



Lars Dahlgren  
President and CEO

# Summing up 2014

## ■ Growth in sales and underlying profit

- Sales increased by 4 percent in local currencies
- Operating profit from product areas up by 1 percent in local currencies (excluding last year's capital gain of 161 MSEK)
- EPS (basic) of 13.23 SEK

## ■ Important strategic deliverables

- Higher share of the faster growing value segment of the Swedish snus market
- Successful addressing of competitive situation for cigars in the US
- Continued investments for growth of Swedish snus internationally,
- Filing of MRTP application with the US FDA for snus under the General brand

## ■ A new Company vision

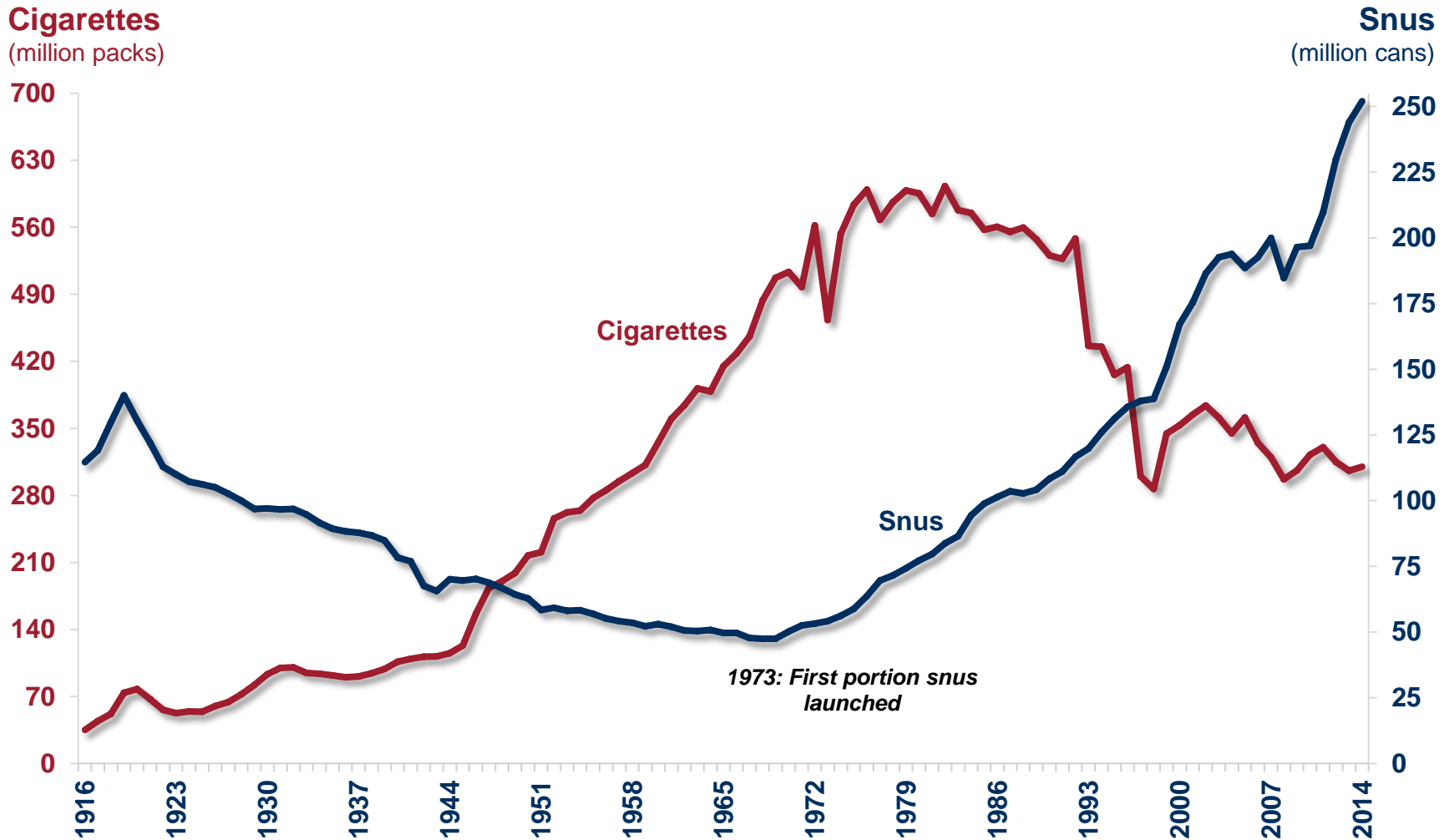
# *A world without cigarettes*


*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.*



# Competing with cigarettes is not new to Swedish Match

## Volume development for cigarettes and snus in Sweden since 1916



A lit cigarette with a white filter and a brown paper wrap, standing upright on a dark surface. The cigarette is lit, and a pile of grey ash is visible at its base. The background is dark, and the lighting highlights the texture of the cigarette paper and the ash.

