

JTI on the European Council's decision on EU TPD Early Christmas present for criminal gangs

London, December 19, 2013 – Following today's announcement from European Council on the revision of the Tobacco Products Directive.

While we support the European Commission's objective of reducing youth smoking, today's announcement will not achieve this goal. Increasing the size of health warnings to 65% will not deliver any public health benefit as adults and children already understand the risks associated with smoking. Many of the proposed measures, including the menthol ban, will make it easier and cheaper for criminals to produce and sell cigarettes that are not tested, not regulated and not taxed. The illicit trade in tobacco is already costing EU countries around EUR 12.5 billion^[1] a year.

Commenting on the announcement, Jorge da Motta, UK Managing Director, JTI said,

"Today's announcement from the EU to ban 10's, menthol and smaller pouches of tobacco is an early Christmas present for criminal gangs across the UK. Banning 10s and smaller pack sizes of RYO will mean the lowest price will now be the street price sold by criminals who peddle to anyone, including children. Meanwhile the Government's exchequer will have to plug the gap left from the flood of non-duty UK paid cigarettes and roll your own tobacco which will come in to the UK.

"JTI, along with many others, have expressed concerns to the Government and it is disappointing that they did not push back on this. We now urge them to put in place the resource that is going to be needed to stop the influx of illegal tobacco into the UK.

"UK retailers that rely on tobacco to generate footfall and sales will be dismayed at the decision of the EU which will put more money in the pockets of criminals instead of their tills and puts them at a significant disadvantage with their European counterparts."

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JTI is a member of the Japan Tobacco Group of Companies, a leading international tobacco product manufacturer. It markets world-renowned brands such as Winston, Mild Seven and Camel. Other global brands include Benson & Hedges, Silk Cut, Sobranie, Glamour and LD. With headquarters in Geneva, Switzerland, and core revenue of USD 11.8 billion in the fiscal year ended December 31, 2012, JTI has operations in more than 120 countries and about 25,000 employees. For more information, visit www.jti.com.