



Swedish Match

Company
presentation

Swedish Match – who we are, what we do



Swedish Match develops, manufactures, markets 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 and lighters).

Well known brands include *General* snus, *Longhorn* moist snuff, *White Owl* cigars, *Red Man* chewing tobacco, *Fiat Lux* matches, and *Cricket* lighters.

The Group sells products across the globe, with production units in six countries. The largest markets are in Scandinavia, the US, and Brazil.

In Sweden, the Group has an independent distribution company. Swedish Match also owns 50 percent of SMPM International (a joint venture with Philip Morris International for snus outside of Scandinavia and the US). In addition, Swedish Match holds a 49 percent ownership interest in Scandinavian Tobacco Group (STG).

The Swedish Match share is listed on NASDAQ OMX Stockholm.

Organization

Swedish Match organization consists of five operating units, along with strategic partnerships/associated companies. The head office, where the CEO and Group staff functions are based, is located in Stockholm

Swedish Match organization



Operating locations

Swedish Match has operations in 9 countries, 6 of which have manufacturing facilities.

USA

Production units
Sales offices
~ 1,100 employees

The Dominican Republic

Production unit
~ 900 employees

Brazil

Production units
Sales offices
~ 700 employees

Belgium

Treasury and Public Affairs offices
~ 5 employees

The Netherlands

Production unit
~ 100 employees

Norway

Sales offices
~ 50 employees

Sweden

Head office
Production units
Sales offices
~ 1,000 employees

Turkey

Sales offices
~ 20 employees

The Philippines

Production unit
Sales offices
~ 300 employees

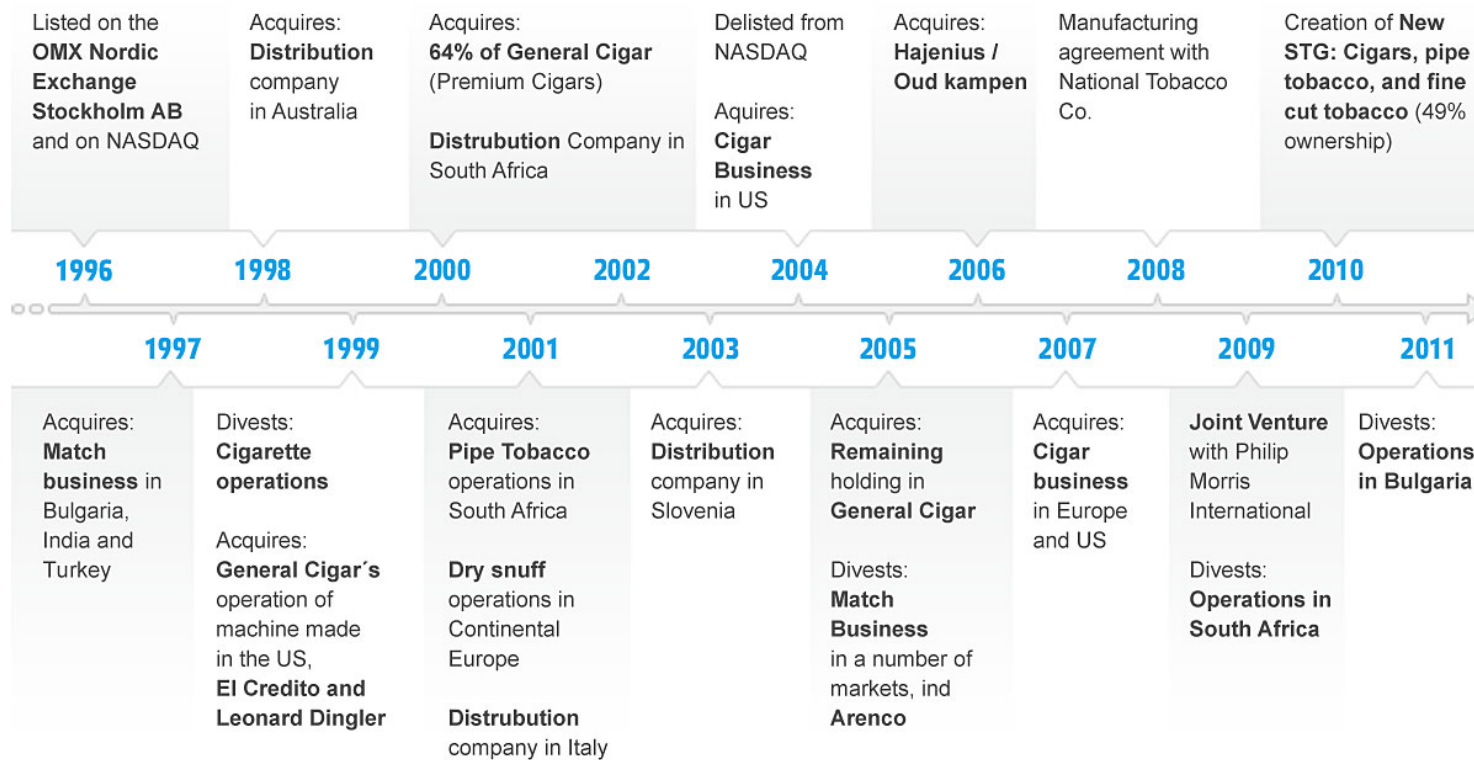


A world without cigarettes

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.



