



JT International Business Results for 2007 (unaudited)

February 8, 2008

Tokyo, Japan

quality commitment innovation synergy



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Forward-Looking and Cautionary Statements



This presentation contains forward-looking statements about our industry, business, plans and objectives, financial conditions and results of operations based on current expectations, assumptions, estimates and projections. These statements discuss future expectations, identify strategies, discuss market trends, contain projections of operational results and financial condition and state other forward-looking information.

These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ from those suggested by any forward-looking statement. We assume no duty or obligation to update any forward-looking statement or to advise of any change in the assumptions and factors on which they are based. 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) **health concerns relating to the use of tobacco products;**
- 2) **legal or regulatory developments and changes; including, without limitation, tax increases and restrictions on the sale, marketing and usage of tobacco products, governmental investigations and privately imposed smoking restrictions;**
- 3) **litigation in Japan and elsewhere;**
- 4) **our ability to further diversify our business beyond the tobacco industry;**
- 5) **our ability to successfully expand internationally and make investments outside of Japan;**
- 6) **competition and changing consumer preferences;**
- 7) **the impact of any acquisitions or similar transactions;**
- 8) **local and global economic conditions; and**
- 9) **fluctuations in foreign exchange rates and the costs of raw materials.**

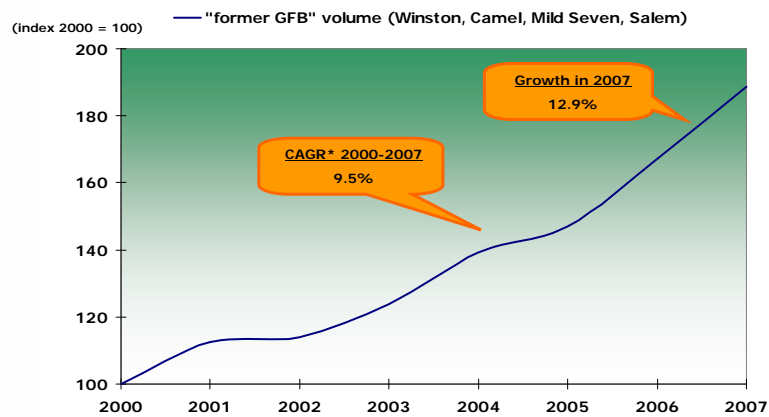
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Pierre de Labouchere

President
&
Chief Executive Officer

- JT International 2007 Results -

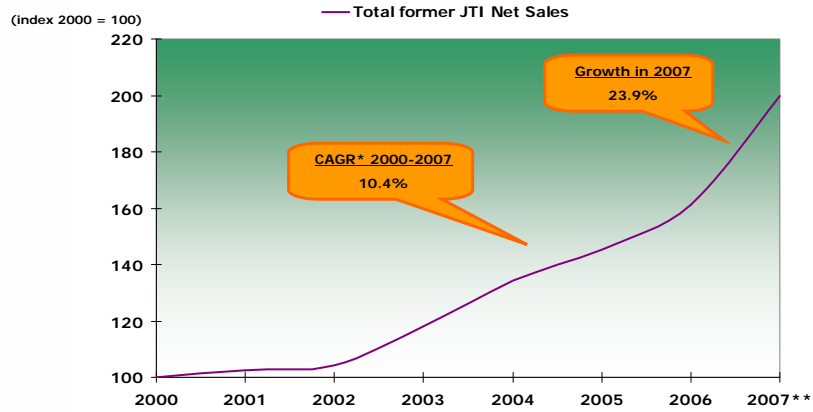
Our Strategy - Focus on Quality Top Line Growth



➤ Consistent brand equity building strategies are paying off

* CAGR = Compound Annual Growth Rate

Our Strategy - Focus on Quality Top Line Growth



➤ “Former” JTI Net Sales doubled in 7 years

* CAGR = Compound Annual Growth Rate

** 2007 Net Sales derived from former JTI operations only, i.e. excluding acquisition benefits.

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Our Strategy – Focus on Quality Top Line Growth



