Document 3

Strengthening our leading position in CIS+

Kevin Tomlinson

Regional President, CIS+

Note: CIS+ Region differs from CIS+ cluster by excluding Adriatic markets, Bulgaria, Moldova and Romania

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.

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A strong #1 in CIS+



A. Ernst
(GM Russia)



P. Holloway
(GM Caucasus)



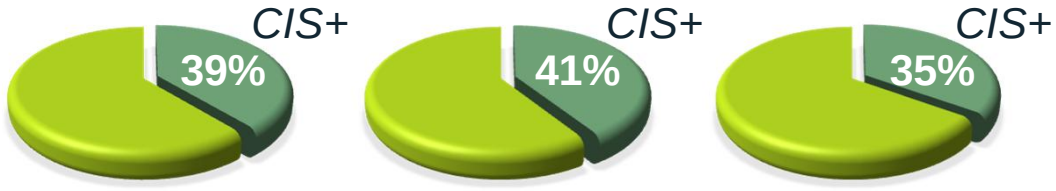
D. Gilfillan
(GM Kazakhstan & CAM)

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



Total volume | GFB volume | EBITA

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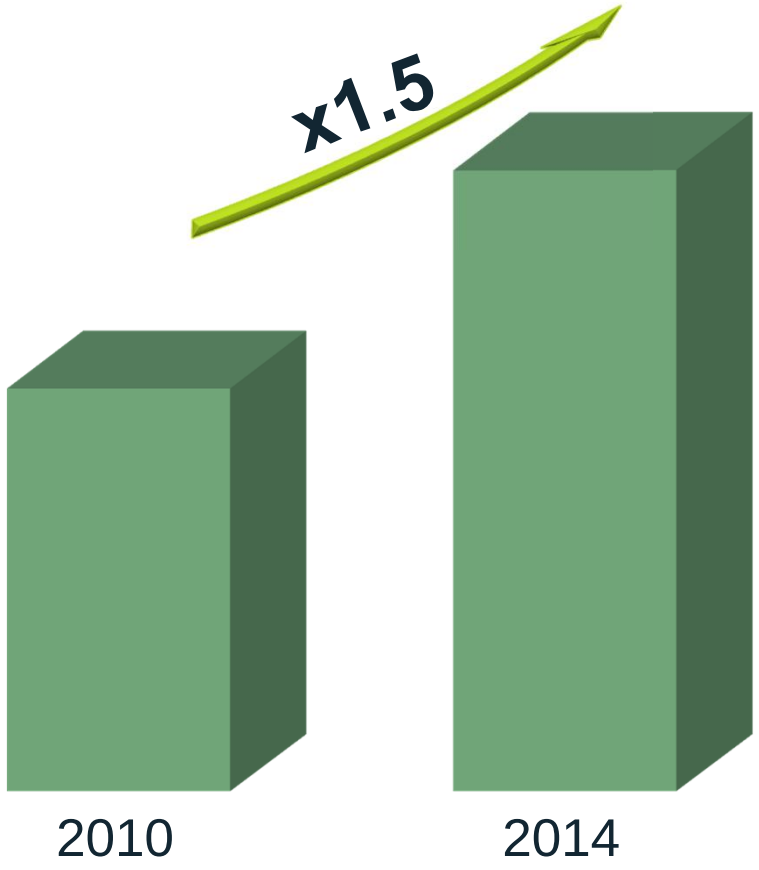
Source: JTI estimates. (1) Excluding Central Asian Markets. Note: EBITA on a reported basis

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

Note: EBITA on a reported basis

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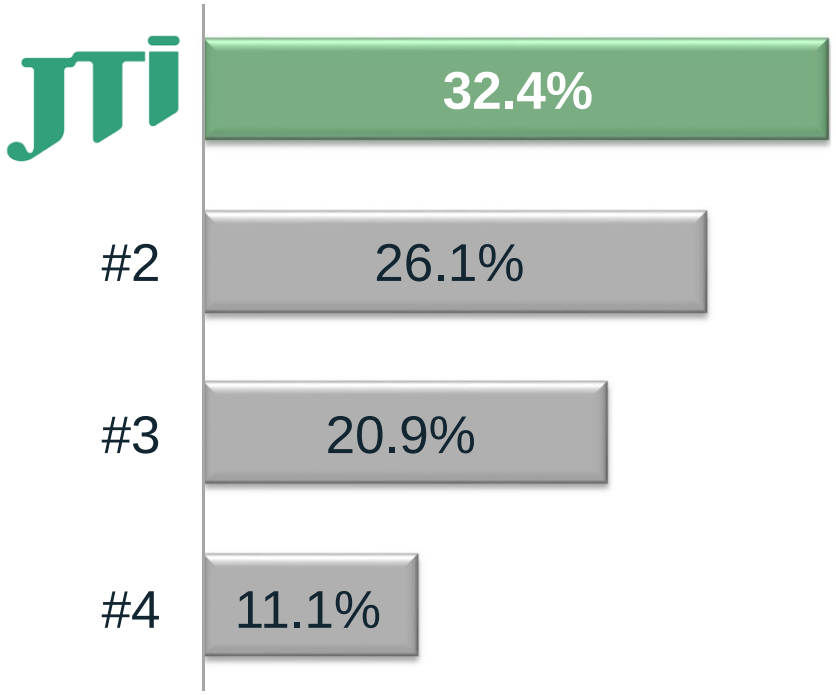
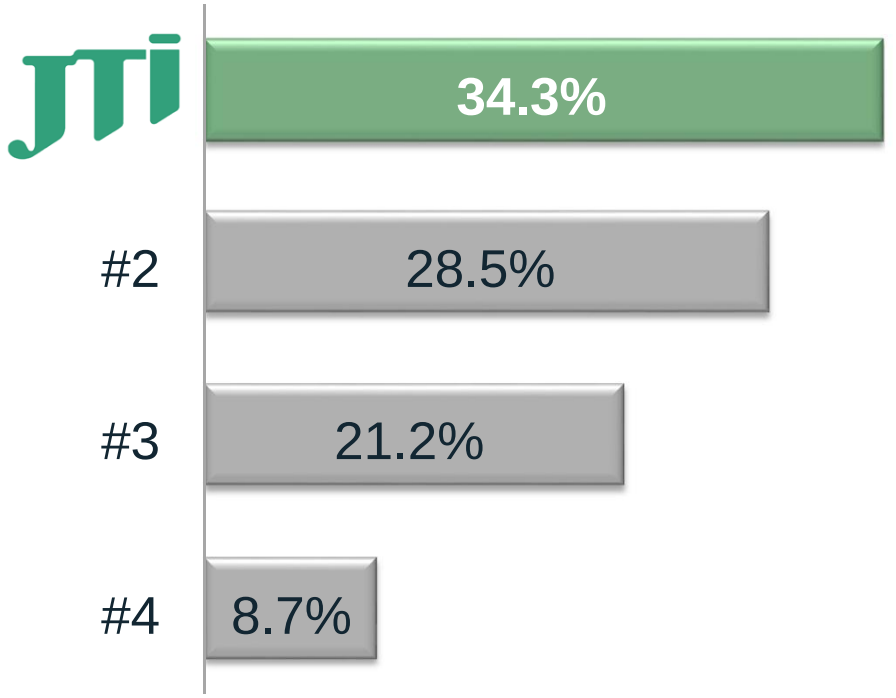
JTI is the undisputed #1 tobacco player in CIS+

