



JTI 1H 2015 Financial Results

Roland Kostantos
Senior Vice President,
Finance and IT, Chief Financial Officer

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.

Agenda

- First Half 2015 Results
- First Half 2015 Performance by Cluster
- Summary and FY 2015 Outlook

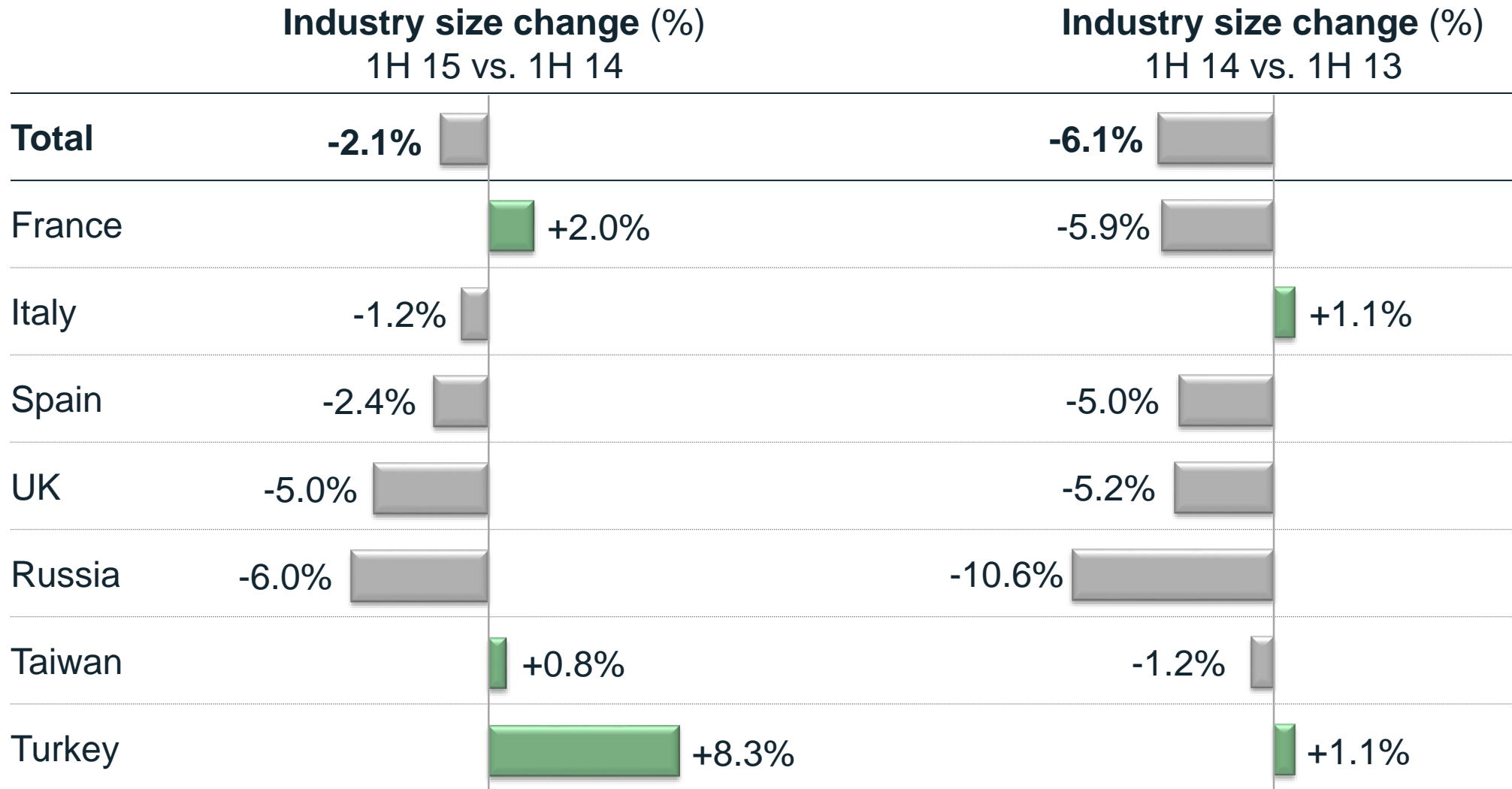


First Half Results

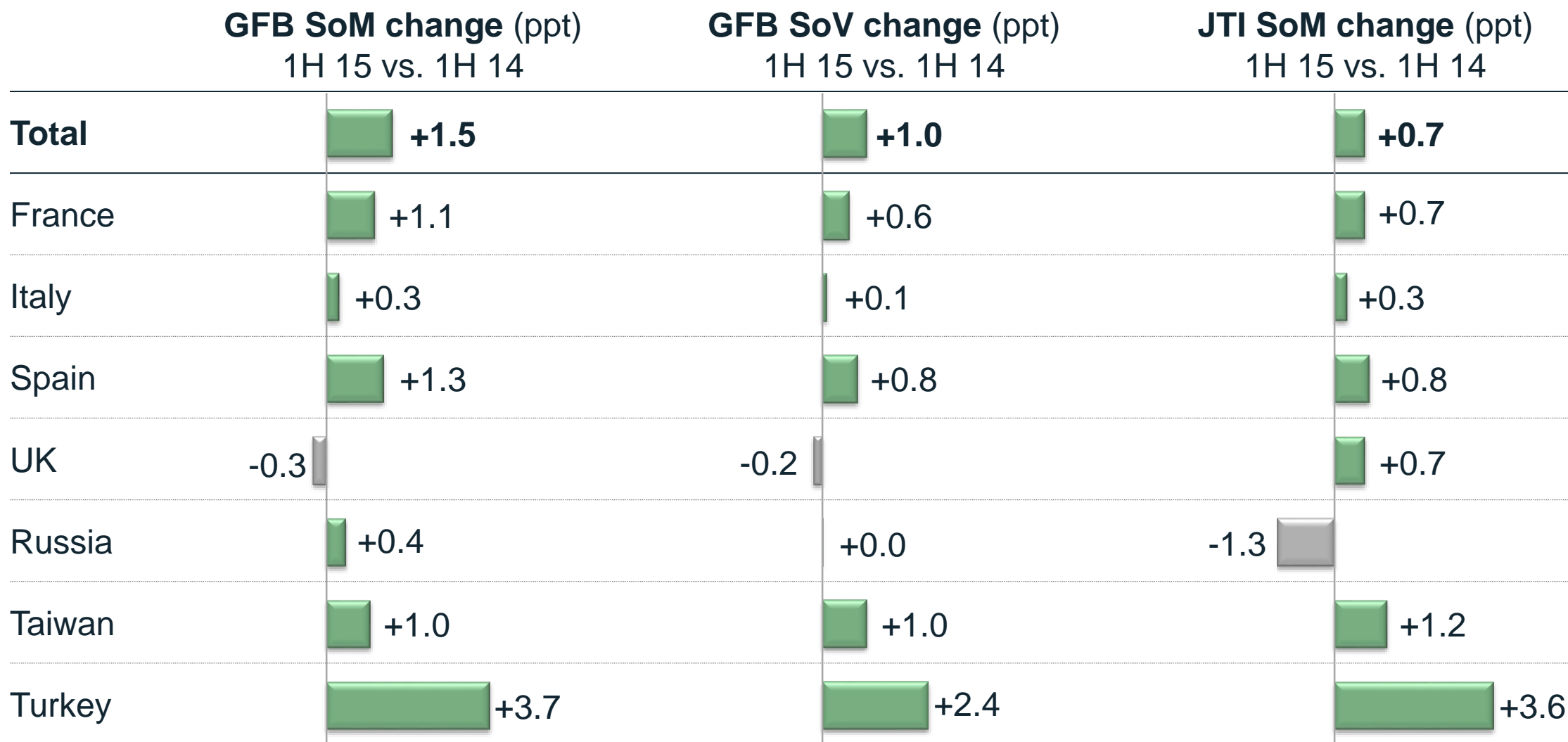
Strong 1H 2015 performance

(BnU, \$MM)	1H 2015	vs. 1H 2014
Total volume	191.2	+0.3%
GFB volume	131.9	+7.2%
Core revenue	6,272	+6.7%
Adjusted operating profit	2,461	+14.6%

