document 4

Focusing on our brands for sustainable growth

Howard Parks
JTI Senior Vice President,
Consumer & Trade Marketing

Caution on Forward-Looking Statements

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(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

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JTI: the most competitive portfolio for today's changing environment and future consumer expectations

Global RMC

















GFBs Mix in RMC **65%**

Global Fine Cut





Key brands Mix in Fine Cut **91%**

Emerging Products





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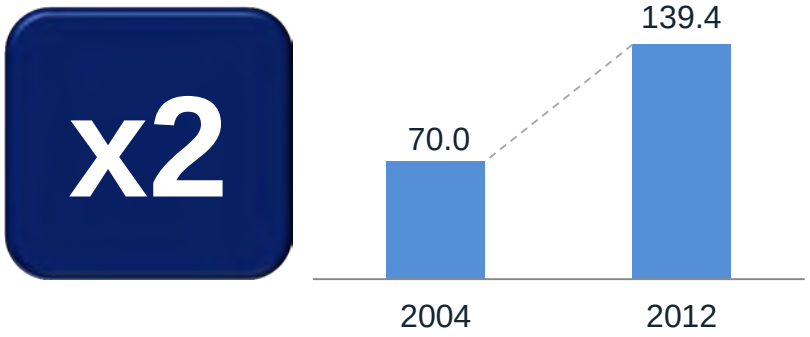
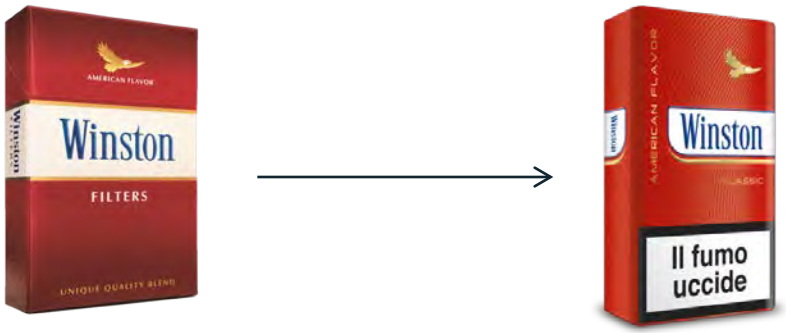
Continuing to focus on our GFBs

Winston: the key growth driver for JTI

Winston shipment volume (BnU)





Vision for Winston:

- Become the world No.1 tobacco brand

Key success factors:

- Premium quality at an affordable price
- Sustained investment in brand equity
- A broader and more innovative portfolio has provided the flexibility to seek new growth opportunities

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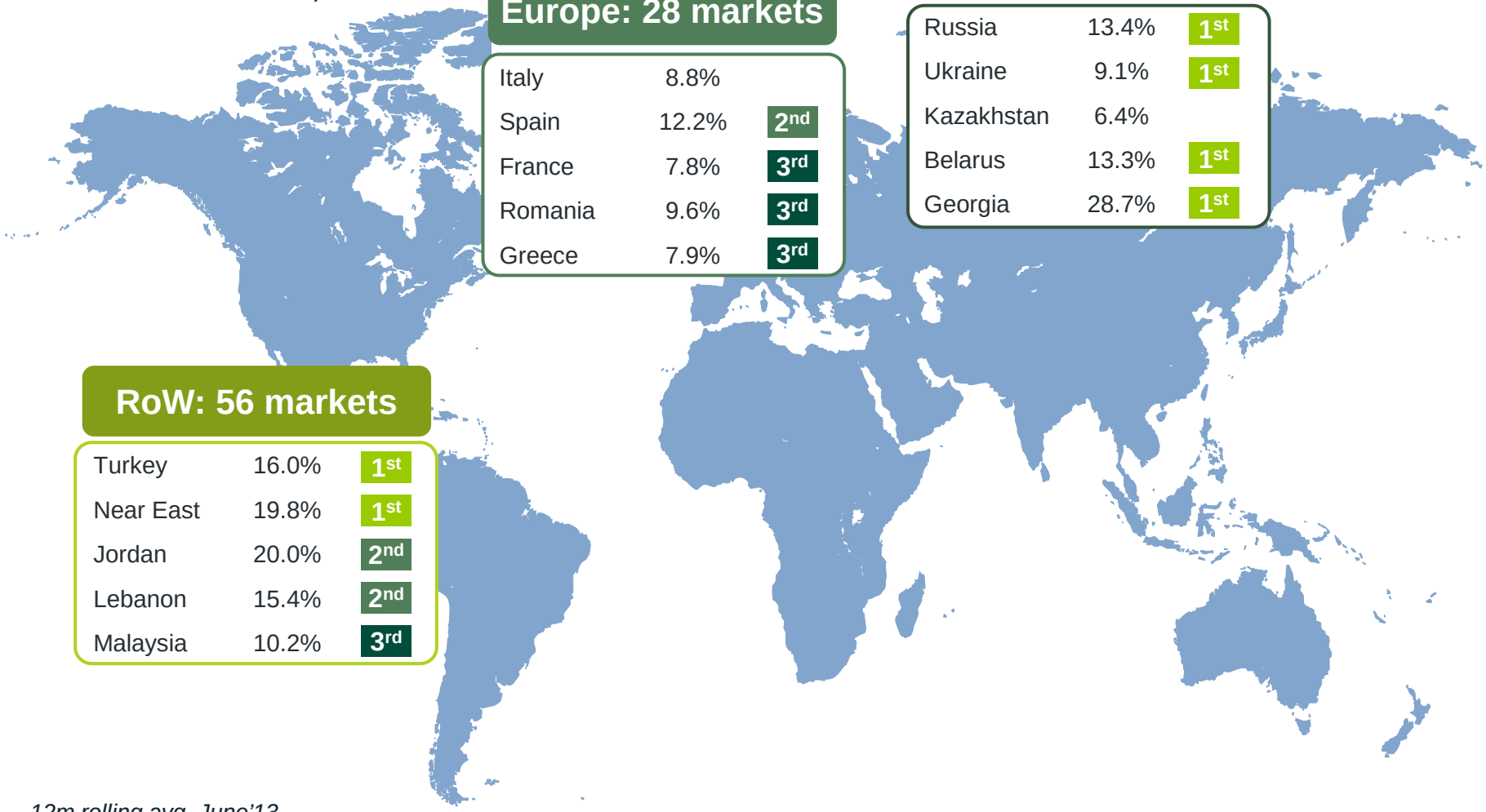
Winston: a truly successful global brand

