sweden and the UK
- Downsizing of non-core distribution businesses negatively impacted EBITA growth

Note: Core revenue and EBITA at constant rate of exchange

UK: Strong share of market and share of value growth

- Share of market and share of value exceeded 40%
- JTI held top 3 brands in the market with Amber Leaf, Sterling and Mayfair
- Mayfair maintained No1 brand position in Mid-Price segment
- B&H grew share in Sub-Premium and Premium segments
- Robust pricing environment

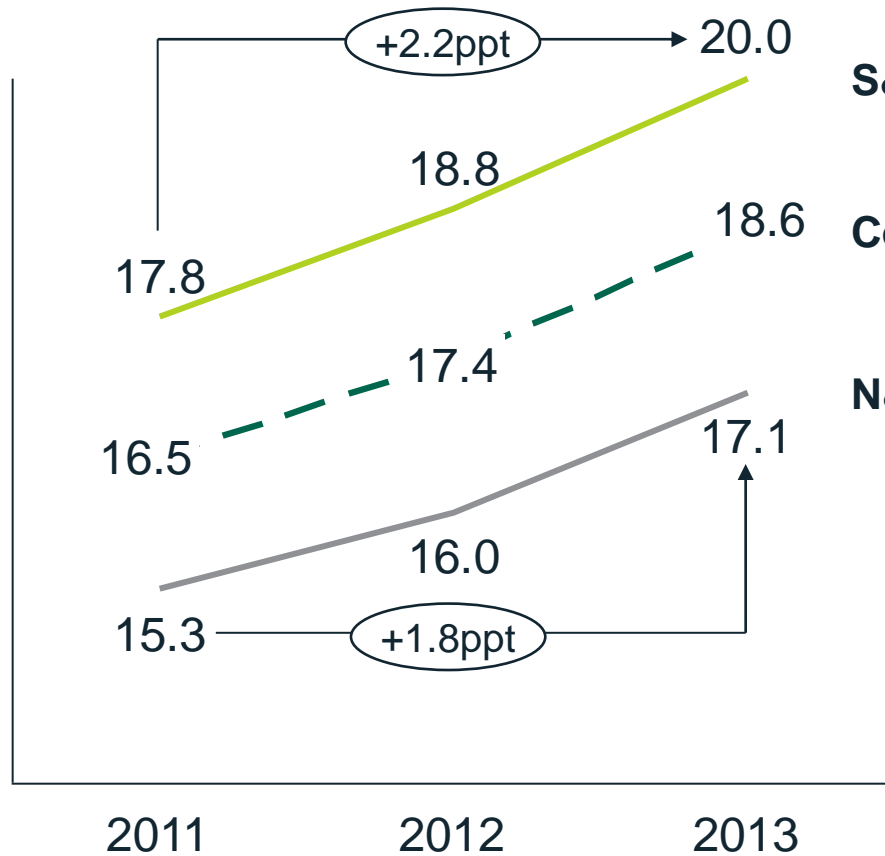
JTI SOM and SOV evolution (%)



Source: Nielsen (SOM and SOV include cigarettes and fine cut)

European clusters: Consistent share of market growth

Share of market evolution



S&WE

- European Clusters remain highly profitable

- S&WE share of market gains of 2.2ppt

Combined

- Camel and Winston growth
- Fine cut development

N&CE

- N&CE share of market gains of 1.8ppt
- Strong UK and Ireland SOM increases
- Winston, LD and B&H growth
- Combined European share of market gains of 2.1ppt since 2011