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

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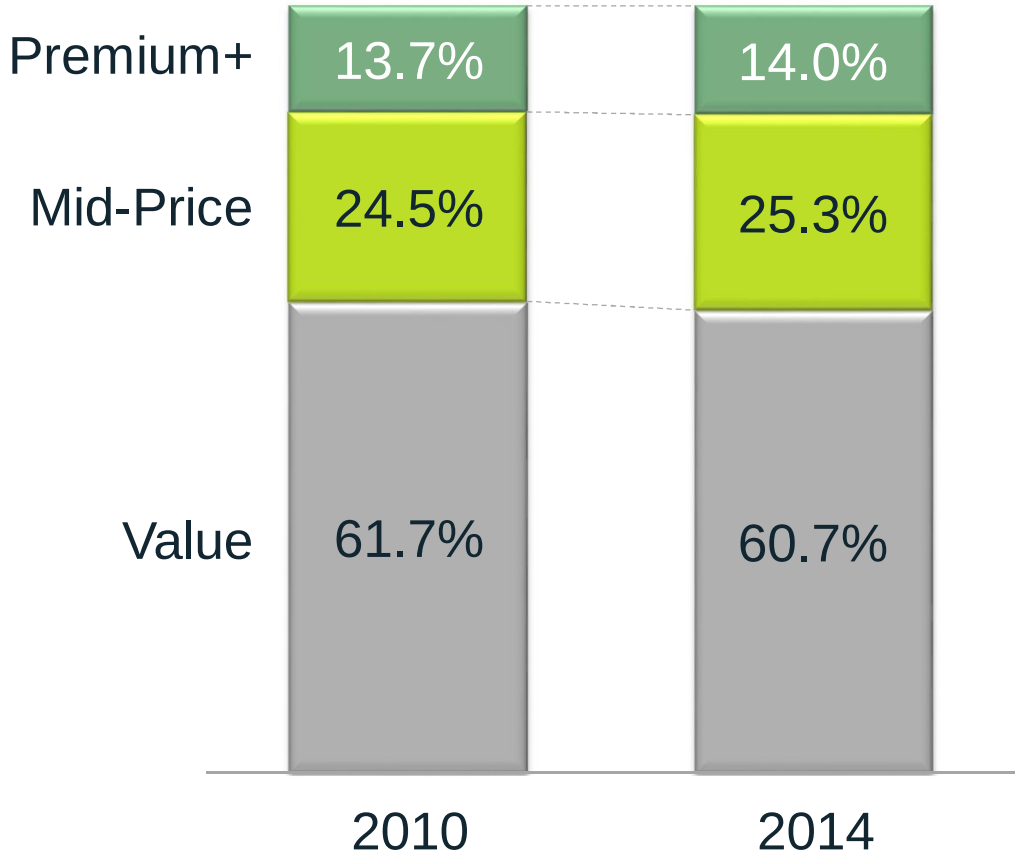
Source: JTI estimates

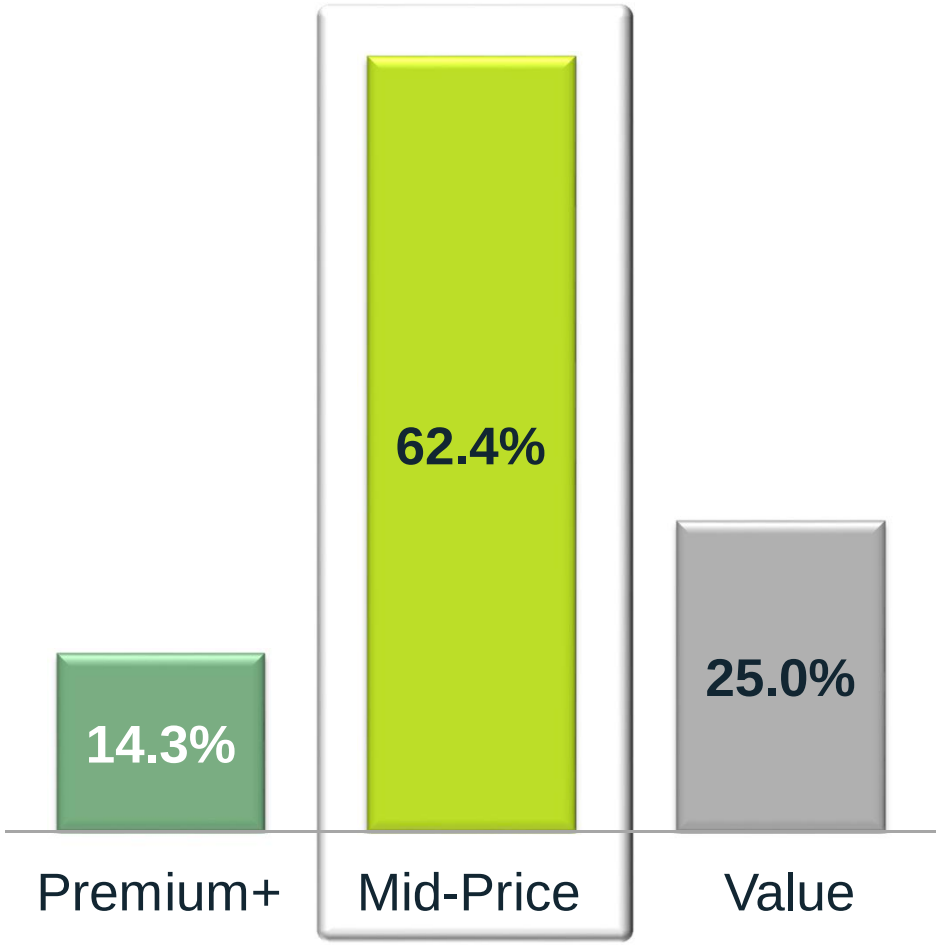
Focused investment on GFBs driving strong results

Strong leading position in the growing Mid-Price segment

Price segments development



JTI share of segment, 2014



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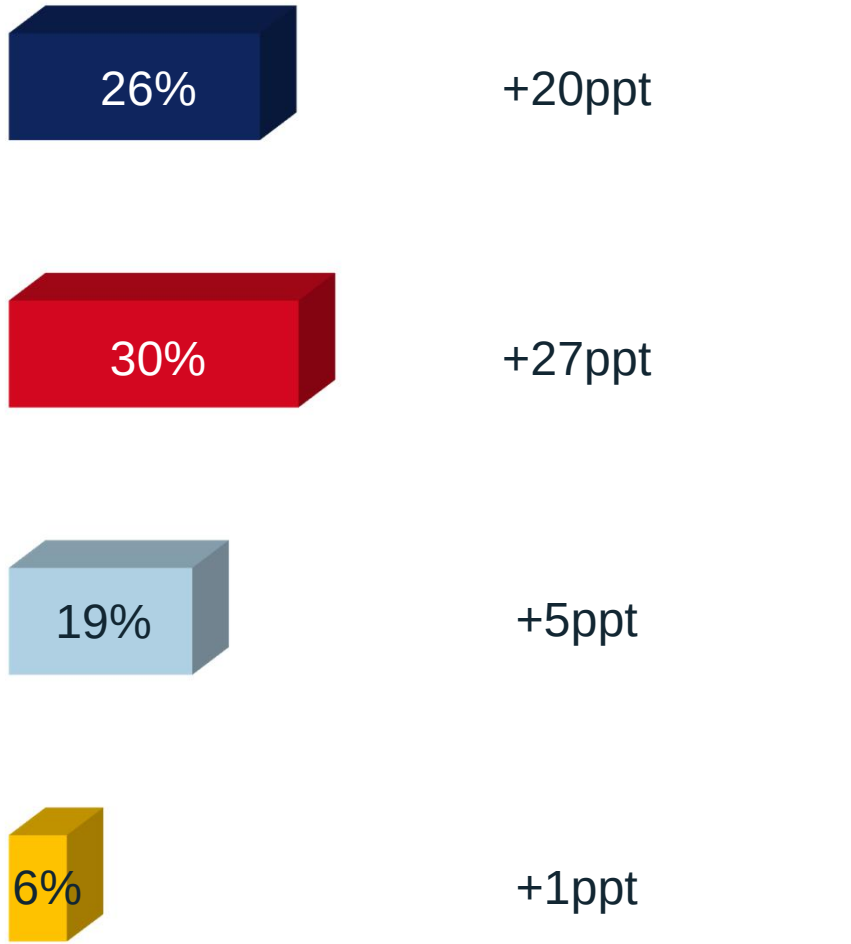
Source: JTI estimates excluding Central Asian Markets

Constantly investing to strengthen GFB equity

Innovative and evolving portfolio



Brand extensions' contribution (vol. %)