***Divestment of  
cigarettes –  
a conscious  
decision  
in the 90's***

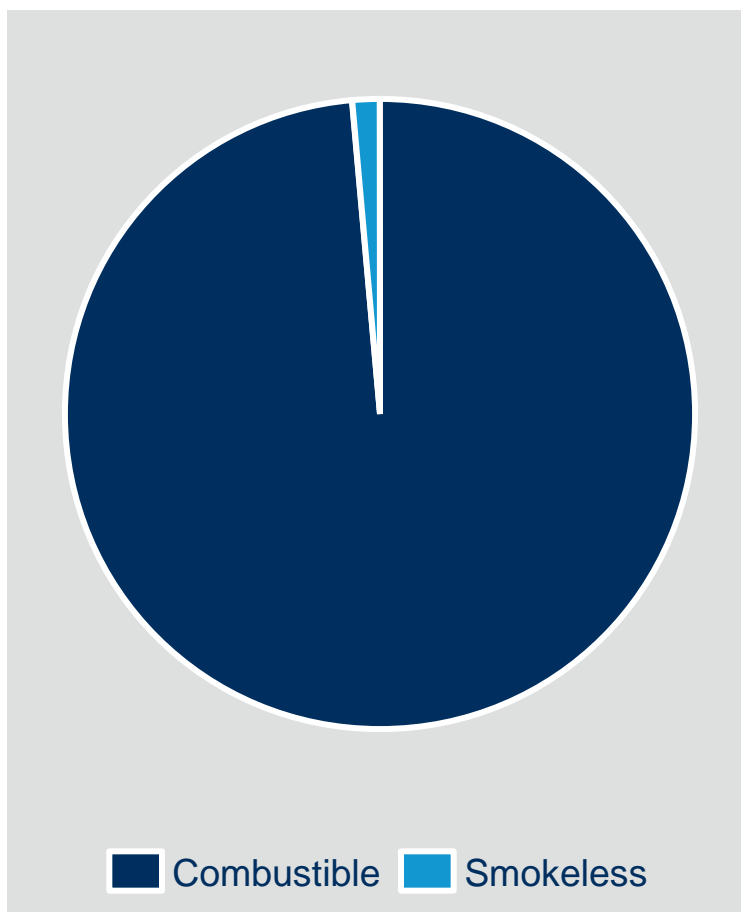
# Why did we revise the vision?



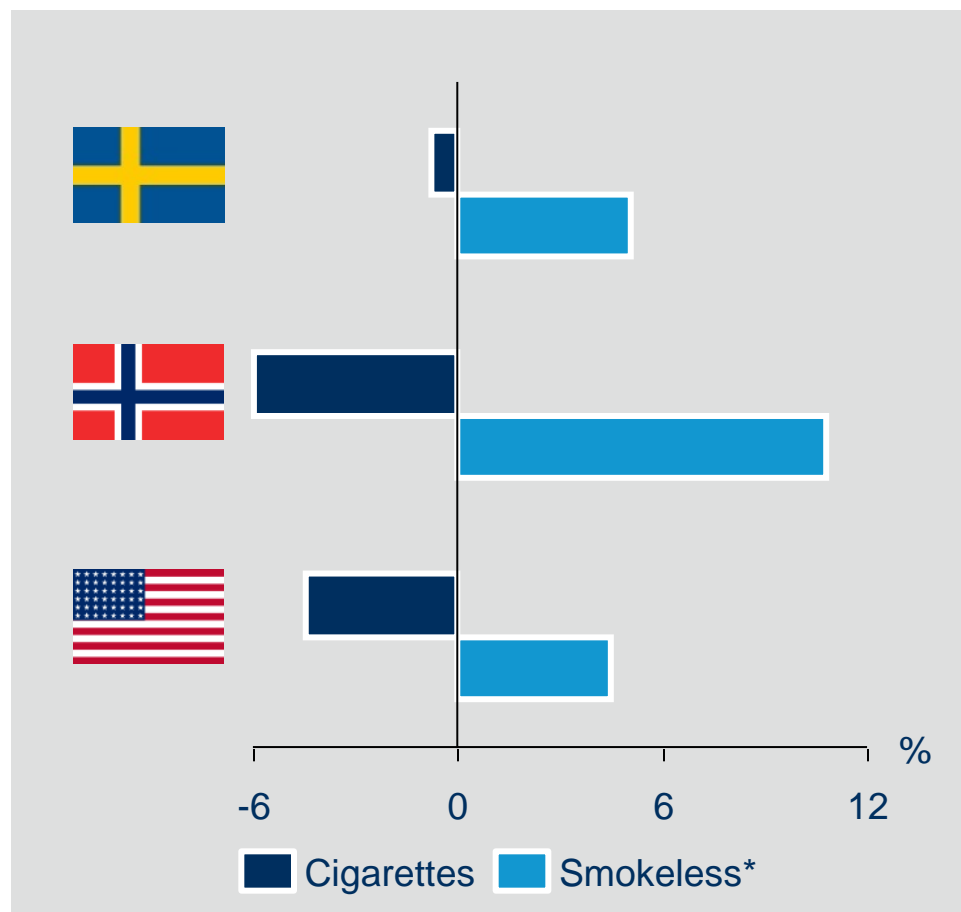
- **To clarify what we stand for and the future direction of the Company**
- **Misconception about our products and what we do**
- **Build on pride and knowledge among our employees**
- **Highlight that Swedish Match is a different tobacco company**

