



**Financial Results
Supplemental Material**

FY2017 First Quarter

Data Sheets

Terms	Definitions
Adjusted Operating Profit	Operating profit + Amortization cost of acquired intangibles arising from business acquisitions + Adjusted items (income and costs)*
Total Shipment Volume : (International Tobacco Business)	Includes fine cut, cigars, pipe tobacco and snus but excludes contract manufactured products, waterpipe tobacco, and emerging products
Core Revenue (International Tobacco Business)	Includes revenue from waterpipe tobacco and emerging products, but excludes Revenues from distribution, contract manufacturing and other peripheral businesses
Core Revenue/ Adjusted Operating Profit at Constant FX	The same foreign exchange rates between local currencies vs USD as same period in previous year are applied
Core Revenue (Japanese Domestic Tobacco Business)	Includes revenue from domestic duty free, the China business and emerging products such as Ploom TECH devices and capsules but excludes revenue from distribution of imported tobacco in the Japanese domestic tobacco business, among others
Consolidated Adjusted Operating Profit at Constant FX	For International Tobacco Business, the same foreign exchange rates between local currencies vs USD and JPY vs USD as same period in previous year are applied

*Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

Results for 2017 First Quarter

1. Consolidated results highlight

(Unit: JPY billion)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)	Variance (%)
Revenue	534.1	506.1	-27.9	-5.2%
Operating profit	203.7	149.0	-54.7	-26.9%
Adjusted operating profit	164.4	150.3	-14.1	-8.6%
Profit before income tax	200.3	142.5	-57.8	-28.9%
Profit	146.4	106.0	-40.4	-27.6%
Profit (attributable to owners of the parent)	145.4	105.5	-40.0	-27.5%
Basic EPS*(JPY)	81.22	58.90	-22.32	-27.5%

*Based on profit attributable to owners of the parent company

● [reference] Consolidated results

(Unit: JPY billion)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)	Variance (%)
Adjusted operating profit at constant FX	164.4	159.3	-5.1	-3.1%

2. Revenue by business segment

(Unit: JPY billion)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)	Variance (%)
Revenue	534.1	506.1	-27.9	-5.2%
Japanese domestic tobacco	168.4	151.8	-16.6	-9.9%
Core revenue	160.6	143.9	-16.7	-10.4%
International tobacco	301.8	290.8	-11.1	-3.7%
Core revenue	284.7	276.0	-8.7	-3.1%
Pharmaceutical	21.5	23.2	+1.7	+7.7%
Processed food	39.4	38.3	-1.1	-2.9%
Others	2.9	2.1	-0.8	-28.4%

● [reference] International tobacco business

(Unit: USD million)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)	Variance (%)
Core revenue	2,468	2,429	-39	-1.6%
Core revenue at constant FX	2,468	2,469	+1	+0.0%

Results for 2017 First Quarter

3. Adjusted operating profit by business segment

(Unit: JPY billion)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)	Variance (%)
Consolidated: operating profit	203.7	149.0	-54.7	-26.9%
Adjustments, total	-39.3	1.4	+40.7	
Consolidated: adjusted operating profit	164.4	150.3	-14.1	-8.6%
Japanese domestic tobacco: operating profit	61.9	53.1	-8.7	-14.1%
Adjustments, total	3.9	4.1	+0.2	
Japanese domestic tobacco: adjusted operating profit	65.7	57.2	-8.5	-13.0%
International tobacco: operating profit	90.6	84.1	-6.5	-7.2%
Adjustments, total	8.9	7.9	-1.0	
International tobacco: adjusted operating profit	99.5	92.0	-7.5	-7.6%
Pharmaceutical: operating profit	3.2	5.1	+1.9	+58.9%
Adjustments, total	-	-	-	
Pharmaceutical: adjusted operating profit	3.2	5.1	+1.9	+58.9%
Processed food: operating profit	1.2	1.2	+0.0	+0.8%
Adjustments, total	-	-	-0.0	
Processed food: adjusted operating profit	1.2	1.2	+0.0	+0.7%
Others / Elimination: operating profit	46.9	5.5	-41.4	-
Adjustments, total	-52.1	-10.6	+41.5	
Others / Elimination: adjusted operating profit	-5.2	-5.1	+0.1	-