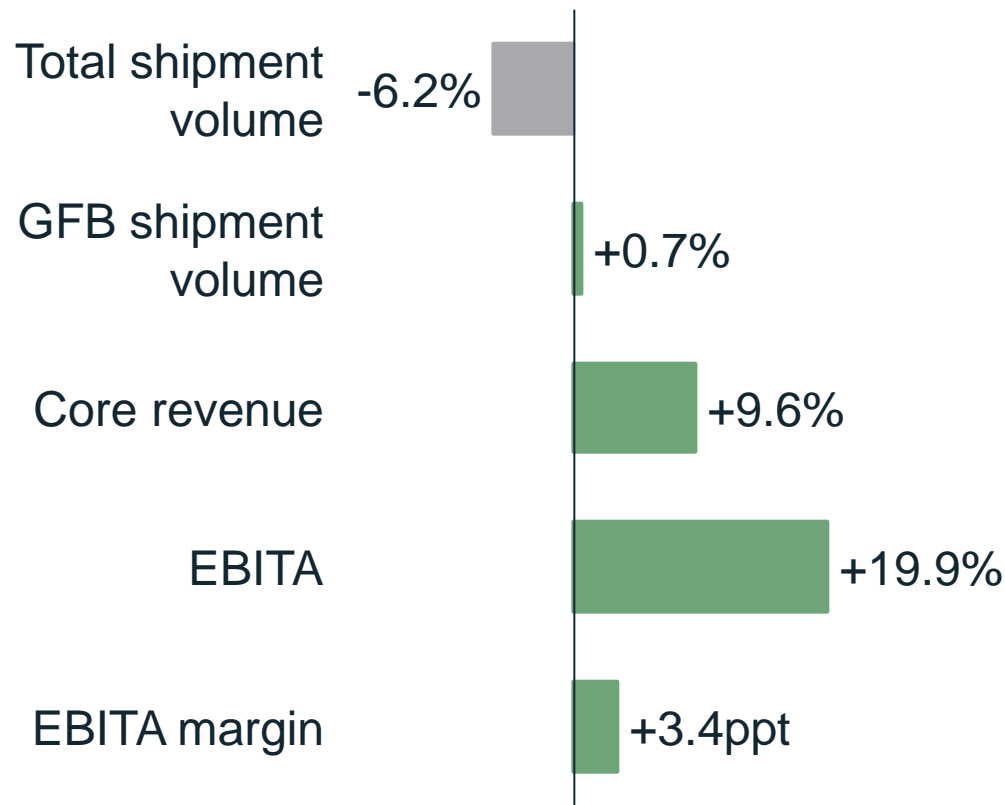
Source: JTI estimates (SOM includes cigarettes and fine cut)

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CIS+: Results driven by strong pricing and GFB momentum

Key Performance Indicators 2013

Year-over-Year Growth



- Significant industry contraction in Russia and Ukraine
- GFB share of market growth in most markets
 - Russia +1.3ppt
 - Ukraine +1.5ppt
 - Kazakhstan +1.6ppt
 - Romania +0.4ppt
- Revenue and earnings growth driven by robust pricing

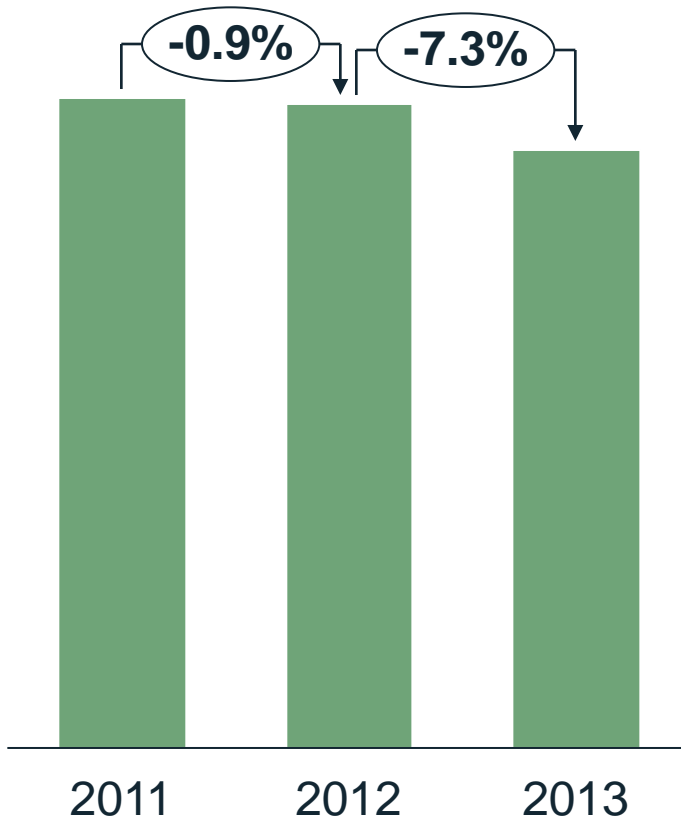
Note: Core revenue and EBITA at constant rate of exchange