Improved industry size dynamic in 1H 2015

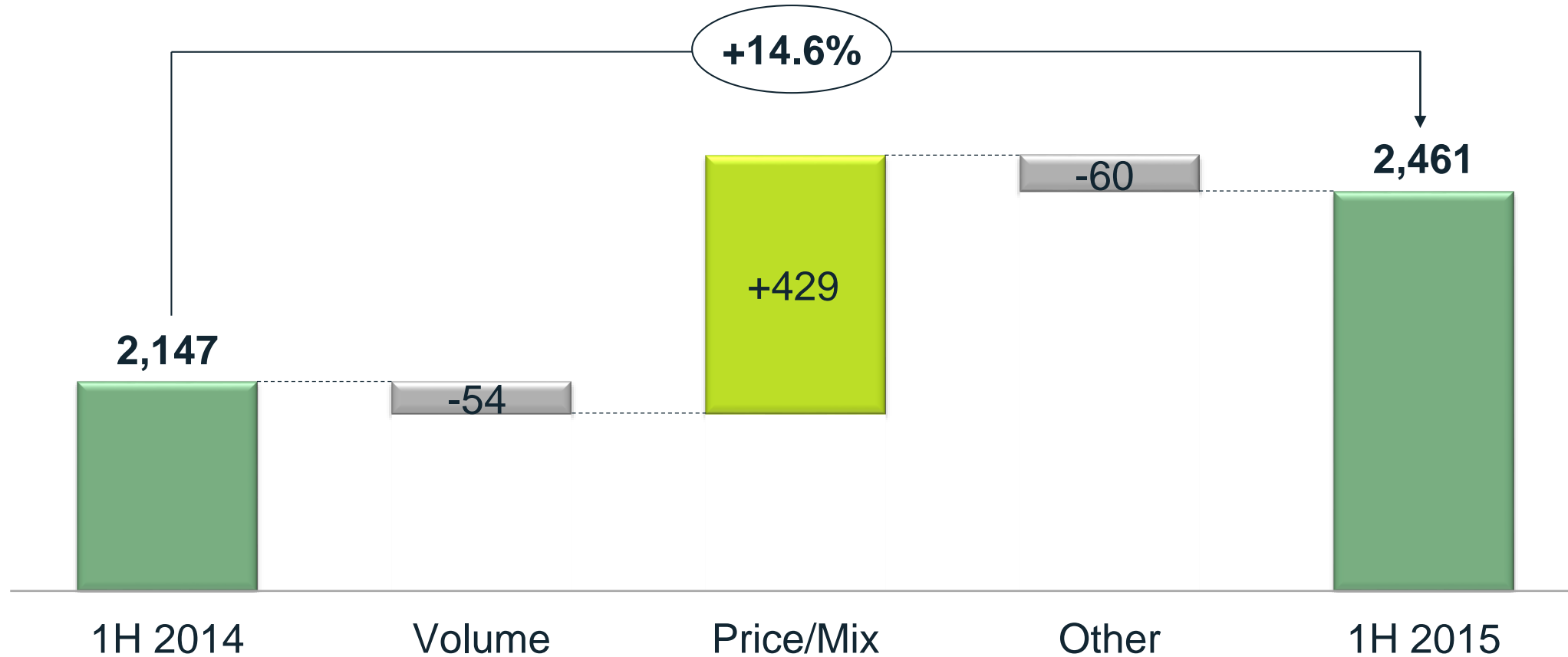


GFBs drive share of market increase



Price/Mix drives profit growth at constant FX

Adjusted operating profit (\$MM)