Top shipment volume markets
Share of market, %



Europe: 28 markets

Italy	8.8%	
Spain	12.2%	2nd
France	7.8%	3rd
Romania	9.6%	3rd
Greece	7.9%	3rd

CIS: 25 markets

Russia	13.4%	1st
Ukraine	9.1%	1st
Kazakhstan	6.4%	
Belarus	13.3%	1st
Georgia	28.7%	1st

RoW: 56 markets

Turkey	16.0%	1st
Near East	19.8%	1st
Jordan	20.0%	2nd
Lebanon	15.4%	2nd
Malaysia	10.2%	3rd

12m rolling avg, June'13

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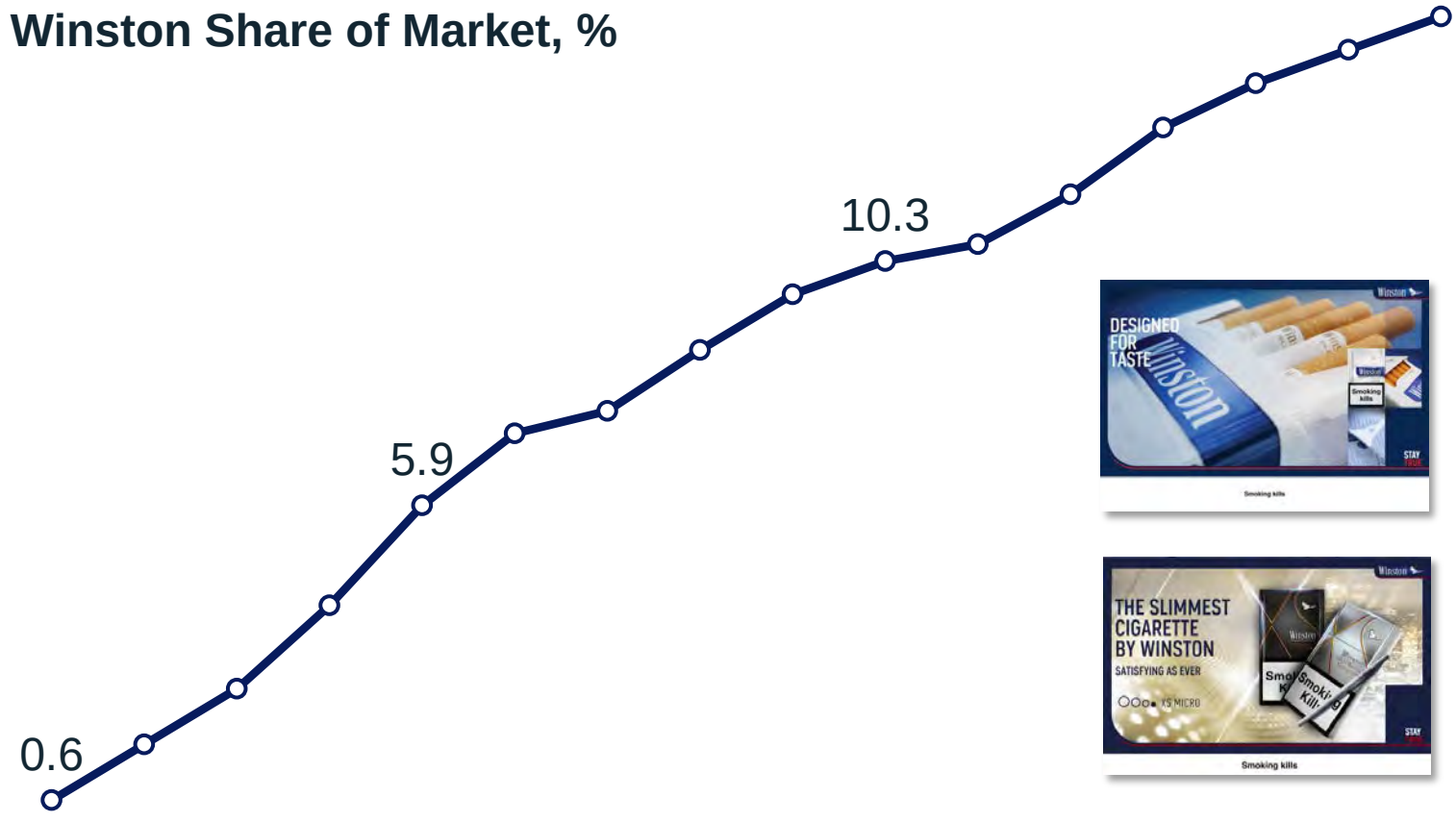
Winston: success story in Russia

Winston Share of Market, %

14.7%







Source: AC Nielsen

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Winston: redesigned architecture to enhance brand equity

Core

XS



- An authentic smoking choice
- Premium quality in understated form
- American blend
- Mainstream and established formats
- Winston quality blend in RYO-MYO

- A progressive range
- Conveys quality and lifestyle
- Smoother blend
- Compact and emerging formats
- Innovative features: recessed charcoal filter, Less Smoke Smell

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Winston: new architecture is driving continued growth

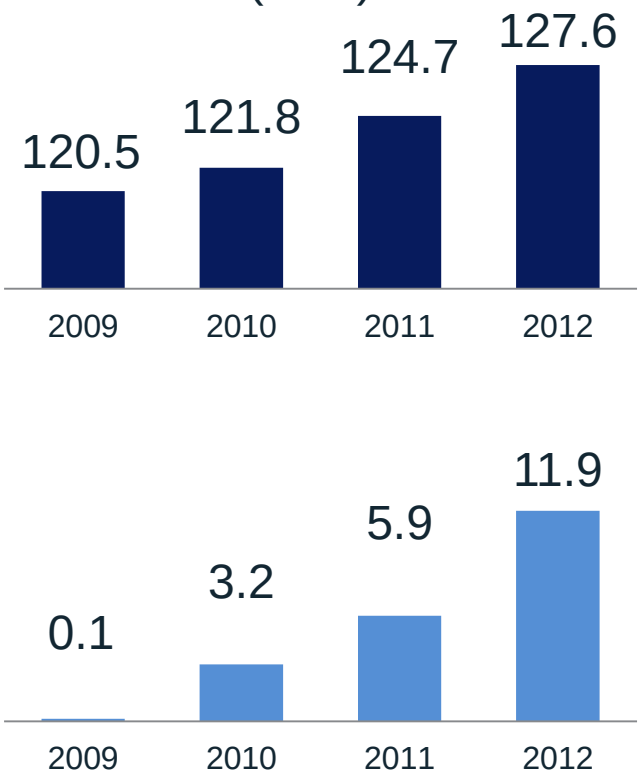
Core Family



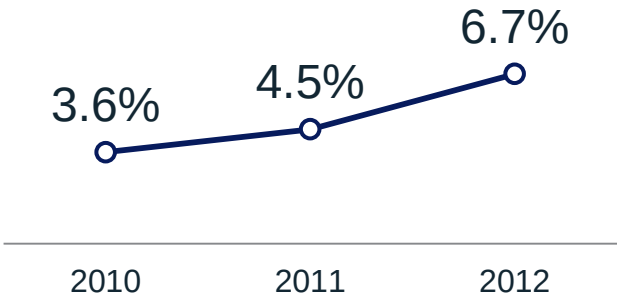
XS Family



Shipment Volume (BnU)