• [reference] International tobacco business

(Unit: USD million)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)	Variance (%)
Adjusted operating profit	863	810	-53	-6.1%
Adjusted operating profit at constant FX	863	875	13	+1.5%

4. Depreciation and amortization

(Unit: JPY billion)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)
Consolidated	36.4	35.2	-1.2
Japanese domestic tobacco	14.6	14.2	-0.4
International tobacco	18.4	17.7	-0.7
Pharmaceutical	1.3	1.3	-0.0
Processed food	1.5	1.5	-0.0
Others/Elimination	0.6	0.5	-0.0

5. Consolidated financial position

(Unit: JPY billion)

	2016 Dec. end	2017 Mar. end	Variance (abs)
Total assets	4,744.4	4,522.7	-221.7
Total equity	2,528.0	2,504.5	-23.6
Equity attributable to owners of the parent	2,456.1	2,433.2	-22.8
BPS (attributable to owners of the pare) (JPY)	1,371.39	1,358.61	-12.78

6. Liquidity and interest-bearing debt

(Unit: JPY billion)

	2016 Dec. end	2017 Mar. end	Variance (abs)
Liquidity ^{*1}	297.0	150.6	-146.4
Interest-bearing debt ^{*2}	555.3	609.0	+53.8

*1: Cash and deposits + marketable securities + securities purchased under repurchase agreements

*2: Short-term bank loans + CP + bonds + long-term borrowings + lease obligations

Results for 2017 First Quarter

7. Consolidated cash flow

(Unit: JPY billion)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)
Cash flows from operating activities	-172.3	-70.5	+101.8
Cash flows from investing activities	-558.9	-22.4	+536.5
Cash flows from financing activities	+370.5	-53.7	-424.3
Cash and cash equivalents, beginning of the year	+526.8	+294.2	-232.6
Foreign currency translation adj. on cash & cash equivalents	-6.9	+0.4	+7.3
Cash and cash equivalents, end of the year	+159.2	+147.9	-11.4
FCF *	-729.3	-92.4	+636.8

*: FCF is sum of cash flows from operating activities and investing activities, but excludes the following items;

- From operating CF: interest received, dividends received, interest paid and income taxes related to these items
- From investing CF: purchase of investment securities (for both short-term and long-term), payments into time deposits, proceeds from sale or redemption of investment securities (for both short-term and long-term), proceeds from withdrawal of time

8. Capital expenditures

(Unit: JPY billion)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)
Consolidated	19.0	23.4	+4.4
Japanese domestic tobacco	5.2	7.4	+2.2
International tobacco	11.4	12.6	+1.2
Pharmaceutical	0.8	1.4	+0.6
Processed food	0.8	1.4	+0.6
Others/Elimination	0.8	0.7	-0.2

9. Business data

● Japanese domestic tobacco business

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)	Variance (%)	
JT cigarette sales volume *1	27.2	23.0	-4.2	-15.3%	BNU
Cigarette industry volume *2	43.5	37.7	-5.8	-13.3%	BNU
JT cigarette market share	62.4%	61.0%	-1.5 ppt		
JT revenue per 1,000 cigarettes	5,672	5,931	+259	+4.6%	JPY

*1: Excludes volumes of duty-free in Japan, China business (1.0 BNU in Jan-Mar, 2016 and 1.0 BNU in Jan-Mar, 2017, respectively) emerging products

*2: Industry volume of cigarettes in Japan market (excluding Emerging Products)