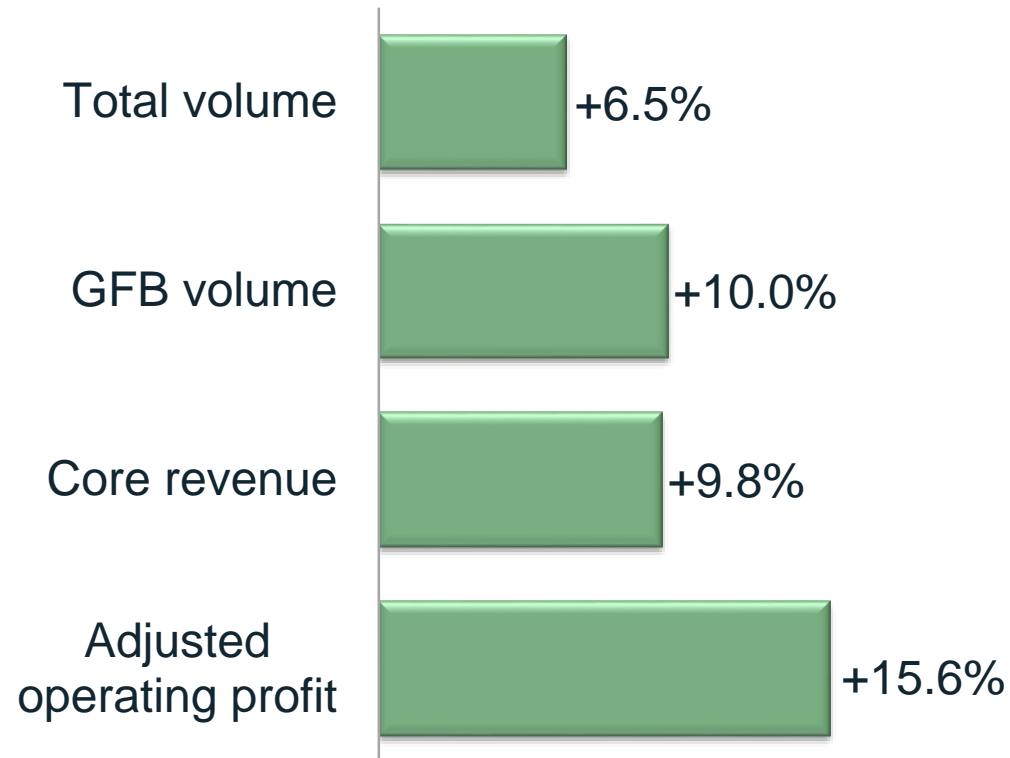
First Half Performance by Cluster

Strong revenue and earnings growth across all clusters

	Total volume 1H 2015 vs. 1H 2014	Core revenue 1H 2015 vs. 1H 2014	Adjusted operating profit 1H 2015 vs. 1H 2014
S&WE	+6.5%	+9.8%	+15.6%
N&CE	+2.0%	+9.2%	+16.3%
CIS+	-7.4%	+4.5%	+12.3%
R-o-W	+7.2%	+5.7%	+17.0%
JTI	+0.3%	+6.7%	+14.6%

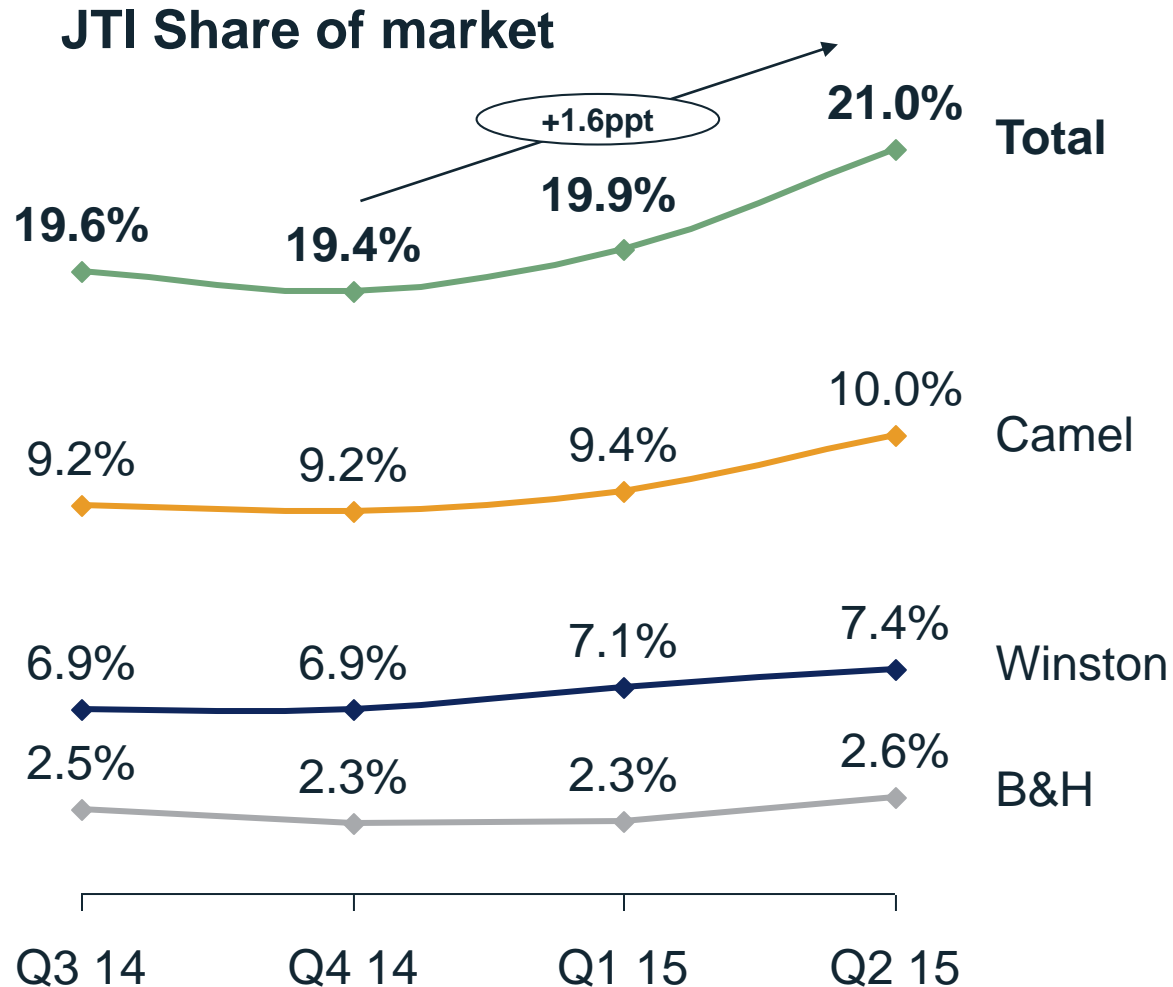
South & West Europe: Volume and SoM gains drive return to profit growth

