



Strengthening our leading position in CIS+

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Regional President, CIS+

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.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

- (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.

A strong #1 in CIS+



A. Ernst
(GM Russia)



P. Holloway
(GM Caucasus)



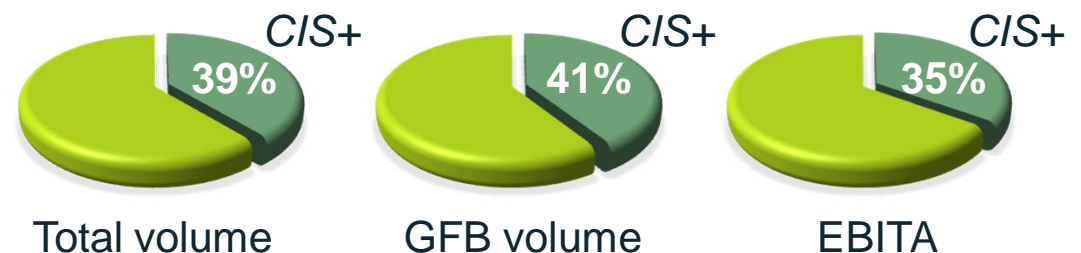
D. Gilfillan
(GM Kazakhstan & CAM)

A dynamic region and strong contributor to JTI's growth

- 12 markets with a population of 282 million:
 - Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine
- 53 million adult smokers⁽¹⁾
- Industry volume of 471 BnU in 2014
- Industry value of 30 \$Bn in 2014
- Key contributor to the JTI's top and bottom-line growth
 - 6 factories
 - 7,200 employees

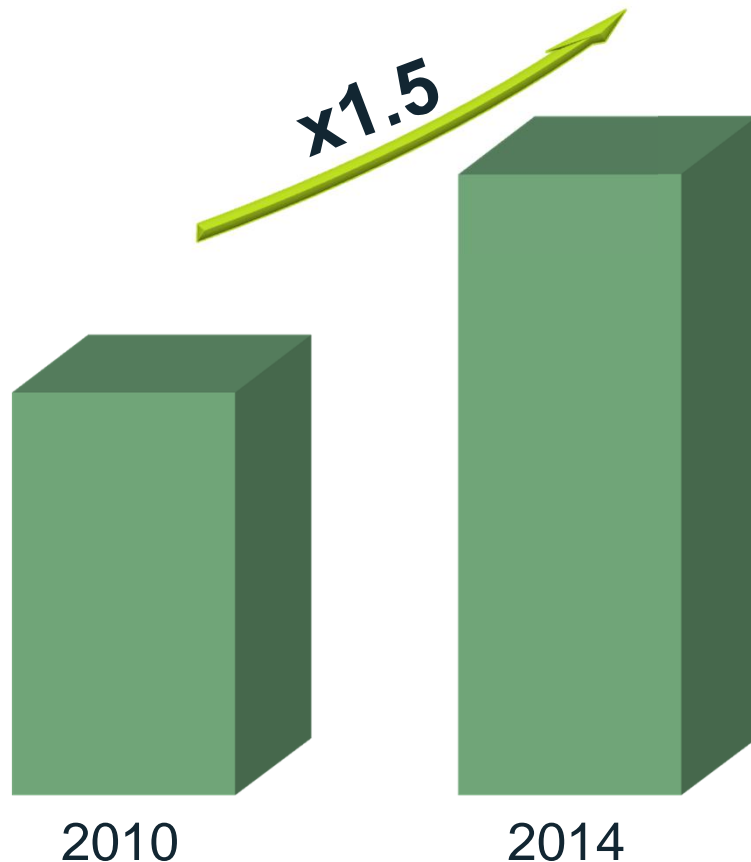


CIS+ contribution to JTI 2014 results



Delivering solid profit increases

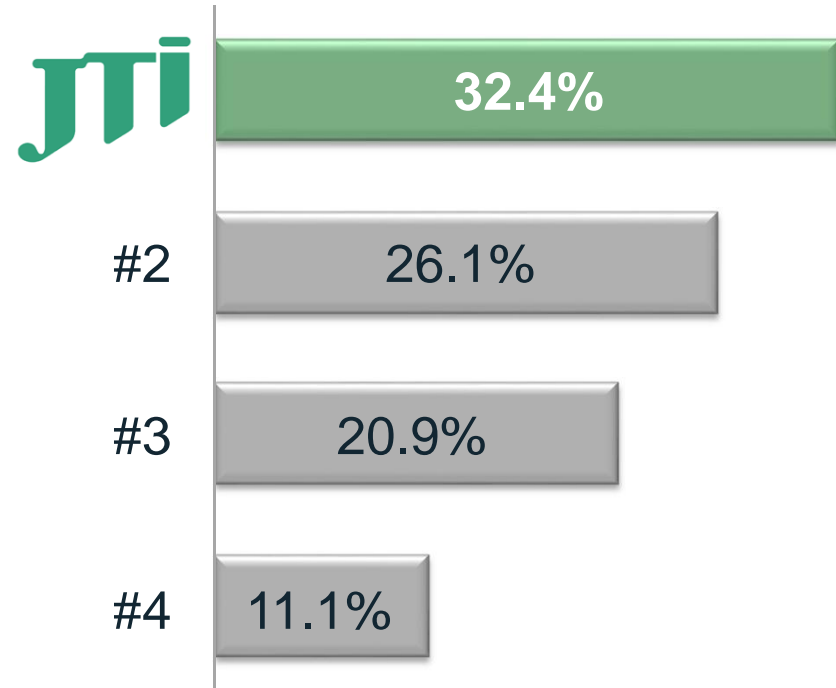
EBITA
(Index, 2010=100)



