



Swedish Match

Company presentation

Swedish Match – who we are, what we do



Swedish Match develops, manufactures, and sells quality products with market-leading brands in the product areas Snus and moist snuff, Other tobacco products (cigars and chewing tobacco), and Lights (matches, lighters, and complementary products).

Production is located in six countries, with sales concentrated in Scandinavia and the US.

Well known brands: *General, Longhorn, White Owl, Red Man, Fiat Lux, and Cricket.*

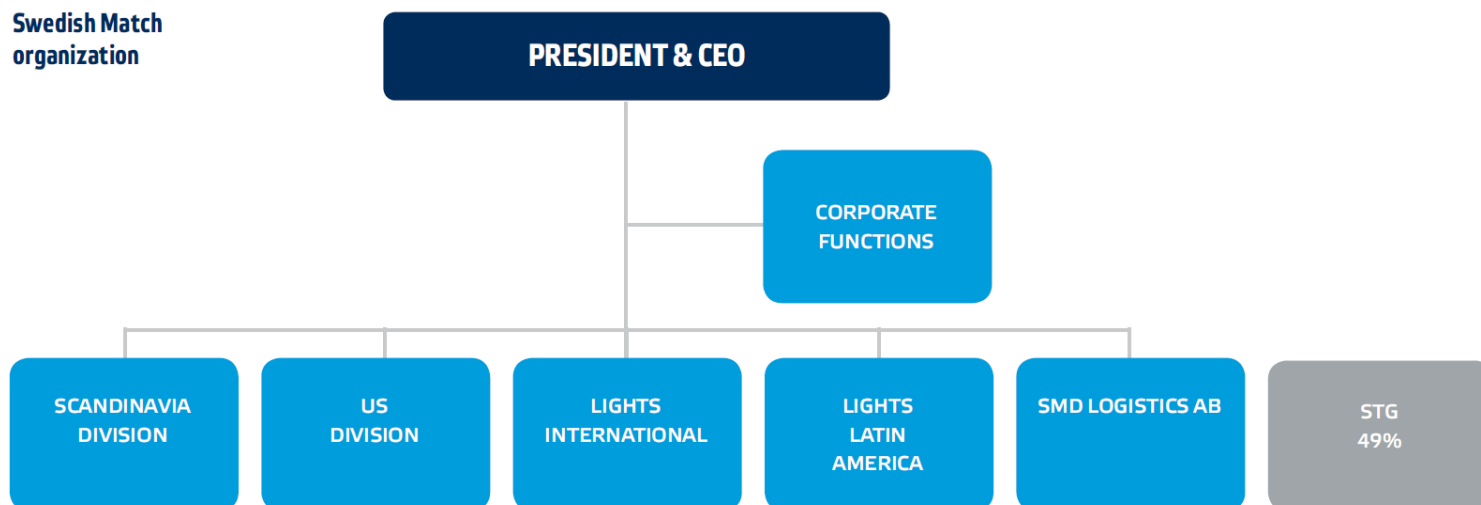
The Swedish Match share is listed on Nasdaq Stockholm (SWMA).

Swedish Match's vision is a world without cigarettes. We create shareholder value by offering tobacco consumers enjoyable products of superior quality in a responsible way. By providing products that are recognized as safer alternatives to cigarettes, we can contribute significantly to improved public health.

Organization

Swedish Match organization consists of five operating units, along with one strategic partnership. The head office, where the CEO and Corporate functions are based, is located in Stockholm.

Swedish Match
organization



Operating locations

Swedish Match has operations in nine countries, six of which have manufacturing facilities.