Total Winston Volume Y-O-Y Growth (%)



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Camel: share of market gain despite down-trading environment

Top shipment volume markets

SOM, %	2013	vs. 2008
Italy	9.9%	+1.0pp
France	6.7%	+0.4pp
Spain	6.8%	+0.9pp
Mexico	7.7%	+1.0pp
Ukraine	2.7%	+0.7pp
Germany	1.9%	+0.6pp
Netherlands	11.9%	+0.9pp
Belgium	4.8%	+1.1pp
Turkey	1.9%	+1.4pp
Poland	2.2%	+0.4pp

Source: AC Nielsen / 12m rolling avg ending June'13

Vision for Camel:

- Become the most inspiring tobacco brand

Key success factors:

- Strong brand equity
- Continuous investment, to further strengthen the premium positioning of the brand
- Innovation leader, capitalizing on first to market opportunities

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Camel: broadening appeal by building a portfolio of choices

ORIGINAL HERITAGE ICON	
MODERN STYLE MODERNITY	
WOW CUSTOMIZATION SENSORY	

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Camel: further strengthening the premium positioning of the brand

Activate

- Launched in 19 markets
- +293% volume growth in 2012 vs. PY
- Leading capsule proposition in Portugal and Sweden



Black&White

- Launched in 35 markets
- +23% volume growth in 2012 vs. PY



King Size | King Size Super Slims | 100 Super Slims

Camel Curve

- A unique and distinctive pack shape



Camel's Centenary

- Celebrating 100 years of heritage and inspiring creativity



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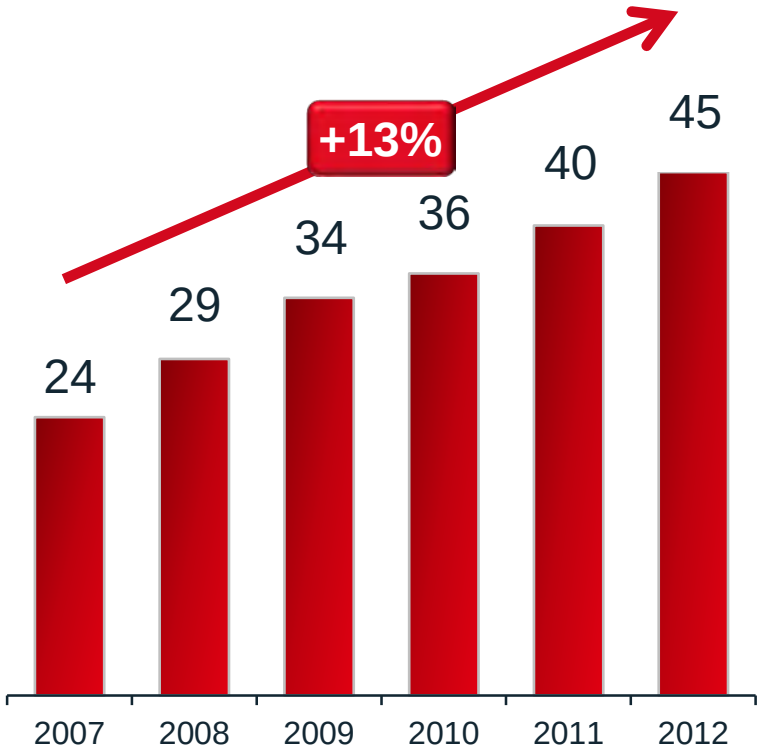
LD: driving our growth in the international Value segment

LD shipment volume, BnU



Vision for LD:

- Become No.1 international Value Brand

Key success factors:

- “Good value for money”, offering high quality to price sensitive smokers
- Wide brand portfolio
- Fast follower in innovation
- Geographical expansion beyond CIS

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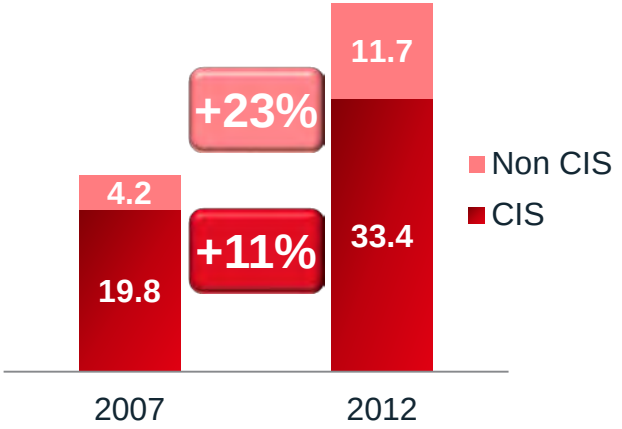
LD: successfully expanding international footprint beyond CIS

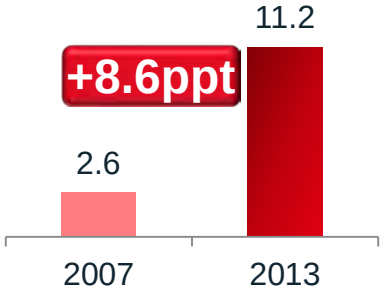
	Market presence	Total
2007		21
2013		+14

LD shipment volume, BnU

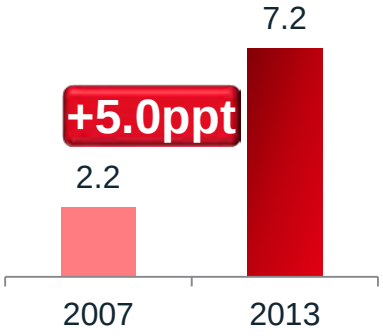


Share of Market, %

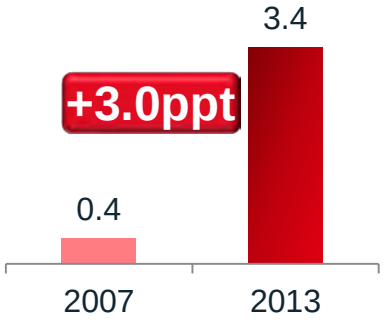
Poland



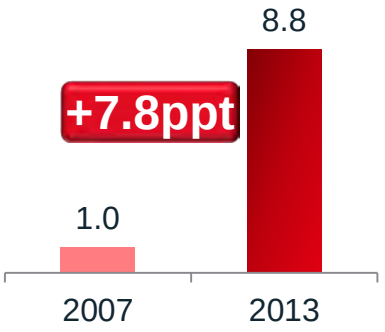
Hungary



Turkey



Singapore



Source: AC Nielsen / 12m rolling avg ending June'13

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LD: making innovations accessible to Value smokers