● International tobacco business

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)	Variance (%)	
Total cigarettes shipment volume	94.4	91.7	-2.7	-2.9%	BNU
GFB shipment volume	66.4	66.0	-0.3	-0.5%	BNU
JPY/USD	115.35	113.60	-1.75	-1.5%	JPY
RUB/USD	74.68	58.82	-15.86	+27.0%	RUB
GBP/USD	0.70	0.81	+0.11	-13.5%	GBP
EUR/USD	0.91	0.94	+0.03	-3.4%	EUR
CHF/USD	0.99	1.00	+0.01	-1.1%	CHF
TWD/USD	33.09	31.12	-1.97	+6.3%	TWD
TRY/USD	2.94	3.69	+0.75	-20.3%	TRY
IRR/USD	35,545	38,283	+2,738	-7.2%	IRR

● Pharmaceutical business

(Unit: JPY billion)

	2016 Jan-Mar	2017 Jan-Mar	Variance (abs)	Variance (%)
R&D expenses	7.6	7.5	-0.1	-1.4%

FY2017 Forecasts (as of February 6, 2017)

1. Summary of consolidated forecasts

(Unit: JPY billion)

	FY2016	FY2017	Variance (abs)	Variance (%)
Revenue	2,143.3	2,110.0	-33.3	-1.6%
Operating profit	593.3	560.0	-33.3	-5.6%
Adjusted operating profit	586.8	587.0	+0.2	+0.0%
Profit (attributable to owners of the parent company)	421.7	402.0	-19.7	-4.7%

● [reference] Consolidated forecast

(Unit: JPY billion)

	FY2016	FY2017	Variance (abs)	Variance (%)
Adjusted operating profit at constant FX	586.8	607.0	+20.2	+3.4%

2. EPS, DPS, ROE

(Unit: JPY)

	FY2016	FY2017	Variance (abs)	Variance (%)
Basic EPS	235.47	224.46	-11.01	-4.7%
DPS	130.00	140.00	+10.00	+7.7%
ROE (attributable to owner of the parent company)	17.2%	16.2%	-1.0%pt	

3. Revenue by business segment

(Unit: JPY billion)

	FY2016	FY2017	Variance (abs)	Variance (%)
Revenue	2,143.3	2,110.0	-33.3	-1.6%
Japanese domestic tobacco	684.2	655.0	-29.2	-4.3%
Core revenue	649.7	620.0	-29.7	-4.6%
International tobacco	1,199.2	1,178.0	-21.2	-1.8%
Core revenue	1,138.8	1,118.0	-20.8	-1.8%
Pharmaceutical	87.2	98.0	+10.8	+12.4%
Processed food	164.1	165.0	+0.9	+0.6%
Others	8.6	7.0	-1.6	-18.6%

● [reference] International tobacco business

(Unit: USD million)

	FY2016	FY2017	Variance (abs)	Variance (%)
Core revenue	10,490	10,170	-320	-3.1%
Core revenue at constant FX	10,490	10,440	-50	-0.5%

FY2017 Forecasts (as of February 6, 2017)

4. Operating profit and adjusted operating profit by business segment (Unit: JPY billion)

	FY2016	FY2017	Variance (abs)	Variance (%)
Consolidated: operating profit	593.3	560.0	-33.3	-5.6%
Japanese domestic tobacco	244.1	227.0	-17.1	-7.0%
International tobacco	301.8	317.5	+15.7	+5.2%
Pharmaceutical	9.7	19.0	+9.3	+95.5%
Processed food	5.0	6.0	+1.0	+20.2%
Others/Elimination	32.7	-10.0	-42.7	-
Adjusted operating profit	586.8	587.0	+0.2	+0.0%
Japanese domestic tobacco	260.2	244.0	-16.2	-6.2%
International tobacco	336.2	347.0	+10.8	+3.2%
Pharmaceutical	9.7	19.0	+9.3	+95.5%
Processed food	5.0	6.0	+1.0	+20.1%
Others/Elimination	-24.4	-29.0	-4.6	-

● [reference] International tobacco business (Unit: USD million)

