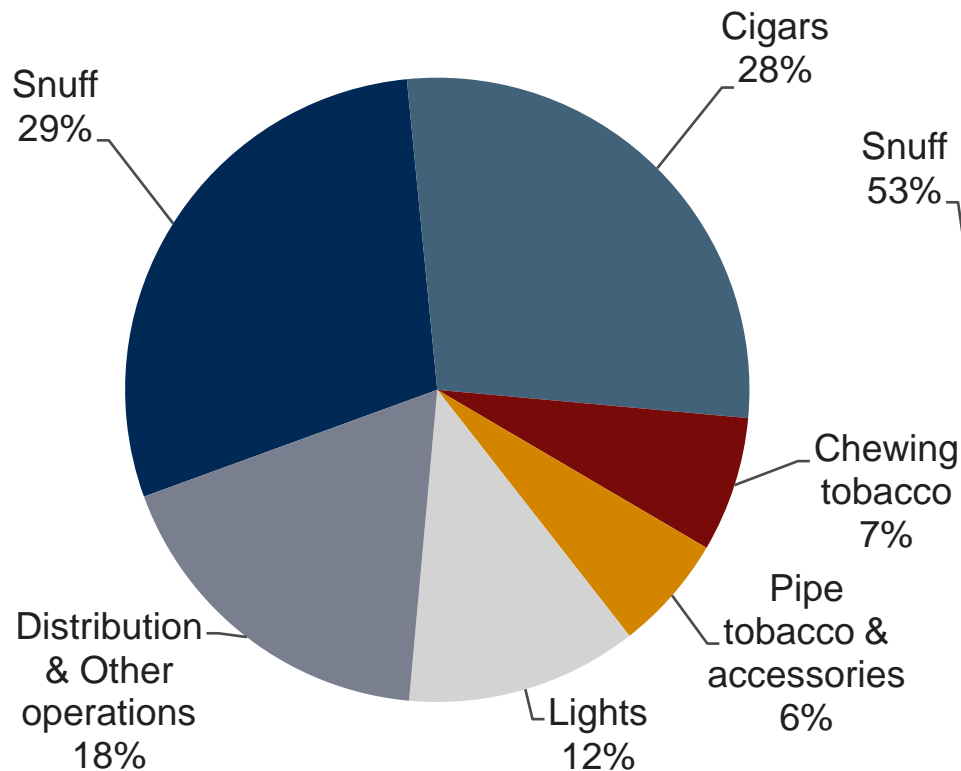


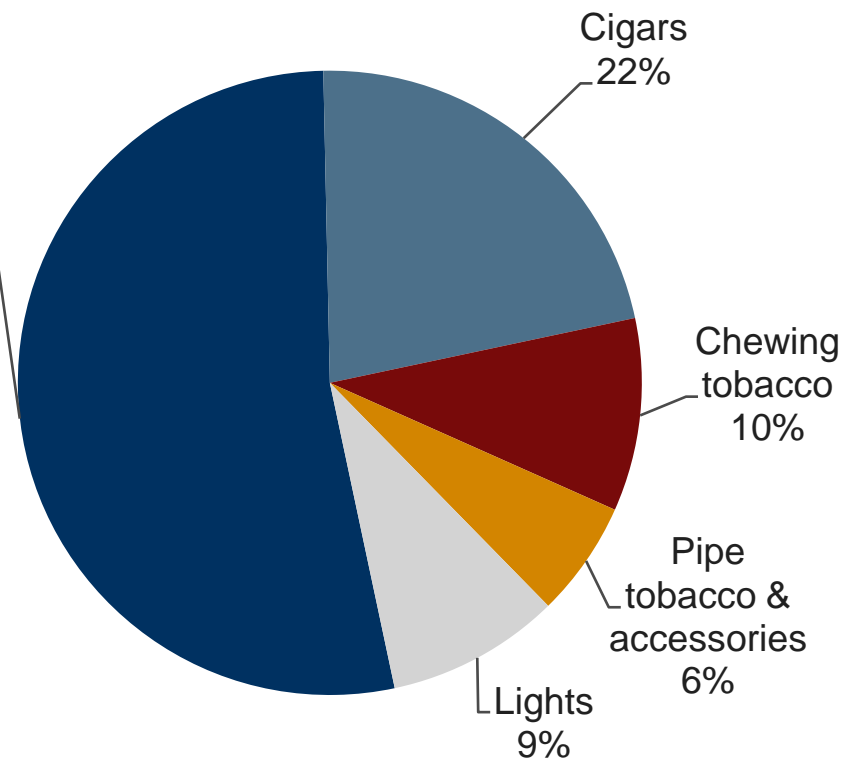


Group sales and operating profit full year 2008

Sales split, SEK



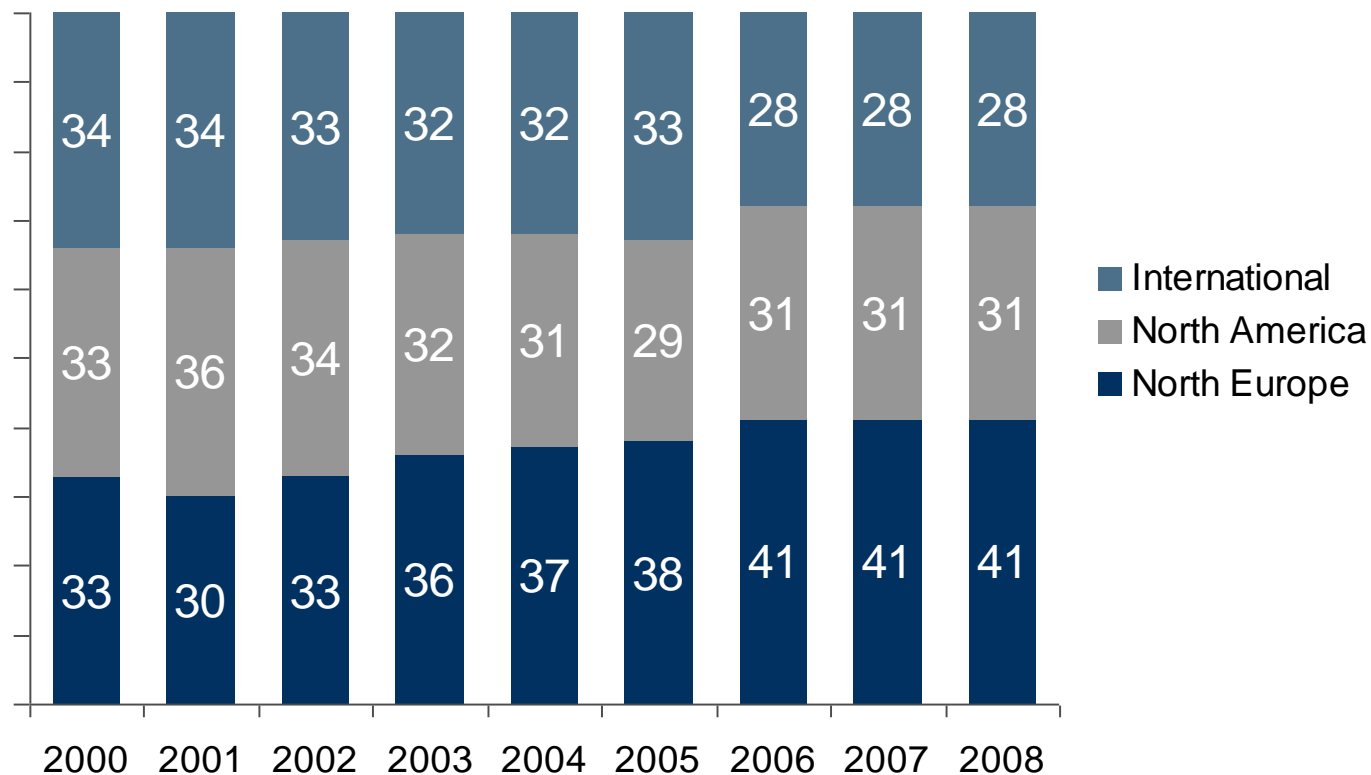
Operating profit* split, SEK



* Excluding Other operations

Sales by geographic division

Percent of sales (SEK)



Conclusions from the fourth quarter (isolated)

Sales

- **Net sales up 3 percent, down 3 percent in local currencies**
- **Net sales excluding "Other operations" up 8 percent**
- **Scandinavian snus** sales up 2 percent, on 12 percent lower volume
 - Prior year included 5 million cans of additional hoarding volume in Sweden
 - Volume growth in Norway, tax-free
- **US snuff** sales up 13 percent in local currency
- **Cigar** sales increased by 14 percent, on currency translation
 - Cigar sales down slightly in both the US and Europe in local currencies
 - US premium cigar sales excluding Cigars International down 8% in USD
- **Chewing tobacco** sales up 17 percent, down 4 percent in USD
- **Pipe tobacco** sales down 3 percent, up 8 percent in local currencies
- **Lights** sales up 1 percent

Conclusions from the fourth quarter (isolated)

- **Operating profit excluding larger one time items* increased by 6 percent in local currencies**
 - Snuff operating margins impacted by higher Scandinavian spending on new products as well as price/mix effects from relatively larger US business
 - Cigar operating profit declined by 7 percent in local currency, on lower premium cigar volumes (ex Cigars International)
 - Solid profitability for chewing tobacco, pipe tobacco, and lights
- **Tax rate for the Group positively impacted by revaluation of differed tax liability as well as tax exempt gain**
 - Tax rate in the fourth quarter was 13 percent, and 14.5 percent for the full year
- **Solid cash position and limited debt repayments through 2009**
 - Cash and cash equivalents are 3,178 MSEK vs 3,439 MSEK previous year
 - Cash flow from operations impacted by strategic purchases of raw material and higher tobacco taxes paid on prior year hoarding
 - 662 MSEK of interest bearing debt due in 2009

* In the fourth quarter 2008 there was a gain of 73 MSEK on the sale of a subsidiary in the UK and related assets. In the fourth quarter 2007 there was a gain of 267 MSEK on the sale of head office buildings in Stockholm

ACNielsen consumption data: Sweden

- **SM total value market share* in Sweden in was 89.9%**
 - 89.7% in Oct/Nov 2008 (90.2% in Feb/Mar 2008)
- **SM total volume market share* in Sweden was 87.2%**
 - 87.0% in Oct/Nov 2008 (87.4% in Feb/Mar 2008)