Building outstanding brands

Enhancing Productivity

Responsible behavior

Developing people

➤ JTI Mission: To be the growth engine of the JT Group

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Integration – Rapid progress, no disruption



Direction

- No business disruption
- Speed
- One organization
- Internal management

Status

- Confirmed synergies of at least US\$ 400 million, by 2010
- Manufacturing footprint
- Procurement
- Sales & distribution
- Business process
- Brand portfolio

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Integration - GFB Portfolio benefits



- Greater opportunities for Quality Top Line Growth
- Strong focus on Quality and Execution Excellence
- Re-investment in new brands

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JT International 2007 Like-for-like Results



Full Year Results Like-for-like

(Bn units equivalent)

	2006*	2007**	Change	
Volume	423	431	8	2%
GFB Volume	199	216	17	8%

(US\$ million)

EBITDA***	2,455	2,830	375	15%
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- GFBs grew 8%, despite application of JTI policies
- Mid-teen EBITDA growth maintained at 15%
 - **Solid performance of the former JTI business**
 - **No business disruption during integration process**

Notes * 2006 (Like-for-like): JTI and Gallaher aggregated (Exchange rates used 1.84 GBP/US\$)
 ** 2007 (Like-for-like): Including hypothetical full year Gallaher contribution
 *** EBITDA: before royalty payment to JT

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JT International 2007 Results



Full Year Results

(Bn units equivalent)

	2006	2007	Change	
Volume	240.1	385.6	145.5	60.6%
GFB Volume	145.2	203.2	58.0	40.0%

(US\$ million)

Net Sales before tax	8,590	22,405	13,815	160.8%
Net Sales after tax	4,729	8,979	4,250	89.9%
EBITDA	1,090	2,428	1,338	122.7%

- EBITDA more than doubles versus 2006
- Organic growth momentum continues
- Gallaher acquisition significantly improves scale

Notes 2007 volumes and financials include former Gallaher businesses after 18 April 2007. All non-cigarettes volumes are converted at product specific rates.
 GFB in 2006: Winston, Camel, Mild Seven
 GFB in 2007 (after April 18, 2007) : Winston, Camel, Mild Seven, Benson & Hedges, Silk Cut, LD, Sobranie, Glamour

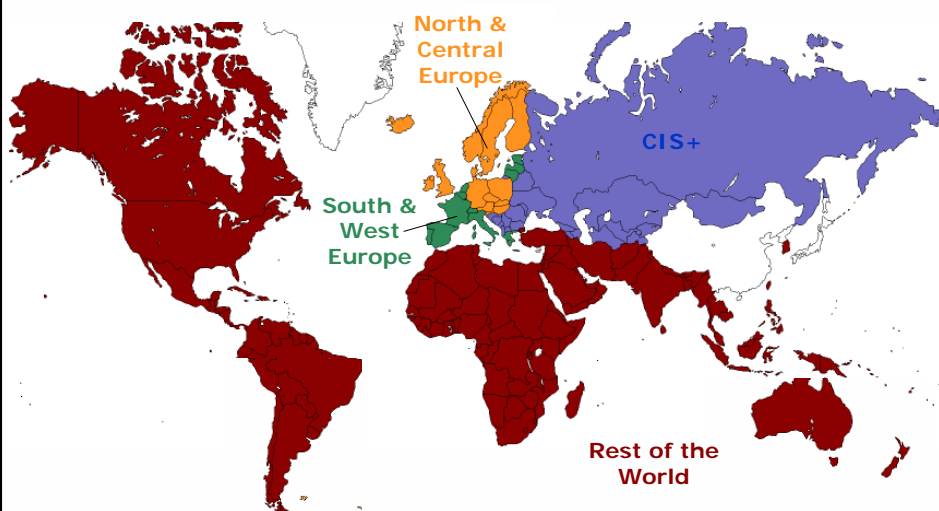
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Yasushi Shingai

