

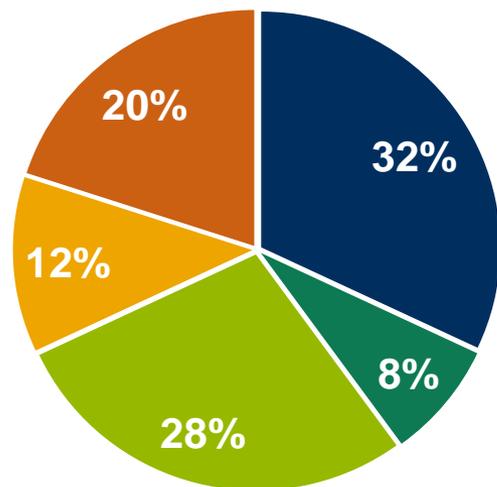
INVESTOR KIT

JANUARY – MARCH 2010

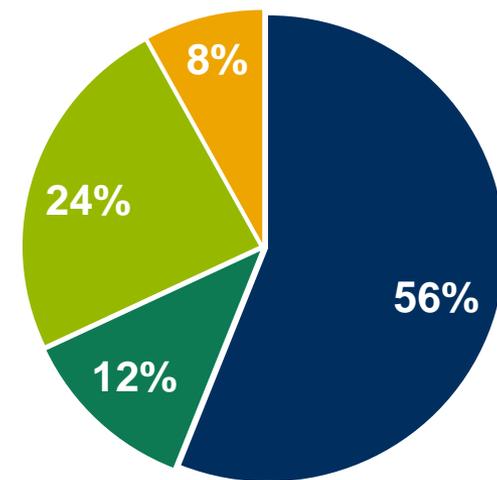


Group sales and operating profit – first quarter

Sales by product area, SEK



Operating profit* by product area, SEK



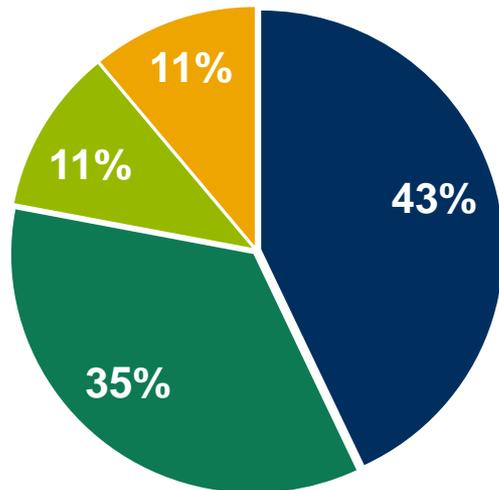
- Snus and snuff
- Chewing tobacco
- Cigars
- Lights
- Other operations

* Excluding Other operations and reversal of depreciation and amortization relating to assets held for sale

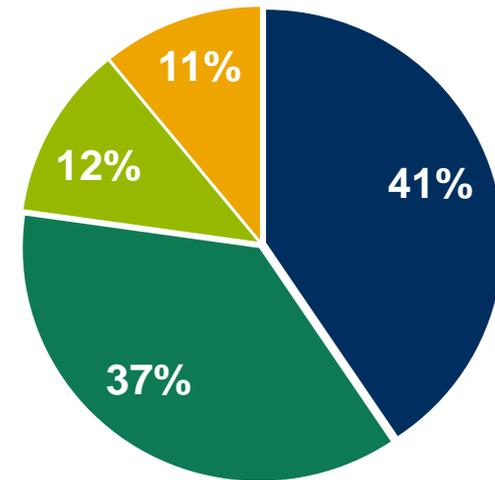
Sales by currency block*

Percent of sales, SEK

Q1 - 2010



FY - 2009



- North Europe
- North America
- Continental Europe
- Other

* Totals may not add to 100% due to rounding

Strategic direction for Swedish Match

- 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*** businesses should continue to focus on operational excellence and profitability
 - Strong market positions
 - Efficient supply chain

Today's Swedish Match

- A clear strategic direction, with a supporting organizational structure
 - Smokefree Division, spanning all geographies
 - Integrated supply chain, strategic marketing, scientific affairs, innovation teams
 - US Sales Division
 - Scandinavia Sales Division
 - Swedish Match International
 - Other Operations
- Realignment of cigar management and responsibilities, integrated supply chain
 - Premium cigars and European cigars in Swedish Match International, US mass market cigars in US Sales Division
- Joint venture agreement with PMI
- NEWCO for cigars, pipe tobacco, and fine cut tobacco, together with STG (final agreement signed, completion expected Q3)

Group results* - first quarter 2010

- **Sales** amounted to **3,282 MSEK (3,387)**
 - ↪ In local currency, sales increased by 3 percent
 - ↪ Net currency translation gave a negative impact of 218 MSEK
- **Operating profit** amounted to **755 MSEK (794)**
 - ↪ Operating profit was 728 MSEK (794) including depreciation and amortization relating to assets held for sale
 - ↪ Currency translation gave a negative impact of 44 MSEK
 - ↪ Operating profit decreased by 3 percent in local currencies, including depreciation and amortization relating to assets held for sale
- **Profit before income tax** amounted to **649 MSEK (686)**
- **Profit for the period** amounted to **518 MSEK (567)**
- **EPS (basic)** was **2.26 SEK (2.11)**

* Unless explicitly stated otherwise, figures are from continuing operations

Conclusions from the first quarter – sales

- **Sales*** up 3% in local currencies, down 3% in SEK
- **Scandinavian snus** sales up 14%, on 6% higher volume
 - Volume growth in Sweden, Norway, and Travel Retail
 - Volumes up an estimated 3% when backing out Easter timing of shipments
- **US snuff** sales up 11% in USD, on 16% higher volume
 - Volume growth estimated to be about 3%, backing out prior year destocking impacts
- **Underlying performance for cigars overshadowed by prior year hoarding effects**
 - Cigar sales were down 10% in local currencies, down 20% in SEK
 - US cigar sales down 12% in local currencies, on lower volumes
 - When excluding prior year hoarding effects, sales and volumes for US machine made cigars had solid growth, while premium US sales were soft
 - European cigar sales up 1% in local currencies on flat volumes
- **Chewing tobacco** sales up 7% in USD, down 8% in SEK, the increase primarily relating to prior year destocking impacts and contract manufacturing activities
- **Lights** sales up 1%