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
- Well positioned in the US snus market
- A 50/50 joint venture with Philip Morris International (PMI) to commercialize snus outside of Scandinavia and the US
- 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
- 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 – 2013

- Sales: 12,610 MSEK
- Operating profit: 3,855 MSEK
- Operating margin: 29.3%
- Profit before income tax: 3,310 MSEK
- EBITDA: 3,968 MSEK
- Profit for the year: 2,711 MSEK
- EPS (basic): 13.63 SEK
- Number of employees : 4,382
- Manufacturing in 6 countries
- Sales worldwide in more than 100 countries



Swedish Match reporting segments

- Snus and moist snuff
 - Snus (Scandinavia and US)
 - Moist snuff (US)
 - SMPM International¹⁾
- Other tobacco products (OTP)
 - Cigars (US)
 - Chewing tobacco (US)
- Lights
 - Lighters
 - Matches
 - Complementary and fire related products
- Other operations
 - Distribution
 - Central costs

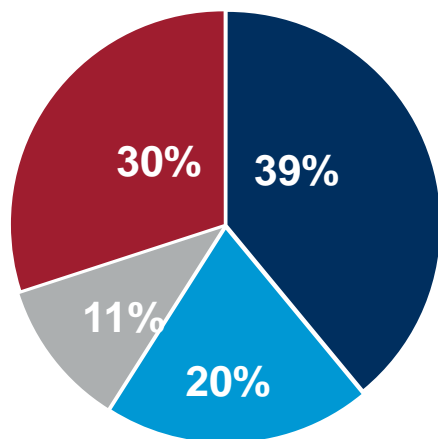


1) A 50/50 joint venture company with Philip Morris International.

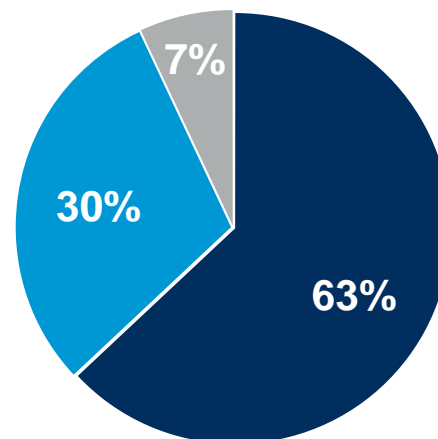
Sales and operating profit

Sales and operating profit by product area 2013

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.

Main markets and brands

Product area	Main markets	Main brands
Snus and moist snuff	Sweden	<i>General, Göteborgs Rapé, Grov, Ettan, Catch, Kaliber, Kronan</i>
	Norway	<i>General, The LAB, Nick and Johnny</i>
	The US	<i>Longhorn, Timber Wolf, General</i>
Other tobacco products (cigars and chewing tobacco)	The US	Cigars: <i>White Owl, Garcia y Vega, Game by Garcia y Vega</i> Chewing tobacco: <i>Red Man</i>
Lights (matches and lighters)	Brazil	Matches: <i>Fiat Lux</i> Lighters: <i>Cricket</i>
	Globally	Matches: <i>Solstickan (Sweden), Swan (The UK), Tres Estrellas (Spain), Feudor (France), Redheads (Australia)</i> Lighters: <i>Cricket</i>



