COMPANY PRESENTATION

2016
**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).
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.
Among the smokeless tobacco products on the market, products with low levels of nitrosamines, such as Swedish snus, are considerably less hazardous than cigarettes*

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

Swedish Match’s organization consists of five operating units and the Corporate functions.

The head office, where the CEO and Corporate functions are based, is located in Stockholm.
Swedish Match has operations in ten countries, six of which have manufacturing facilities.

**USA**
Production units
Sales offices
997 employees

**The Dominican Republic**
Production unit
1,703 employees

**Brazil**
Production units
Sales offices
648 employees

**Belgium**
Public Affairs office
3 employees

**The Netherlands**
Production unit
99 employees

**Switzerland**
Treasury office
1 employee

**Norway**
Sales offices
46 employees

**Sweden**
Head office
Production units
Sales offices
1,010 employees

**Turkey**
Sales offices
15 employees

**The Philippines**
Production unit
Sales offices
295 employees

4,917 employees
12 factories worldwide

As of June 30, 2016.
### COMPANY HISTORY

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Listed on the Nasdaq Stockholm and on Nasdaq USA</td>
</tr>
<tr>
<td>1998</td>
<td>Acquires: Distribution company in Australia</td>
</tr>
<tr>
<td>2000</td>
<td>Acquires: 64% of General Cigar (Premium Cigars) Distribution Company in South Africa</td>
</tr>
<tr>
<td>2004</td>
<td>Delisted from NASDAQ Acquires: Cigar Business in US</td>
</tr>
<tr>
<td>2006</td>
<td>Acquires: Højens / Oud kampen</td>
</tr>
<tr>
<td>2008</td>
<td>Manufacturing agreement with National Tobacco Co.</td>
</tr>
<tr>
<td>2010</td>
<td>Creation of New STG: Cigars, pipe tobacco, and fine cut tobacco (49% ownership)</td>
</tr>
</tbody>
</table>

#### 1996-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>Acquires: Match business in Bulgaria, India and Turkey</td>
</tr>
<tr>
<td>1999</td>
<td>Divests: Cigarette operations Acquires: General Cigar’s operation of machine made in the US, El Credito and Leonard Dingler</td>
</tr>
<tr>
<td>2001</td>
<td>Acquires: Pipe Tobacco operations in South Africa Dry snuff operations in Continental Europe Distribution company in Italy</td>
</tr>
<tr>
<td>2003</td>
<td>Acquires: Distribution company in Slovenia</td>
</tr>
<tr>
<td>2005</td>
<td>Acquires: Remaining holding in General Cigar Divest: Match Business in a number of markets, ind Arenco</td>
</tr>
<tr>
<td>2007</td>
<td>Acquires: Cigar business in Europe and US</td>
</tr>
<tr>
<td>2009</td>
<td>Joint Venture with Philip Morris International Divests: operations in South Africa</td>
</tr>
<tr>
<td>2011</td>
<td>Divests: Operations in Bulgaria</td>
</tr>
<tr>
<td>2015</td>
<td>Dissolves: Joint venture with Philip Morris International</td>
</tr>
</tbody>
</table>
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 US chewing tobacco.
- Major player 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.
SWEDISH MATCH IN FIGURES 2015

- Sales: 14,486 MSEK
- Operating profit\(^1\): 4,008 MSEK
- Operating margin\(^1\): 27.7%
- Profit before income tax: 3,545 MSEK
- EBITDA\(^1\): 4,368 MSEK
- Profit for the year: 2,803 MSEK
- EPS (adjusted, basic): 14.36 SEK
- Number of employees: 4,488
- Manufacturing in 6 countries
- Sales worldwide in more than 100 countries

\(^1\) Including share of net profit in STG and larger one-time items.
PRODUCT AREAS

Snus and moist snuff
- Snus (Scandinavia and US)
- Moist snuff (US)

Other tobacco products
- Cigars (US)
- Chewing tobacco (US)

Lights
- Lighters
- Matches
- Complementary products

Other operations
- Distribution
- Central costs
SALES AND OPERATING PROFIT BY PRODUCT AREA 2015

1) Excluding Other operations, share of net profit in STG, and larger one-time items. Totals may not add up due to rounding.

Sales, SEK
- Snus and moist snuff: 35%
- Other tobacco products: 29%
- Lights: 26%
- Other operations: 9%

Operating profit\(^1\), SEK
- Other operations: 54%
- Other operations: 6%
- Other operations: 41%
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, Kronan, X RANGE snus series
Norway: General, General G.3, The Lab, Nick & Johnny
US: Longhorn and Timber Wolf for moist snuff, and General for snus

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

Cigars and chewing tobacco

- Major player in the US mass market cigar market.
- The largest manufacturer of US chewing tobacco.
- Production mainly in the US (cigars and chewing tobacco) and in the Dominican Republic (cigars).

Main brands:

Cigars: Garcia y Vega, Game by Garcia y Vega, 1882, White Owl, Jackpot

Chewing tobacco: Red Man, General (chew bags)

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

- Swedish Match is market leader in many markets. Match brands tend to be 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 Vestas (UK), Tres Estrellas (Spain), Feudor (France), Redheads (Australia) and Fiat Lux (Brazil)

- **Lighters**: Cricket (globally)

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1) Excluding Other operations, share of net profit in STG, and larger one-time items.
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.
Swedish Match’s operations are characterized by strong cash flows

- Financial strategy
  - Optimize balance sheet
  - Return excess funds to shareholders

- Financial policy
  - Dividend policy: pay-out ratio of 40-60% of earnings per share
  - Maintain a net debt that does not exceed 3 times EBITA
  - Maintain a Standard & Poor’s BBB and a Moody’s Baa2 long term rating
SHARE PERFORMANCE 2011-2015

Volumes traded on Nasdaq Stockholm. Source: SIX Financial Information.
SHARE PRICE AND TURNOVER 2015

Source: SIX Financial Information.
### Largest Shareholders

<table>
<thead>
<tr>
<th>Largest Shareholders</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Life Investment Funds</td>
<td>3.8</td>
</tr>
<tr>
<td>SEB Funds</td>
<td>2.9</td>
</tr>
<tr>
<td>Nordea Funds</td>
<td>2.3</td>
</tr>
<tr>
<td>Second Swedish National Pension Fund</td>
<td>2.2</td>
</tr>
<tr>
<td>First Swedish National Pension Fund</td>
<td>1.8</td>
</tr>
<tr>
<td>Invesco Funds</td>
<td>1.7</td>
</tr>
<tr>
<td>UBS Funds</td>
<td>1.1</td>
</tr>
<tr>
<td>SHB Funds</td>
<td>1.1</td>
</tr>
<tr>
<td>Vanguard Funds</td>
<td>0.9</td>
</tr>
<tr>
<td>Fourth Swedish National Pension Fund</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18.7</strong></td>
</tr>
</tbody>
</table>

Percent split of share capital held, excluding Swedish Match shares held in treasury. Totals may be affected by rounding.

Source: Modular Finance AB, data derived from Euroclear AB, as of December 31, 2015.
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.