* From continuing operations (excludes South African operations)

Conclusions from the first quarter – op. profit

- **Operating profit* down 3% in local currencies, down 8% in SEK**
 - Snuff operating margin was 41.2%, vs. 40.9% previous year
 - Price increases at the end of June 2009 in both Sweden and US
 - Heavy spending Q1/Q2 for NASCAR sponsorships and General snus awareness campaigns in the US
 - Cigar operating profit was down by 25% in local currencies, down 34% in SEK
 - Volumes and margins very strong in Q1 2009 due to significant hoarding tied to FET for both US premium and machine made cigars
 - Continued solid underlying performance for US machine made cigars, when backing out hoarding effects on volume and profit in Q1 2009
 - Operating profit for chewing tobacco up 6% in local currency
 - Prior year destocking tied to FET and contribution from contract manufacturing
 - Operating profit for lights little changed as stronger lighter performance offset modest declines for matches

* From continuing operations, including amortizations and depreciations of assets held for sale

Conclusions from the first quarter – other items

- **Tax rate for the Group was 20% for the first quarter**
 - Tax rate includes some smaller one time items
 - Underlying tax rate was 22%
- **Solid cash position and limited debt repayments through 2010**
 - Cash and cash equivalents are 1,901* MSEK vs. 2,530 MSEK as of December 31, 2009
 - 700 MSEK of interest bearing debt remains due in 2010, whereof 100 MSEK in Q2 and the remaining 600 MSEK in Q4
- **Share repurchases during the first quarter amounted to 2.5 million shares at a price of 398 MSEK**
- **AGM approved continued share buyback program, a cancellation of 20 million shares held in treasury, and a dividend increase to 4.75 SEK/share**

* Includes cash and cash equivalents in assets held for sale

Nielsen snus/moist snuff consumption data*

- **Swedish snus market up 1.3% (rolling 6 months to March)**
- **SM total value market share Feb/Mar in Sweden was 88.0%**
 - 88.6% in Dec/Jan 2009/10 (89.5% in Feb/Mar 2009)
- **SM total volume market share Feb/Mar in Sweden was 85.6%**
 - 86.1% in Dec/Jan 2009/10 (87.0% in Feb/Mar 2009)
- **Low price segment is 24.5% in Feb/Mar of Swedish market**
 - 24.2% in Dec/Jan 2009/10 (23.4% in Feb/Mar 2009)
- **SM share Feb/Mar of low price segment in Sweden was 51.8%**
 - 53.2% in Dec/Jan 2009/10 (54.1% in Feb/Mar 2009)
- **US snuff market up 6.3% for the YTD ending March 20, 2010**
 - SM consumption volume up 3.3% YTD ending March 20
- **Swedish Match market shares in the US**
 - YTD ending March 20 was 12.4%, vs. 12.8% YTD 2009
 - Longhorn continues to grow its share of market, up to 5.5% YTD ending March 20 vs. 4.8% YTD 2009

* Source: Nielsen. Volume basis, unless stated otherwise

Other highlights

- **Other operations**

- Includes sales and operating profit of pipe tobacco and accessories outside the South African operations (reported as discontinued operations in 2009)

- **Other items**

- FDA regulation signed into law in June 2009, with labeling and marketing restrictions in effect from mid 2010
- Swedish Match and Scandinavian Tobacco Group announced in January 2010, that they had signed a letter of intent to form a new company, combining the tobacco businesses of STG with the cigar and pipe tobacco businesses of Swedish Match (excluding US machine made cigars)
 - Bondholders' consent was received February 15, 2010
 - Final agreement announced on April 26, 2010. Completion is subject to regulatory approvals, with expected completion date during the third quarter
- Swedish Match agreed to purchase 20% of Caribbean Cigar Holdings Group, helping to ensure high quality supply of leaf

Financial policy and financing needs

■ Financial policy

- Dividend policy: 40-60% of earnings per share
 - AGM approved a dividend increase to 4.75 SEK, an increase of 16% from the 2008 level of 4.10 SEK/share
- Net debt not to exceed 3 times EBITA