Source: JTI estimates, Nielsen

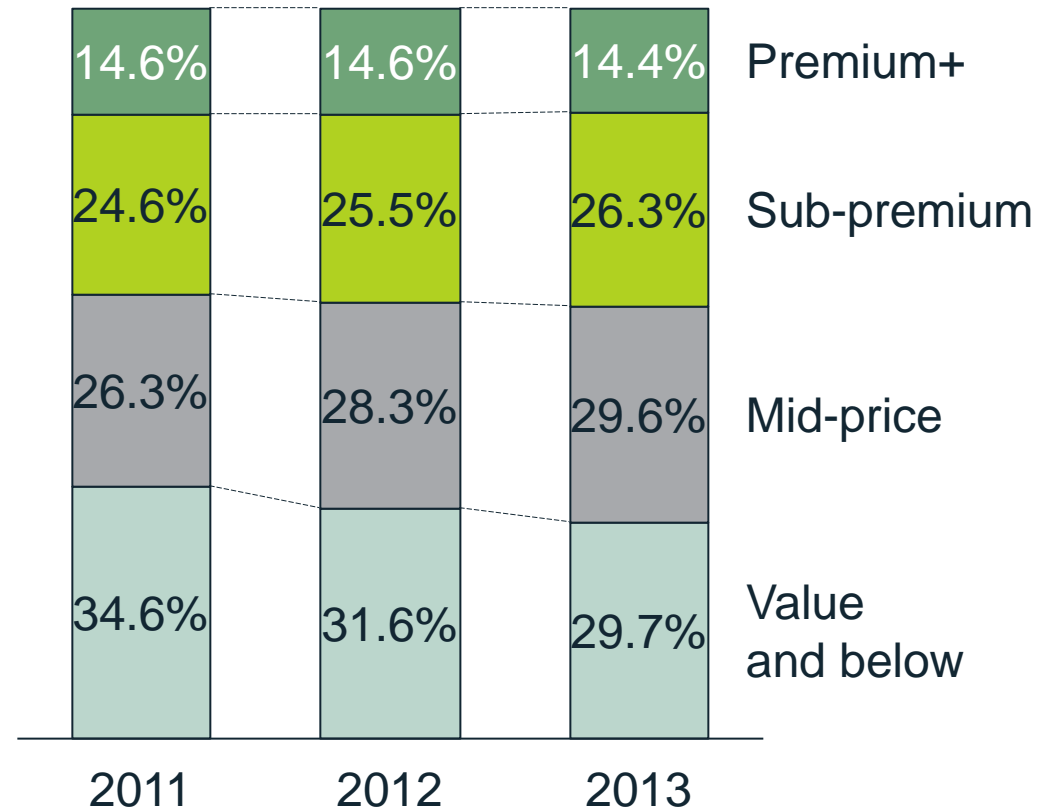
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Russia: Up-trading continued in a contracting market