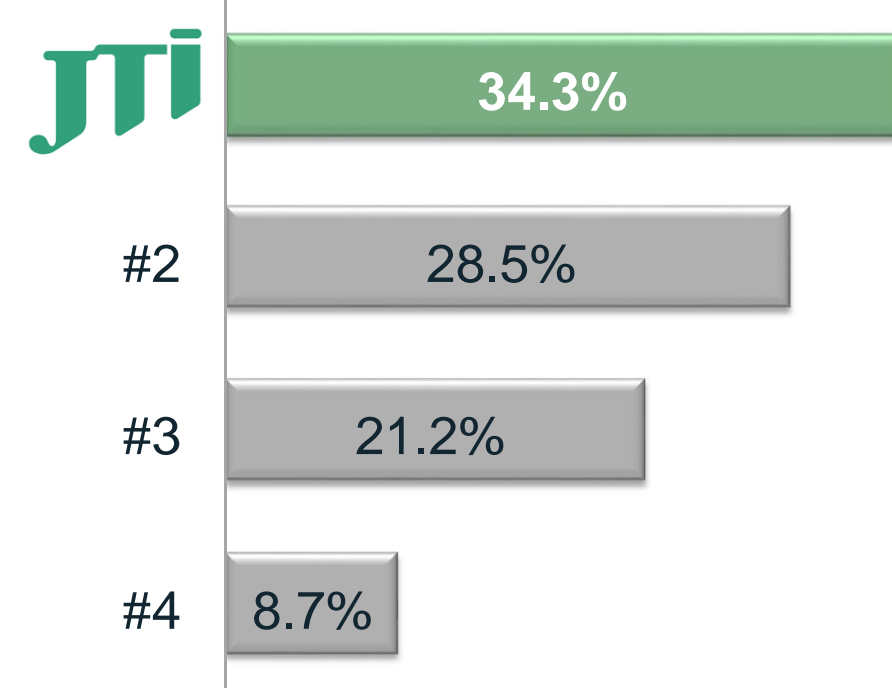
- Strong profit growth consistently delivered over the last five years
- Industry retail value grew 86% since 2010
- Predictable and reasonable excise tax increases providing solid pricing environment:
- Affordability and illicit trade levels remain favorable vs. more developed markets

JTI is the undisputed #1 tobacco player in CIS+

Share of market in CIS+, 2014



Share of value in CIS+, 2014



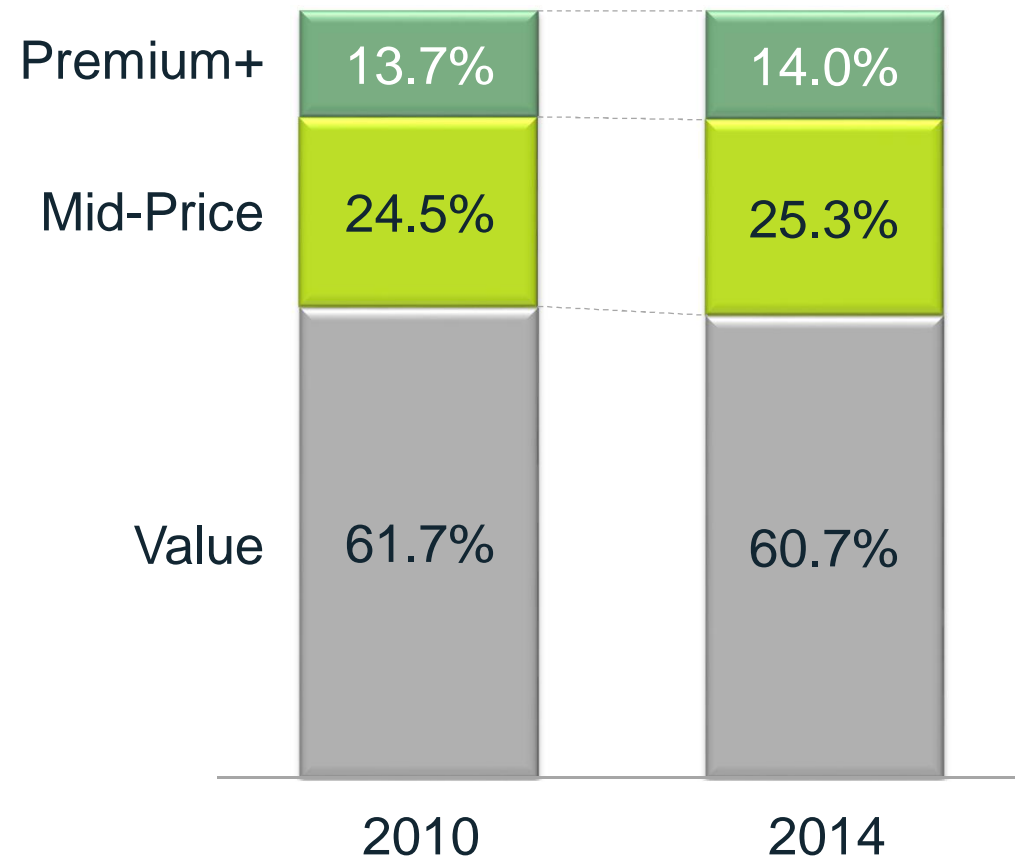
JTI holds the #1 SoM or SoV position in 6 markets, while being strong #2 or #3 in the others