Source: JTI estimates

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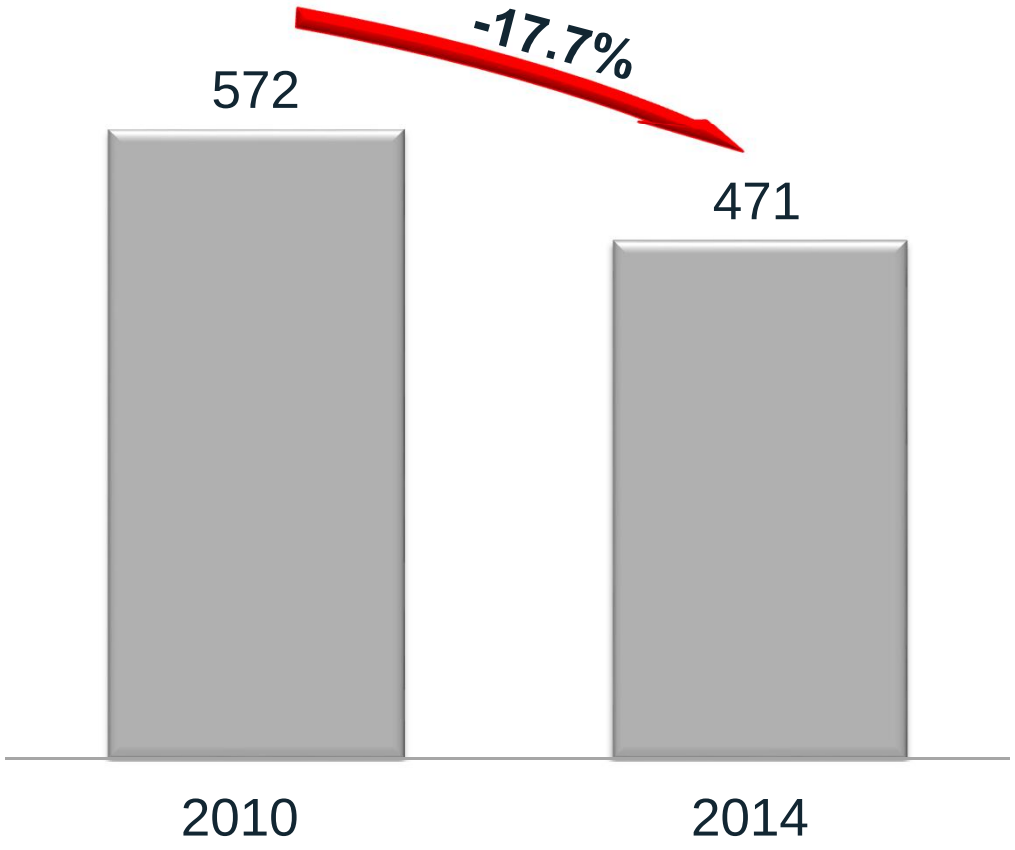
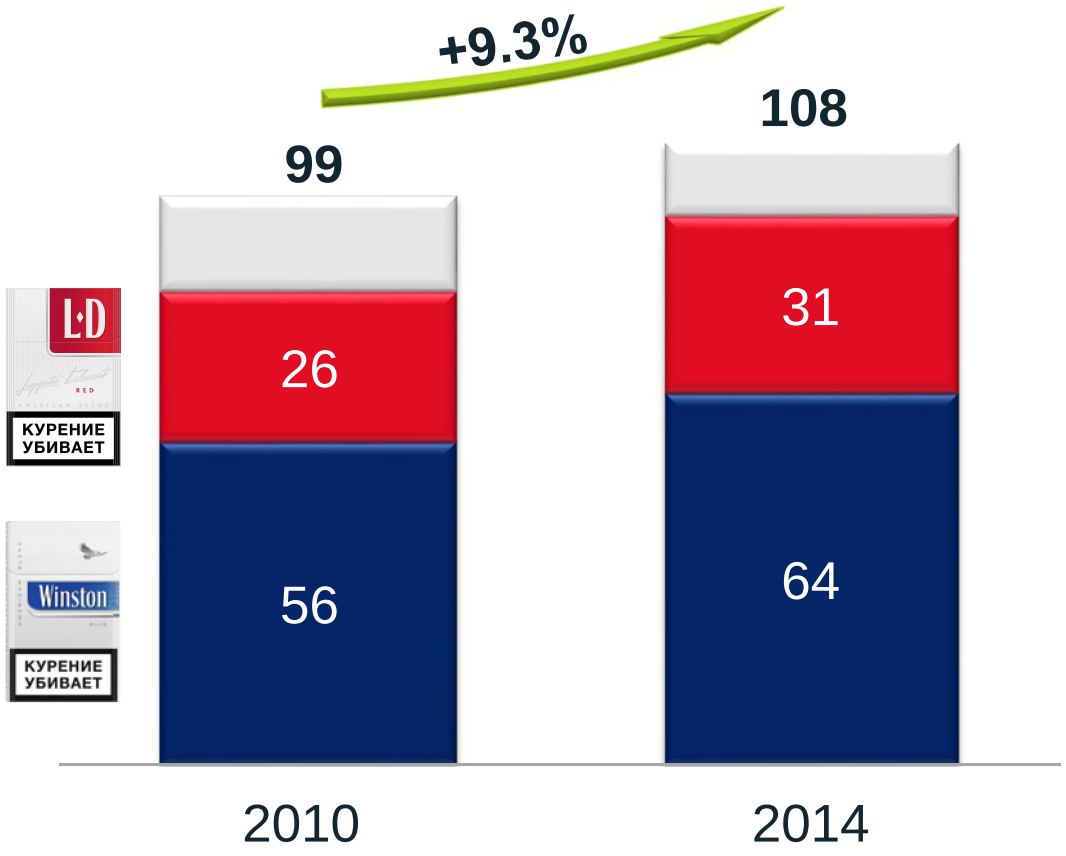
Continued GFB volume growth driven by Winston and LD

Industry volume
(BnU)



GFB volume
(BnU)



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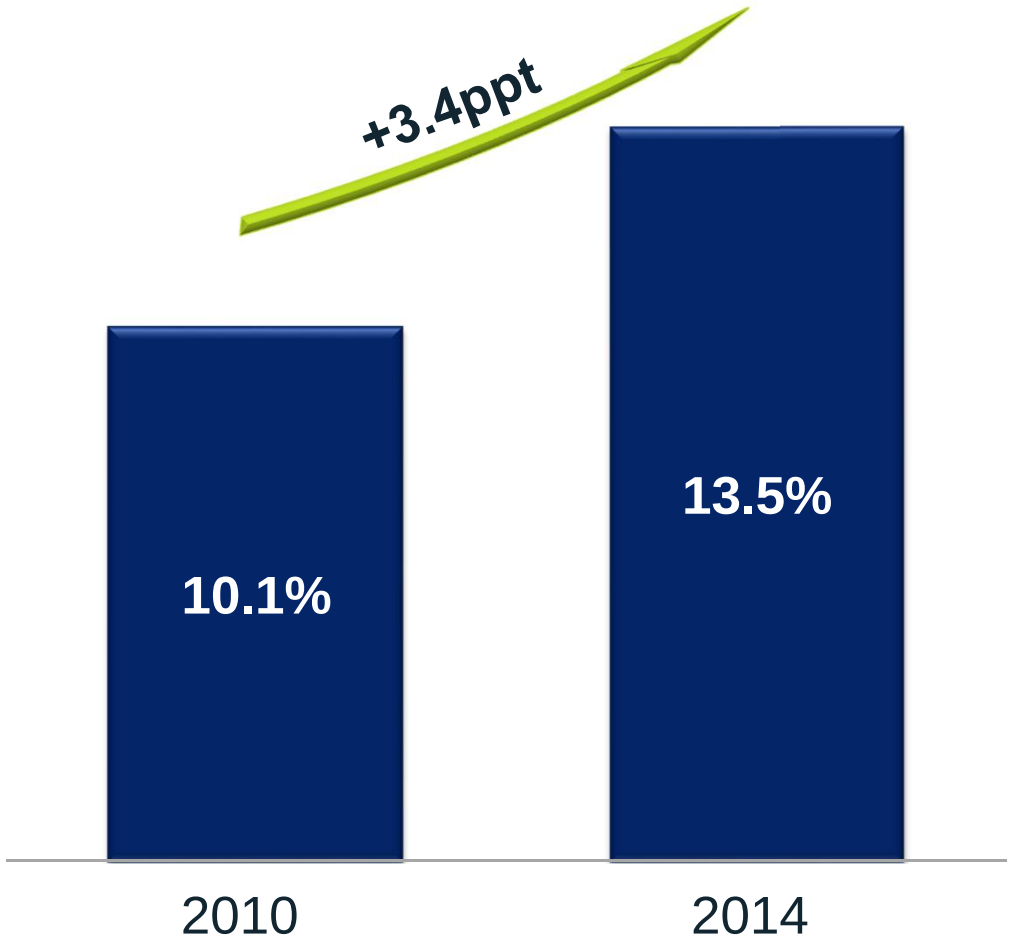
Source: JTI estimates

