# * * 年 <br> Swedish Match 

## Interim Report <br> January - June 2002

- Sales increased 4 percent to $6,850 \operatorname{MSEK}(6,564)$
- Operating income increased 19 percent to 1,245 MSEK $(1,046)$
- Income before taxes increased 19 percent to 1,103 MSEK (930)
- EBITDA increased 17 percent to $\mathbf{1 , 5 9 0} \operatorname{MSEK}(1,357)$
- EPS increased 23 percent to 2.07 SEK (1.68)
- EPS, excluding amortization, increased to 2.48 SEK (2.06)
- Total shares outstanding as of June 30, 2002 was 348.3 million (358.5)

Sales for the first six months increased by 4 percent, to 6,850 MSEK $(6,564)$. Currency rates have affected sales negatively by 1 percentage point during the first six months. Organic growth amounted to 5 percent. Sales and operating income increased for smokeless products (snuff and chewing tobacco) as well as cigars and matches.
Operating income grew by 19 percent to $1,245 \operatorname{MSEK}(1,046)$, with the significantly stronger performance versus sales primarily attributable to improved margins in snuff, cigars, and matches.

Net financial expense was -71 MSEK (-70). Net interest expense was -69 MSEK (70).

Diluted EPS increased 23 percent to 2.07 SEK (1.68). EPS, excluding amortization on intangibles, increased to 2.48 SEK (2.06) or 20 percent.

Summary of Consolidated Income Statement

|  | January - June |  | Full year |
| :--- | :---: | ---: | ---: |
| MSEK | 2002 | 2001 | 2001 |
|  | ( |  |  |
| Sales | 6,850 | 6,564 | 13,635 |
| Operating income excluding items | 1,245 | 1,046 | 2,193 |
| affecting comparability |  |  |  |
| Net income for the period | 730 | 621 | 1,228 |

Sales by product area

| MSEK | April - June |  | January - June |  | Change$\%$ | 12 months ended Jun 30, -02 | Full year 2001 | Change$\qquad$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2002 | 2001 | 2002 | 2001 |  |  |  |  |
| Snuff | 711 | 642 | 1,383 | 1,170 | 18 | 2,670 | 2,457 | 9 |
| Chewing Tobacco | 367 | 365 | 711 | 679 | 5 | 1,409 | 1,377 | 2 |
| Cigars | 871 | 892 | 1,649 | 1,642 | 0 | 3,488 | 3,481 | 0 |
| Pipe Tobacco \& Accessories | 211 | 245 | 401 | 450 | (11) | 884 | 933 | (5) |
| Matches | 421 | 408 | 881 | 833 | 6 | 1,738 | 1,690 | 3 |
| Lighters | 184 | 203 | 370 | 423 | (13) | 756 | 809 | (7) |
| Other operations | 768 | 740 | 1,455 | 1,367 | 6 | 2,976 | 2,888 | 3 |
| Total | 3,533 | 3,495 | 6,850 | 6,564 | 4 | 13,921 | 13,635 | 2 |

## Operating income by product area

| MSEK | April - June |  | January - June |  | Change <br> \% | 12 months ended Jun 30, -02 | Full year 2001 | Change <br> \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Snuff | 313 | 235 | 603 | 449 | 34 | 1,104 | 950 | 16 |
| Chewing Tobacco | 105 | 99 | 211 | 188 | 12 | 395 | 372 | 6 |
| Cigars | 149 | 124 | 271 | 225 | 20 | 546 | 500 | 9 |
| Pipe Tobacco \& Accessories | 36 | 64 | 78 | 123 | (37) | 191 | 236 | (19) |
| Matches | 59 | 44 | 124 | 88 | 41 | 219 | 183 | 20 |
| Lighters | 23 | 26 | 43 | 51 | (16) | 93 | 101 | (8) |
| Other operations | (45) | (37) | (85) | (78) |  | (156) | (149) |  |
| Subtotal | 640 | 555 | 1,245 | 1,046 | 19 | 2,392 | 2193 | 9 |
| Items affecting comparability | - | - | - | - | - | (80) | (80) | - |
| Total | 640 | 555 | 1,245 | 1,046 | 19 | 2,312 | 2113 | 9 |