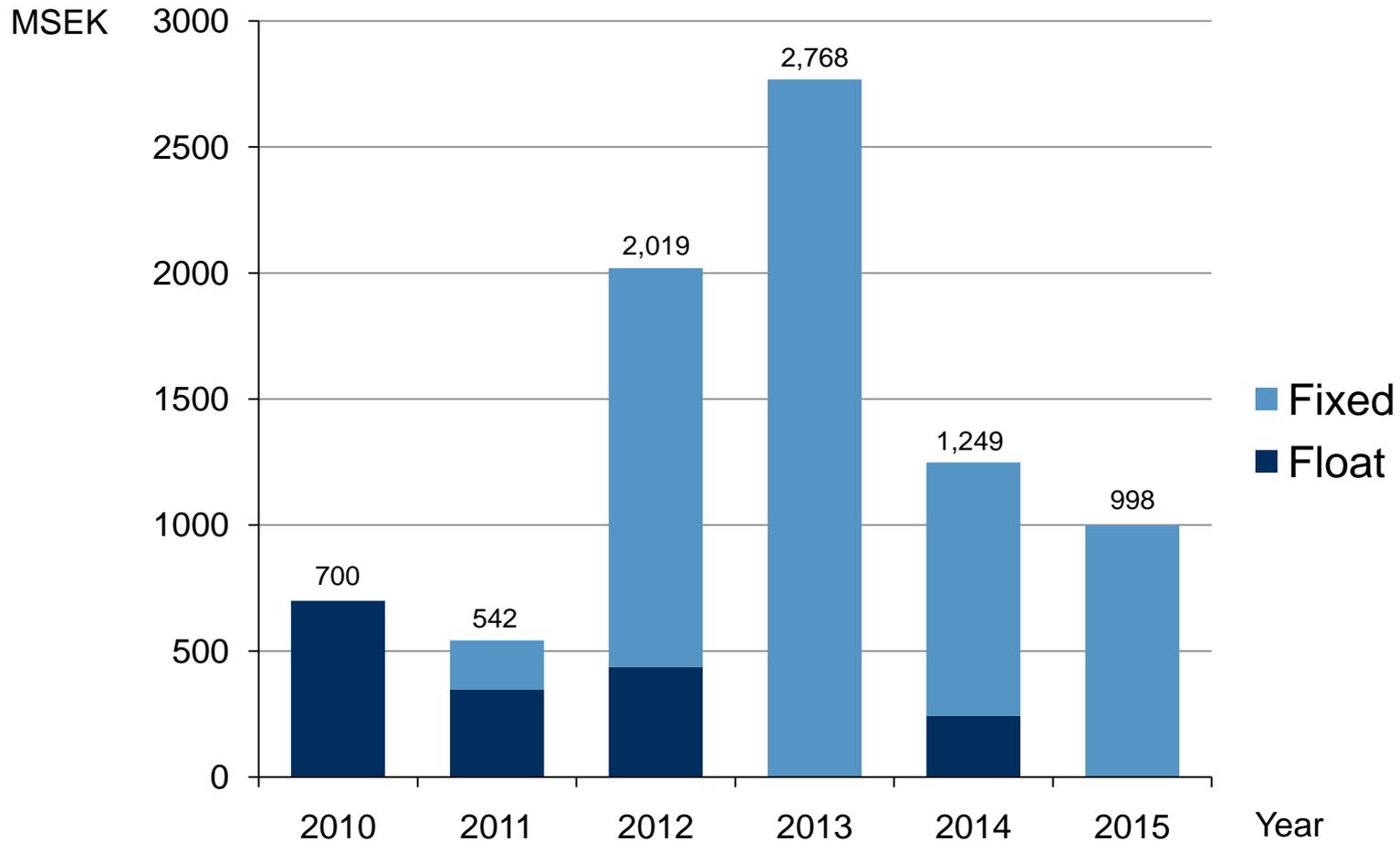
■ Financing and cash flow

- During the first quarter no new bond loans were issued
 - 292 MSEK of bond loans repaid
- 8,275 MSEK of interest bearing debt as of March 31, 2009
 - Excluding retirement benefit obligations
 - 700 MSEK remains to be paid in 2010, of which approximately 100 MSEK in Q2 and the remaining 600 MSEK in Q4
- Net debt/EBITA* from continuing operations was 2.1
- Syndicated loan renewed in January 2010, of 160 MEUR

* Including net financial assets reported as assets and liabilities held for sale on 109 MSEK

Maturity profile of interest bearing liabilities*

As of March 31, 2010



* Includes Swedish (SEK) and Global (EUR) MTN programs

Smokefree: snus and snuff

- Leading position in **Scandinavia**
- The second largest producer in the growing value priced snuff segment in **the US**
- Production in **Sweden** and **the US**



Snus and snuff

Sales, profits, volume up, US invests in brands

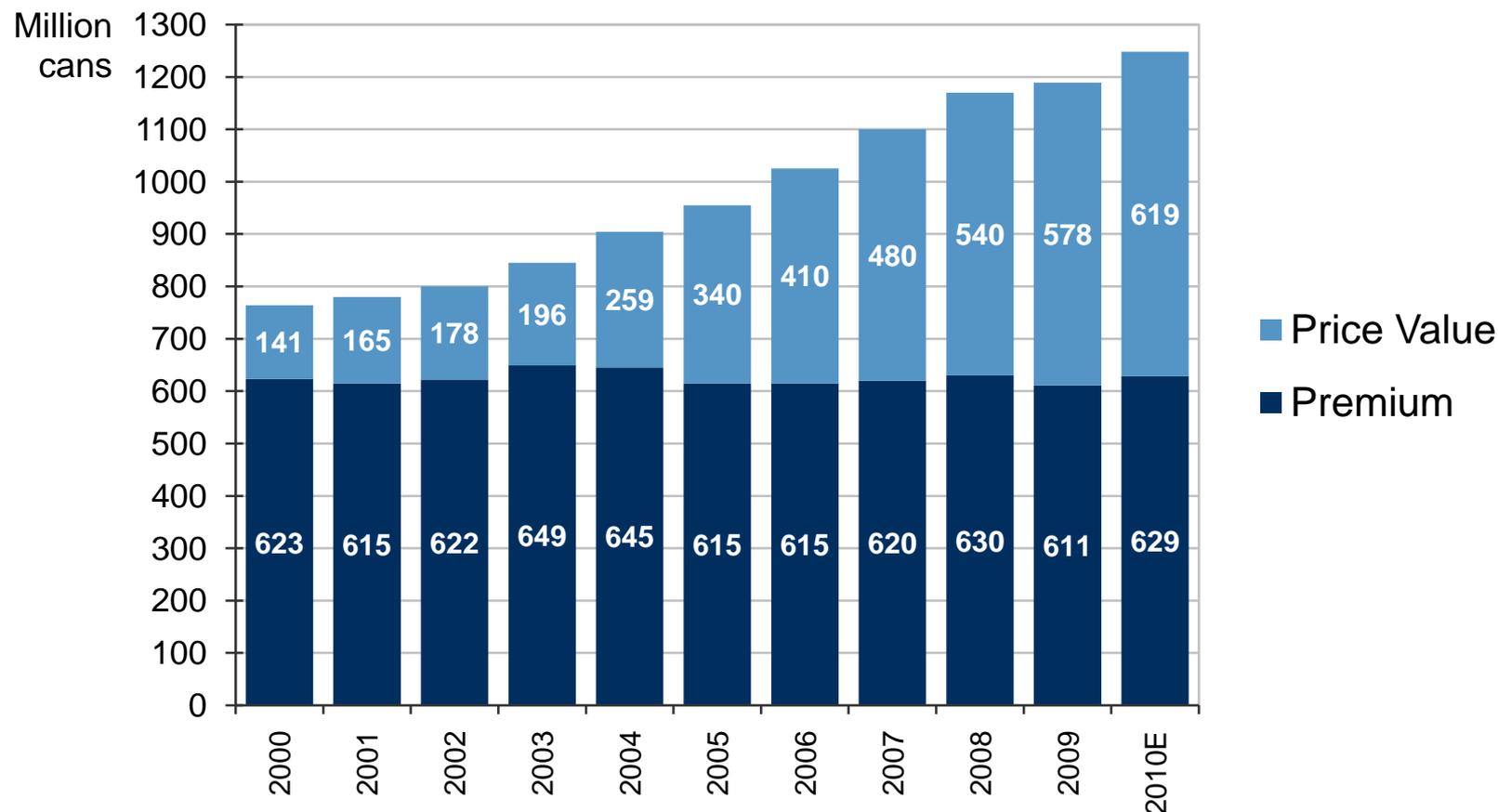
- Scandinavia snus sales up 14% in Q1
 - Q1 volumes up in Sweden, Norway, Travel Retail
 - Scandinavian volumes up 6% in Q1, 3% excluding Easter effect
- US Sales up 11% in USD on 16% higher volumes
 - Q1 2009 volumes affected by trade and retailer destocking, underlying volume growth Q1 2010 closer to 3%
 - Swedish Match consumption volume up 3.3% to March 20 (Nielsen)
- Q1 margins above year earlier levels
 - Higher margins in Scandinavia on stronger volume and price/mix effects
 - Lower US margins on increased marketing activity, and product mix effects
 - *Red Man* race car, *Longhorn* truck on NASCAR February to June
 - *General* snus awareness activities in the US
 - Price increases in US and Sweden in June 2009