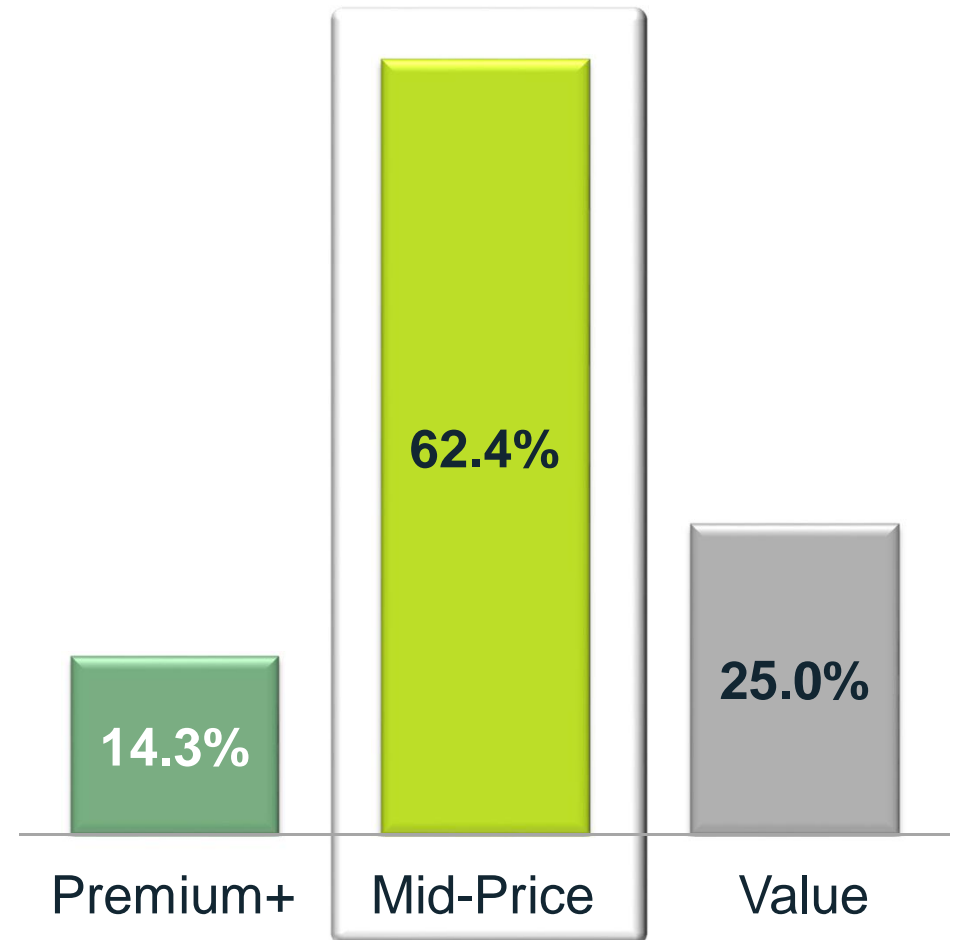
Focused investment on GFBs driving strong results

Strong leading position in the growing Mid-Price segment

Price segments development



JTI share of segment, 2014



Constantly investing to strengthen GFB equity

Innovative and evolving portfolio



Brand extensions' contribution (vol. %)