- **SM value share* of premium snus in Sweden is stable at 97.1%**
 - Volume share* is 96.8%
- **Low price segment is 22.8%* of Swedish market**
 - Slightly higher over the last ten months (21.9% in Feb/Mar 2008)
- **SM share* of low price segment in Sweden: 54.6%**

* ACNielsen: market shares are for the December/January period

ACNielsen consumption data: US Moist Snuff

- **US snuff market* up 6.4% for the YTD through Dec 27**
 - Swedish Match consumption volume up 16.3% YTD Dec 27
 - Consumption YTD Dec 27: volumes up for Red Man and Longhorn, with Timber Wolf flat
 - SM Consumption up 9.0% latest four weeks Jan 24, market up 3.1%
- **SM market shares* in the US continue to grow**
 - YTD Dec 27 was 12.1%, vs. 11.1% YTD 2007
 - 4 week Jan 24 share: 12.4%
 - YTD Dec 27 Red Man share 1.3%
 - 4 week Jan 24 share: 1.6%

* ACNielsen: YTD shares for periods ending December 27, while 4 week period is ending January 24, 2009

Other highlights

- **Other Operations**

- Higher structural costs following sale of Stockholm headquarters

- **Acquisitions/Investments**

- Bogaert (acquired June 2007) in comps in from Q3
- Cigars International (acquired September 2007) in comps from Q4

- **Other Issues**

- Total smoking ban in public places in France from January 1, 2008
- Smoking ban in the Netherlands from July 2008
- Norway to increase tobacco excise tax by 13 percent in 2009
- Swedish Match to phase in production of chewing tobacco for National Tobacco from during the first half of 2009

- **Other issues post results**

- FET/SCHIP signed into law, effective April 1, 2009
- SM and Philip Morris International signed agreement to establish a joint venture company to commercialize smokeless products outside of Scandinavia and the US

Outlook

- Swedish Match will take further steps drive value creation and growth, to strengthen our position as a leading smokefree tobacco company
- The Company will maintain its strong commitment to profitability for the other product categories
- Both the US and Scandinavian snus markets are expected to grow in 2009
- The maintenance of the current Swedish weight based tax levels should help to stabilize the Swedish snus market
- US Federal Excise tax increases could negatively impact consumption, especially for cigars,
 - For US machine made cigars we expect significant trade hoarding in the first quarter, followed by destocking in the second quarter
- Long-term financial strategy and dividend policy maintained
 - Cost of financing taken into account in determining timing and amount of cash returns
- The tax rate for 2009 is estimated to be in the range 22 to 24 percent