MSEK	Q1-2010	Q1-2009	chg	April 2009 – March 2010	Full year 2009	chg
Sales	1,054	969	9	4,335	4,250	2
Operating profit	434	397	9	1,953	1,916	2
Operating margin, %	41.2	40.9		45.1	45.1	

Volume growth of moist snuff in the US

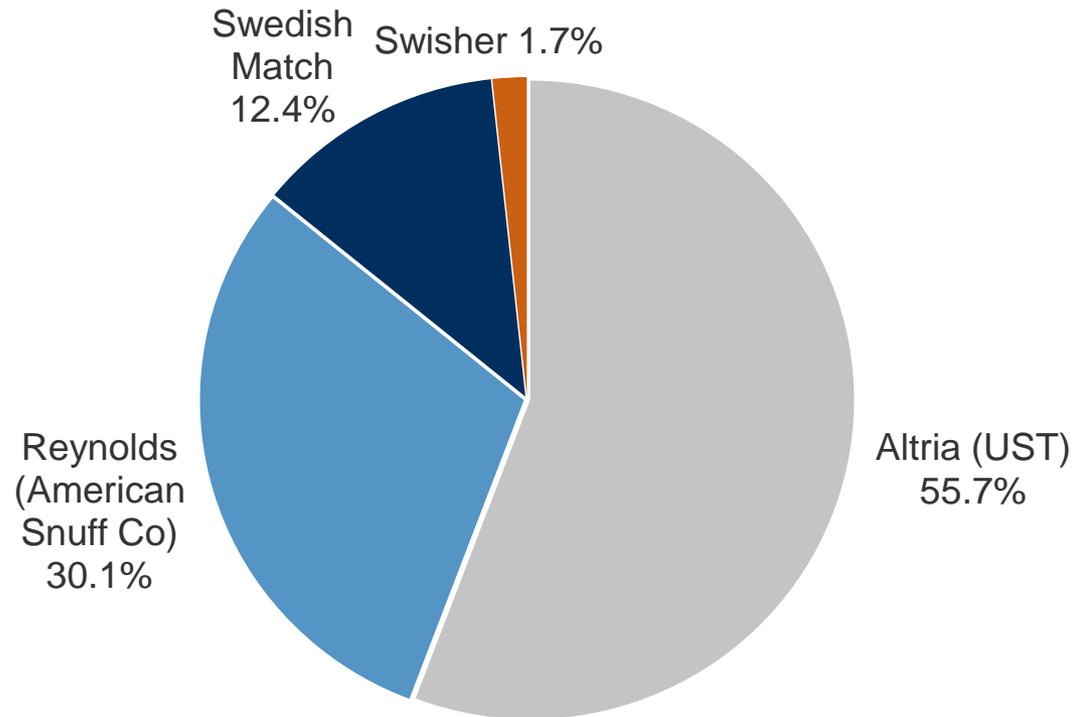
US snuff market by segment



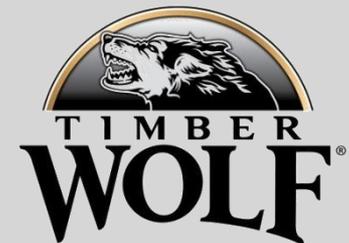
Market size estimated by Swedish Match using Nielsen estimates as well as industry data and estimates. Note that the premium segment includes new competitive line extensions launched at prices normally considered price value

US moist snuff market shares

Volume share US, YTD March 20



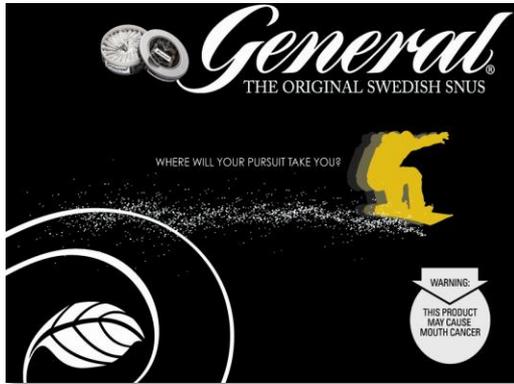
Source: Nielsen. Totals may not add to 100% due to rounding



NASCAR for Red Man and Longhorn



General ski team



- Event sampling: at high profile events
 - Sundance Festival (Park City)
 - SIA show party w/ POC (Denver)
 - Snowboard Magazine party (Denver)
 - Powder Poll & Awards (Aspen)

- Street team sampling
 - Breckenridge
 - Vail
 - Aspen
- Street team sampling began in February in:
 - Telluride
 - Jackson Hole
 - Stowe
 - Killington
 - Bartlett
 - High volume snus markets (New York, Chicago, Dallas, Denver)