# A vision with significant market potential

## Value of the global tobacco market



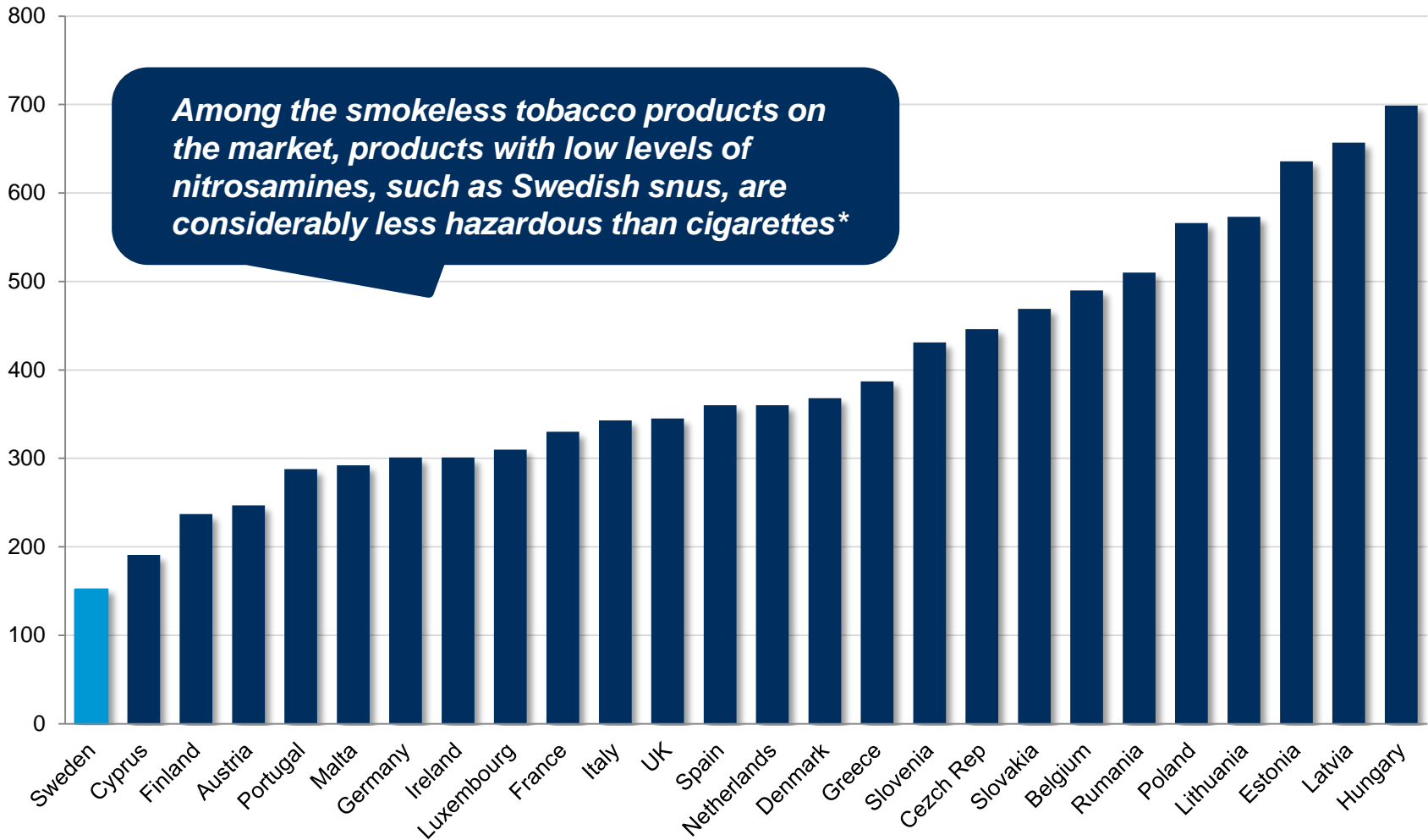
## 5-year compounded annual growth rate (CAGR)



\*Smokeless refers to snus in Sweden and Norway and snus and moist snuff in the US.  
Sources: Euromonitor, Nielsen, CMPP, SMD Logistics, and Swedish Match estimates.