Group results full year 2008

- **Sales** amounted to **13,162 MSEK (12,551)**
 - In local currency sales increased by 6 percent
 - Net currency translation negative impact of 171 MSEK
 - Sales for the Group excl. Swedish distribution increased by 10 percent in local currencies
- **Operating profit** (incl. one time items) was **3,090 MSEK (2,997)**
 - In local currency, excl. one time items, operating profit increased by 13 percent
 - Net currency translation negative impact of 64 MSEK
- **Profit before income tax** amounted to **2,646 MSEK (2,662)**
- **Net profit** for the period amounted to **2,261 MSEK (2,056)**
- **EPS** (basic) was **8.98 SEK (7.82)**
- **EPS** excl. larger one time items was **8.70 SEK (6.81)**

Financial policy and financing needs

- **Financial policy**

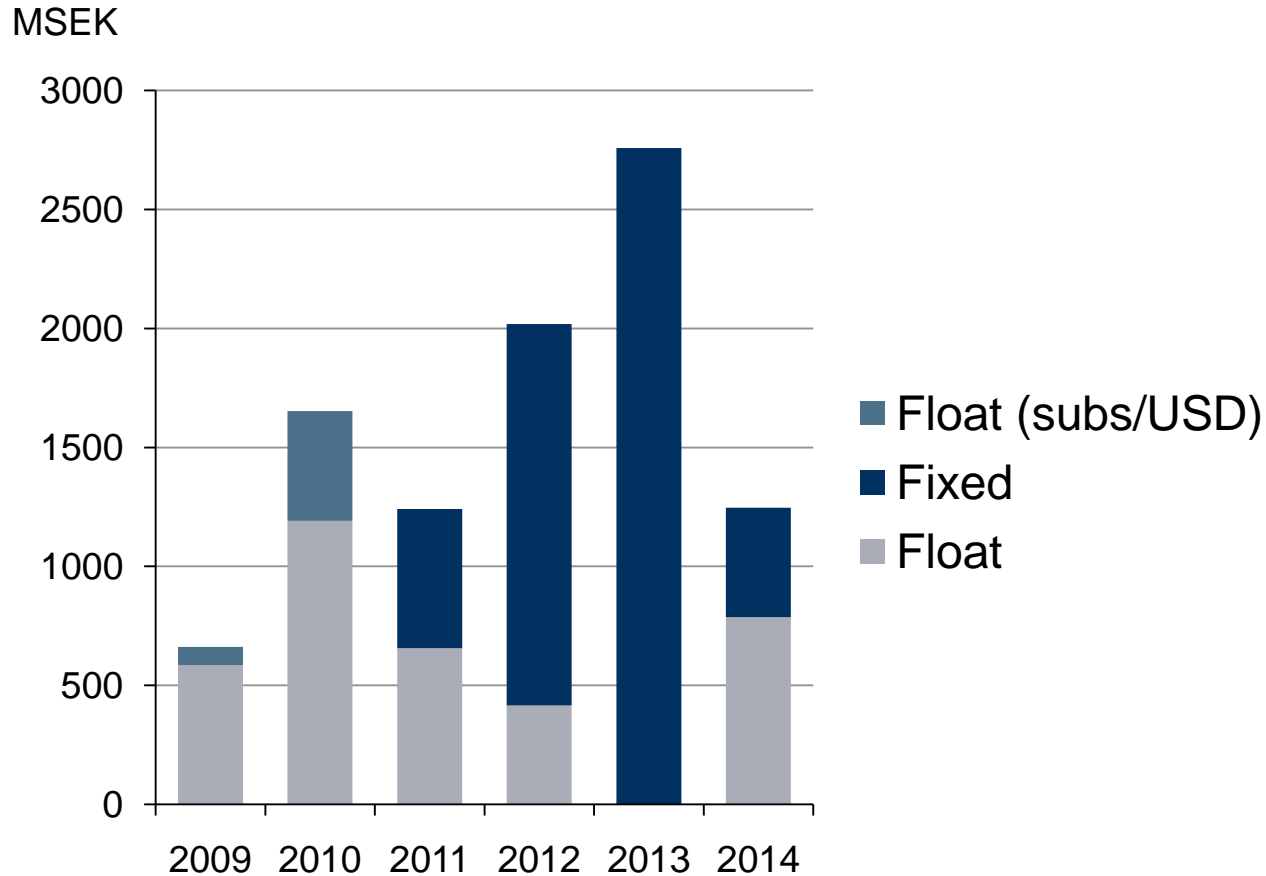
- Dividend policy: 40 – 60% of earnings per share
 - In 2007 dividend was 45% of EPS, up from 31% of EPS in 2006
 - Proposed dividend of 4.10 SEK is 46% of 2008 EPS
- Net debt not to exceed 3 times EBITA

- **Financing and cash flow**

- 843 MSEK in new loans issued during the year
- 1,284 MSEK in repayment of loans during the year
- 662 MSEK in interest bearing bond debt due in 2009

Swedish Match plans to meet its payback obligations during 2009 from internally generated funds from operations and available cash.

Maturity profile of interest bearing liabilities*

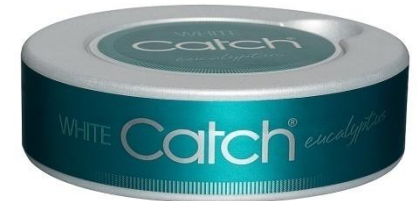


* Primarily from the Swedish (SEK) and Global (EUR) MTN programs

Snuff



- Leading position in **Sweden** and **Norway**
- Well positioned in the value price segments in **the US**
- Production in **Sweden** and **the US**



