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**FOR IMMEDIATE RELEASE**

**JT Reports International Tobacco Business Results for  
January - December 2007**

**Tokyo, February 7, 2008** -- Japan Tobacco Inc. (JT) (TSE: 2914) announced today its international tobacco business results for the twelve-month period between January 1 and December 31, 2007.

In the full year that ended December 31, 2007, JT International (JTI), JT's international tobacco business subsidiary, significantly increased its growth momentum. Combined with the Gallaher business which was acquired on April 18, 2007, JTI's total sales volume increased 60.6 percent to 385.6 billion cigarettes.

Global Flagship Brand<sup>1</sup> (GFB) sales volume increased 40.0 percent to 203.2 billion cigarettes, compared to the previous year. This increase was driven mainly by Winston in Russia, Ukraine, Turkey and Spain; Camel in Spain, France, Italy and Russia. GFB performance also reflects the additional contribution of Benson & Hedges and Silk Cut in the United Kingdom and Ireland; and LD, Sobranie and Glamour in Russia, Ukraine and Kazakhstan.

Net sales including tax increased 138.7 percent to US\$20.504 billion, and net sales excluding tax amounted to US\$8.031 billion, an increase of 69.8 percent from the previous year. Net sales per thousand cigarettes excluding tax rose 5.8 percent to US\$20.8.

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<sup>1</sup> GFB includes eight brands: Winston, Camel, Mild Seven, Benson & Hedges, Silk Cut, LD, Sobranie and Glamour.



## Quarterly and full fiscal year sales results

(October-December and total results for 2007 are preliminary)

	2006 Results					2007 Preliminary Results				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Total sales volume (billions of cigarettes)	52.1	61.6	64.5	61.9	240.1	57.7	101.6	114.6	111.6	385.6
GFB sales volume (billions of cigarettes)	31.6	36.7	39.0	37.8	145.2	35.5	52.8	57.6	57.3	203.2
Net sales, including tax (millions of US\$)	1,860	2,187	2,359	2,184	8,590	2,282	5,424	6,108	6,690	20,504
Net sales, excluding tax (millions of US\$)	1,018	1,197	1,311	1,204	4,729	1,258	2,097	2,333	2,343	8,031
Net sales per thousand cigarettes, excluding tax (US\$)	19.5	19.4	20.3	19.4	19.7	21.8	20.6	20.4	21.0	20.8

Note:

1. Gallaher results are incorporated from April 18, 2007 onward.
2. All net sales information excludes the distribution businesses acquired as part of the Gallaher transaction.
3. In the above table, GFB sales volumes are based on the current GFB definition. Please note that GFB sales volumes during the pre-acquisition period include Winston, Camel and Mild Seven only.

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*Japan Tobacco Inc. is the world's third largest international manufacturer of tobacco products. The company manufactures internationally recognized cigarette brands including Winston, Camel, Mild Seven and Benson & Hedges. Since its privatization in 1985, JT has actively diversified its operations into pharmaceuticals and foods. The company's net sales were ¥4.769 trillion in the fiscal year ended March 31, 2007.*