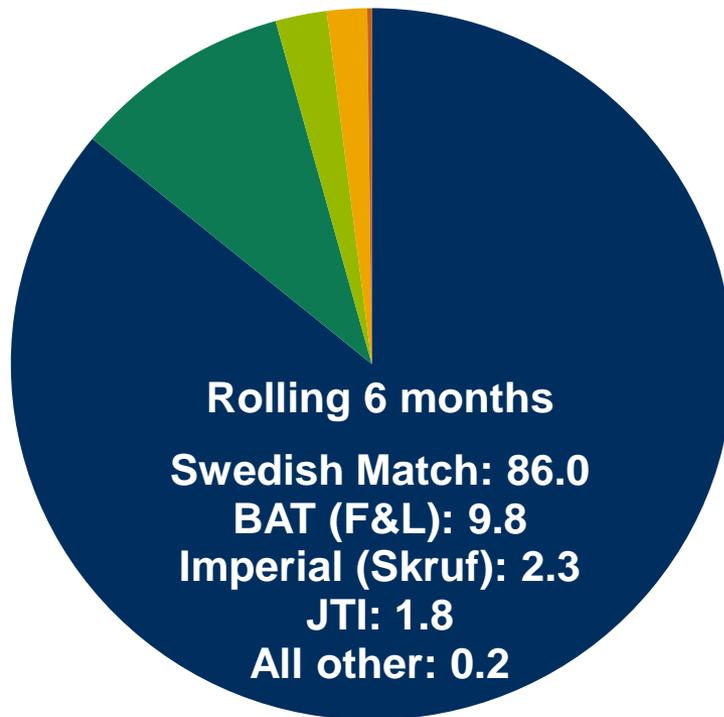


Newest member of the US *General* family



Swedish snus market shares

Volume share in Sweden, rolling 6 months through March 2010



2 months Feb/Mar	value share	volume share
Swedish Match	88.0	85.6
BAT (F&L)	7.9	9.7
Imperial (Skruf)	2.4	2.6
JTI	1.6	2.0
All other	0.1	0.1



Source: Nielsen. Totals may not add to 100% due to rounding

Snus and snuff

Other points:

- Scandinavia
 - 6.5% excise tax increase in Norway in 2010 (13% increase in 2009)
 - NOK 0.77 to 0.82 per gram of net package weight in 2010
 - Reduced travel on boats in Jan/Feb, potentially in airports in April
 - National rollout of *Lab Series 01/02* in Norway during Q1 2010
- US
 - State tax increases likely in 2010
 - FDA steps up regulation, with limitations on marketing, new warning labels from June 22, 2010
 - Increased activity in the snus category
 - Rollout of *Longhorn* pouches began during the third quarter 2009 and continues
 - *Timber Wolf Packs* line extension (peach) beginning in March 2010
 - *General Mint* snus
 - CBS 60 Minutes (April 4)

Smokefree: chewing tobacco

Higher sales vs. year ago, despite 10% market decline

Nearly all chewing tobacco sales are in *the US*. Swedish Match is the largest producer and production takes place in Owensboro, KY.

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



- Q1 sales up 7%, operating profit up 6% in USD
- Year ago profit and sales negatively impacted by trade destocking (FET related)
- Operating profit helped by pricing, efficiencies
- 5% price increase from end of December 2010
- Market shares at 45.6% (YTD to March 20)

MSEK	Q1-2010	Q1-2009	chg	April 2009 – March 2010	Full year 2009	chg
Sales	261	284	-8	1,088	1,112	-2
Operating profit	89	98	-9	401	411	-2
Operating margin, %	34.1	34.6		36.9	36.9	

Chewing tobacco

Other points:

- Continued market decline
 - 2010 category down 9.9% (Nielsen YTD to March 20, 2010)
- Shipments to Florida and Texas down significantly (<30%) post state tax increases over the summer, pulling market down
- Full production for National (18.5% SOM)
 - Helps factory absorption of overheads
- Price increase of 5% end December 2009 (4% increase net of FET increase in April '09)



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, Honduras, Indonesia** and **the US**



Cigars

Europe and US mass market improves on an underlying basis

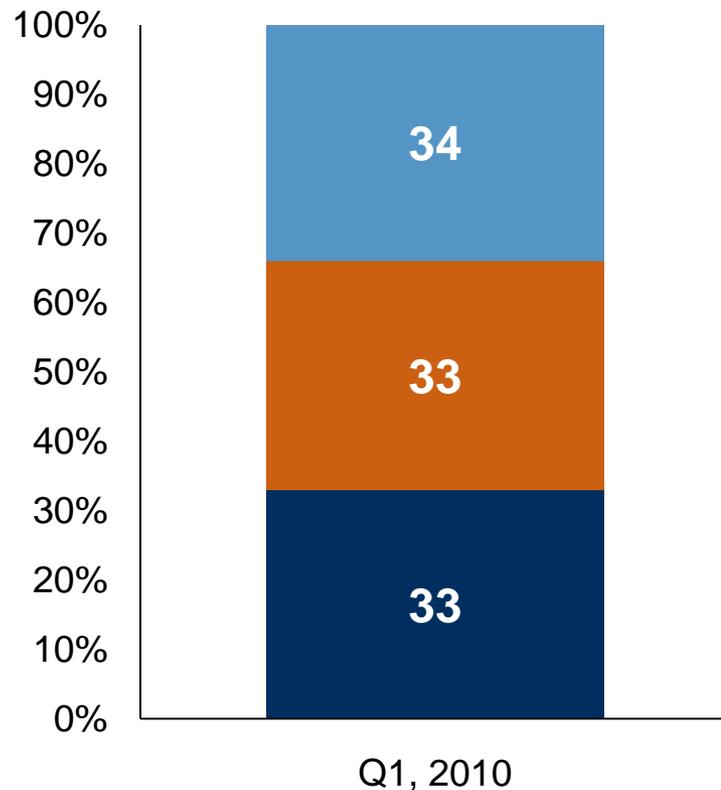
- European cigar sales up 1% in Q1 in local currencies, on flat volumes. Higher operating profit
 - Market share gains in key focus markets
- US mass market sales and volumes show solid growth when backing out prior year hoarding effects
 - Excluding hoarding, volumes up more than 20% year on year
 - Reported sales down 7% in USD, on 6% lower volume. Operating profit down
 - Unusually high shipments in Q1 2009 on hoarding tied to FET
- US premium volumes through Internet (Cigars International) helped to compensate declines in traditional General Cigar businesses
 - As reported, US premium sales down 17% in USD on 28% lower volume
Operating profit down
 - Unusually high shipments in Q1 2009 on hoarding tied to FET