Snuff

Strong sales and profit growth

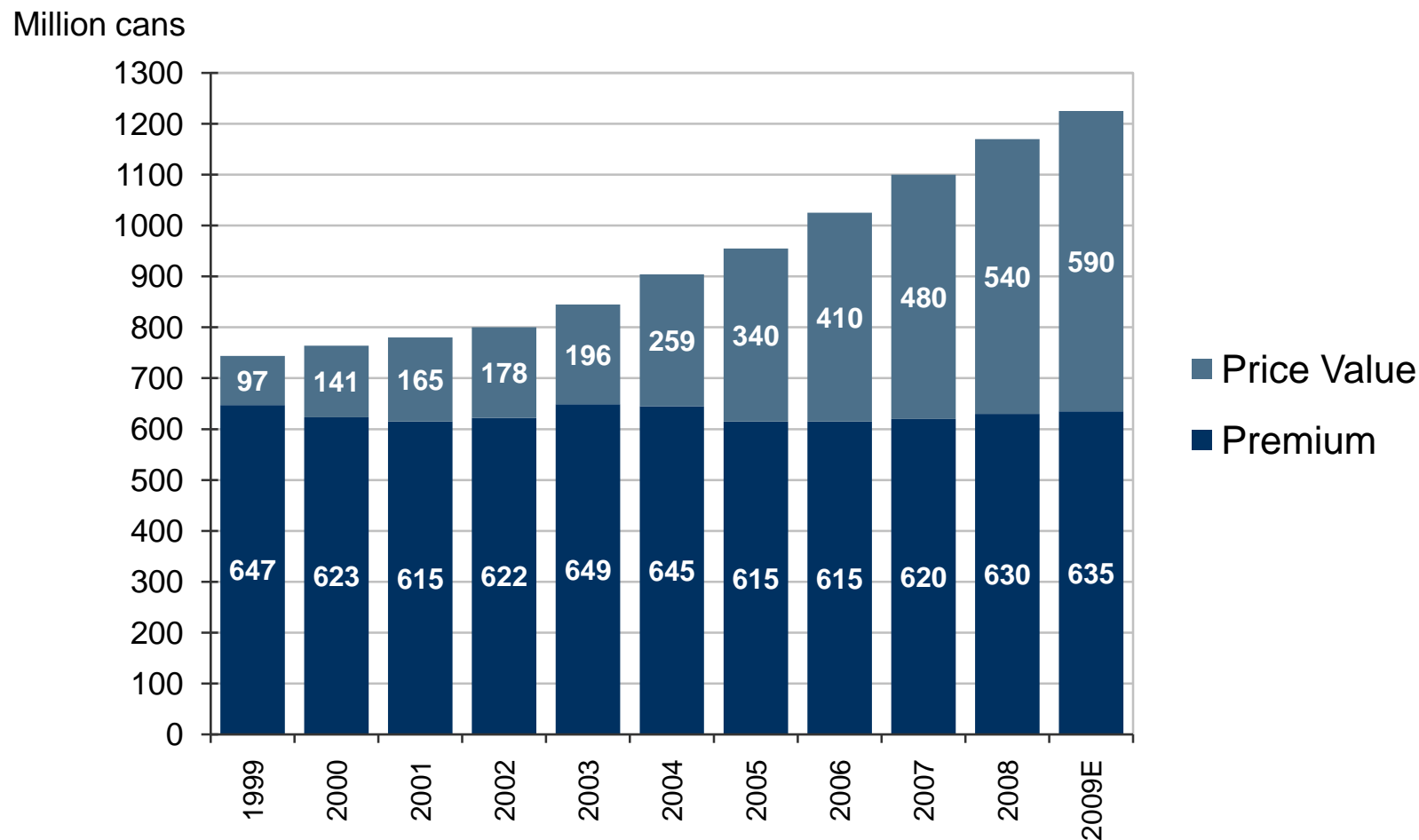
- **North European division snus sales up 2% in Q4, and up 18% for the full year**
 - Higher volumes in Norway, tax-free largely offset underlying declines in Sweden
 - Q4 Scandinavian volumes down 12% (5-6 million cans of hoarding in Q4 2007 vs. none in Q4 2008)
- **Q4 margins close to year earlier levels**
 - Solid improvement in US margins, but dollar/mix effects and higher spending in Scandinavia have negative effect on reported margins
- **US sales up 13% in Q4, up 17% for full year in USD**
- **US snuff volumes up 5% year on year in Q4**
 - Red Man launch and pipeline volume in Q4 prior year



MSEK	Q4-08	Q4-07	chg	Full year 2008	Full year 2007	chg
Sales	1,063	981	8	3,829	3,289	16
Operating profit	470	441	7	1,689	1,366	24
Operating margin, %	44.2	45.0		44.1	41.5	

Volume growth of snuff in the US

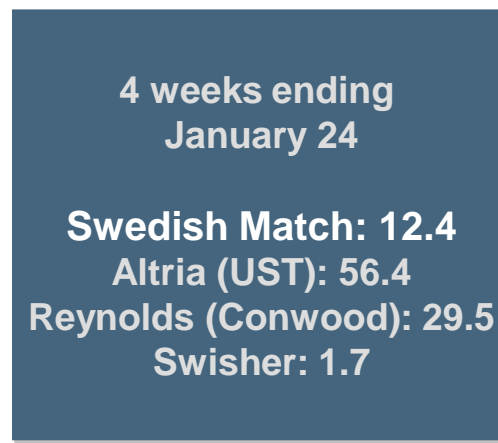
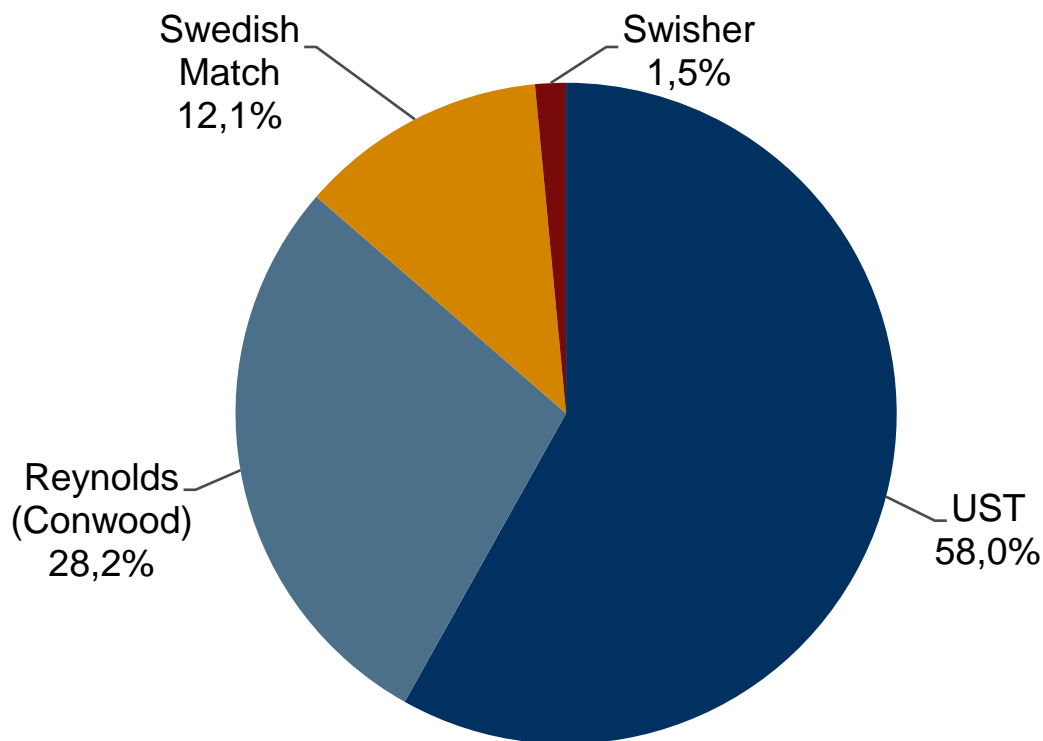
US snuff market by segment