Belgium

Treasury and Public Affairs offices
3 employees

Norway

Sales offices
48 employees

The Netherlands

Production unit
101 employees

Sweden

Head office
Production units
Sales offices
1,038 employees

USA

Production units
Sales offices
1,147 employees

The Dominican Republic

Production unit
1,101 employees

Brazil

Production units
Sales offices
672 employees

Turkey

Sales offices
15 employees

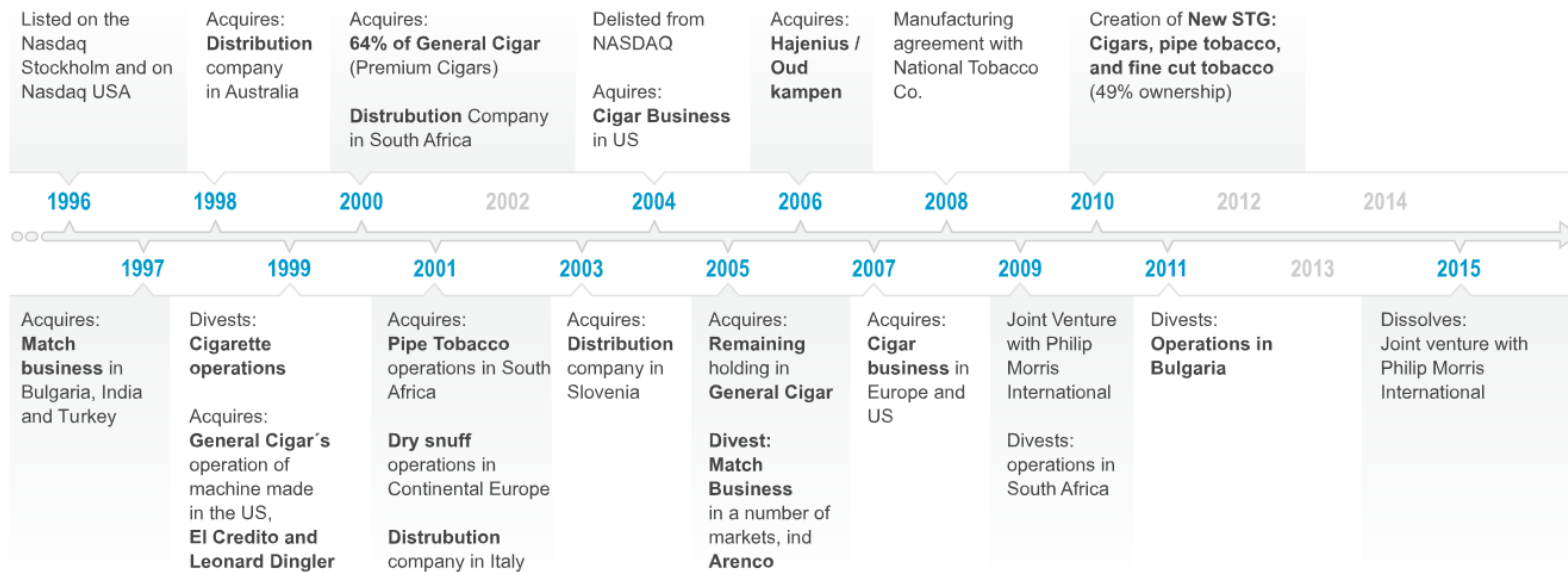
The Philippines

Production unit
Sales offices
268 employees

4,395 employees

12 factories worldwide

Swedish Match company history



Swedish Match today

- The largest snus manufacturer in Scandinavia, number one position.
- The third largest moist snuff manufacturer in the US.
- The second largest player in the US snus market.
- The largest manufacturer of chewing tobacco in the US.
- A significant presence in the US (mass market) cigar market.
- A leading manufacturer and distributor of matches and lighters with a strong brand portfolio across the globe.
- SMD Logistics (owned by Swedish Match) is the largest distributor of tobacco products on the Swedish market.
- A 49 percent ownership of Scandinavian Tobacco Group (STG), the world's largest cigar manufacturer, with market leading positions for US premium cigars, European machine made cigars, and pipe tobacco, as well as for fine cut tobacco.

Swedish Match in figures – 2014

- Sales: 13,305 MSEK
- Operating profit¹⁾: 3,780 MSEK
- Operating margin¹⁾: 28.4%
- Profit before income tax: 3,270 MSEK
- EBITDA¹⁾: 4,083 MSEK
- Profit for the year: 2,626 MSEK
- EPS (basic): 13.23 SEK
- Number of employees : 4,395
- Manufacturing in 6 countries
- Sales worldwide in more than 100 countries



1) Including share of net profit in STG and larger one-time items.