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



Source: JTI estimates

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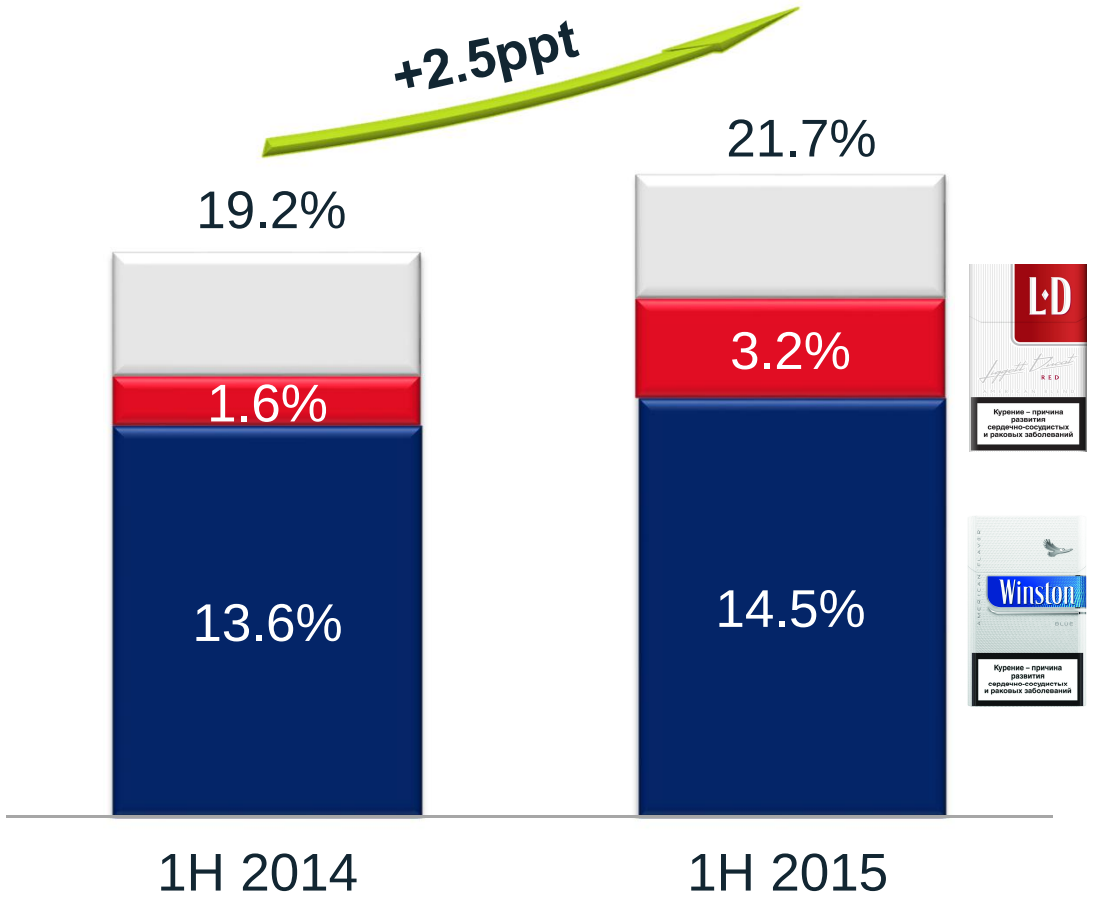
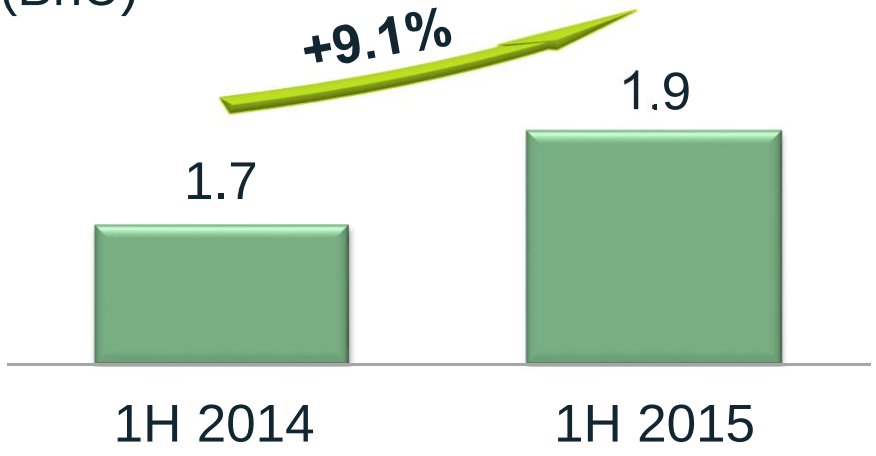
Belarus: Strong GFB performance led by Winston and LD

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)



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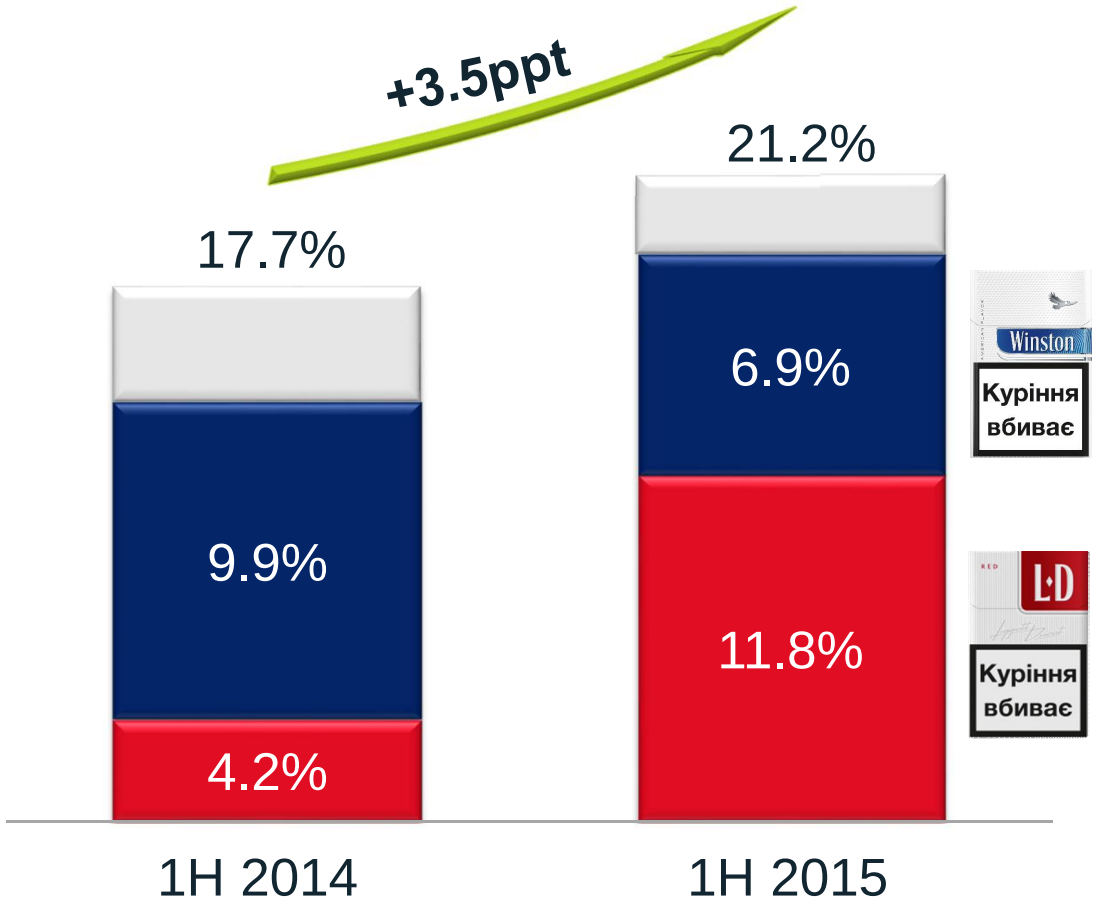
Source: JTI estimates, Nielsen. Note: GFB SoM on a 6-month rolling average to June