Key Performance Indicators 1H 2015 vs. 1H 2014



- JTI grew share of market by 0.7ppt across the cluster
- Record high market share achieved in 10 markets, including Benelux, France, Greece, Spain and Switzerland
- Italy share of market returned to growth
- Pricing in Benelux, Greece, Spain and Switzerland also contributed to strong financial performance

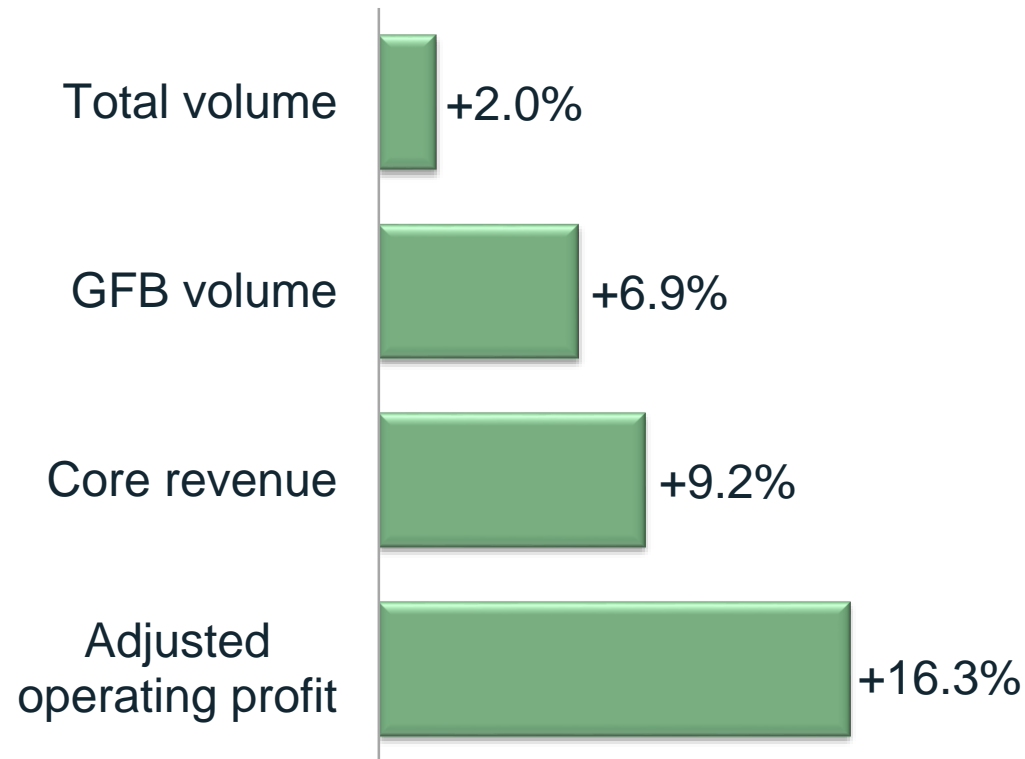
Italy: GFB equity leads share of market recovery



- JTI consolidated #2 position in the market
- Tax-led price increase in Jan 2015 of 0.20 EUR/pack
- JTI share of market grew 1.6ppt vs. Q4 2014 driven by GFB
- Camel reached record-high market share of 10%
- Winston improved 0.5ppt to reach 7.4%