Swedish Match estimated market size, using ACNielsen estimates as well as industry data and estimates

US moist snuff market shares

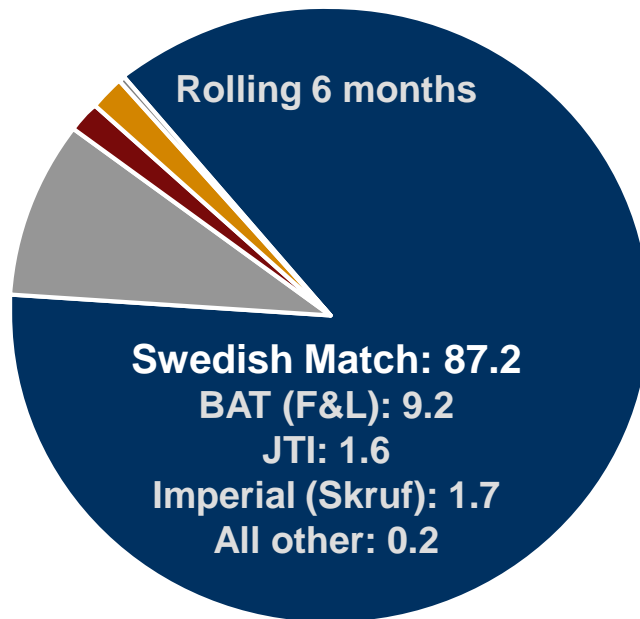
Volume share North America, YTD December 27



Source: ACNielsen, due to rounding totals may not add to 100%

Swedish snus market shares

Volume share Sweden, rolling 6 months through Jan 2009



2 months **volume** share
Dec/Jan

Swedish Match: 87.2
BAT (F&L): 9.3
JTI: 1.5
Imperial (Skruf): 1.8
All other: 0.2

2 months **value** share
Dec/Jan

Swedish Match: 89.9
BAT (F&L): 7.0
JTI: 1.2
Imperial (Skruf): 1.7
All other: 0.2

Source: ACNielsen, due to rounding totals may not add to 100%

Some snus/snuff issues for 2009

- Scandinavia

- No excise tax increase in Sweden announced
- 13% excise tax increase in Norway from Q1
- Reduced travel

- US

- Federal excise tax increase (SCHIP) from April 1
- State tax increases possible
- FDA may take over regulation, but could take effect in 2010/11
- Altria/UST combined sales force, change in promotional strategy in some markets
- Increased activity in the snus category

Cigars

- Swedish Match is one of the world's largest producers and distributors of cigars and cigarillos
- The largest markets are **North America** and **Western Europe**
- Production in **Belgium, Dominican Republic, Indonesia, Honduras** and the **US**



Cigars

Q4 Sales up 14%, flat in local currencies



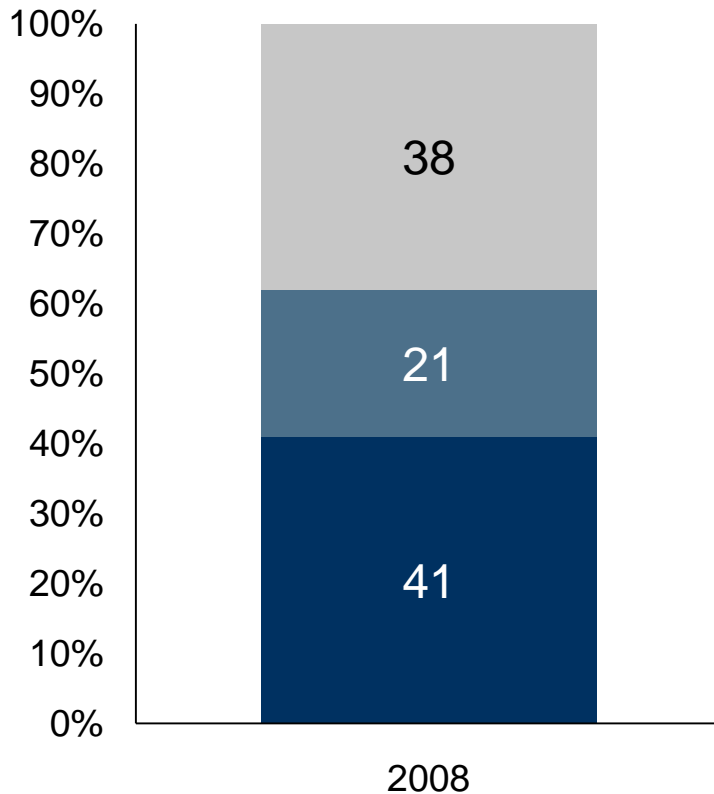
- **Q4 cigar margin was 19.5 percent**
 - Down slightly from Q3 (20.1) levels
- **US mass market sales down 2% in USD in Q4**
 - Some hoarding at the end of Q3, unwound in Q4
- **US premium sales (excluding Cigars International) down 8% in USD due lower volumes – somewhat improved trend from Q2/Q3**
 - Cigars International is now fully included in Q4
- **European cigar sales down slightly despite higher volumes, due to mix effects toward smaller and less expensive cigars**

MSEK	Q4-08	Q4-07	chg	Full year 2008	Full year 2007	chg
Sales	1,056	928	14	3,657	3,411	7
Operating profit	206	195	6	689	737	-6
Operating margin, %	19.5	21.0		18.8	21.6	

* Excluding acquired businesses. With acquisitions, volumes were up significantly versus prior year

Cigars

Sales split (SEK)