Swedish Match reporting segments

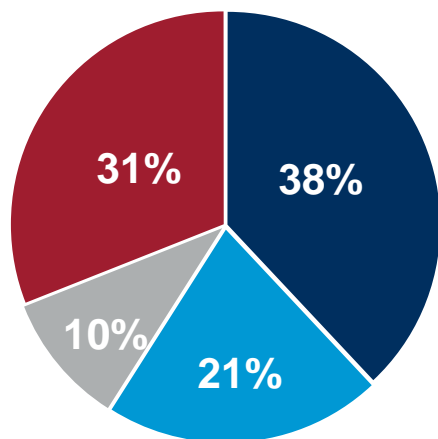
- Snus and moist snuff
 - Snus (Scandinavia and US)
 - Moist snuff (US)
- Other tobacco products (OTP)
 - Cigars (US)
 - Chewing tobacco (US)
- Lights
 - Lighters
 - Matches
 - Complementary products
- Other operations
 - Distribution
 - Central costs



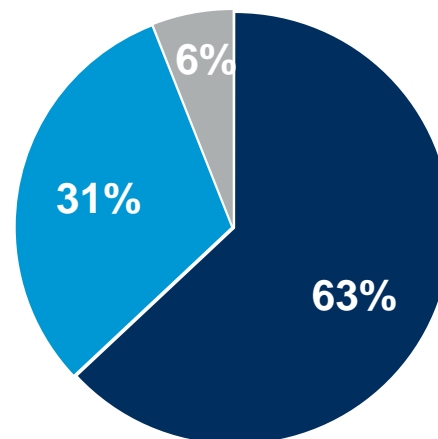
Sales and operating profit

Sales and operating profit by product area 2014

Sales, SEK



Operating profit¹⁾, SEK



■ Snus and moist snuff ■ Other tobacco products ■ Lights ■ Other operations

1) Excluding Other operations, share of net profit in STG, and larger one-time items.

Snus and moist snuff

- Leading position for snus in Scandinavia.
- The second largest player for snus in the US.
- The third largest producer of moist snuff in the US.
- Production in Sweden (snus) and the US (moist snuff).
- Main brands:
Scandinavia: *General*, *Göteborgs Rapé*, *Ettan*, *Grov*, *Catch*, *Kaliber*, and *Kronan*
Norway: *General*, *The Lab*, and *Nick & Johnny*

US: *Longhorn* and *Timber Wolf* for moist snuff, and *General* for snus



Other tobacco products

Cigars and chewing tobacco

- Major player in the US mass market cigar market.
- The largest manufacturer of US chewing tobacco.
- Nearly all the products are sold exclusively in the US.
- Production in the US (cigars and chewing tobacco) and in the Dominican Republic (cigars).
- Main brands:
Cigars: *White Owl*, *Garcia y Vega*, and *Game by Garcia y Vega*
Chewing tobacco: *Red Man*



Matches, lighters and complementary products

- Swedish Match is market leader in many markets. The brands are mostly local and hold a strong position in their respective markets.
- Production in Brazil, the Netherlands, the Philippines, and Sweden.
- Strong market presence in Africa, Australia, Brazil, Europe, New Zealand, and parts of Asia.
- The Company also offers a portfolio of complementary products primarily in Brazil under the *Fiat Lux* brand.

- Main brands:

Matches: *Solstickan* (Sweden), *Swan* (UK), *Tres Estrellas* (Spain), *Feudor* (France), *Redheads* (Australia), and *Fiat Lux* (Brazil)

Lighters: *Cricket* (globally)