MSEK	Q1-2010	Q1-2009	chg	April 2009 – March 2010	Full year 2009	chg
Sales	937	1,175	-20	4,187	4,426	-5
Operating profit	190	286	-34	839	935	-10
Operating margin, %	20.3	24.3		20.0	21.1	

Cigars

Sales split (SEK)



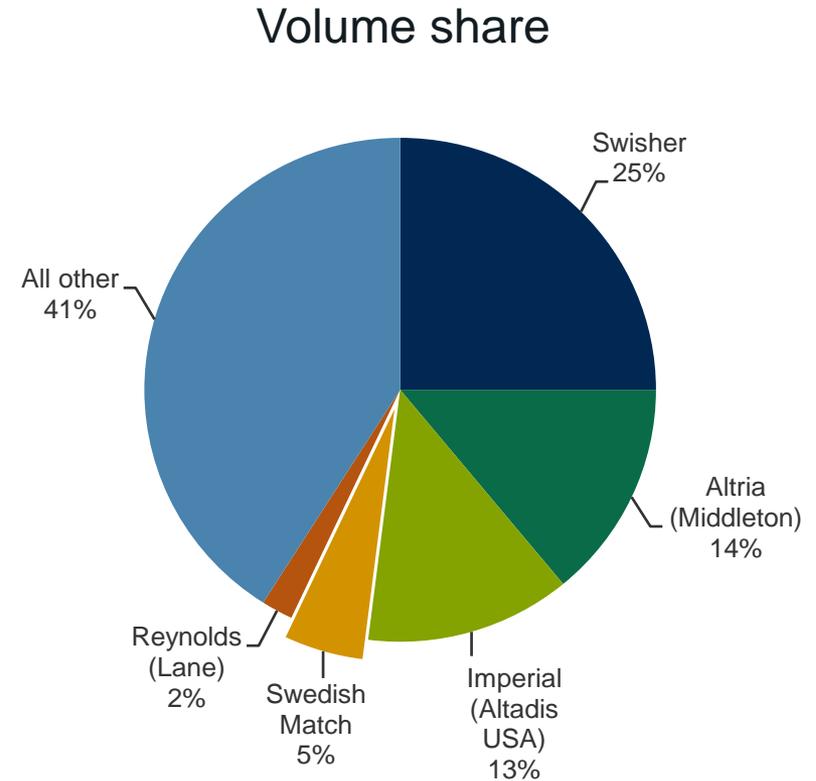
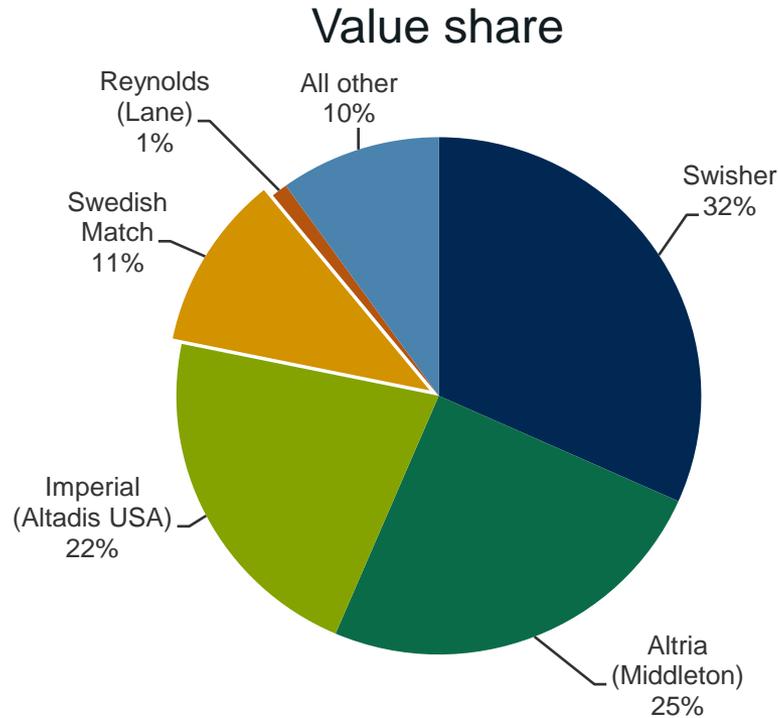
- Europe and other non-US:
 - 15% market share in Europe
 - 5 billion stick market (Europe)
- US mass market:
 - 10.7% value share (Nielsen, YTD Mar 20)
 - 5.1% vol. share (Nielsen, YTD Mar 20)
 - 8 billion stick market (including littles)
- US premium:
 - 30% market share
 - 230 million stick market

■ US premium ■ US mass market ■ Europe/ROW

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

Cigars

US mass market YTD March 20, 2010



Source: Nielsen. Totals may not add to 100% due to rounding

Cigars

Other points:

- US premium
 - Limited availability of credit for small retailers continues, with retailers strictly managing inventories
 - Timing of shipments to larger accounts
 - Federal Excise Tax/SCHIP from April 1, 2009
 - Hoarding in Q1 2009 followed by unwind in Q2/Q3
- US machine made
 - Federal Excise Tax/SCHIP from April 1, 2009
 - Hoarding in Q1 followed by unwind in Q2 for larger cigars
 - Price increases above the FET increase help profitability
 - State tax increases possible in 2010
 - Continued success for foilfresh® cigars
- European machine made
 - Market share gains vs. prior year in France, Spain and the Netherlands