2014

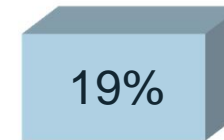
vs. 2010



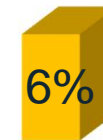
+20ppt



+27ppt



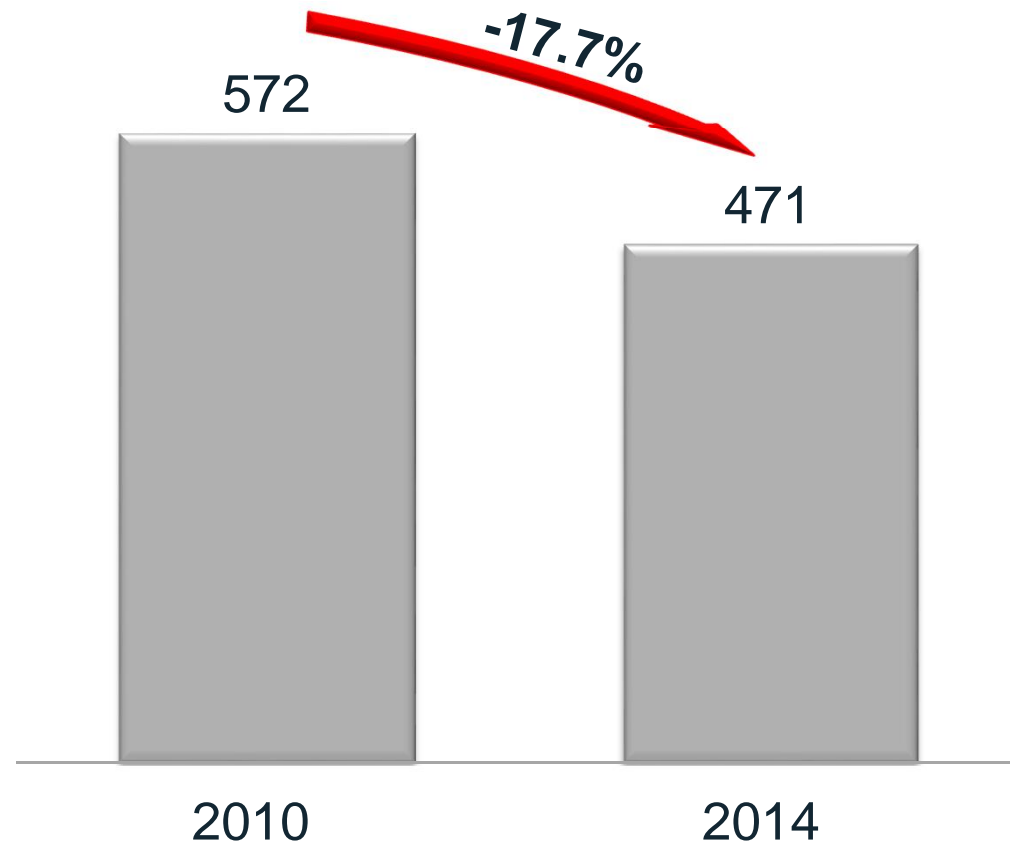
+5ppt



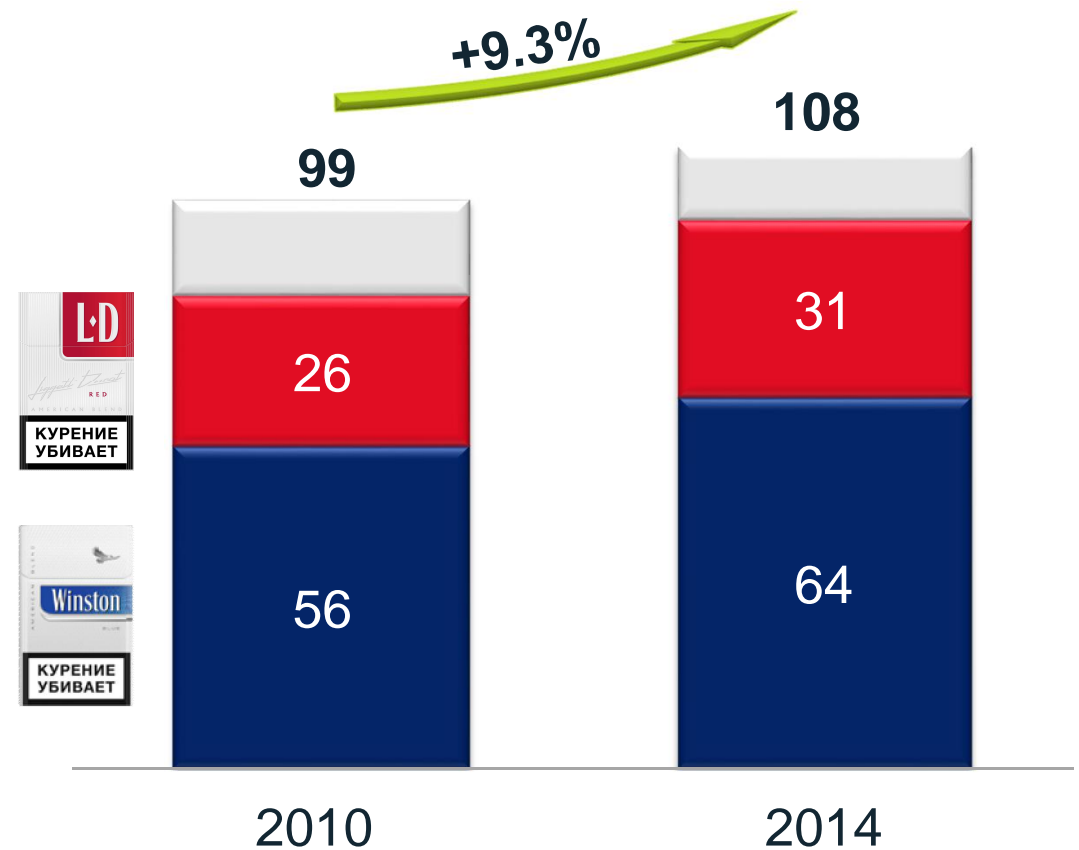
+1ppt

Continued GFB volume growth driven by Winston and LD

Industry volume
(BnU)