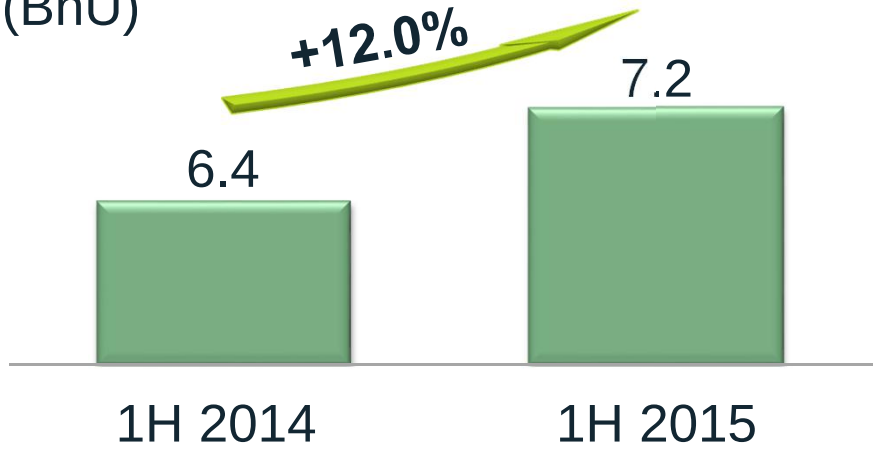
Ukraine: LD drives outstanding GFB growth momentum

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)



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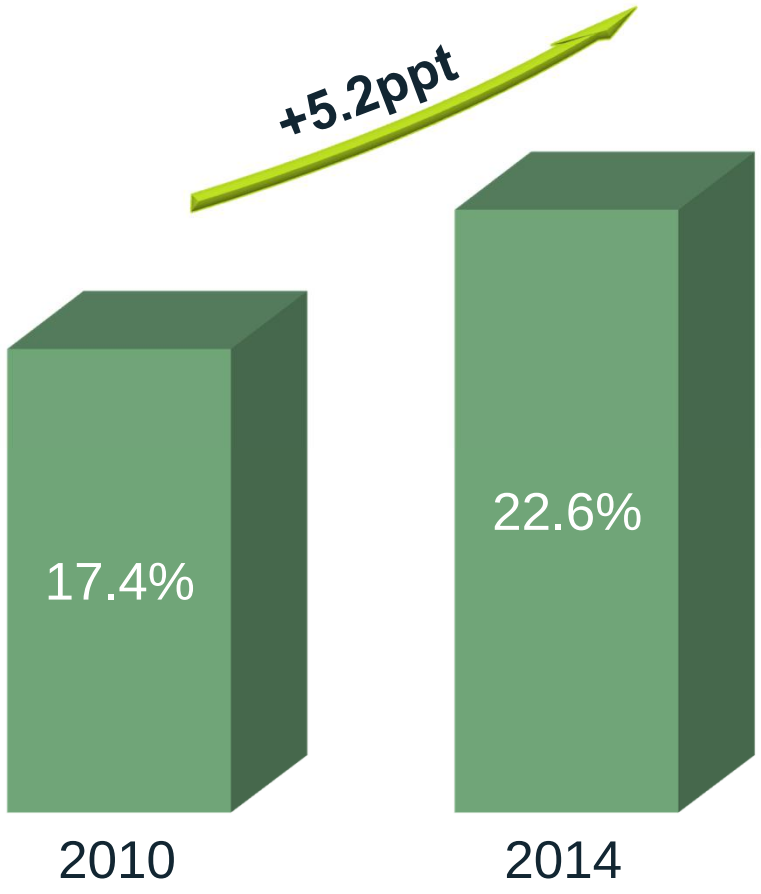
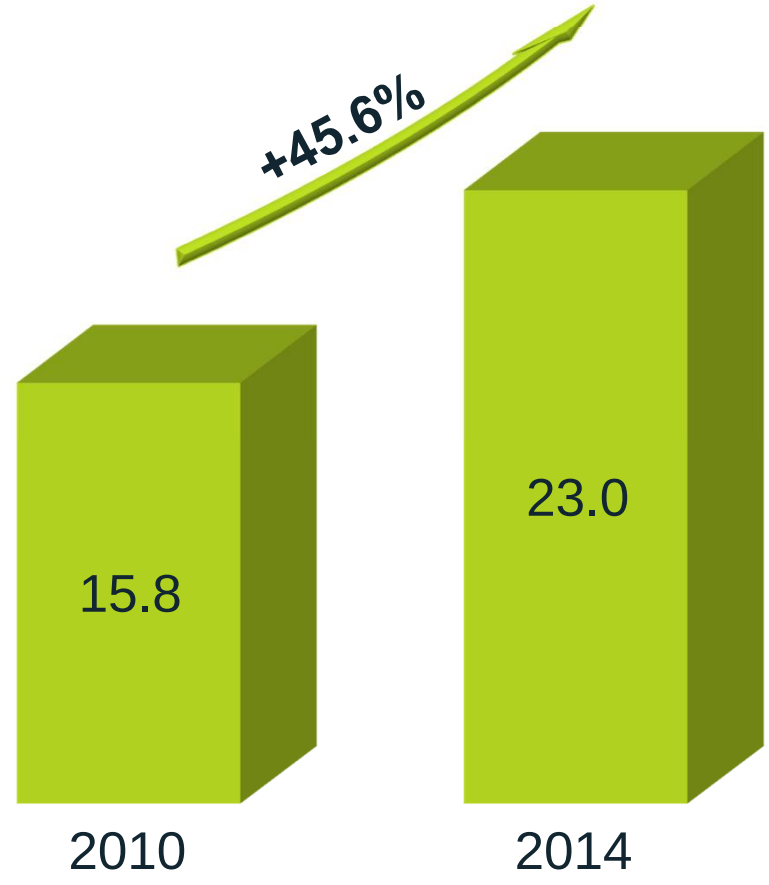
Source: JTI estimates, DCS. Note: GFB SoM on a 6-month rolling average to June

Unit price increasing significantly

GFB share of market



Core revenue per thousand
(US$)



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Source: JTI estimates. Note: Core revenue per thousand cigarette equivalent units on a reported basis

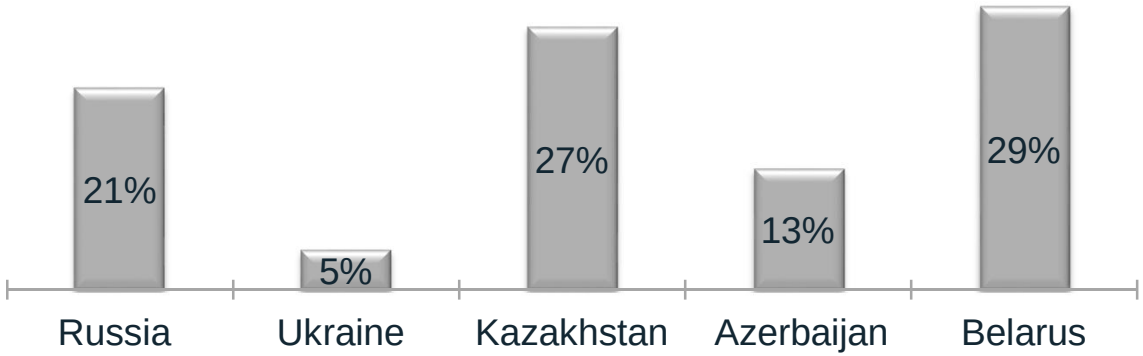
Confident about the future

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%

Excise evolution, CAGR 2010-2014



- 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

Source: JTI estimates, EIU estimates as of September 11, 2015. Note: Excise evolution on US$ basis