	BASE FAMILY	LINE EXTENSIONS	
FILTER	 White filter	 Capsule filter	 Recessed charcoal filter
PRODUCT	 100 Super Slims	 King Size Super Slims	 Fat Slims
PACKAGING	 Round Corner Pack	 Purse Box	 Side Swing

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Strengthening our fine cut capabilities

Developing our brands' equity, stand-alone and GFBs

Following Gryson acquisition, JTI is well positioned both in RYO and MYO:

RYO Core Brands

- JTI RYO portfolio is made up of Camel and stand-alone brands

MYO Core Brands

- The MYO portfolio capitalizes on JTI GFB brand equity

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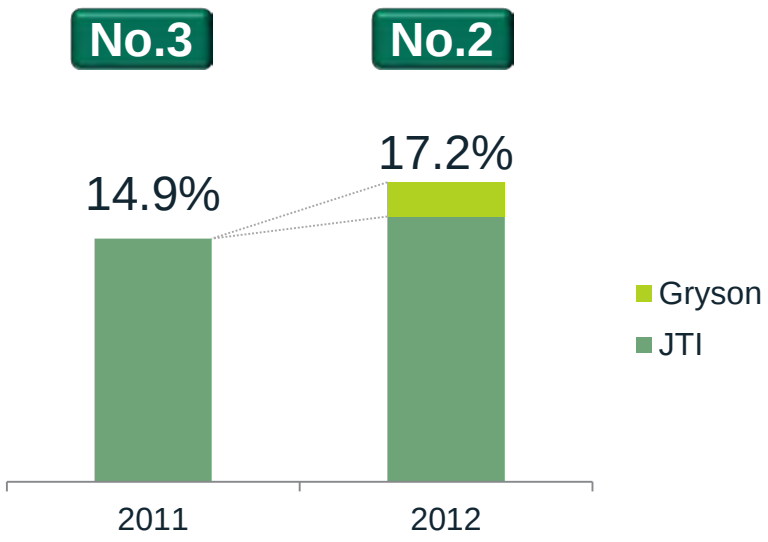
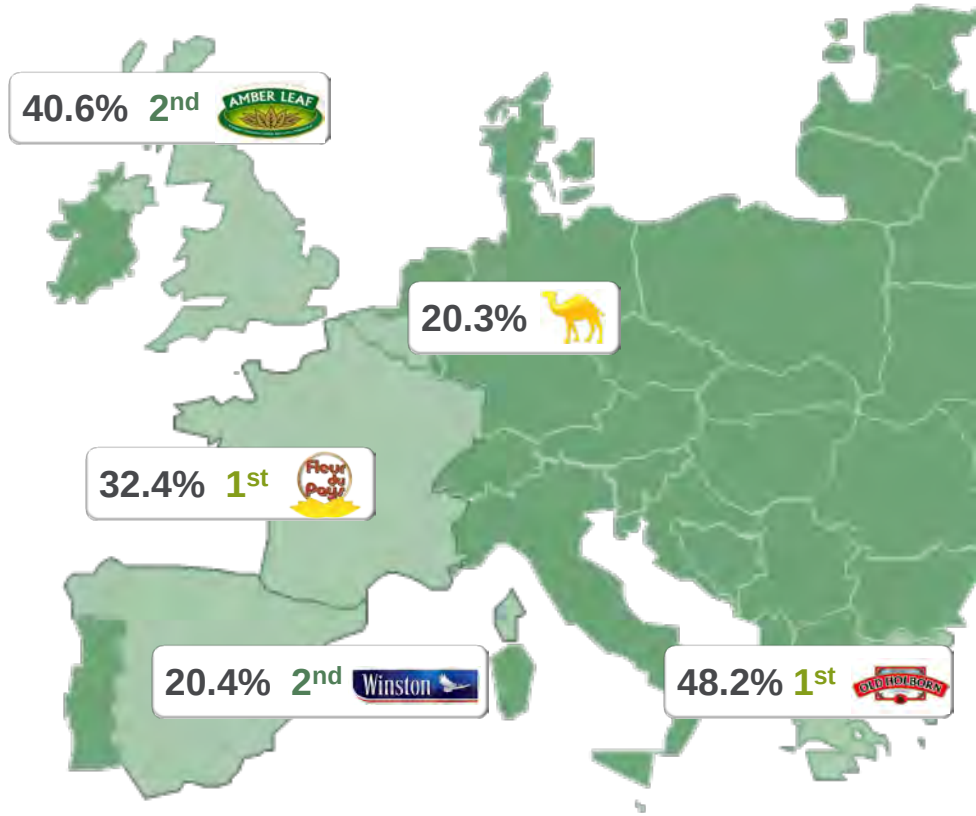
A strong No.2 player in fine cut aiming at category leadership

JTI Share of market, %



Top shipment volume markets

Share of market, H1 2013 (%)



Share of market in top 13 volume markets, JTI estimates

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Expanding into Emerging Products

Ploom, pioneering the tobacco vapor category

PLOOM DEVICE



PODS



COMMUNICATION





ACTIVATION – TASTING ENVIRONMENTS



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Ploom, pioneering the tobacco vapor category

- Initial launch in Austria in May 2013, with successful execution
- Encouraging Trade acceptance. Rapid distribution build-up
- 16,000 consumers tested Ploom via 1-2-1 programs in retail stores and in Horecas
- 73% liked the taste
- Additional markets to launch in 2013 and 2014
- More products in the pipeline through our partnership with Ploom, Inc



Ploom taste survey conducted among c. 2,200 consumers

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document 5

Expanding our geographic reach for sustainable growth

Fadoul Pekhazis

Regional President,
Middle East/Near East/Africa/Turkey (MENEAT)
and World Wide Duty Free

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Scope of the MENEAT region

- Diverse region representing an industry size of approximately 406BnU[1)]
- Tobacco revenue pool represents around US$33bn[1)]
- Many challenges:
  - Political volatility and unrest, civil wars
  - Large differences in GDP/capita across countries
  - Poor infrastructure (e.g. in Sub-Saharan Africa) complicating distribution
  - Significant illicit trade in many markets
  - FX volatility and difficulty obtaining hard currencies
- Our MENEAT region represents 83BnU and 65% of the shipment volume of JTI's Rest-of-the-World cluster
- Combining the 19 largest MENEAT markets, JTI's share of market is 23%[2)]