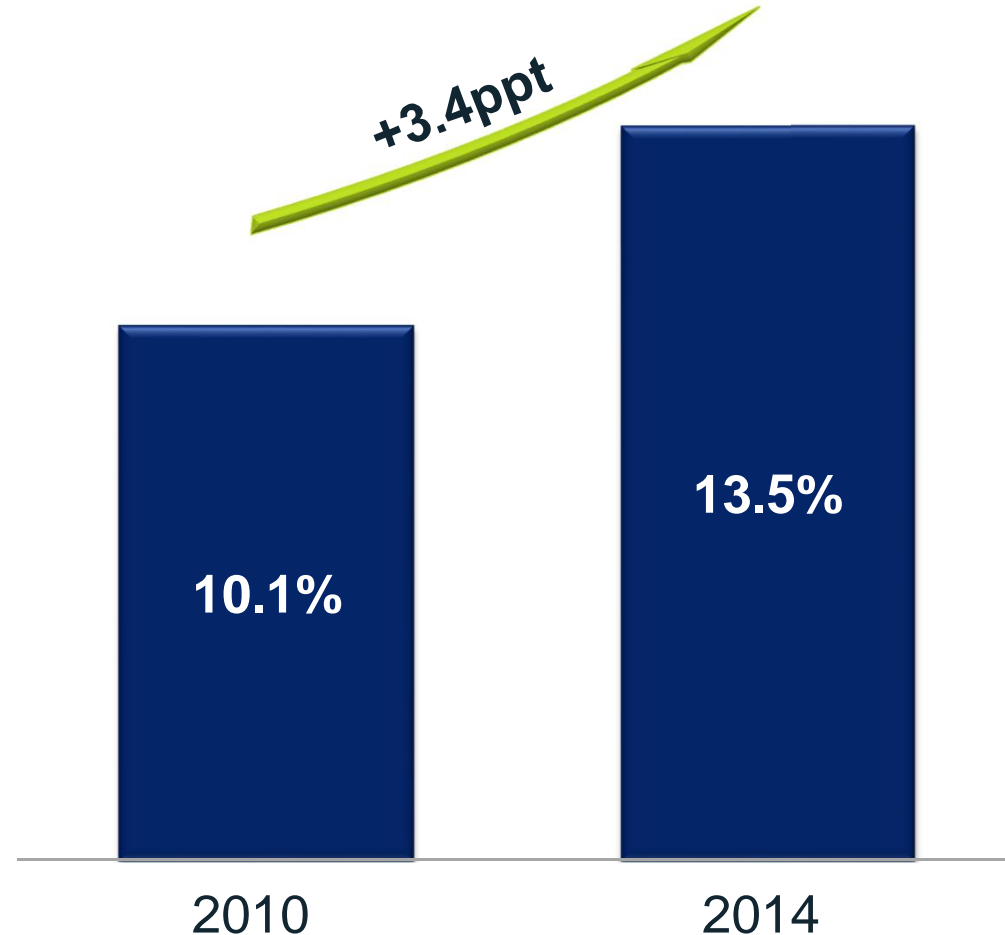


GFB volume
(BnU)