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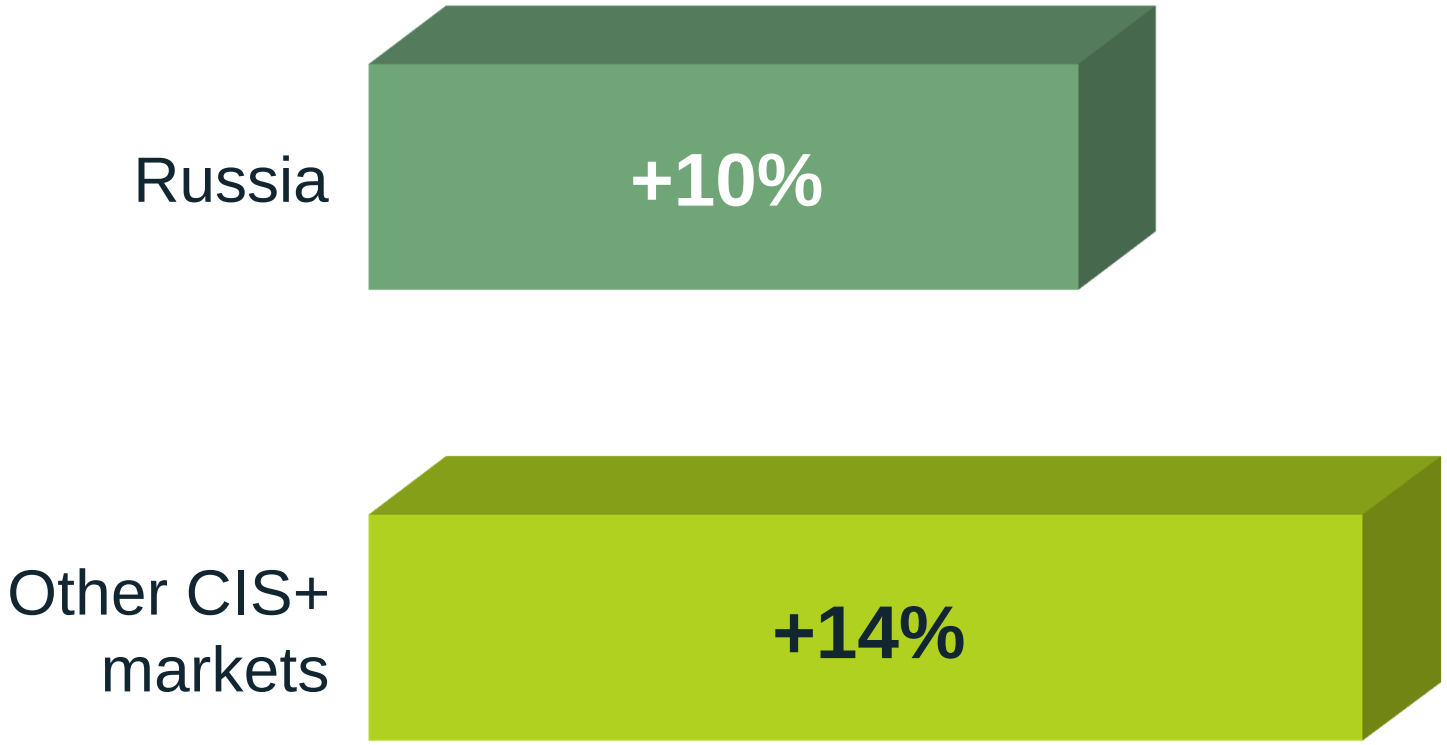
Strong profit growth trends in both Russia and other CIS+ markets expected to continue

EBITA, CAGR 2010-2014



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Note: EBITA on a reported basis

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

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Document 4

Growing our leading position in the Caucasus

Paul Holloway
General Manager, Caucasus

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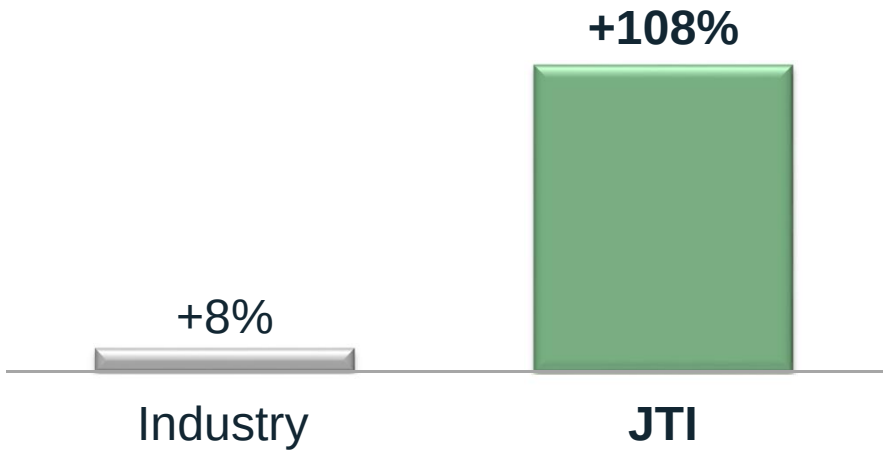
The Caucasus: A dynamic and developing area

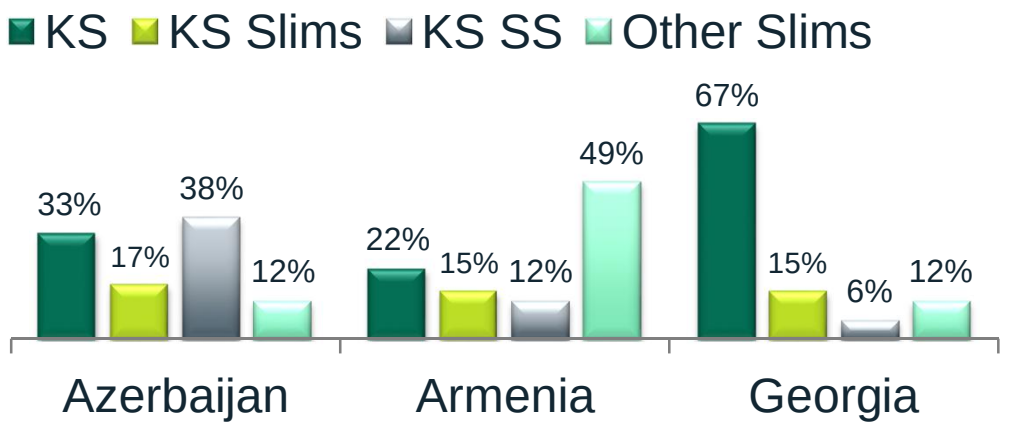
- 3 diverse markets: Armenia, Azerbaijan and Georgia
- Stable operating environment
  - Cigarette industry volume of 28.8 BnU in 2014
  - Cigarette industry value of 1.6 $Bn in 2014
- JTI significantly outperforming industry



Volume, 2014 vs. 2010



Cigarette market by configuration



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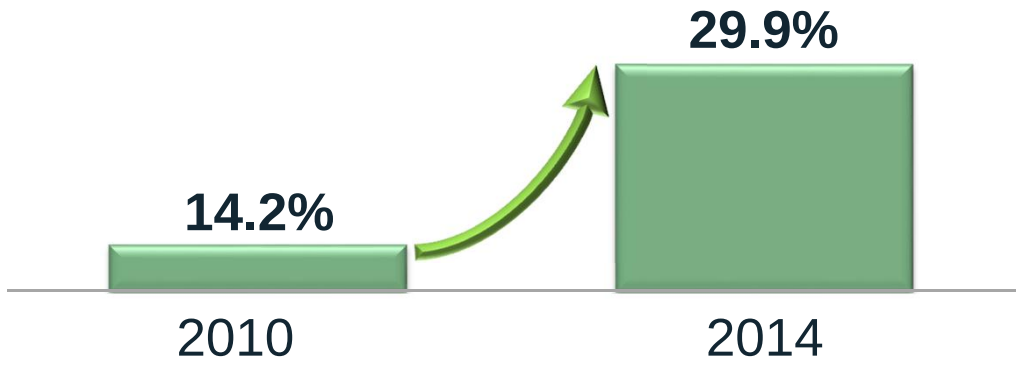
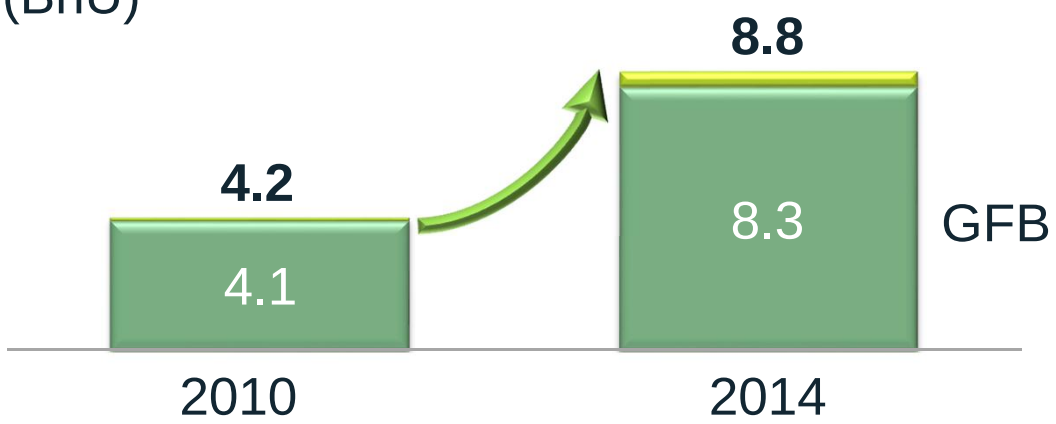
Source: JTI estimates

JTI, the tobacco industry leader

JTI Share of market



JTI Total volume
(BnU)



- JTI Caucasus
  - Established in 2011
  - Based in Tbilisi
  - Objective: further broaden JTI's business base
- Volume and share of market doubled since 2010 driven by GFBs
- Leading tobacco company since 2012