Source: 1) Euromonitor 2012
2) JTI estimates

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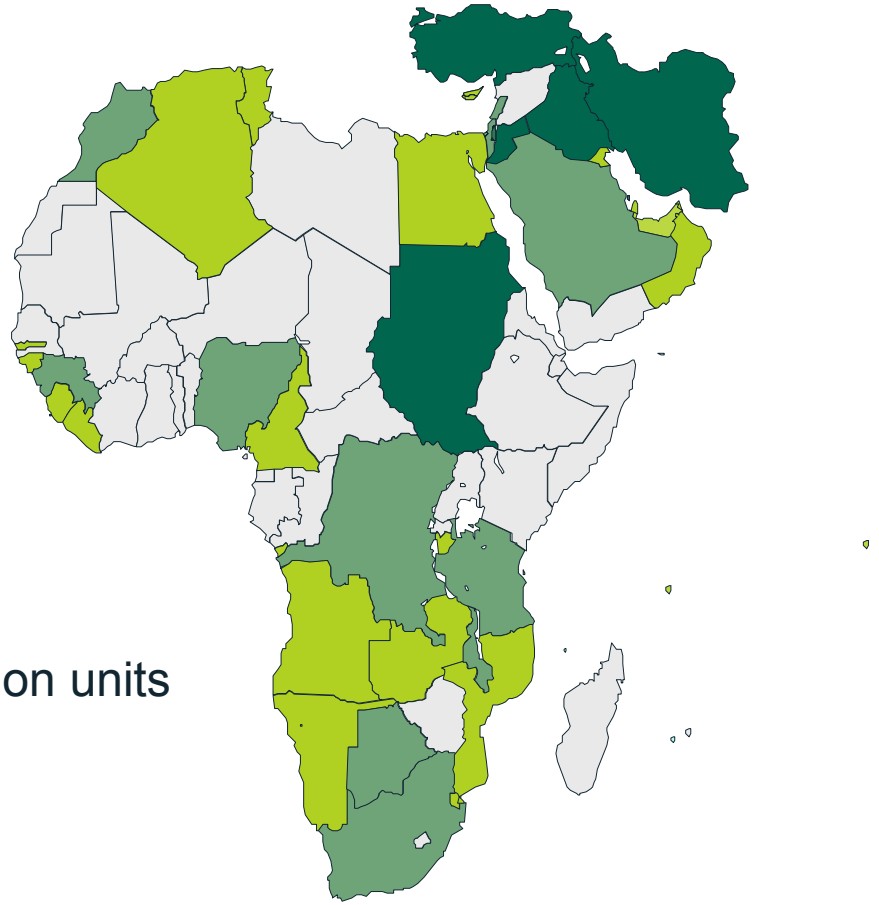
The MENEAT footprint represents 42 active markets

JTI shipment volume



< 1 billion units

between 1 and 5 billion units

> 5 billion units

NOTES: Shipment volume is yearly basis and excludes WWDF
No cigarette activity in Egypt currently

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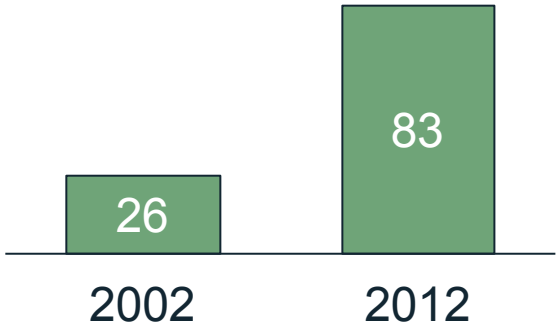
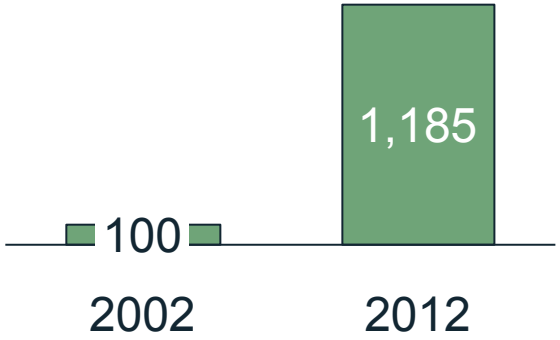
A remarkable track record of growth

Total shipment volume, BnU



+57 BnU

EBITA, Index 100 = 2002



x12

- Entered 12 markets since 2002
  - 2 through acquisitions
  - 10 organically
- Volume grew by 57 billion units over the period (44% from GFB and 56% from local brands)
- Growing profit contribution

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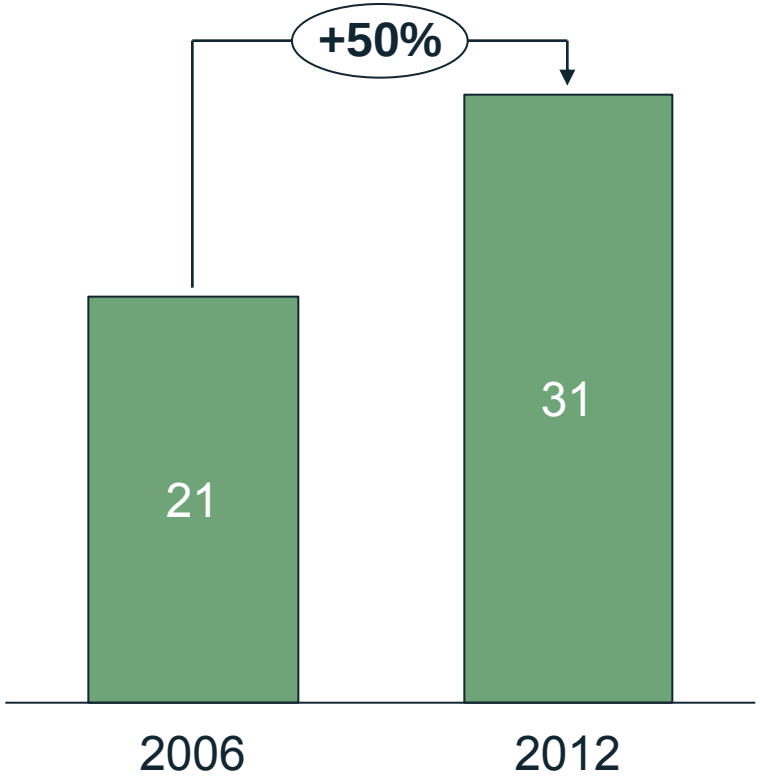
A balanced portfolio built around GFB and local brands

