

## Quality. Value.

L&M is the second-largest cigarette brand in our portfolio after *Marlboro*, the second-most-popular brand in our EU Region and the third-best-selling international cigarette brand worldwide. The brand offers value beyond its price based on a modern, popular image, supported by a new communication platform and successful product innovation. Available in over 80 markets around the world, L&M's volume comes predominantly from our EU and EEMA Regions.

In 2014, L&M began one of its most significant upgrades in its more than 60-year history. The new pack is accompanied by the introduction of L&M FineCut blend processing to provide adult smokers the reassurance of a high quality manufacturing process. This upgrade, which was initially launched in such markets as the Czech Republic, France and Greece, will be fully rolled out in the coming years.

The pack upgrade also provided the opportunity to redefine L&M's slimmer and capsule products, such as L&M Loft.

The entire slim and super-slim range now features a new progressive design architecture that showcases a more contemporary and dynamic expression of the brand. These products also incorporate FineCut blend processing and offer a smooth-tasting smoking experience, a pleasant smoke smell and, in the case of some variants, a recessed filter. Successful innovation in slimmer format and capsule variants has been a significant contributor to the brand's growth.



# Chesterfield

## Heritage. Prestige.

*Chesterfield* performed tremendously well last year, growing in all four of our Regions, notably in the EU Region where it jumped from being the sixth-most-popular cigarette brand in 2013 to the third-most-popular in 2014.

Launched in five new markets in 2014 – namely, Costa Rica, El Salvador, Guatemala, Macedonia and the Philippines – *Chesterfield* was present in more than 60 markets by the end of the year. Plans are in place to capitalize on the brand's success. These include the roll-out to additional markets around the world, a new marketing campaign, and ongoing innovation that focuses on simplified packaging and tangible product benefits, such as ash control, less smoke smell and a smoother taste.