	FY2016	FY2017	Variance (abs)	Variance (%)
Adjusted operating profit	3,095	3,150	+55	+1.8%
Adjusted operating profit at constant FX	3,095	3,375	+280	+9.1%

5. Free cash flow (Unit: JPY billion)

	FY2016	FY2017	Variance (abs)
FCF*	-316.2	355.0	+671.2

- *: FCF is sum of cash flows from operating activities and investing activities, but excludes the following items;
- From operating CF: interest received, dividends received, interest paid and income taxes related to these items
 - From investing CF: purchase of investment securities (for both short-term and long-term), payments into time deposits, proceeds from sale or redemption of investment securities (for both short-term and long-term), proceeds from withdrawal of time deposits and other investing activities not for business operation purposes

6. Capital expenditures (Unit: JPY billion)

	FY2016	FY2017	Variance (abs)
Consolidated	113.0	136.0	+23.0
Japanese domestic tobacco	29.8	42.0	+12.2
International tobacco	70.6	64.0	-6.6
Pharmaceutical	3.8	9.0	+5.2
Processed food	5.7	15.5	+9.8
Others/Elimination	3.1	5.0	+1.9

7. Business data

● Japanese domestic tobacco business

	FY2016	FY2017	Variance (abs)	Variance (%)
JT cigarette sales volume*	106.2	96.0	-10.2	-9.6%

- *: Excludes sales volume of duty-free in Japan, China business and emerging products

● International tobacco business

	FY2016	FY2017	Variance (abs)	Variance (%)
Total shipment volume	398.7	395.0	-3.7	-0.9%
GFB shipment volume	283.7	288.0	+4.3	+1.5%
JPY/USD	108.78	110.00	+1.22	+1.1%
RUB/USD	67.07	60.00	-7.07	+11.8%
GBP/USD	0.74	0.81	+0.07	-8.7%
EUR/USD	0.90	0.95	+0.05	-4.9%
CHF/USD	0.98	1.00	+0.02	-1.5%
TWD/USD	32.24	32.00	-0.24	+0.8%
TRY/USD	3.02	3.65	+0.63	-17.3%
IRR/USD	35,814	39,500	+3,686	-9.3%

Data of JT products in Japanese market

* Excludes sales from the China, Hong Kong, and Macau markets, domestic duty-free sales and emerging products.

Japanese Domestic Tobacco Business Results

1. Quarterly Sales Volume

(billions of cigarettes)

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	25.5	27.6	28.2	28.0	109.2
2016	27.2	25.5	27.0	26.5	106.2
2017	23.0				

2. Quarterly Revenue Per Thousand Cigarettes

(JPY)

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	5,671	5,662	5,666	5,647	5,661
2016	5,672	5,952	5,935	5,930	5,870
2017	5,931				

* Revenue per thousand cigarettes = (retail price sales-retailer margins-consumption tax-excise taxes)/sales volume×1,000

3. Quarterly JT Market Share

(%)

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	59.9	60.0	59.7	60.1	59.9
2016	62.4	59.8	60.7	61.4	61.1
2017	61.0				

Quarterly Market Share of Brands

1. MEVIUS

(%)

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	32.1	32.3	31.9	32.0	32.1
2016	33.2	29.8	31.1	31.5	31.4
2017	30.5				

2. Winston

(%)

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015*	7.5	7.5	7.5	8.0	7.6
2016	7.6	8.4	8.0	8.0	8.0
2017	8.1				

*Market shares of "Cabin" and "Caster" which were integrated into "Winston" in Aug. 2015, are retrospectively reflected.