Snus and moist snuff

- Leading position for snus in Scandinavia
- The third largest producer of moist snuff in the US
- Joint venture with Philip Morris International for new markets for snus outside Scandinavia and the US
- Production in Sweden (snus) and the US (moist snuff)
- Main brands:
 - Scandinavia: *General*, *Göteborgs Rapé*, *Grov*, *Ettan*, *Catch*, *Kaliber*, and *Kronan*
 - Norway: *General*, *The LAB*, and *Nick and 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
- Production in the US (cigars and chewing tobacco) and in the Dominican Republic (cigars)
- Nearly all the products are sold exclusively in the US
- Main brands:
Cigars: *White Owl*, *Garcia y Vega*, and *Game by Garcia y Vega*
Chewing tobacco: *Red Man*



Matches and lighters

- 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
- Main markets are Europe/EU, Brazil, Asia and East Europe
- Main brands:
Matches: *Solstickan* (Sweden), *Fiat Lux* (Brazil), *Swan* (UK), *Tres Estrellas* (Spain), *Feudor* (France), and *Redheads* (Australia)
Lighters: *Cricket* (globally)



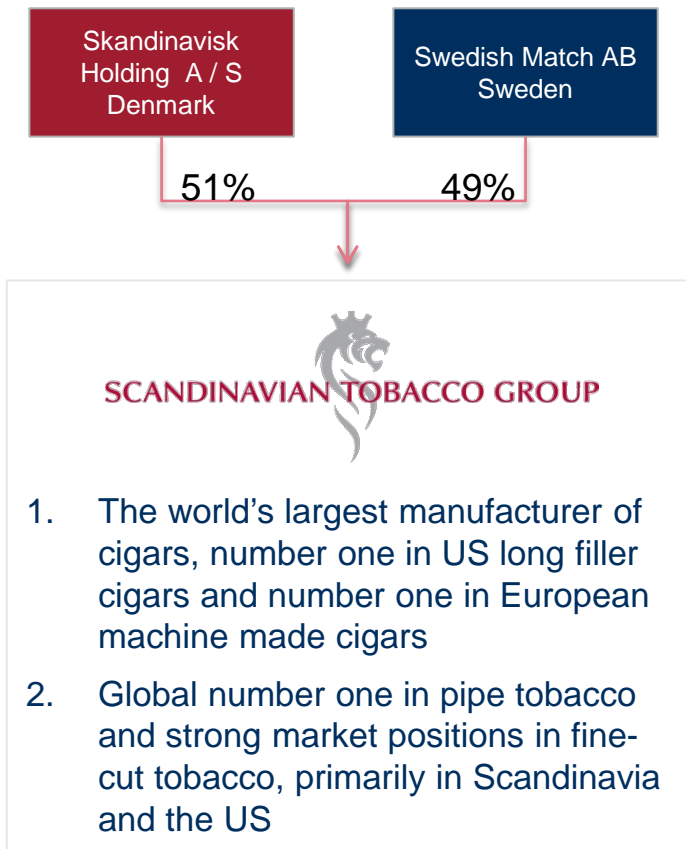
Other operations

- Other operations include the distribution company in Sweden and Corporate functions
- The Swedish distribution company is operating 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
- Corporate functions include CEO office, Group Finance, Group Business Control, Corporate and Legal Affairs, and Investor Relations and Corporate Sustainability