Winston: The leading tobacco brand in CIS+

Winston share of market

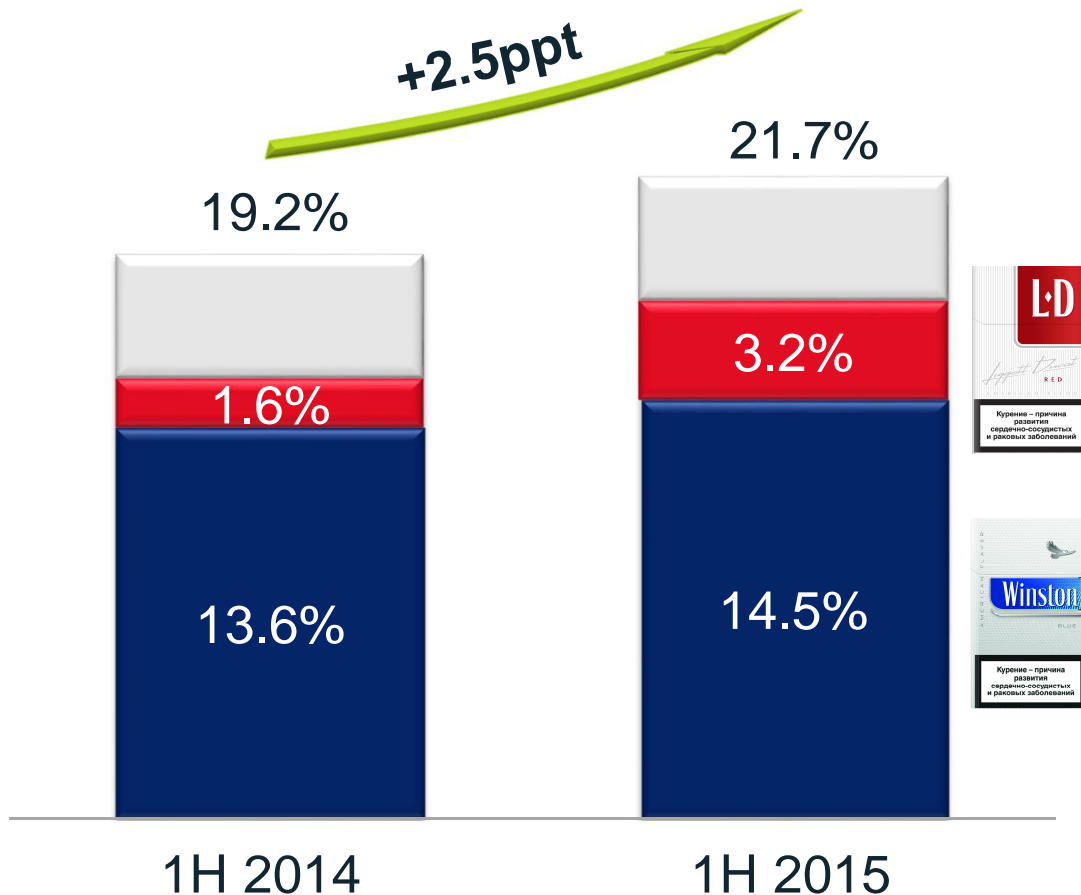


- #1 tobacco brand in CIS+ with market share of 13.5% in 2014, up 3.4ppt vs. 2010
- Holding a strong leading position in several markets, namely Russia, Kyrgyzstan, Georgia, Belarus and Armenia
- Widening the brand appeal by continuously evolving the portfolio with innovative and affordable extensions



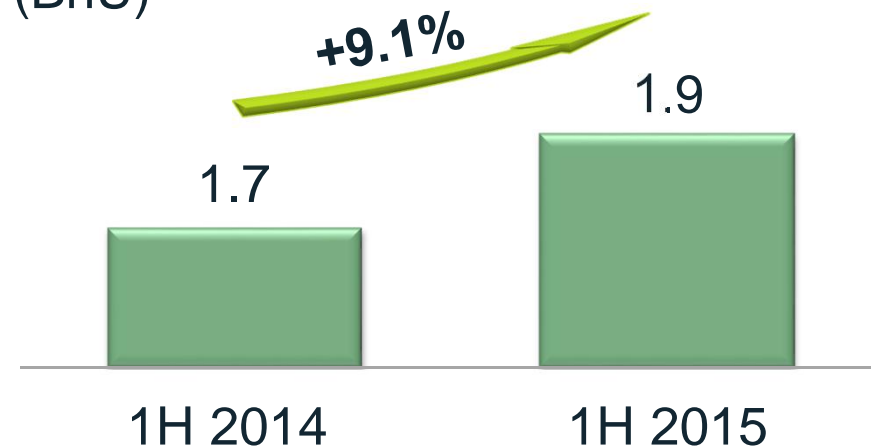
Belarus: Strong GFB performance led by Winston and LD

GFB share of market



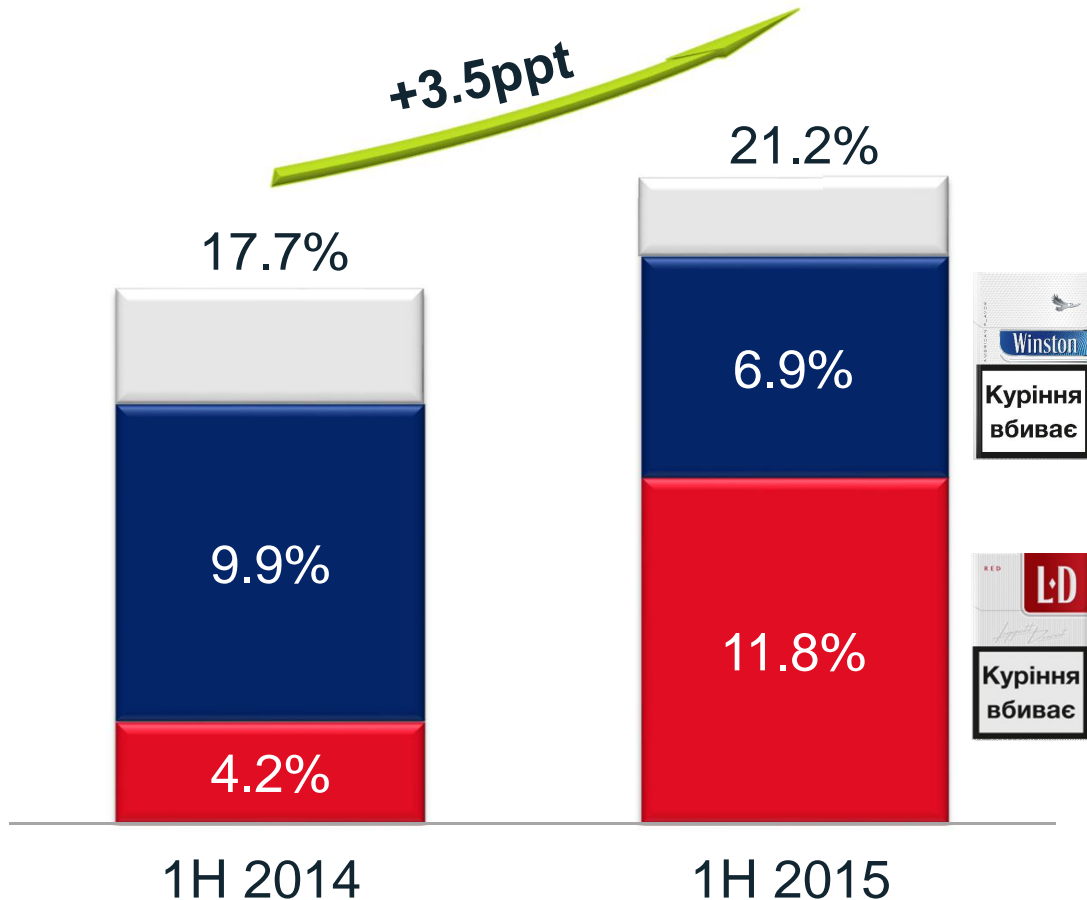
- Winston strengthened its market leading position driven by the positive momentum of the Core family as well as line extensions
- LD doubled its share of market over the last 12 months, becoming the second GFB pillar