■ US premium ■ US mass market ■ Europe/ROW

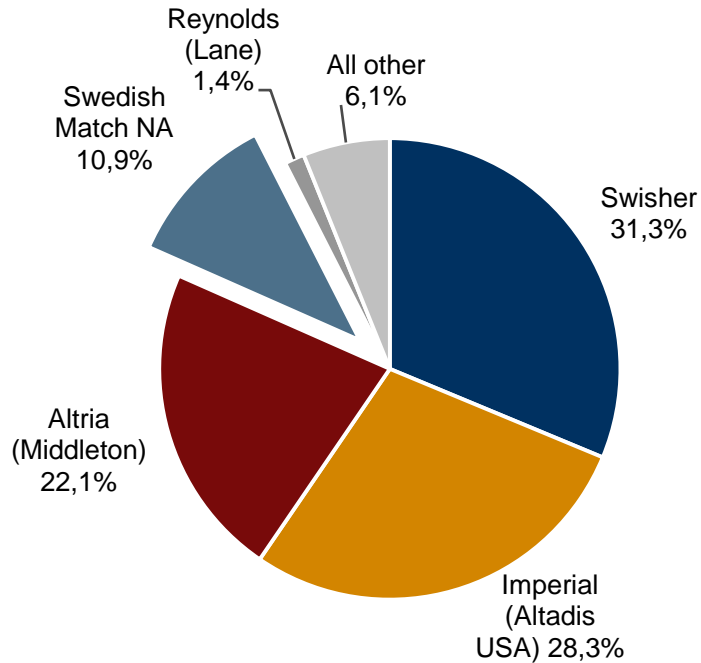
- Europe and other non-US:
 - 15% market share in Europe*
 - 5 billion stick market (Europe)
 - Long term market volume trend: stable to slightly down
- US mass market:
 - 10.9% value share (ACNielsen, YTD Dec 27)
 - 5.8% volume share (ACNielsen, YTD Dec 27)
 - 7 billion stick market (including littles)
 - Long term volume trend: up
- US premium:
 - 30% market share*
 - 270 million stick market*
 - Market likely down in the range of 5% in 2008
 - Long term market volume trend: stable, but with fluctuations year to year

*Source: Swedish Match estimates for Europe (excl UK) and US premium cigars

Cigars

North America, mass market YTD December 27

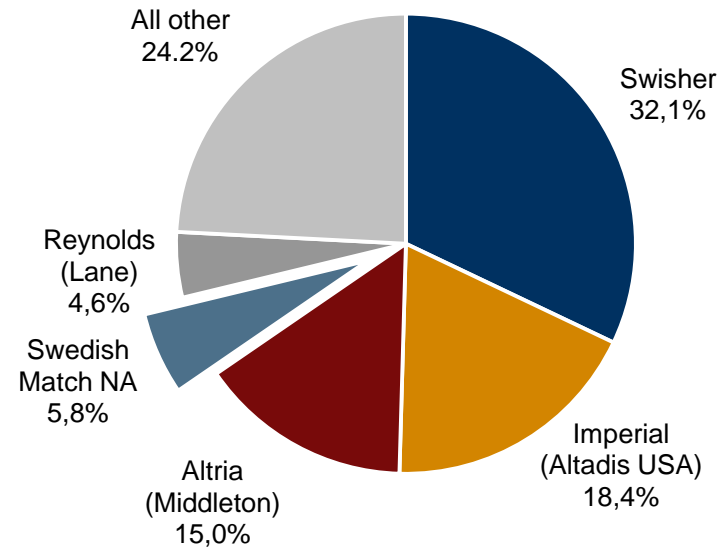
VALUE share



4 weeks ending
January 24

Swedish Match: 10.3

VOLUME share



4 weeks ending
January 24

Swedish Match: 5.3

Source: ACNielsen, due to rounding, totals may not add to 100%

Some cigar issues for 2009

- US premium
 - Availability of credit for small retailers
 - Slowdown in travel and tourism
 - Federal excise tax/SCHIP from April 1
- US machine made
 - Federal excise tax/SCHIP from April 1
 - Hoarding in Q1 highly likely, followed by unwind in Q2
 - State tax increases possible
- Europe machine made
 - Lag effects from 2008 smoking bans



Chewing tobacco

Q4 sales down 4%, operating profit up 5% in local currency

Nearly all chewing tobacco sales are in *the US*

Swedish Match is the largest producer of chewing tobacco in *the US*

Production in *the US*

The market typically declines by 5 - 10% per year in volume

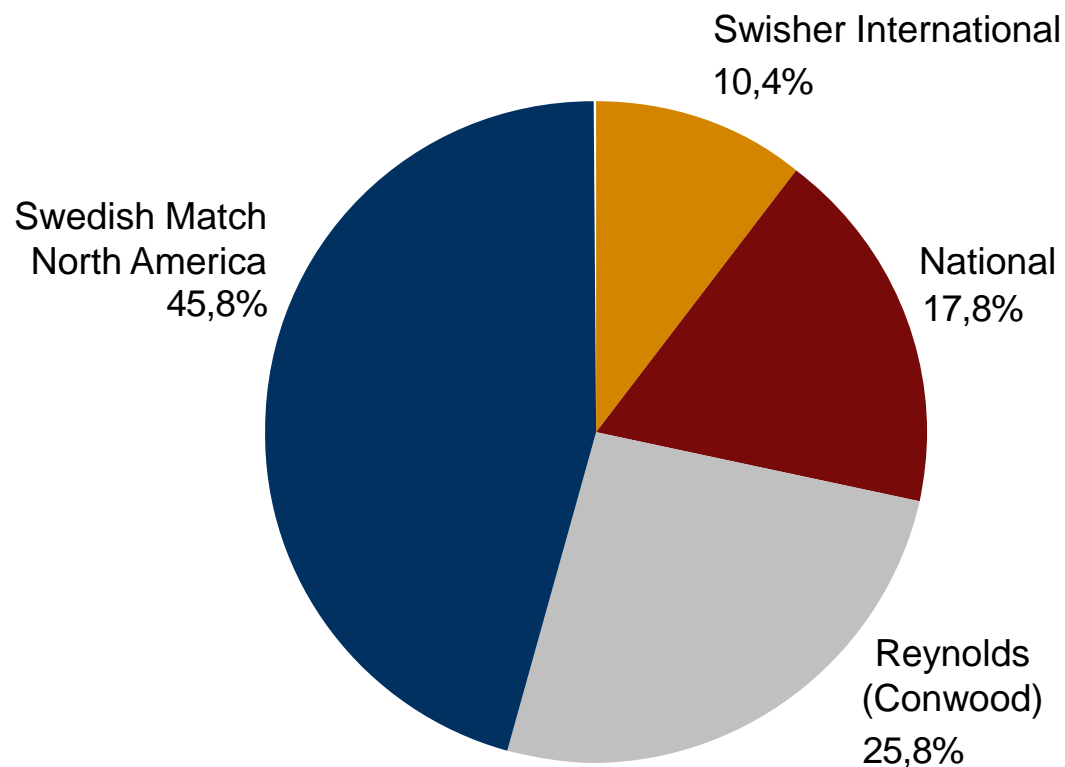


- Operating margins up year on year, from pricing as well as normal quarterly fluctuations
- Market shares at 45.8% for the year to date through December 27
- Price increase of 5% in December, 2007, 3% in May 2008, 7% in December 2008