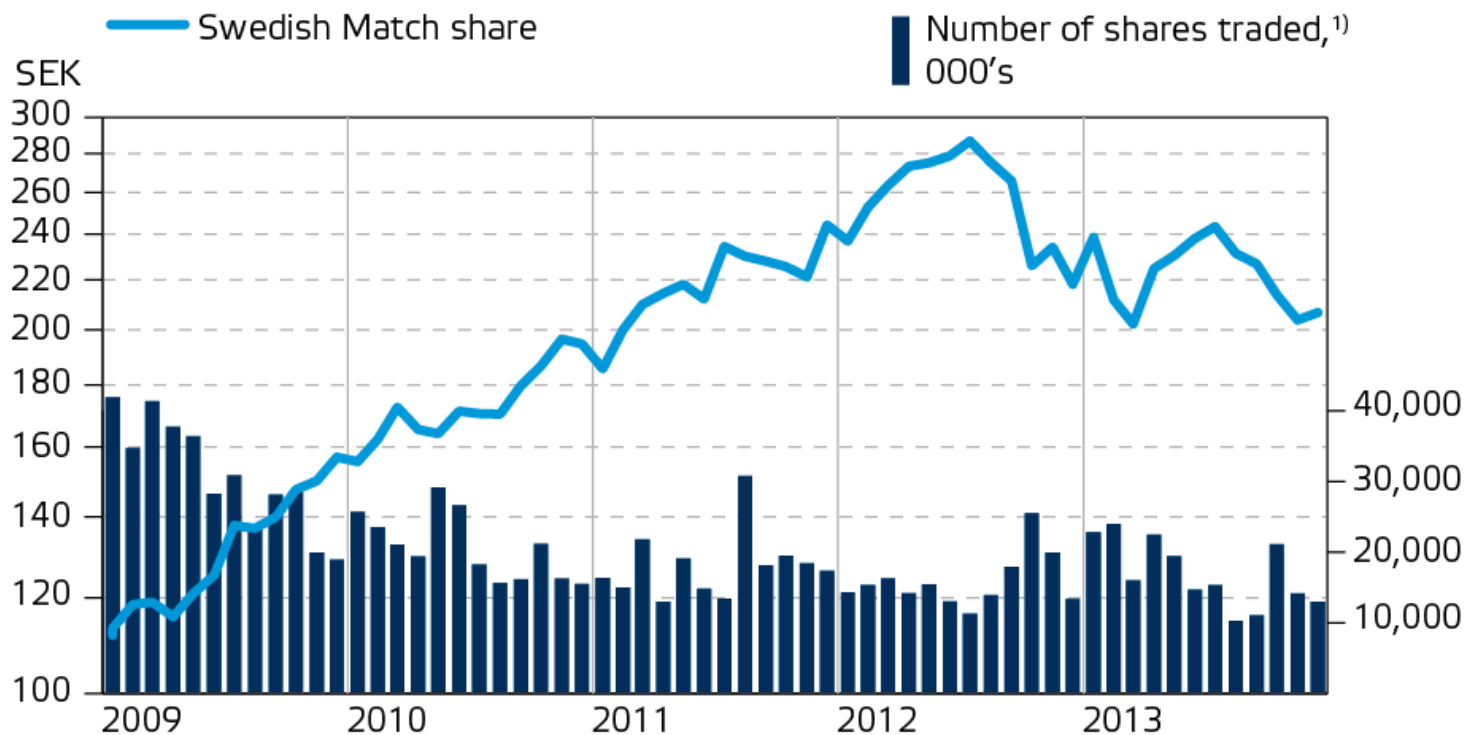
Scandinavian Tobacco Group

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



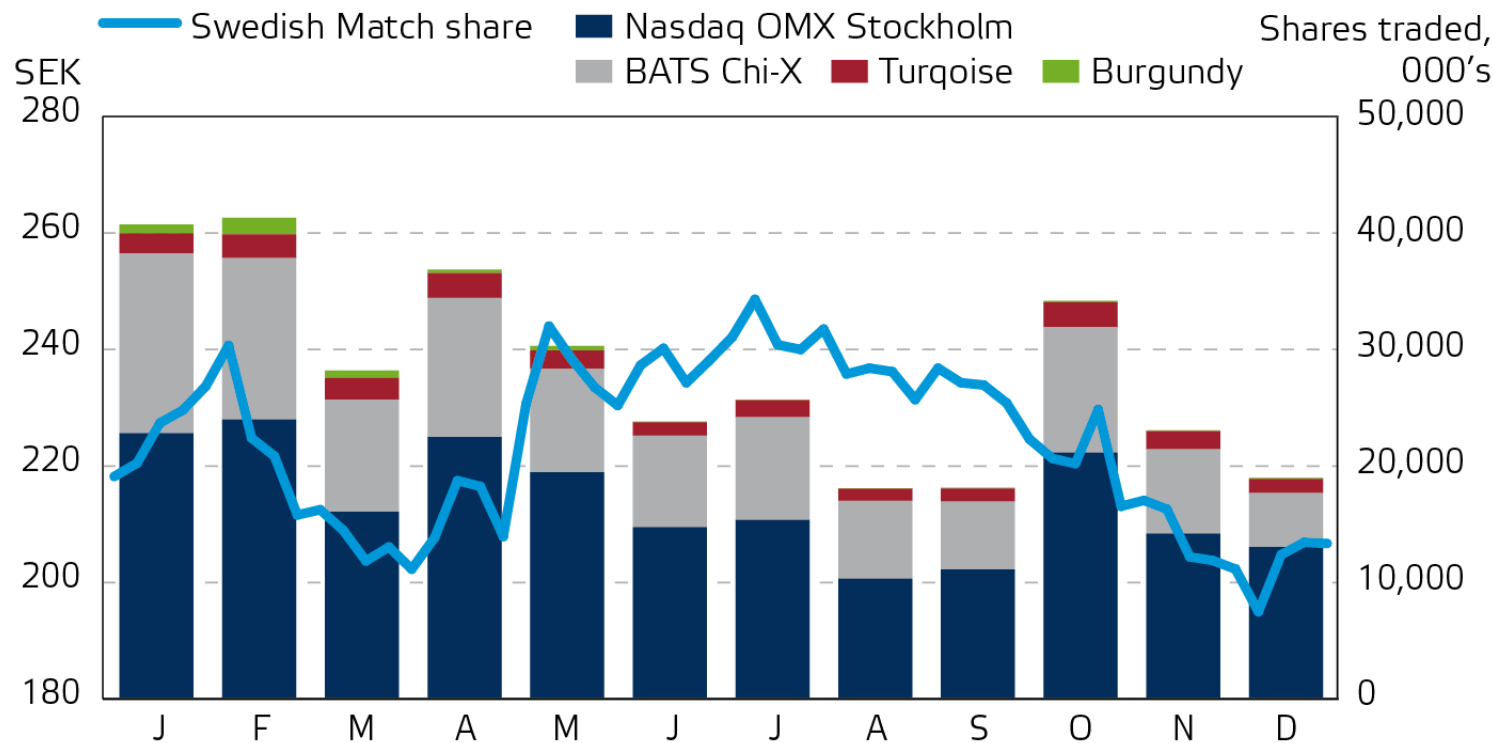
- Swedish Match's share of net profit from Scandinavian Tobacco Group amounted to 319 MSEK for the full year 2013
- Net profit for the period for Scandinavian Tobacco Group amounted to 564 MDKK
- Total Scandinavian Tobacco Group net sales for the year amounted to 5,925 MDKK
- EBITDA for the full year amounted to 1,180 MDKK

Swedish Match share performance 2009-2013



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

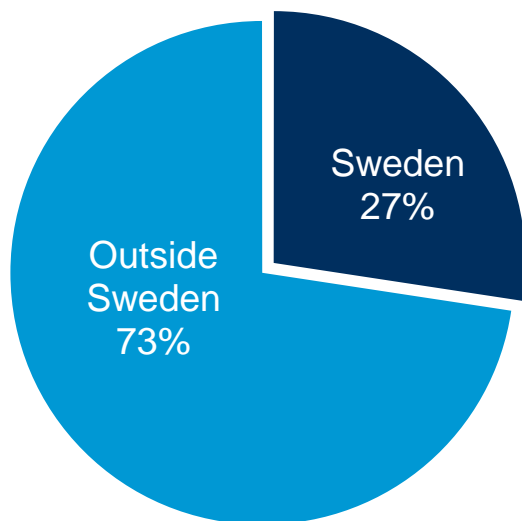
Share price and turnover 2013



Source: SIX Financial Information.

Largest shareholders

49,405 shareholders as per December 31, 2013



Largest shareholders¹⁾

Morgan Stanley Investment Management	5.1%
AMF Insurance & Funds	2.6%
Fidelity Funds	2.0%
Standard Life Investment Funds	1.8%
Nordea Funds	1.6%
Fourth Swedish National Pension Fund	1.4%
Swedbank Robur Funds	1.3%
Second Swedish National Pension Fund	1.3%
SHB Funds	1.2%
SEB Funds	1.2%
	<hr/>
	19.5%

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

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



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

Core values



PASSION



OWNERSHIP



INNOVATION



QUALITY

Swedish Match's core values 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