GFB volume (BnU)



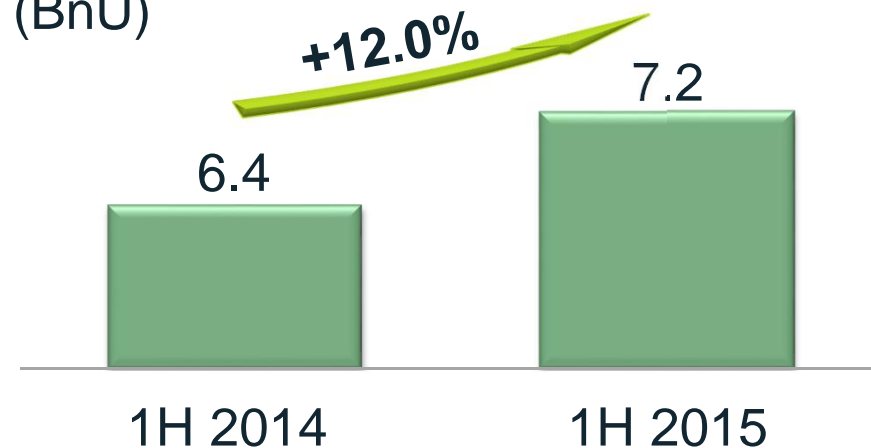
Ukraine: LD drives outstanding GFB growth momentum

GFB share of market



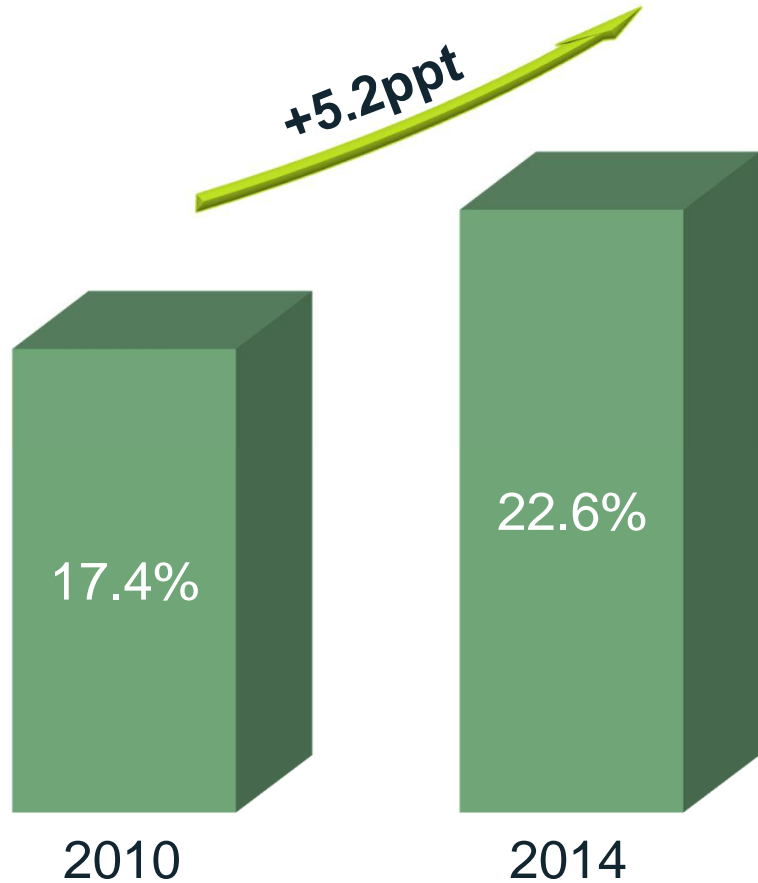
- Strong GFB performance driven by LD
- LD's competitively layered portfolio attracts both up-traders and down-traders. LD reached the #1 position in the market in June 2015
- Continued investment in Winston equity in downtrading environment