Industry size



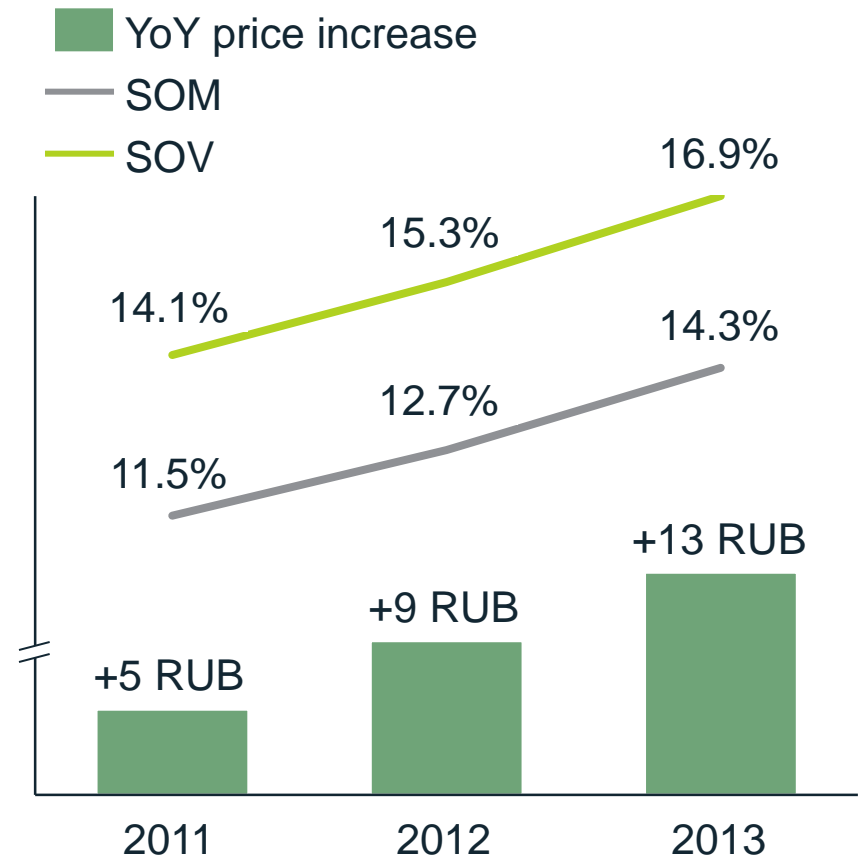
Price segment evolution



Russia: Robust pricing and SOV growth

- Robust pricing environment
 - Affordability ratio* still favorable versus EU average
- Continued share of market and share of value leadership driven by GFB
 - Share of value increased to 36.7 % at the end of 2013
- Winston grew share of market to 14.3%, an increase of +1.6ppt in 2013, consolidating its No 1 SOM position

Winston share of market and pricing evolution

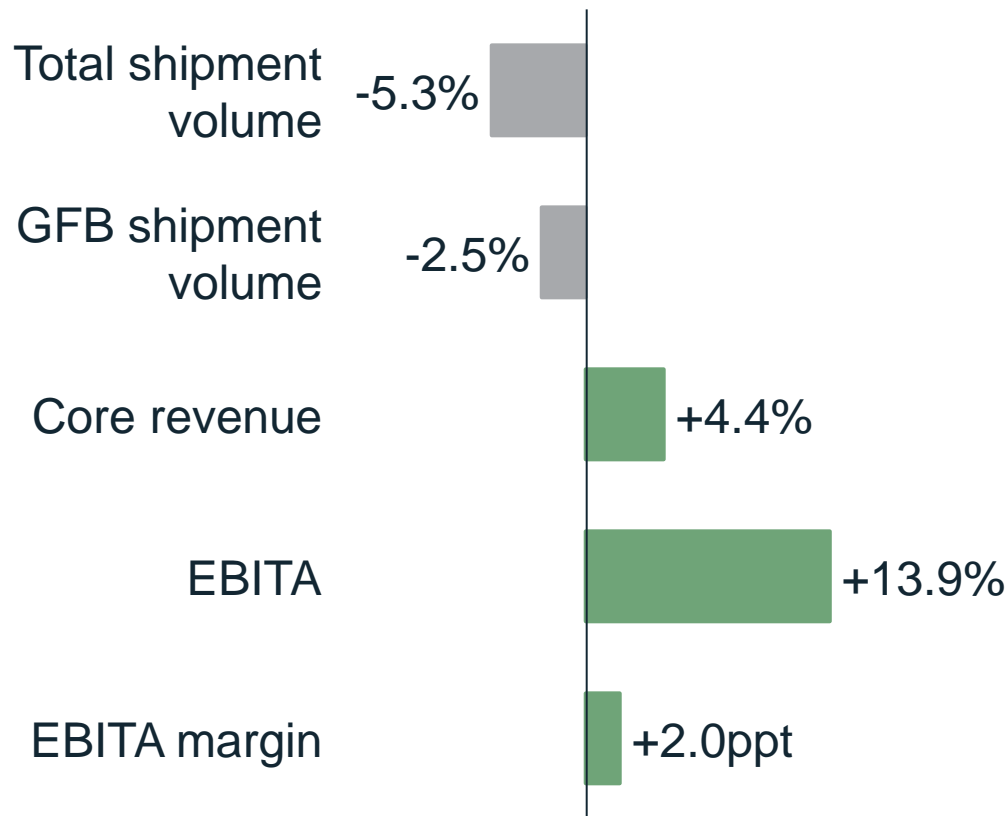


* Percent of average daily personal disposable income required to purchase one 20 stick pack of cigarettes at the weighted average price

RoW: Strong earnings despite Middle East volatility

Key Performance Indicators 2013

Year-over-Year Growth



- Shipment volatility in ME* markets negatively impacted shipment volume
- Excluding ME* markets, total shipment grew 2.8% and GFB shipment grew 3.1%
- Robust pricing in several markets including Canada, Malaysia, Taiwan, Tanzania and Turkey
- EBITA margin improved +2.0ppt