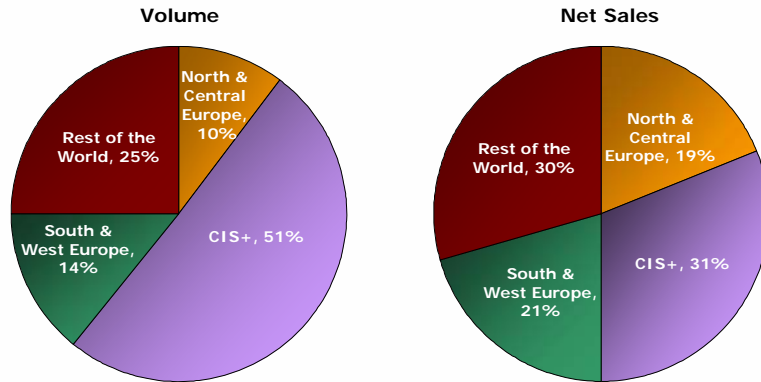
Chief Financial Officer
and Deputy CEO

- Business Overview -

JTI Performance Around the World



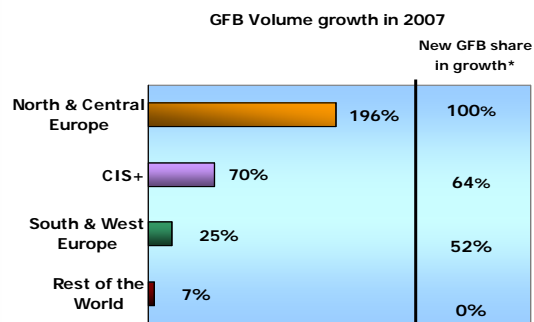
Volume and Net Sales by Cluster of Markets



- A balanced Net Sales spread
- With significant Top and Bottom Line growth opportunities

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GFB growth by Cluster of Markets



- Larger presence in North & Central Europe
- Combined strengths in CIS+ and South & West Europe

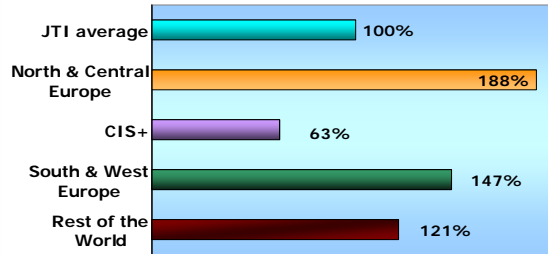
* Share of Benson & Hedges, Silk Cut, Glamour, Sobranie and LD of 2007 GFB volume growth

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Net Sales per '000 by Cluster of Markets



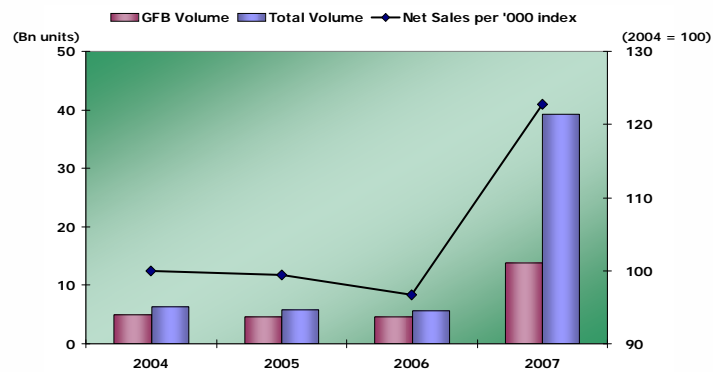
Relative Net Sales per '000 by Cluster of Markets



- North & Central Europe driven by UK
- CIS+ driven by acquired portfolio of base brands in Russia

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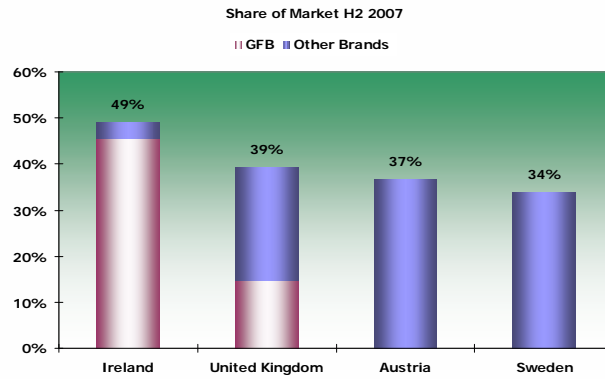
North & Central Europe - Performance