Source: JTI estimates

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Investing to drive profit growth

Investment
(Index, 2010=100)



- Increasing focused investments to:
  - Enhance GFB equity
  - Develop infrastructure and people
  - Expand distribution coverage
  - Increase visibility at point of sales

EBITA
(Index, 2010=100)



- Profit more than quadrupled over the last 5 years driven by volume and price/mix improvements

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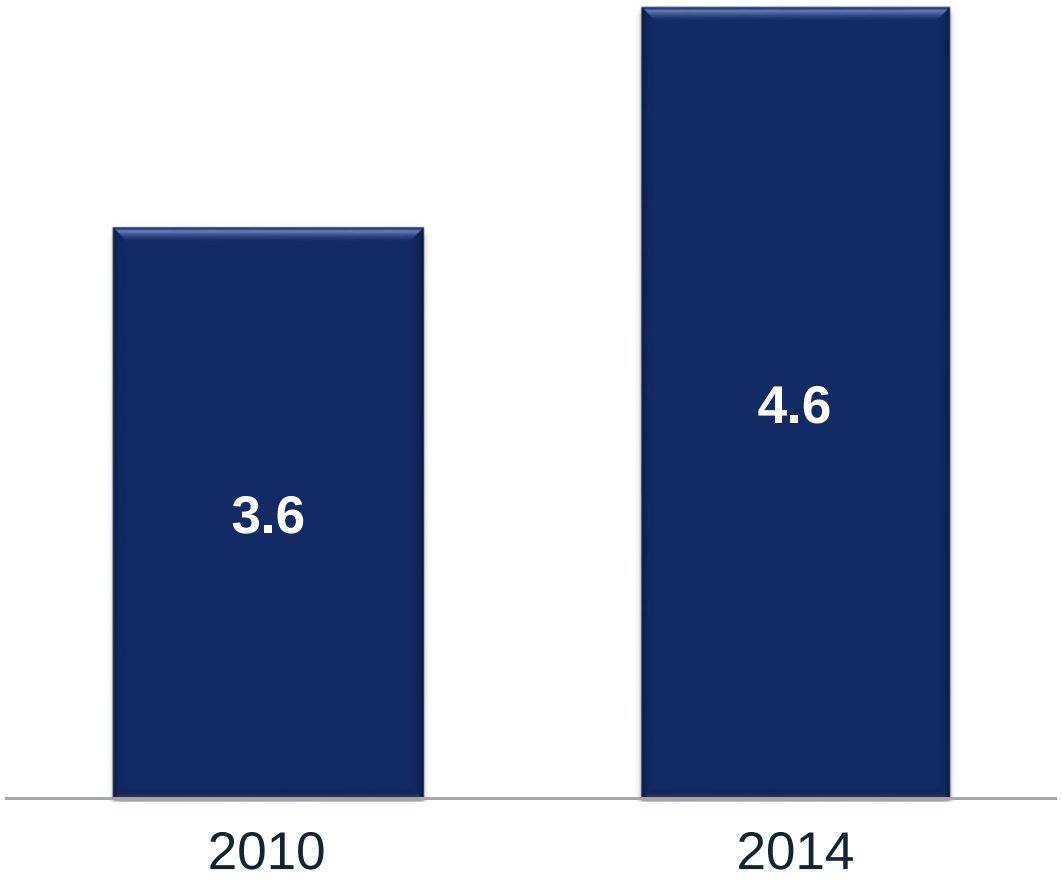
Note: Investment includes trade marketing, brand marketing, sales and operating expenses. Investment and EBITA on a reported basis

GFBs fueling our growth momentum

Winston: The #1 brand in the Caucasus

Winston total volume
(BnU)



- Leading brand in the Caucasus with 15.1% market share in 2014, an increase of 2.1ppt vs. 2010
- #1 brand in Georgia and Armenia
- In Azerbaijan, Winston improved its mix delivering over 65% of total volume through XS range at higher price points



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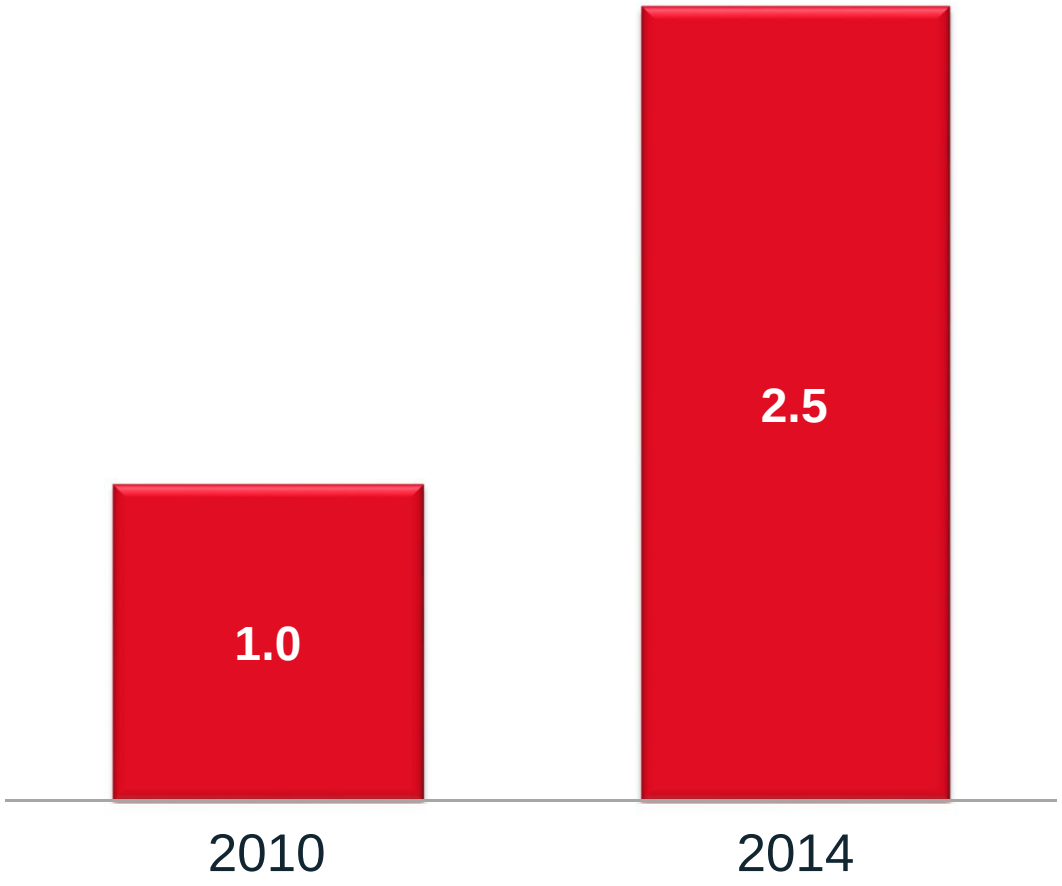
Source: JTI estimates

LD: Doubling volume driven by Azerbaijan

LD total volume
(BnU)



- Launched in Azerbaijan in early 2011
  - Strong growth driven by LD Club
  - Representing 55% of JTI volume
- Launched in Armenia in 2013
  - Compelling product mix
  - Rapid share gains in the growing Value segment