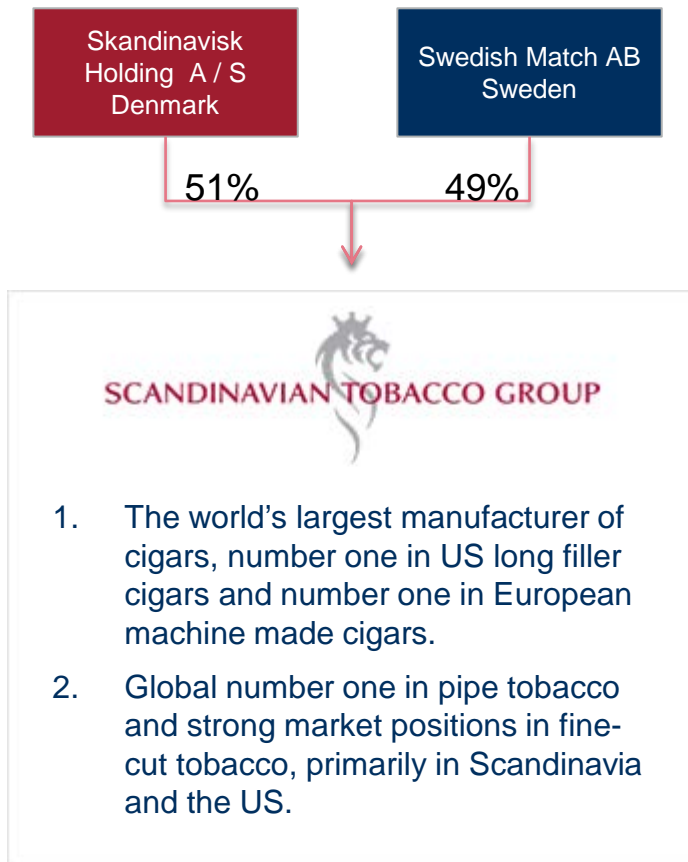
Other operations

- Other operations include the Swedish distribution company, SMD Logistics, as well as corporate overhead costs.
- The Swedish distribution company operates independently and serves both the Swedish and Norwegian markets. Focus is on distribution of tobacco products and other adjacent categories from a number of different suppliers.



Scandinavian Tobacco Group

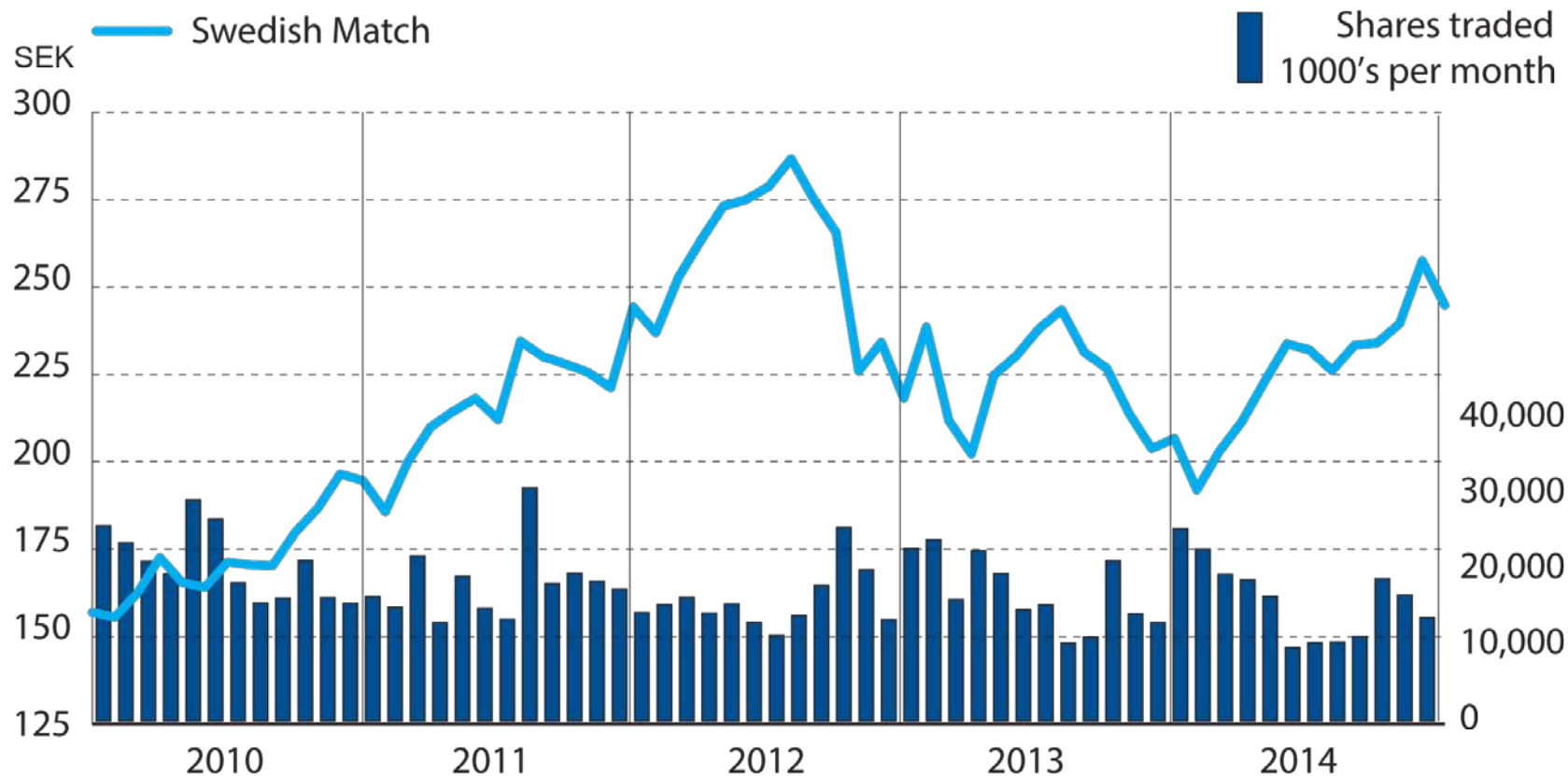
On October 1, 2010, Swedish Match and Scandinavian Tobacco Group created a new Scandinavian Tobacco Group - a company with focus on cigars.