- Six-fold increase in volume
- Significant Net Sales per '000 improvement driven by the United Kingdom and Republic of Ireland

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North & Central Europe – Key market presence

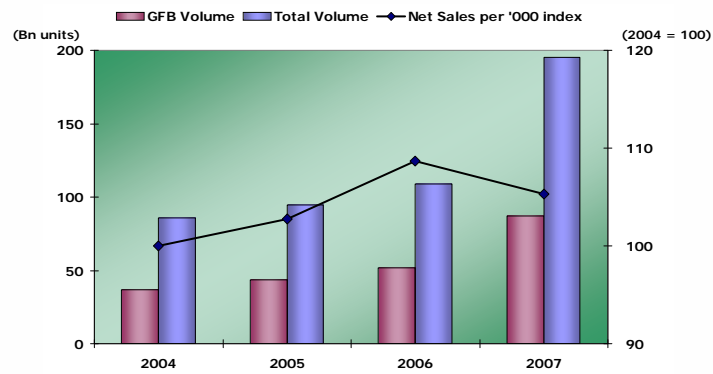


- JTI has now leadership position in the Republic of Ireland, Austria, Sweden, and strong #2 in the United Kingdom

Sources: All Share of Market data obtained from external sources

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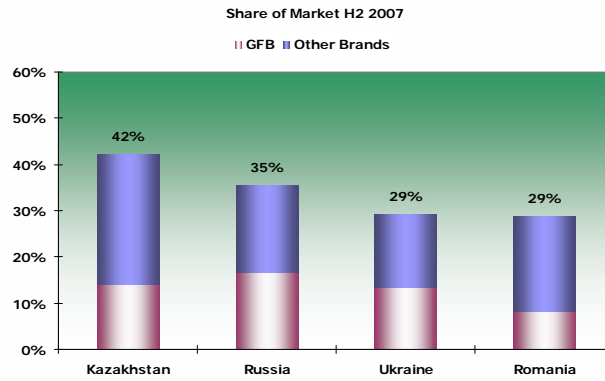
CIS+ Performance



- Total volume up 80% in 2007; Winston #1 in CIS +
- Net Sales Index declined driven by increased weight of value brands

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CIS+ Key market presence

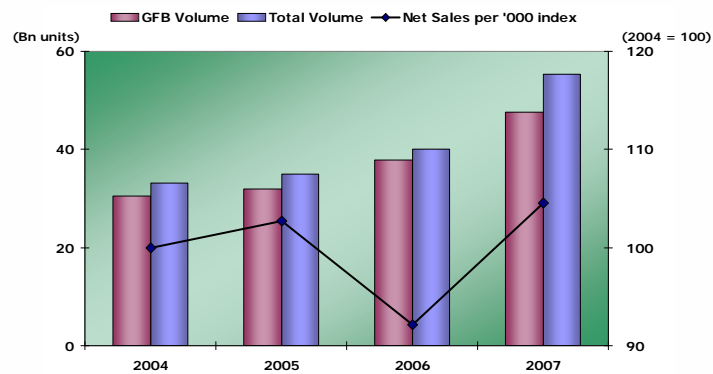


- Leading or challenging positions in all key markets with strengthened portfolio covering all strategic price points

Sources: All Share of Market data obtained from external sources

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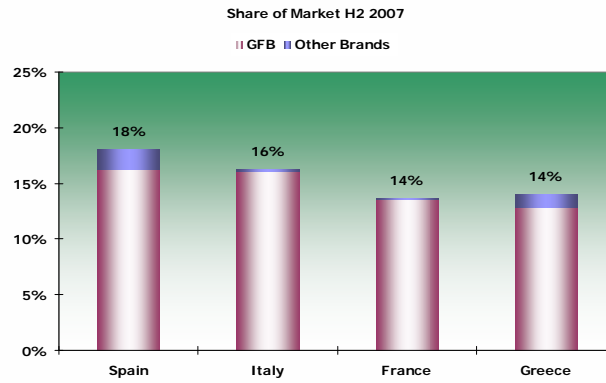
South & West Europe – Performance