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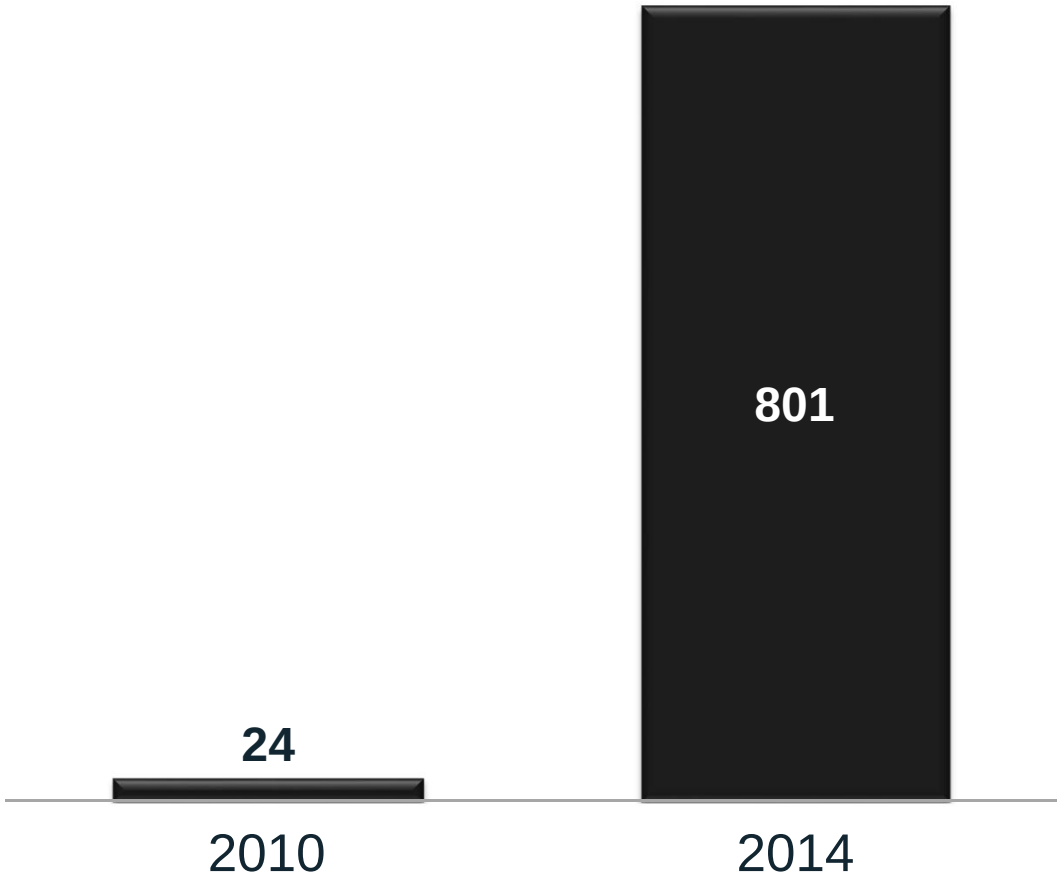
Source: JTI estimates

Sobranie: Broadening presence in the Premium segment

Sobranie total volume
(MMU)



- Sobranie has an outstanding performance in the highly profitable Premium segment
- In 2014, Sobranie's share of Premium in Caucasus reached 11%
- Growth driven by Azerbaijan and Georgia, where Sobranie is significantly out performing Premium segment growth



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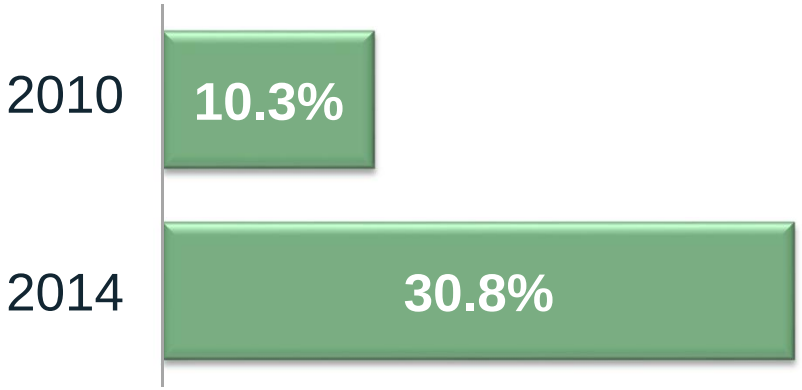
Source: JTI estimates

Solid growth across all markets

Azerbaijan: Expanding the portfolio and tripling market share

JTI Share of market



JTI Share of segment

	2014	vs. 2010 (ppt)
Premium+	22%	+22
Mid-Price	51%	+29
Value	2%	+2

- Entered the Azeri market in 2007 with Winston
- Strong market share increase (+20ppt vs. 2010) driven by portfolio expansion
  - LD leading volume and largest share contributor due to LD Club
  - Sobranie delivering strong growth in the Premium+ segment
- Key success factors: innovative propositions, enhanced retail coverage and strong team capabilities

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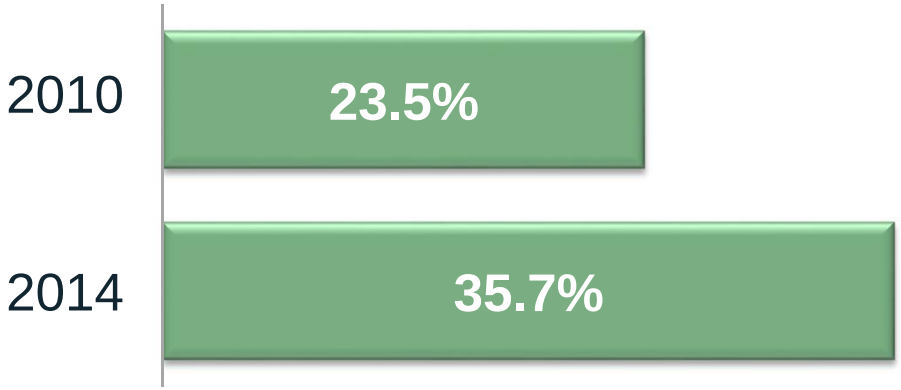
Source: JTI estimates

Georgia: Strengthening our leading position by expanding GFBs

JTI Share of market



JTI Share of segment

	2014	vs. 2010 (ppt)
Premium+	5%	+5
Mid-Price	60%	+9
Value	13%	+13

- Strong market leading position with significant share advantage vs. #2
- Winston is the #1 brand in Mid-Price, the largest volume segment
- Increasing presence above and below Winston to fuel market share growth
  - In Premium and Value, growth driven by Sobranie and Magna, respectively
- Key success factors: improved route to market and coverage as well as development of local team

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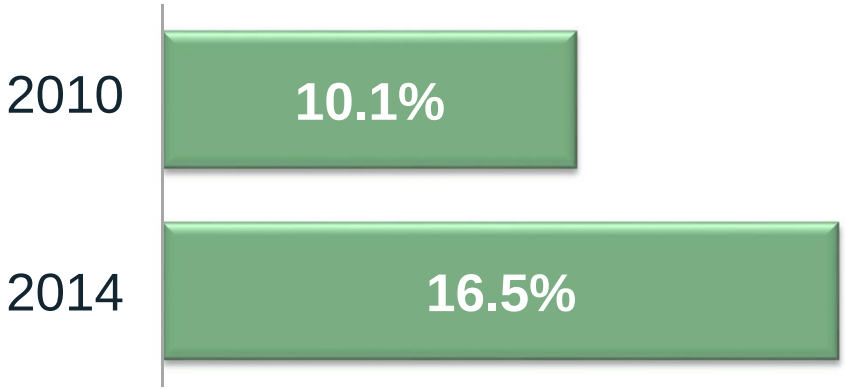
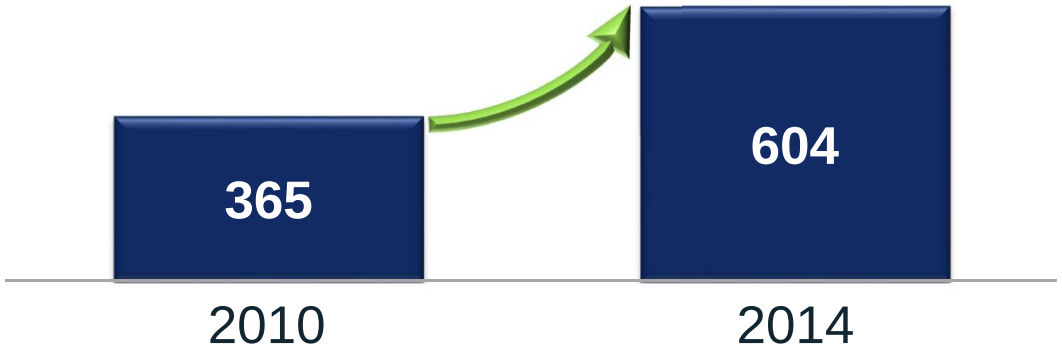
Source: JTI estimates

Armenia: Investing and seeding to grow market share

JTI Share of market



Winston volume
(MMU)



- Presence since 2000. #1 international tobacco manufacturer since Q4 2014
- Winston is the leading brand as of 2013, with strong presence in Mid-Price
- Investing toward future growth opportunities by:
  - Building LD through line extensions to increase focus in Value
  - Establishing a JTI local entity in December 2014 to improve further our commercial capabilities

Source: JTI estimates

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Great achievements setting the base for future growth

- The Caucasus delivered significant growth in volume, share of market and profit
- This was achieved by increasing investments, consistent focus on GFB, talent development and effective business relations with local partners
- Future growth opportunities driven by a stable operating environment and our strong brand portfolio across all price segments

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