MSEK	Q4-08	Q4-07	chg	Full year 2008	Full year 2007	chg
Sales	260	222	17	934	956	-2
Operating profit	96	75	27	329	312	5
Operating margin, %	36.8	34.1		35.2	32.7	

Chewing tobacco

Volume share North America, YTD December 27



4 weeks ending
January 24

Swedish Match: 45.2
Reynolds (Conwood): 24.9
National: 17.7
Swisher: 12.1

Source: ACNielsen, due to rounding totals may not add to 100%

Chewing tobacco issues for 2009

- Continued market decline (6 - 10%)
- Phase-in of production for National (18% SOM)
 - ↳ Full production for National in H2

Pipe tobacco and accessories

Sales up 8%, operating profit up 17% in Q4 in local currencies

Swedish Match is one of the world's largest producers of pipe tobacco

The largest market for Swedish Match is **South Africa**, other important markets are in **North America** and **Europe**

Production in **the US** and in **South Africa**



- South Africa accounts for more than half of pipe tobacco/accessories sales
- Sales and operating profit negatively affected by currency translation (ZAR)
- Operating margin has been stable in each of the last four quarters, despite currency shifts

MSEK	Q4-08	Q4-07	chg	Full year 2008	Full year 2007	chg
Sales	217	223	-3	817	851	-4
Operating profit	57	58	-1	210	201	5
Operating margin, %	26.3	25.9		25.7	23.6	

Lights

Sales and profits higher on solid performance, some FX

Swedish Match is market leader in many markets. The brands are mainly local and strong in their respective home countries

Main markets are *Europe* and *Latin America*

Production in *Sweden, Brazil, the Netherlands, and the Philippines*



- Sales up 1% in Q4 while operating profit up 7% in SEK
- Full year operating profit includes a gain of 17 MSEK from the sale of land

MSEK	Q4-08	Q4-07	chg	Full year 2008	Full year 2007	chg
Sales	410	405	1	1,534	1,473	4
Operating profit	71	67	7	276	252	9
Operating margin, %	17.4	16.4		18.0	17.1	

P & L summary

MSEK	October - December			Full year	Full year	
	2008	2007		2008	2007	
Sales	3,628	3,527	3	13,162	12,551	5
Cost of sales	-1,823	-1,880		-6,685	-6,578	
Gross profit	1,804	1,647	10	6,477	5,973	8
Sales and administrative expenses	-945	-851		-3,472	-3,244	
Share of profit in equity accounted investees	4	-1		11	1	
Gain on sale of subsidiary and related assets	73	-		73	-	
Gain on sale of real estate	-	267		-	267	
Operating profit	937	1,062	-12	3,090	2,997	3
Financial income	43	56		163	165	
Financial expenses	-141	-142		-607	-501	
Net finance cost	-98	-86		-443	-336	
Profit before income taxes	839	976	-14	2,646	2,662	-1
Income tax expense	-111	-185		-385	-606	
Net profit for the period	728	791	-8	2,261	2,056	10
Attributable to:						
Equity holders of the Parent	728	791		2,261	2,055	
Minority interests	0	0		1	1	
Profit for the period	728	791	-8	2,261	2,056	10
EPS, basic, SEK	2.91	3.04		8.98	7.82	
EPS, diluted, SEK	2.91	3.04		8.96	7.80	

Balance sheet

MSEK	Dec 31, 2008	Dec 31, 2007
Intangible assets	4,702	4,419
Property, plant and equipment	2,458	2,388
Financial fixed assets	2,284	1,011
Current operating assets	5,732	5,204
Other current investments	1	5
Cash and cash equivalents	3,178	3,439
Total assets	18,355	16,467
Equity attributable to equity holders of the Parent	1,377	720
Minority interests	4	4
Total equity	1,381	724
Non-current provisions	1,281	1,292
Non-current loans	9,975	8,768
Other non-current liabilities	1,337	567
Current provisions	29	60
Current loans	743	1,271
Other current liabilities	3,609	3,785
Total equity and liabilities	18,355	16,467

Cash flow in summary

MSEK	January – December	
	2008	2007
Cash flow from operating activities before changes in working capital	2,341	2,372
Cash flow from changes in working capital	-362	-45
Net cash from operating activities	1,979	2,327
Acquisition of property, plant and equipment*	-331	-541
Proceeds from sale of property, plant and equipment	135	1,165
Acquisition of intangible assets	-8	-68
Acquisition of subsidiaries, net of cash acquired	-7	-1,209
Divestment of business operations	155	-
Changes in financial receivables etc.	3	112
Changes in current investments	5	51
Net cash used in investing activities	-48	-490
Changes in loans	-441	1,802
Dividends paid to equity holders of the Parent	-886	-664
Repurchase of own shares	-996	-2,575
Stock options exercised	62	122
Other	35	-111
Net cash used in financing activities	-2,226	-1,426
Net decrease/increase in cash and cash equivalents	-295	410
Cash and cash equivalents at the beginning of the period	3,439	3,042
Effect of exchange rate fluctuations on cash and cash equivalents	34	-13
Cash and cash equivalents at the end of the period	3,178	3,439

* Includes investments in forest plantations and assets held for sale in 2007

Key data

MSEK	Full year 2008	Full year 2007
Operating margin, %*	22.9	21.8
Operating capital, MSEK	9,585	8,439
Net debt	7,640	7,127
EBITDA, MSEK*	3,465	3,166
EBITA, MSEK*	3,156	2,865
EBITA interest cover	7.5	9.0
Net debt/EBITA	2.4	2.5
Share data*		
Earnings per share, basic, SEK	8.98	7.82
Earnings per share, diluted, SEK	8.96	7.80
Average number of shares outstanding (Mio)	251.9	262.6
Shares outstanding, end of period (Mio)	249.2	255.9

* Please refer to notes in the full year 2008 report

Other events and post Q4 events

- Organizational responsibilities – redefined
 - SMI – Premium cigars US and global, European cigars, pipe tobacco, lights
 - SMNA – All other US businesses
 - SMNE – Scandinavia (primarily snus)
- Refined strategic direction
- Strategic partnership with Philip Morris International