Results 2014:

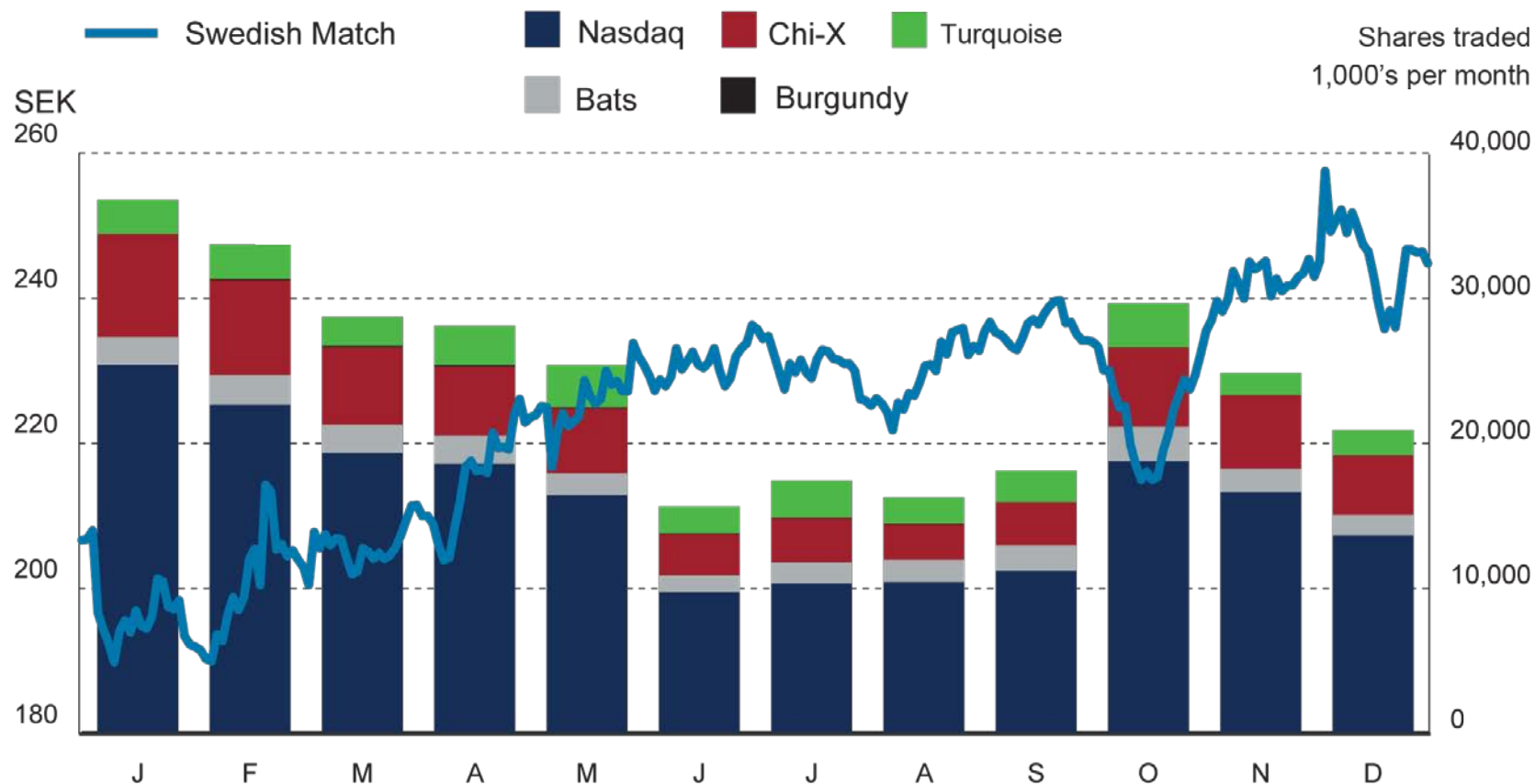
- Swedish Match's share of net profit from Scandinavian Tobacco Group amounted to 334 MSEK for the full year 2014.
- Net profit for the period for Scandinavian Tobacco Group amounted to 549 MDKK.
- Total Scandinavian Tobacco Group net sales for the year amounted to 6,126 MDKK.
- EBITDA for the full year amounted to 1,183 MDKK.