North & Central Europe: Growth momentum continues

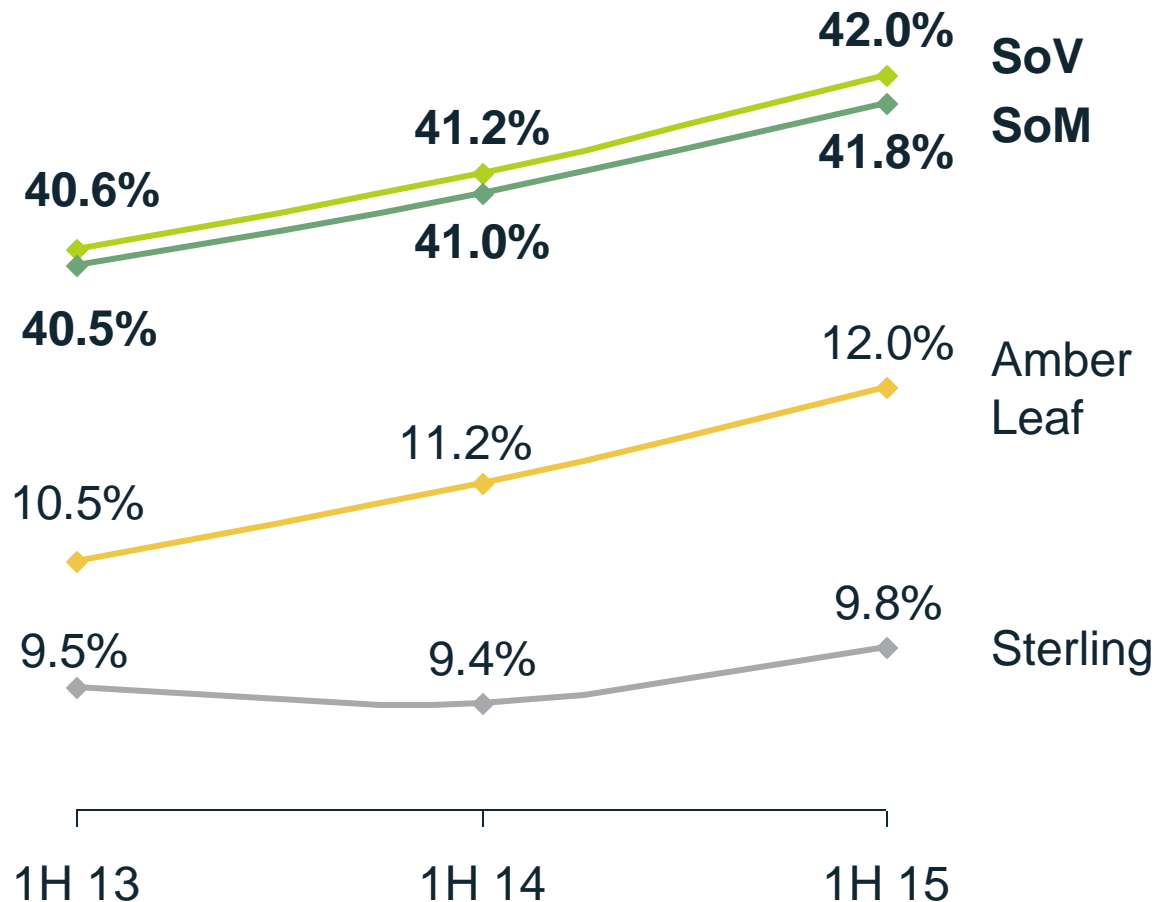
Key Performance Indicators 1H 2015 vs. 1H 2014



- Total and GFB volume growth driven by significant share of market gains:
 - Czech +2.7ppt
 - Germany +0.6ppt
 - Hungary +0.6ppt
 - Ireland +1.9ppt
 - Poland +0.8ppt
 - UK +0.7ppt
- Pricing in Germany, Poland and the UK drove strong financial performance