3. Seven Stars

(%)

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	7.4	7.4	7.6	7.4	7.5
2016	7.3	7.7	7.5	7.6	7.5
2017	7.5				

4. Natural American Spirit

(%)

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	1.0	1.1	1.3	1.3	1.2
2016*	1.4	1.6	1.6	1.7	1.5
2017	1.8				

*The source of market share before completing the acquisition is JT estimate

Quarterly Market Share in Growing Segment

1. JT Menthol Product Share

(%)

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	10.1	10.1	10.3	10.5	10.2
2016*	11.3	11.2	11.2	11.3	11.3
2017	11.3				

*The source of Natural American Spirit market share before completing the acquisition is JT estimate

2. Menthol Market Share

(%)

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	27.7	27.8	28.2	28.1	28.0
2016	27.9	28.8	28.6	28.1	28.4
2017	28.4				

Japan Tobacco Inc. Clinical Development as of May 10, 2017

<In-house development>

Code (Generic Name)	Potential Indication/Dosage form	Mechanism	Japan/Overseas	Phase			Note
				1	2	3	
JTZ-951	Anemia associated with chronic kidney disease /Oral	HIF-PHD inhibitor	Increases red blood cells by stimulating production of erythropoietin, an erythropoiesis-stimulating hormone, via inhibition of HIF-PHD.	Phase2(Japan)	○		In-house
				Phase1(Overseas)	○		
JTE-052	Autoimmune/allergic diseases /Oral, Topical	JAK inhibitor	Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal.	Phase2(Japan)	○		In-house Co-development with Torii
JTE-051	Autoimmune/allergic diseases /Oral	Interleukin-2 inducible T cell kinase inhibitor	Suppresses overactive immune response via inhibition of the signal to activate T cells related to immune response.	Phase2(Overseas)	○		In-house
JTT-251	Type 2 diabetes mellitus /Oral	PDHK inhibitor	Decreases blood glucose by activation of pyruvate dehydrogenase (PDH) related to carbohydrate metabolism.	Phase1(Overseas)	○		In-house
JTK-351	HIV infection /Oral	HIV integrase inhibitor	Suppresses blood HIV levels by inhibiting the activity of integrase, an enzyme involved in the replication of HIV.	Phase1(Japan)	○		In-house
JTE-451	Autoimmune/allergic diseases /Oral	RORγ antagonist	Suppresses overactive immune response via inhibition of ROR γ related to Th 17 activation.	Phase1(Overseas)	○		In-house
JTT-751 (ferric citrate)	Iron-deficiency anemia/Oral	Oral iron replacement	Corrects iron-deficiency anemia by using absorbed iron for synthesis of hemoglobin.	Phase2(Japan)	○		In-license (Keryx Biopharmaceuticals) Co-development with Torii *additional indication

Clinical trial phase presented above is based on the first dose.

<Licensed compounds>

Compound (JT's code)	Licensee	Mechanism	Note
trametinib	Novartis	MEK inhibitor	Inhibits cellular growth by specifically inhibiting the activity of MAPK/ERK Kinase (MEK1/2).
Anti-ICOS monoclonal antibody	MedImmune	ICOS antagonist	Suppresses overactive immune response via inhibition of ICOS which regulates activation of T cells.
JTE-052	LEO Pharma	JAK inhibitor	Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal.
JTZ-951	JW Pharmaceutical	HIF-PHD inhibitor	Increases red blood cells by stimulating production of erythropoietin, an erythropoiesis-stimulating hormone, via inhibition of HIF-PHD.

Updates since the previous announcement on February 6, 2017:

<Licensed compounds>

Novartis announced on April 3, 2017 that Mekinist® (trametinib) has been approved in EU, in combination with Tafinlar® (dabrafenib), for the treatment of BRAF V600 mutant non-small cell lung cancer (NSCLC). *additional indication



Appendix



International Tobacco Business January-March 2017 results

Definitions

Term	Definition
Total Shipment Volume	Includes fine cut, cigars, pipe tobacco and snus but excludes contract manufactured products, waterpipe tobacco, and emerging products
Core Revenue	Includes revenue from waterpipe tobacco and emerging products, but excludes revenues from distribution, contract manufacturing and other peripheral businesses
Core Revenue at Constant FX	The same foreign exchange rates between local currencies vs USD as same period in previous year are applied.
GFB	Global Flagship Brands: Winston, Camel, LD, MEVIUS, B&H, Silk Cut, Glamour, Sobranie, Natural American Spirit