Swedish Match share performance 2010-2014



Volumes traded on NASDAQ OMX Stockholm.
Source: SIX Financial Information.

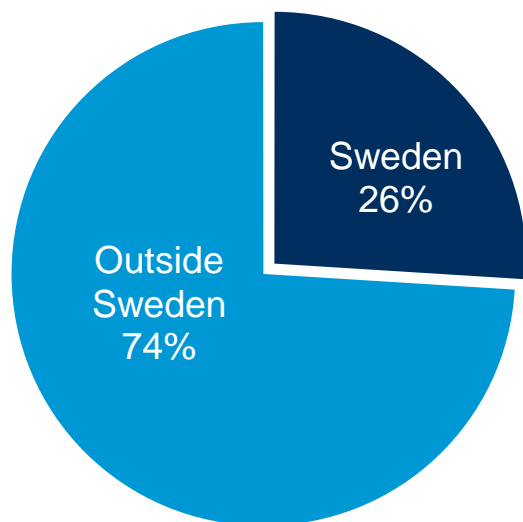
Share price and turnover 2014



Source: SIX Financial Information.

Largest shareholders

47,952 shareholders as per December 31, 2014



Largest shareholders¹⁾

Didner & Gerge Funds	3.5%
Standard Life Investment Funds	3.4%
Nordea Funds	2.8%
SEB Funds	2.3%
Second Swedish National Pension Fund	2.0%
SHB Funds	1.6%
Fourth Swedish National Pension Fund	1.3%
Govt of Singapore Inv Corp	1.0%
UBS (Lux) Funds	1.0%
Third Swedish National Pension Fund	0.8%
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	19.7%

1) Percent of votes. Excluding Swedish Match shares held in treasury.
Source: Euroclear Sweden AB and SIS Ägarservice AB.