UK: Continued JTI share of market and share of value growth

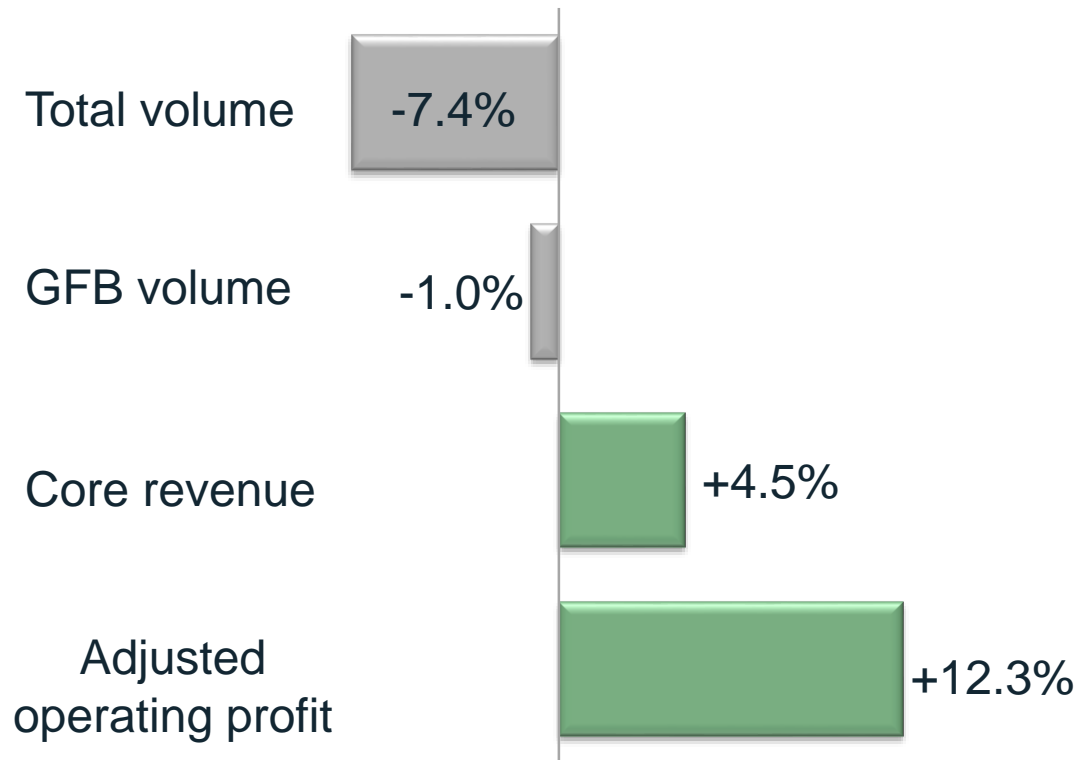
JTI Share of market



- SoM and SoV reached record highs of 41.8% and 42.0% respectively
- Amber Leaf enhanced its market leadership position
- Sterling strengthened its #1 cigarette brand position, reaching a new market share high of 9.8%
- Pricing announced in September 2015
- Successful launch of E-Lites CURV in July 2015

CIS+: GFB share and pricing drive profit growth

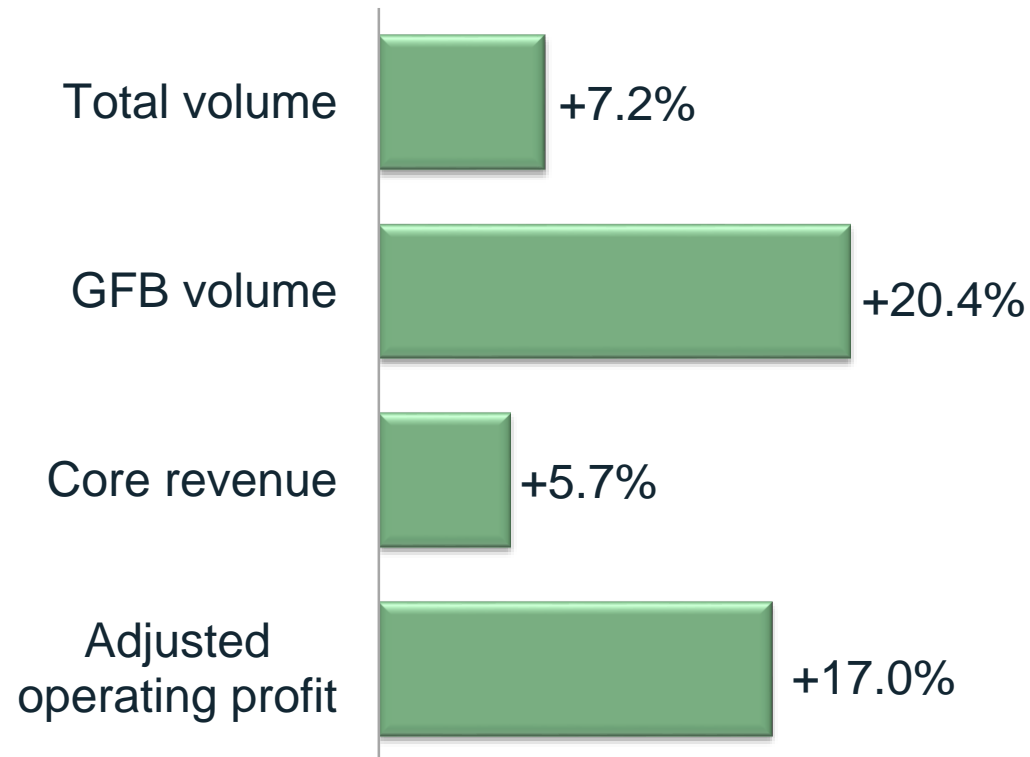
Key Performance Indicators 1H 2015 vs. 1H 2014



- Industry size decline drives total volume reduction
- Resilient GFB shipment performance reflects GFB share growth:
 - Belarus +2.5ppt
 - Kazakhstan +4.2ppt
 - Russia +0.4ppt
 - Ukraine +3.5ppt
- Robust pricing environment ensures core revenue and earnings growth