JTI Results by cluster

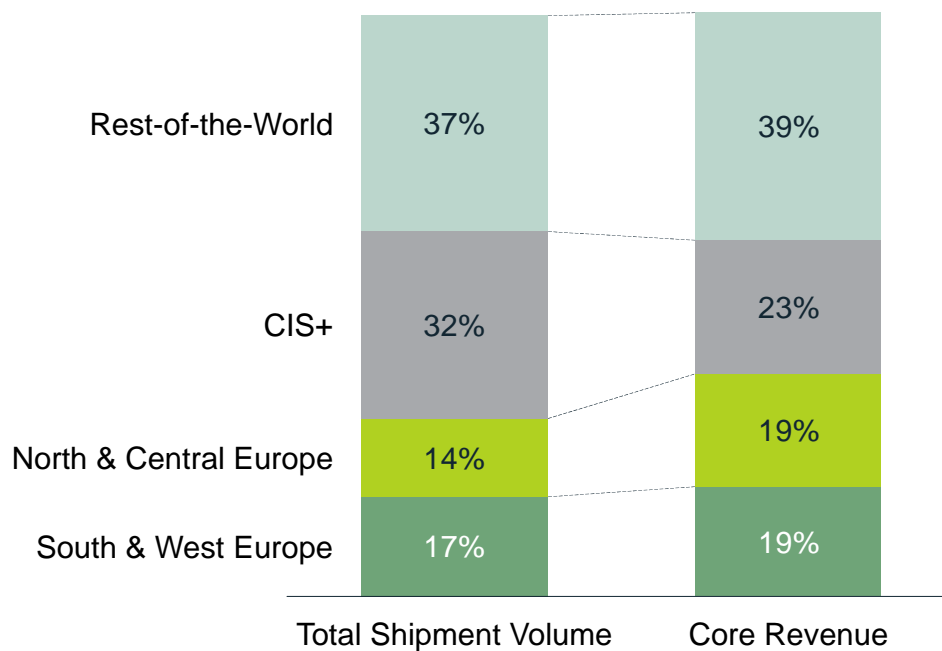
Shipment Volume and Core Revenue at Constant FX

2017 Jan-Mar	Total Shipment Volume (BnU)		GFB Shipment Volume (BnU)		Core Revenue (US\$ MM)	
	Actual	vs. 2016	Actual	vs. 2016	at constant FX	vs. 2016
South & West Europe	15.9	-6.4%	14.3	-5.9%	476	-5.9%
North & Central Europe	12.5	-5.0%	7.7	-4.0%	519	-8.9%
CIS+	29.0	-6.7%	22.3	-6.2%	480	-6.2%
Rest-of-the-World	34.3	3.4%	21.8	12.1%	994	12.9%
JTI Total	91.7	-2.9%	66.0	-0.5%	2,469	0.0%

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JTI Contribution by cluster

Total Shipment Volume and Core Revenue at Reported



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Total shipment volume evolution vs. PY

	<u>2017</u>
	<u>Jan-Mar</u>
JTI	-2.9%
South & West Europe	-6.4%
France	-5.1%
Italy	-7.6%
Spain	-10.1%
Switzerland	1.6%
North & Central Europe	-5.0%
Austria	2.2%
Germany	-2.2%
Ireland	-12.2%
Poland	-1.1%
Sweden	-16.2%
UK	-7.2%
CIS+	-6.7%
Kazakhstan	-3.1%
Romania	-7.0%
Russia	-6.5%
Ukraine	-12.2%
Rest of the World	3.4%
Canada	-5.1%
Iran	23.1%
Malaysia	-7.3%
Taiwan	8.6%
Turkey	-1.3%