Winston, our key GFB to grow in the Middle East and Turkey

Winston shipment volume, BnU



- Winston drives share of market and volume growth across the region
- Key Winston markets include Turkey, Near East, Jordan, Lebanon, Morocco, Saudi Arabia, South Africa, Algeria and Israel
- Strong brand equity and innovative propositions

South Africa

Winston Slide Virginia



Turkey and Israel

Winston Recessed Charcoal Filter



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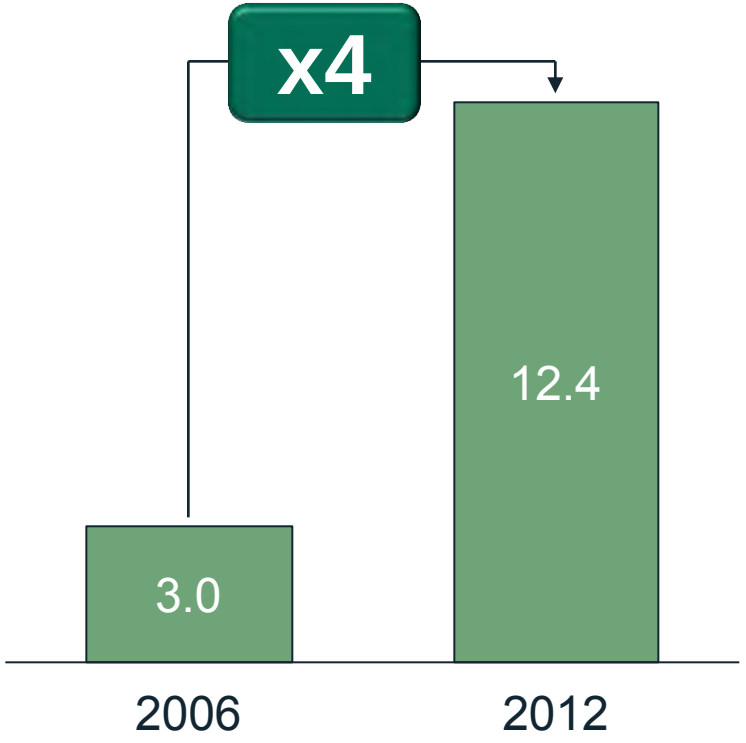
Aspen: a strong local brand driving our success in Virginia blend markets

Aspen shipment volume, BnU



- International quality and affordable Virginia blend offer
- Wide and consistent product availability and visibility
- Present and growing in 11 markets
- Strong volume growth in regional key markets, including Iraq, Nigeria and other African markets



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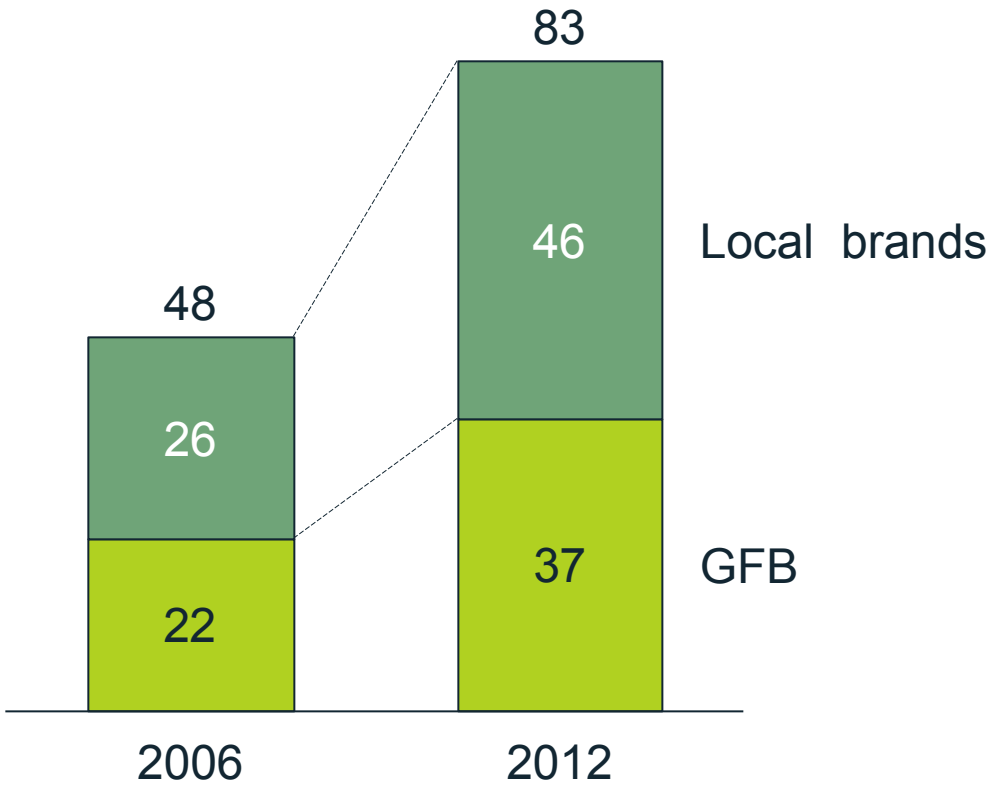
MENEAT is a Winston region, complemented by a balanced portfolio of local brands

Total JTI MENEAT volume, BnU





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Geographic expansion is returning strong volume and profit growth

Our long-term strategy of seeding and development is resulting in growth

Approach	Organic growth in established markets	Seeding and growth in new markets	Integrating and developing large acquisitions
Market examples	Jordan, Lebanon, Morocco, Nigeria, South Africa, Turkey	Algeria, Angola, DR Congo, Guinea	Egypt*, Sudan, Tanzania