GFB volume (BnU)

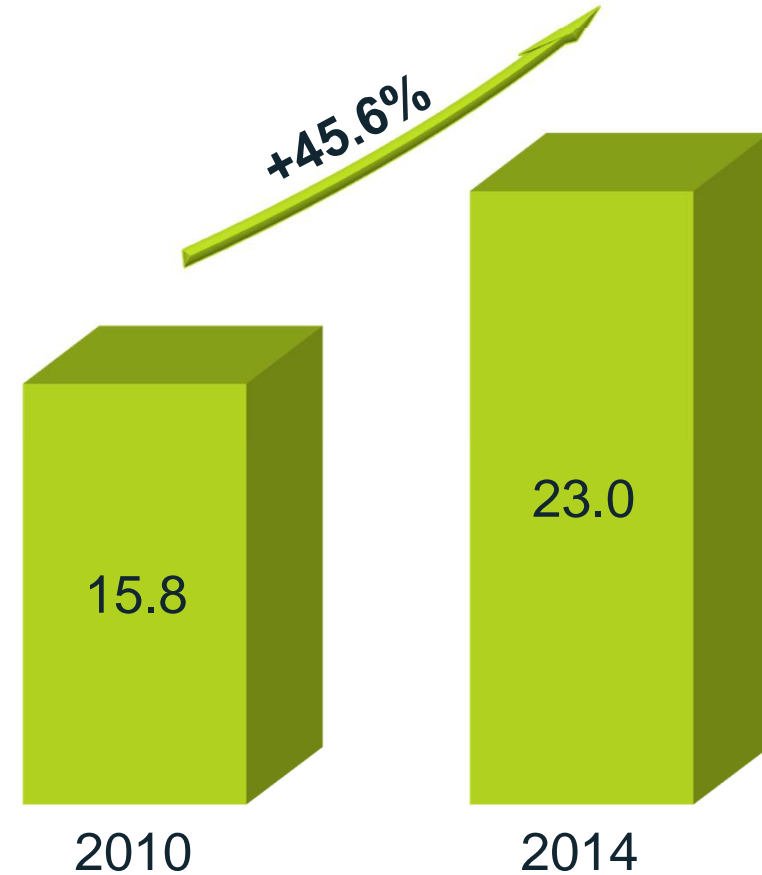


Unit price increasing significantly

GFB share of market



Core revenue per thousand (US\$)





Confident about the future

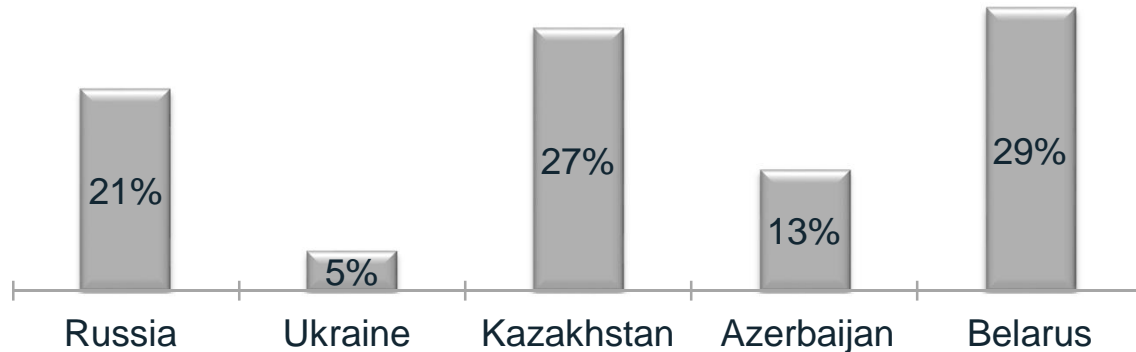
Operating environment is expected to stabilize

Real GDP, change vs. PY

	2014	2015e	2016e
Russia	0.6%	-3.6%	0.6% ↑
Ukraine	-6.8%	-10.0%	0.9% ↑
Kazakhstan	4.3%	1.9%	2.3% ↑
Azerbaijan	2.0%	1.7%	1.7% ↑
Belarus	1.5%	-1.5%	1.5% ↑

- Economy is expected to moderately improve in 2016
- Key markets are introducing long-term excise planning cycles with gradual and predictable increases
- Eurasian Economic Union of Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan is progressing well

Excise evolution, CAGR 2010-2014



Strong profit growth trends in both Russia and other CIS+ markets expected to continue

EBITA, CAGR 2010-2014

Russia



Other CIS+
markets



Closing remarks

- Committed to consolidate our leading position in the CIS+ Region
- Excise tax increases should be more predictable and passed onto the consumer
- Pricing opportunities remain but could be affected by competitive activities in the value segment
- Focused investment in equity building programs will continue with the aim to fuel the GFB share growth momentum
- Strong regional distribution capability
- Fully engaged and empowered workforce