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GFB shipment volume and evolution vs. PY / in key markets

(BnU)	<u>2017</u>		<u>2017</u>
	<u>Jan-Mar</u>		<u>Jan-Mar</u>
GFB Total	66.0		
	-0.5%		
Winston	33.1		
	4.7%		
Camel	12.6		France
	-1.5%		-6.9%
MEVIUS	4.5		Italy
	4.8%		-7.4%
LD	9.9		Russia
	-11.9%		-5.8%
B&H	3.0		Spain
	-8.8%		-10.7%
Glamour	1.2		Taiwan
	-12.4%		25.1%
Sobranie	0.6		Turkey
	-9.9%		-0.2%
Silk Cut	0.6		UK
	-8.0%		-13.6%
Natural American Spirit	0.5		
	12.2%		

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Share of market in key markets(12 month moving average)

	<u>2016</u> <u>Mar</u>	<u>2017</u> <u>Mar</u>	<u>Change</u>
France	21.5%	22.0%	+0.5ppt
Italy	21.7%	23.4%	+1.7ppt
Russia	33.6%	32.5%	-1.2ppt
(GFB)	24.3%	24.6%	+0.3ppt
Spain	22.3%	23.0%*	+0.6ppt
Taiwan	39.3%	40.4%	+1.1ppt
Turkey	30.0%	29.3%	-0.7ppt
UK	42.0%	41.4%	-0.6ppt

* 12 month moving average as of Feb 2017
Source: IRI, Nielsen, Logista

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Share of key markets (3 month average)

	<u>2016</u> <u>Jan-Mar</u>	<u>2016</u> <u>Apr-Jun</u>	<u>2016</u> <u>Jul-Sep</u>	<u>2016</u> <u>Oct-Dec</u>	<u>2017</u> <u>Jan-Mar</u>
France	21.7%	21.8%	22.2%	22.0%	22.1%
Italy	22.6%	23.3%	23.9%	23.3%	23.2%
Russia	33.4%	33.2%	32.7%	31.8%	32.0%
(GFB)	24.5%	24.8%	24.9%	24.4%	24.3%
Spain	22.3%	22.9%	22.9%	23.0%	23.7%*
Taiwan	39.6%	39.6%	39.7%	40.7%	41.5%
Turkey	29.9%	29.8%	29.2%	28.9%	29.4%
UK	42.2%	42.1%	41.7%	41.0%	41.0%

* 2 month average as of Feb 2017
Source: IRI, Nielsen, Logista

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Tax and price increase

	Excise Tax Change	Price Increase
France	Jan 2017	Feb 2017
Italy	Jan 2017	May 2016
Russia	Jan 2016 Jan 2017	Jan, Apr, Jul, Nov 2016 Jan, Mar/Apr 2017
Spain	Dec 2016	Dec 2016
Taiwan	-	Feb 2016 ⁱ⁾
Turkey	Jan, Dec 2016	Jan, Jul, Dec 2016
UK	Mar 2016 Mar 2017	Mar, Jul ⁱ⁾ , Sep ⁱ⁾ 2016 Mar 2017

i) Price increase for some brands

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FX actual vs. PY

	<u>2016</u> <u>Jan-Mar</u>	<u>2017</u> <u>Jan-Mar</u>	<u>Variance</u>
RUB/\$	74.68	58.82	+27.0%
GBP/\$	0.70	0.81	-13.5%
EUR/\$	0.91	0.94	-3.4%
CHF/\$	0.99	1.00	-1.1%
TWD/\$	33.09	31.12	+6.3%
TRY/\$	2.94	3.69	-20.3%
IRR/\$	35,545	38,283	-7.2%
JPY/\$	115.35	113.60	-1.5%

*JPY vs USD change rates: (Local currency exchange rates of current period / Local currency exchange rates of same period in previous year) -1
Local currency vs USD change rates: (Local currency exchange rates of same period in previous year / Local currency exchange rates of current period) -1

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