* *Currently no cigarette presence in Egypt*

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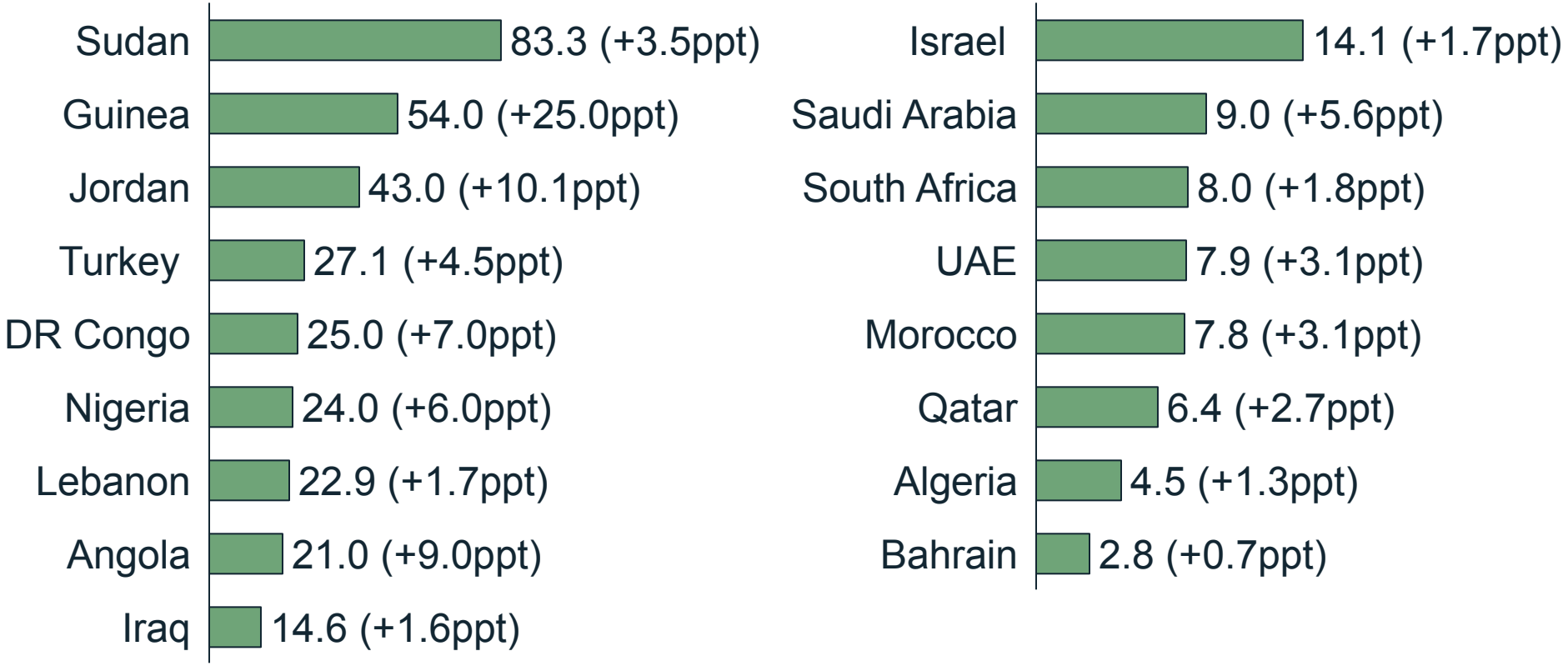
Strong organic growth in established markets

JTI Share of Market 2013 (%) and change vs. 2010



Source: Nielsen, JTI estimates

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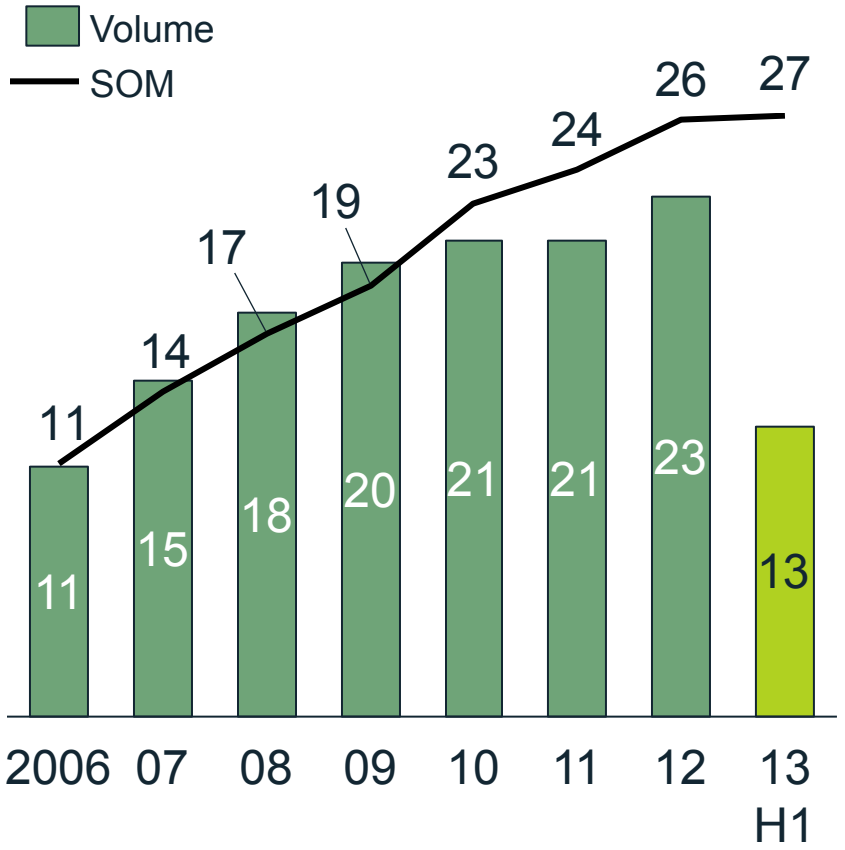
Successful organic growth: the example of Turkey

- Impressive volume and share growth through consistent investment
- Became #2 player by share of market in 2012
- Only tobacco company growing consistently
- Balanced portfolio in all price segments (Winston, Monte Carlo, LD, Camel)
- Winston, #1 brand since 2008 and growing





Total shipment volume (BnU) and Share of Market (%)



Source: Nielsen, JTI estimates

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Seeding for future growth by adding new markets

Country	Year of entry
Malawi	2002
Mozambique	2002
Guinea	2003
Sierra Leone	2003
Gambia	2004
Togo	2004
Liberia	2005
Algeria	2007
Zambia	2009
Guinea-Bissau	2010
Sudan	2011
Egypt*	2012

* Currently no cigarette presence in Egypt

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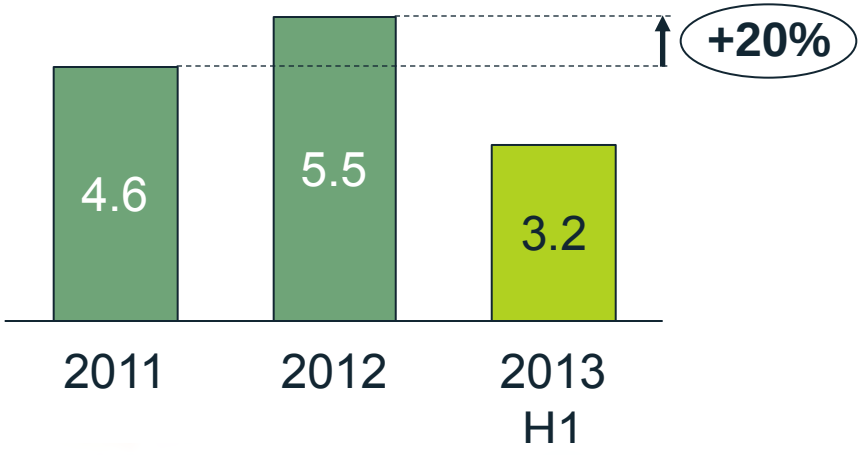
Sudan, fully integrated and performing ahead of expectations