Rest-of-the-World: Strong top and bottom-line performance

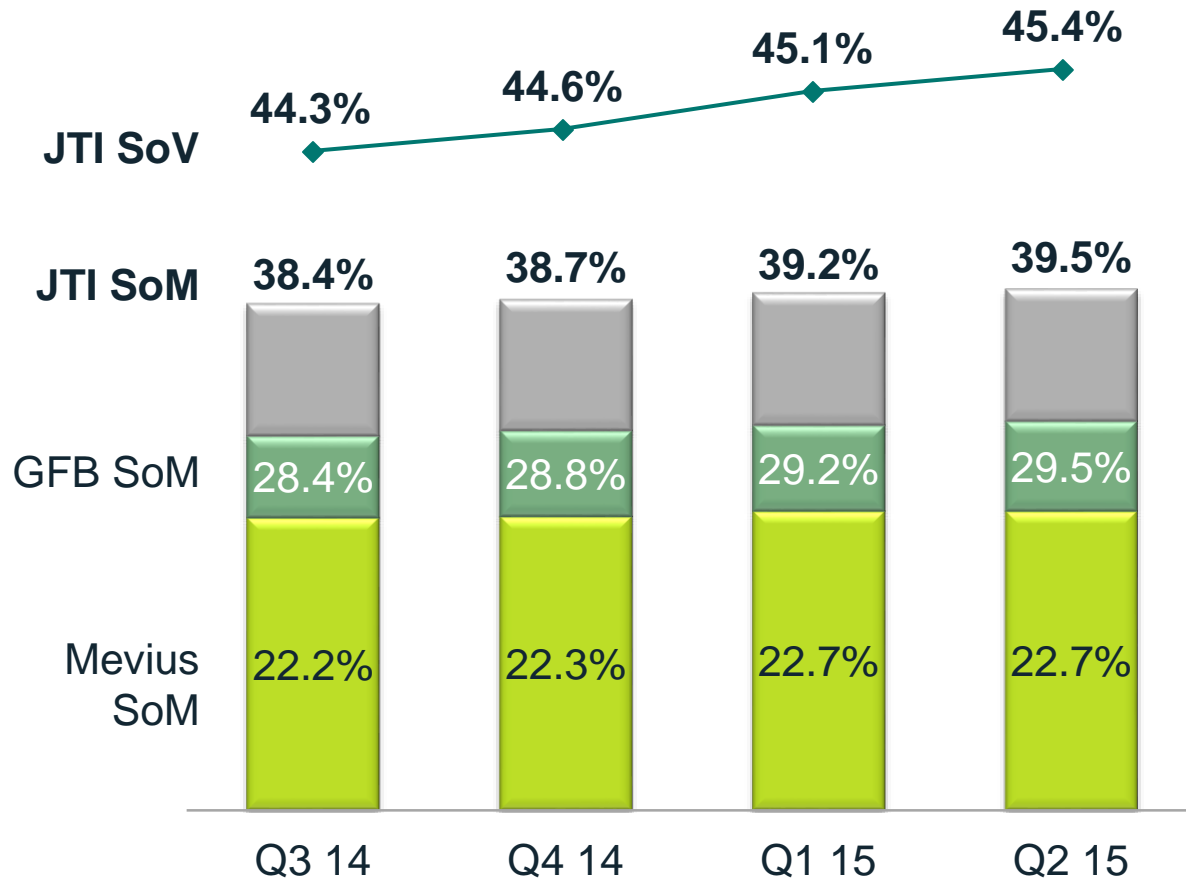
Key Performance Indicators 1H 2015 vs. 1H 2014



- GFB drove share growth across key markets:
 - Canada +0.7ppt
 - Taiwan +1.2ppt
 - Turkey +3.6ppt
- Pricing in Canada, Malaysia and Sudan, together with positive volume performance, drove core revenue and earnings growth

Taiwan: Strengthening our leading position

JTI Share of market and share of value



- A Top-5 JTI profit market
- Robust pricing and share growth drive share of value to record high of 45.4%
- Strong GFB portfolio and equity lead volume and share gains:
 - Mevius consolidates its brand leadership position
 - Winston exceeds 5% market share
- JTI increased prices in August 2015



Summary and FY 2015 Outlook

Strong business fundamentals will secure full year earnings targets

- JTI's business fundamentals strengthened in 1H 2015
 - Share of market growth across the majority of key markets
 - GFB share of market growth in Russia
- Improved industry size dynamics
- Top-line business momentum expected to continue into the 2H with GFB performance ensuring total volume and core revenue targets are achieved
- Investment in emerging products and seeding markets skewed to 2H
- Full year earnings growth at constant currency in line with prior guidance