Swedish Match and STG to form a new company



- Swedish Match and Scandinavian Tobacco Group (STG) have signed a final agreement to form a new company combining the tobacco business of STG with the premium and machine made cigar businesses of Swedish Match (except US mass market)
 - Swedish Match to contribute all of its cigar business (with the exception of US mass market cigars and its 40 percent holding of Arnold André) as well as its remaining pipe tobacco and accessories businesses
 - STG to contribute all of its tobacco business (cigars, pipe tobacco and fine cut tobacco)
 - Bondholders' consent to the transaction received on February 15
 - Completion of the transaction is subject to regulatory approvals and is expected to occur during the third quarter, 2010

SM/STG – proforma

	SM 2009		Approximate proforma 2009 ³⁾		
(MEUR)	SM ¹⁾	SM ¹⁾ excl. BD - approximate	BD	STG	COMB.
Sales ²⁾	1337	970	370	320	690
EBIT	322	270	60	50	110
EBITA	333	280	60	60	120
EBITDA	366	300	70	70	140
Operating capital	825	310			

¹⁾ Amounts exclude Swedish Match South African operations, which were divested in September 2009

²⁾ Swedish Match internal sales to the Business to be Divested (BD) have been eliminated in the sales numbers for Swedish Match (SM), but are included in the sales for Swedish Match excluding the businesses to be divested (SM excl. BD)

³⁾ Normalized numbers, rounded to nearest 10 MEUR

Pipe tobacco and accessories

- Swedish Match has sold its South African operations to Philip Morris International in September, 2009
 - Swedish Match will continue to distribute its cigars and lights products through the South African company/PMI
 - The remaining pipe tobacco and accessories businesses are included in *Other operations* and are not material



Lights

Sales up 2% in local currencies

Swedish Match is market leader in many markets. The brands are mostly local and hold a strong position in their respective markets.

Main markets are [Australia](#), [Europe](#), [Latin America](#) and [Russia](#)

Production in [Brazil](#), [Bulgaria](#), the [Netherlands](#), the [Philippines](#) and [Sweden](#)

- In local currencies, operating profit was down 3% in Q1
- Stronger lighter profits, with matches profit down somewhat



MSEK	Q1-2010	Q1-2009	chg	April 2009 – March 2010	Full year 2009	chg
Sales	382	377	1	1,580	1,574	0
Operating profit	62	63	-1	278	279	0
Operating margin, %	16.3	16.7		17.6	17.7	

P & L summary

Continuing operations

MSEK	Q1- 2010	Q1- 2009	chg	April 2009 - March 2010	Full year 2009	chg
Sales	3,282	3,387	-3	14,100	14,204	-1
Cost of goods sold	-1,624	1,624		-7,113	-7114	
Gross profit	1,658	1,762	-6	6,985	7,089	-1
Sales and administrative expenses	-902	-970		-3,613	-3,681	
Share of profit in equity accounted investees	-2	2		5	10	
Operating profit	755	794	-5	3,378	3,417	-1
Finance income	8	27		67	86	
Finance costs	-115	-135		-509	-529	
Net finance cost	-106	-108		-442	-443	
Profit before income tax	649	686	-6	2,936	2,974	-1
Income tax expense	-130	-159		-583	-613	
Profit for the period	519	527	-2	2,353	2,361	0
EPS, basic, SEK	2.26	2.11		9.83	9.67	
EPS, diluted, SEK	2.25	2.11		9.82	9.66	

Balance sheet in summary

MSEK	March 31, 2010	December 31, 2009
Intangible assets	1,171	3,792
Property, plant and equipment	2,127	2,525
Other non-current financial receivables*	1,780	2,193
Current operating assets	2,544	5,296
Other current investments	1	1
Cash and cash equivalents	1,728	2,530
Assets held for sale*	6,072	-
Total assets	15,422	16,337
Equity attributable to equity holders of the Parent	970	899
Non-controlling interests	4	4
Total equity	975	903
Non-current provisions	998	1,301
Non-current loans	7,694	8,252
Other non-current financial liabilities*	1,269	1,440
Current provisions	97	125
Current loans	941	1,002
Other current liabilities	2,601	3,313
Liabilities attributable to assets held for sale*	847	-
Total equity and liabilities	15,422	16,337

* For full detail, please refer to notes in the report for the first quarter 2010

Cash flow in summary

MSEK	Q1 - 2010	Q1 - 2009
Cash flow from operating activities before changes in working capital	524	752
Cash flow from changes in working capital	-180	-170
Net cash from operating activities	344	583
Purchase of property, plant and equipment	-107	-108
Proceeds from sale of property, plant and equipment	0	7
Purchase of intangible assets	-4	0
Acquisition of subsidiaries, net of cash acquired*	-	-31
Acquisition of equity accounted investees*	-110	-
Changes in financial receivables etc.	0	4
Changes in other current investments	0	0
Net cash used in investing activities	-221	-129
Changes in loans	-293	-303
Repurchase of own shares	-398	0
Stock options exercised	53	38
Other	-63	26
Net cash used in financing activities	-701	-240
Net increase in cash and cash equivalents from discount. operations	-	24
Total net decrease/increase in cash and cash equivalents	-578	237
Cash and cash equivalents at the beginning of the period	2,530	3,178
Effect of exchange rate fluctuations on cash and cash equivalents	-50	19
Less cash and cash equivalents reclassified as assets held for sale	-173	-
Cash and cash equivalents at the end of the period	1,728	3,435

* For full detail, please refer to notes in the report for the first quarter 2010

Key data

Continuing operations*

	Q1 - 2010	Q1 - 2009
Operating margin, %*	22.2	23.4
Operating capital, MSEK*	8,704	9,168
Return on operating capital, %* (12 months to March 31)	37.5	
EBITDA, MSEK*	829	908
EBITA, MSEK*	755	826
Net debt, MSEK*	7,434	7,029
Net debt/EBITA* (12 months to March 31)	2.1	
Investments in property, plant and equipment, MSEK*	107	108
EBITA interest cover*	7.7	8.3
Share data		
<i>Earnings per share, basic, SEK</i>		
From continuing operations	2.26	2.11
Including discontinued operations	-	2.27
<i>Earnings per share, diluted, SEK</i>		
From continuing operations	2.25	2.11
Including discontinued operations	-	2.27
Average number of shares outstanding, basic (Mio)	229.5	249.3
Shares outstanding, end of period (Mio)	229.3	249.6