- Smoothly integrated this previously family-owned business into the JTI culture
- Raised employment conditions to JTI standards
- Invested in product quality, manufacturing and Environment, Health and Safety practices
- Increased prices yearly to optimize profitability
- Launched Aspen in 2012, building on the African success of the brand

Total shipment volume, BnU





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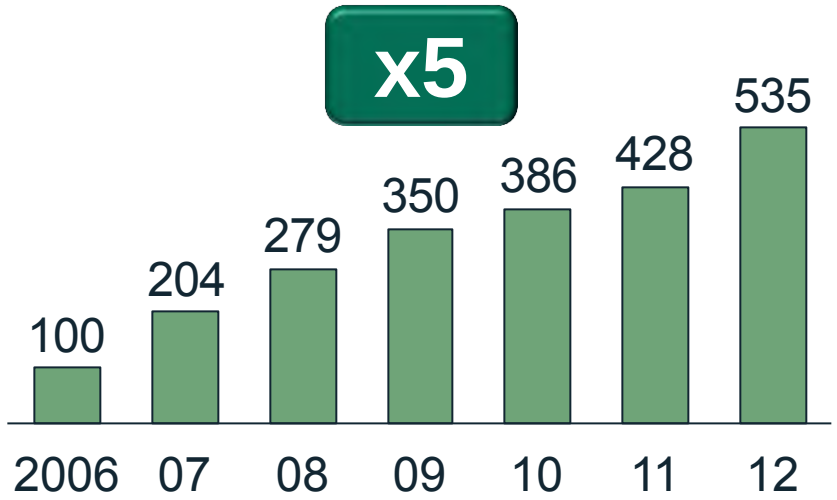
Tanzania, long-term development and resilience after state monopoly acquisition

- Impressive and sustainable profit growth
- Yearly and gradual price increases, without any share of market loss (98%)
- Employment conditions aligned with the rest of the JTI family
- Embraced local culture and injected international expertise
- Creative solutions to optimize distribution (e.g. bicycle program)
- Invested US$101 million in capex since 2006

Profit, Index 100 = 2006



Source: JTI estimates

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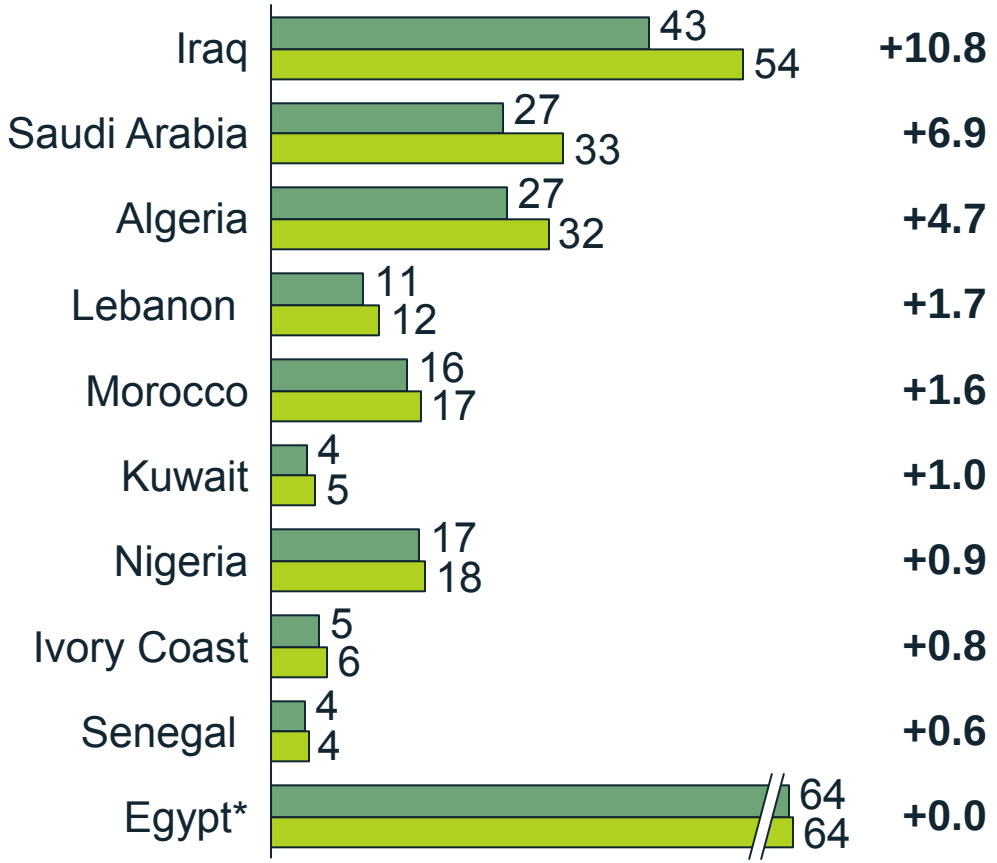
MENEAT has more potential for growth going forward

Despite challenges, the region has considerable growth potential

Industry 2012 and 2017, BnU



- Middle East and African tobacco markets are forecast to be among fastest-growing in the world
- JTI has an established presence in most markets driving this future growth

** Currently no cigarette presence in Egypt*
Source: Euromonitor

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Room for growth in Africa by increasing our presence in untapped markets

Markets	Industry size 2012 (BnU)	Markets	Industry size 2012 (BnU)
Egypt*	63.7	Niger	0.9
Kenya	6.0	Uganda	0.9
Libya	5.7	Congo (Br)	0.8
Ivory Coast	5.5	Benin	0.7
Senegal	3.9	Central African Republic	0.5
Madagascar	2.9	Gabon	0.5
Burkina Faso	1.9	Rwanda	0.4
Ghana	1.9	Mauritania	0.3
Mali	1.8	Eq. Guinea	0.3
Zimbabwe	1.2	Comoros	0.1
Total			**100 BnU**

** Currently no cigarette presence in Egypt*
Source: Euromonitor

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JTI has the capabilities to seize this potential

We have a proven and winning formula based on balance:

- Between GFBs and local brands
- Between international and local employees
- Between long term strategy and short term flexibility
- Between sophistication and simplicity

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