# A vision that contributes to the society

## Mortality attributable to tobacco, men per 100,000 (WHO 2012)

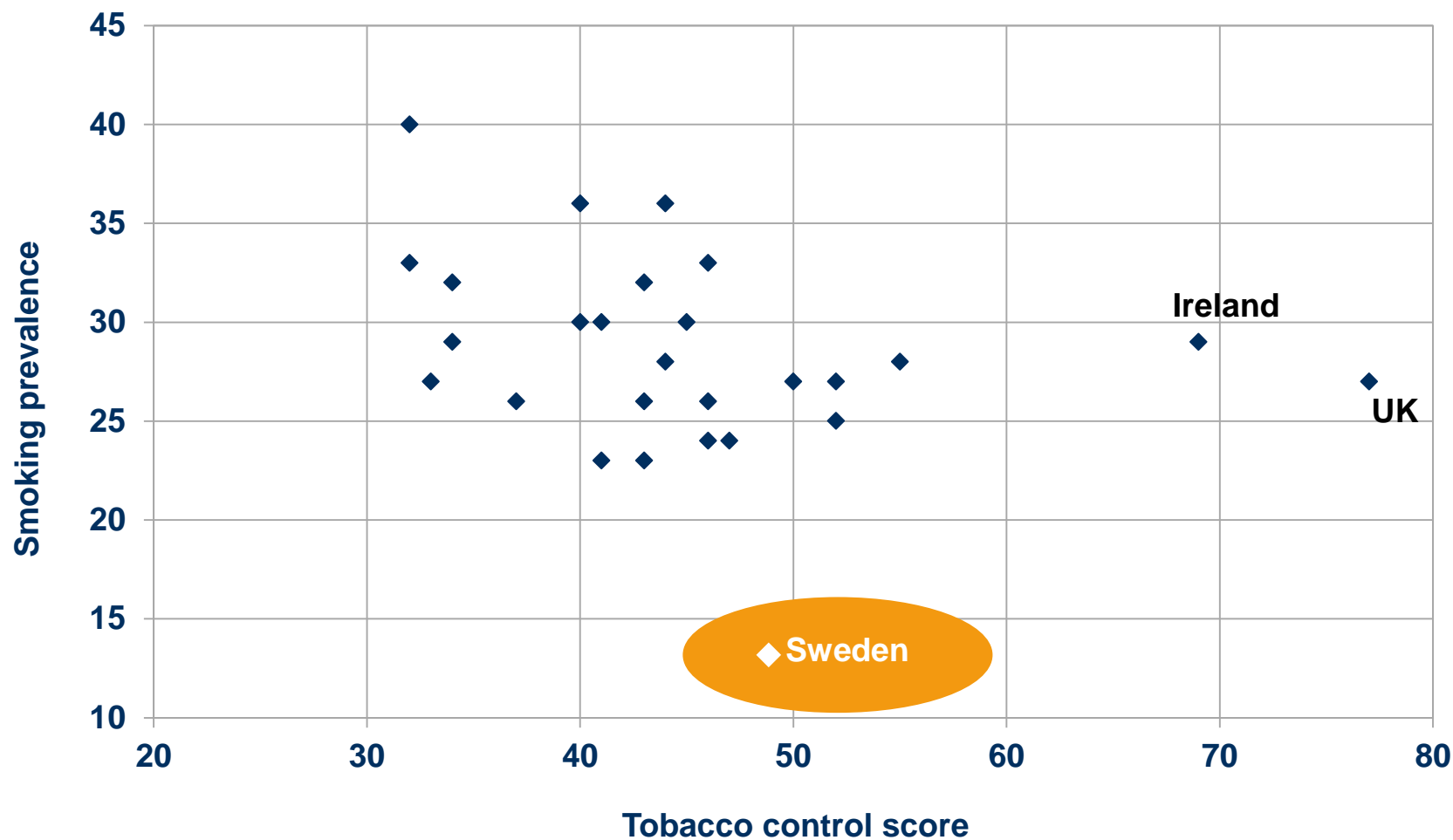


\*WHO Tob. Reg. Report 951, Scientific Basis of Tobacco Product Regulation 2008.



# Cigarette consumption in Sweden is significantly lower than in the rest of EU

## Smoking prevalence versus tobacco control score (EU-27)



# A long term vision – but not impossible to achieve

*Achieving the vision is a long term journey, that starts in our core markets, and that requires hard work, full dedication and addressing several challenges:*

- **Consumer perception and lack of knowledge on relative risk**
- **Competition**
- **Regulatory challenges**



# Key factors behind our success



General Classic White		mg/portion
Ingredient name		500
Water		41
Pouch material		40
Sodium chloride		33
Propylene glycol		18
Sodium carbonate		2.0
Flavor		