Note: Core revenue and EBITA at constant rate of exchange

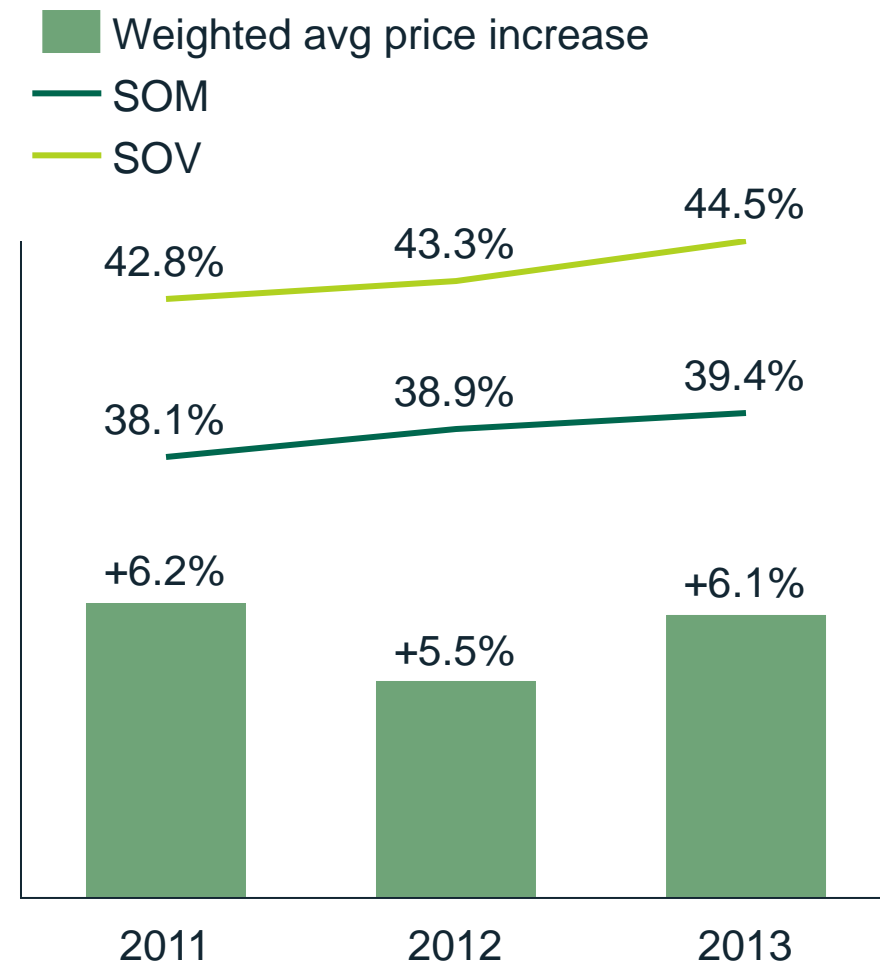
*ME includes Middle East and Near East markets

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Taiwan: Strong brand equity drove pricing and share of market growth

- JTI increased price by circa 5-6% per annum since January 2011
- Share of market growth of 1.3ppt with share of value up 1.7ppt over the corresponding period
- MEVIUS retained No.1 brand position with 23.7% market share following transition from Mild Seven
- Mi-Ne increased market share by 0.5ppt to 4.6%
- Winston grew share to 3.6%

Share of market and pricing evolution



Summary of 2013 results: Solid business fundamentals and pricing drove double digit earnings growth

- Core revenue growth of 6.1%
- Double-digit EBITDA growth of 11.3%
- Robust pricing in key markets of Russia, Taiwan and UK
- Strong business fundamentals underpin performance:
 - On-going share of market growth in profitable European markets
 - GFB share of market increases in Russia
 - Continued share of value growth across all key markets
- Focused investment in brands, emerging products, markets and capability

Note: Core revenue and EBITA at constant rate of exchange

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Thomas A. McCoy
President &
Chief Executive Officer

Outlook

2014

- 2013 delivered solid financials driven by strong brand equity and pricing
- Environment to remain challenging in 2014
- No change in the core strategy of top-line growth and broadening the business base
- Double-digit profit growth at constant currency