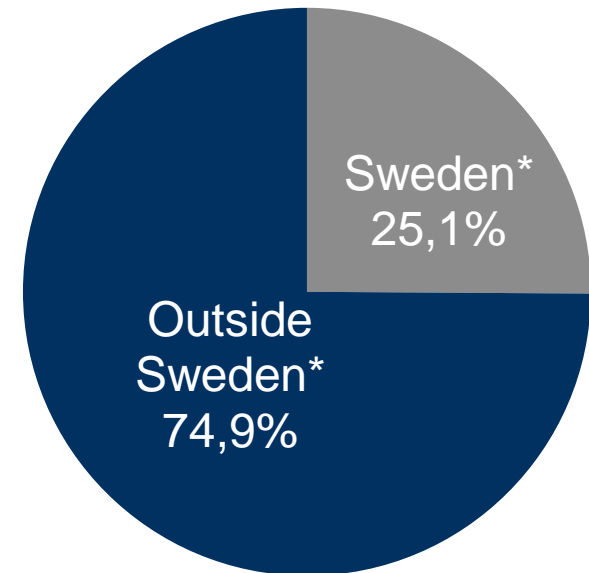
Largest shareholders

As per December 31, 2008

Largest shareholders*:

Parvus Asset Management	10.6 %
Morgan Stanley Investment Mgmt	5.7 %
Wellington Management Company	5.2 %
Swedbank Robur Funds	2.3 %
Nordea Funds	1.8 %
Second Swedish National Pension Fund	1.7 %
Fourth Swedish National Pension Fund	1.6 %
SHB/SPP Funds	1.1 %
Third Swedish National Pension Fund	1.1 %
First Swedish National Pension Fund	1.0 %
	<hr/>
	32.1 %

53,215 shareholders

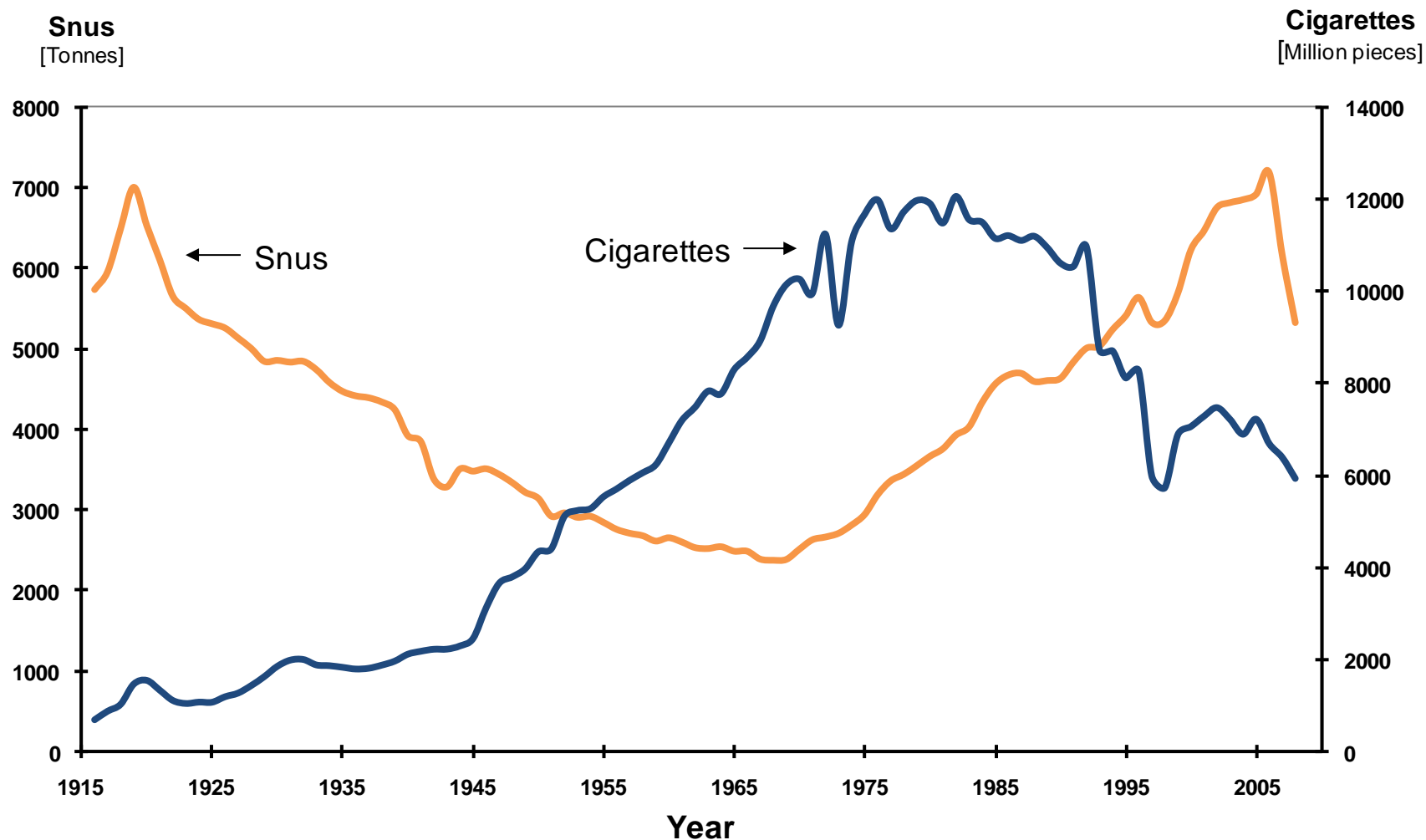


Source: Euroclear, official registry (former VPC) and SIS Ägaranalys, percent of share capital excluding Swedish Match shares held in treasury

* Percent split of share capital held, excluding Swedish Match shares held in treasury

Snus vs cigarettes in Sweden

Sales of snus and cigarettes in Sweden 1916-2008



Source: Swedish Match

Refined strategic direction

- Position the Company as the **Global Smokefree Leader**
 - Leverage our unique heritage, technological lead, talented organization and brand portfolio globally
 - More aggressively pursue growth opportunities on a global basis
 - Be the preferred choice by consumers
 - Be the most valued partner to the trade
 - Remain the industry authority for regulators and opinion makers
- Develop our **Cigar** business to the **Best in Class**
 - Deliver superior quality to customers and consumers
 - Drive to improve profitability
- Our **lights and pipe tobacco** businesses should continue to focus on operational excellence and profitability
 - Strong market positions
 - Efficient supply chain

Strategic partnership with PMI

☆☆☆
SWEDISH MATCH



PHILIP MORRIS INTERNATIONAL

- A shared view on future Smokefree growth opportunities
- Long term commitment to grow the Smokefree category globally
- A perfect match of leading Smokefree expertise and leading global market capabilities
- Leverage of strong brands and innovation capacities of both parties
- Strong support for the concept of tobacco harm reduction
- Long term shareholder value creation potential

Global Reach of smokefree joint venture