- Total volume up 38% in 2007
- Camel and Winston are the historical growth drivers. Portfolio enhancement by the addition of Benson & Hedges and Silk Cut

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South & West Europe – Key market presence

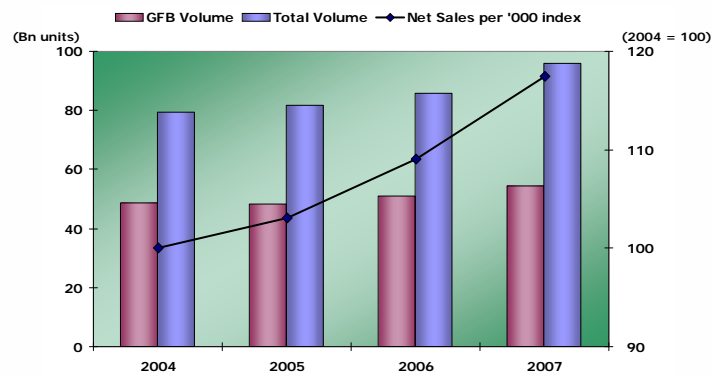


- Significant Share improvement in Spain, Italy, France and Greece where Gallaher adds an average of 2-4 percentage points on top of Winston / Camel share growth

Sources: All Share of Market data obtained from external sources

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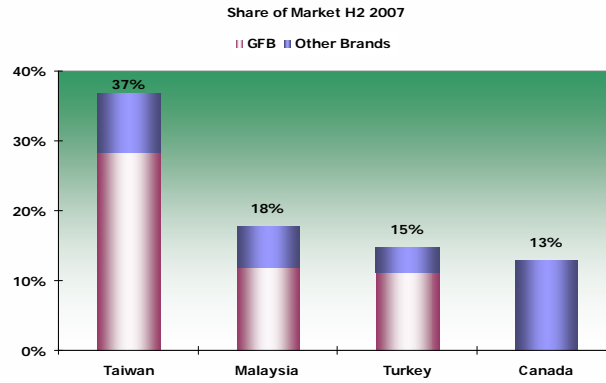
Rest of the World – Performance



- Total volume up 12% in 2007
- Net Sales Index continue to improve, led by Mix and Price across all key markets

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Rest of the World – Key market presence



- Taiwan: #1 position regained after Q4 2006 price increases
- Turkey: Winston drives Share of Market up 3.2ppt

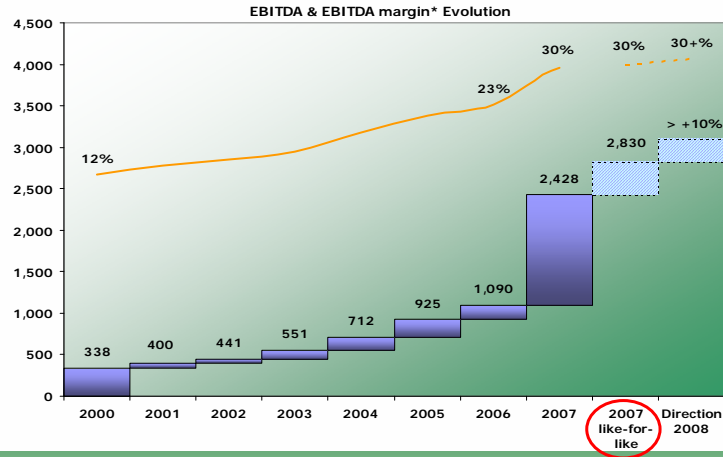
Sources: All Share of Market data obtained from external sources, except Canada (JTI estimate)

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The Future

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Driving Growth through continues improvement



- Towards an 2008 EBITDA in excess of US\$ 3 Billion

* EBITDA includes Distribution business, EBITDA margin excludes Distribution business

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The Future



- Consistent Quality Top Line Growth Strategies
- Striving to reach in excess of 10%* EBITDA growth per year for the next 3 years



The Profit Growth Engine of the JT Group

(*) Growth based on 2.83 billion US dollar in 2007, on a Like-for-like basis

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