Corporate Sustainability

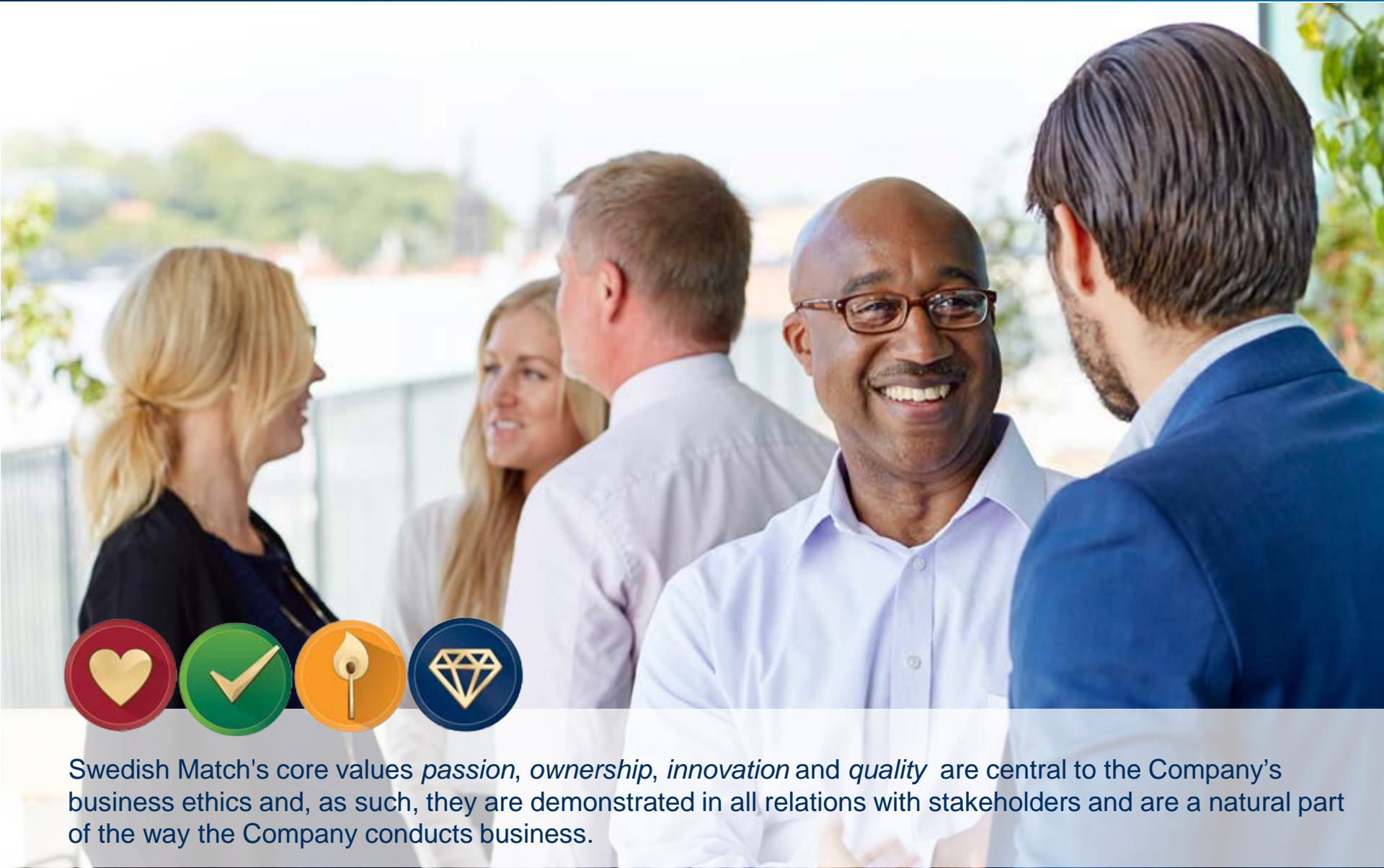
For Swedish Match, Corporate Sustainability entails generating value for the Company and its stakeholders while addressing environmental impacts – in order to assure long term and sustainable growth.

SWEDISH MATCH'S SUSTAINABILITY MODEL



More information on the Company's sustainability efforts is available on the website www.swedishmatch.com/sustainability.

Swedish Match core values



Swedish Match's core values *passion, ownership, innovation and quality* are central to the Company's business ethics and, as such, they are demonstrated in all relations with stakeholders and are a natural part of the way the Company conducts business.