* Unless explicitly stated otherwise. For full detail, please refer to notes in the report for the first quarter 2010

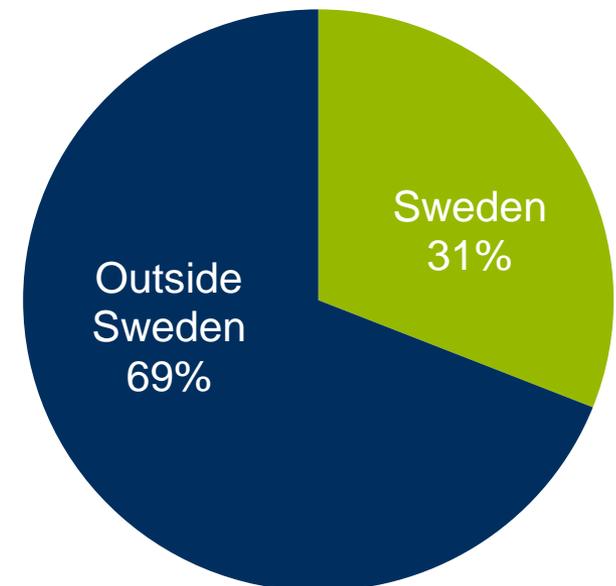
Largest shareholders*

As per March 31, 2010

Largest shareholders

Parvus Asset Management	6.2%
Morgan Stanley Investment Management	5.7%
Wellington Management Company	5.4%
Swedbank Robur Funds	2.9%
AMF Insurance & Funds	2.3%
SEB Funds	1.7%
Third Swedish National Pension Fund	1.5%
SHB Funds	1.4%
Second Swedish National Pension Fund	1.2%
Länsförsäkringar Funds	1.2%
	<hr/>
	29.5%

55,347 shareholders

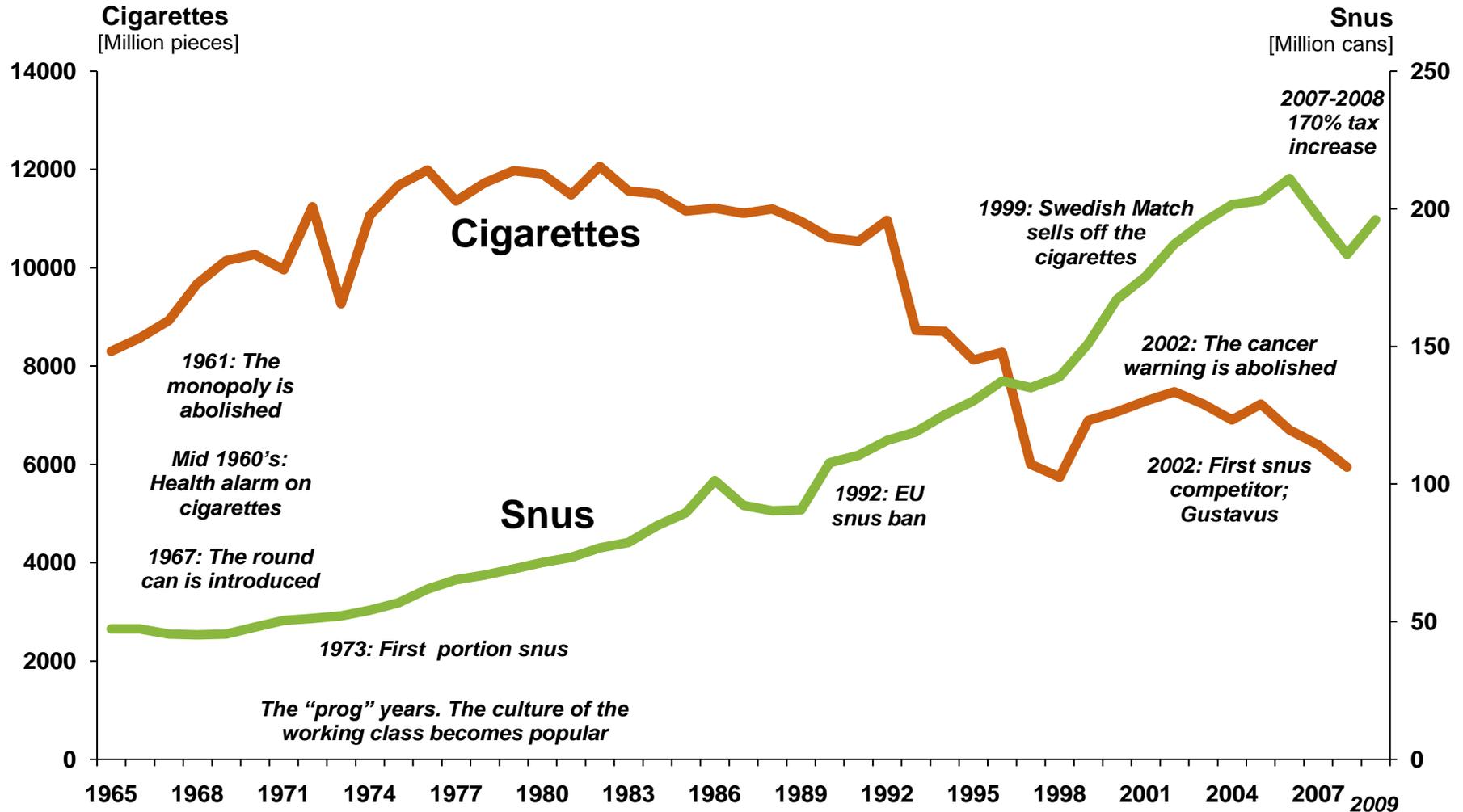


Source: Euroclear, official registry and SIS Ägaranalys.

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

Snus vs. cigarettes in Sweden

Sale of snus and cigarettes in Sweden



Source: Swedish Match