## Operating margin by product area

| PERCENT | April - June |  | January - June |  | 12 months ended Jun 30, -02 | Full year <br> 2001 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2002 | 2001 | 2002 | 2001 |  |  |
| Snuff | 44.0 | 36.6 | 43.6 | 38.4 | 41.3 | 38.7 |
| Chewing Tobacco | 28.6 | 27.1 | 29.7 | 27.7 | 28.0 | 27.0 |
| Cigars | 17.1 | 13.9 | 16.4 | 13.7 | 15.7 | 14.4 |
| Pipe Tobacco \& Accessories | 17.1 | 26.1 | 19.5 | 27.3 | 21.6 | 25.3 |
| Matches | 14.0 | 10.8 | 14.1 | 10.6 | 12.6 | 10.8 |
| Lighters | 12.5 | 12.8 | 11.6 | 12.1 | 12.3 | 12.5 |
| Other operations |  |  |  |  |  |  |
| Group | 18.1 | 15.9 | 18.2 | 15.9 | 17.2 | 16.1 |

## Smokeless Tobacco <br> Swedish Match has a broad presence in smokeless tobacco (Snuff and Chewing Tobacco), with significant positions in the Nordic countries, the US, and South <br> Africa. The main organic growth is within the snuff operations in North America and North Europe.

## Snuff

Swedish Match is the only global producer of snuff, and has a leading position on the Nordic snuff market and in South Africa. In the US, the Company has the largest share of the fast-growing value price segment. The biggest brands are General, Catch, and Ettan in Sweden, Timber Wolf in the US and Taxi in South Africa. Sales for the first six months amounted to 1,383 MSEK $(1,170)$, an increase of 18 percent.

Sales improved in both major markets. In North Europe, volume grew by 6 percent, as second quarter volume reverted to historical growth rates following an exceptionally strong growth rate in the first quarter 2002. In the US, volume grew by 10 percent. Swedish Match continued to improve its market position in the growing US market. Year-to-date market share in the US increased to 9.3 percent, compared with 8.1 percent a year ago. Operating income increased by 34 percent to 603 MSEK (449) due to improved volume and somewhat lower marketing spending. Also pricing and mix changes positively affected the result. Operating margin in the first six months reached 43.6\% (38.4\%).

For the second quarter, sales were 711 MSEK (642) and operating income was 313 MSEK (235).

## Chewing Tobacco

Chewing tobacco is sold primarily in the North American market. Major brands are Red Man and Southern Pride. Swedish Match is the leading producer of chewing tobacco in the US. The chewing tobacco segment is characterised by annual volume declines averaging 4-5 percent per year.

Sales increased 5 percent during the first six months, to 711 MSEK (679). Operating income increased by 12 percent, to 211 MSEK (188). Sales and operating income improvement are a result of price increases, and lower expenses.
For the second quarter, sales were 367 MSEK (365) and operating income was 105 MSEK (99).

## Cigars and Pipe Tobacco

Swedish Match is one of the world's largest producers of cigars and pipe tobacco with a broad presence globally. Growth opportunities are mainly within cigars.

## Cigars

Swedish Match is one of the largest producers of cigars and cigarillos in the world and is the second biggest in sales value. The main markets are North America and West Europe. These two markets together make up about 75 percent of the world market for cigars. Swedish Match offers a full range of products worldwide, with both premium and
machine made cigars. Major brands are Macanudo, Garcia y Vega, La Gloria Cubana, La Paz, Justus van Maurik, and Wings.
Sales for the first six months amounted to 1,649 MSEK $(1,642)$. Volume growth in the European market largely offset declining volume in the US.
Operating income for the first six months reached 271 MSEK (225), an increase of 20 percent, as a result of lower production and operating costs. Operating margin for the first six months was 16.4 \% (13.7).
For the second quarter, sales were 871 MSEK (892) and operating income was 149 MSEK (124).

## Pipe Tobacco and Accessories

Swedish Match is one of the largest producers of pipe tobacco in the world and the products are marketed worldwide. Major brands include Borkum Riff, Half and Half, and Boxer. The main markets for pipe tobacco are North America and West Europe. The Company also has a significant presence in South Africa.
Sales for the first six months amounted to 401 MSEK (450), a decrease of 11 percent. Operating income declined to 78 MSEK (123). Sales and operating income was negatively impacted by a significant decline in the value of the South African Rand versus the year-ago period, as well as weaker volume in several markets.
For the second quarter, sales were 211 MSEK (245) and operating income was 36 MSEK (64).

## Lights

Swedish Match produces and markets matches and lighters globally. These products are sold in over 140 countries.

## Matches

Swedish Match is number one in the world market for matches. The brands are mostly local, and have leading positions in their home countries. Major brands include Swan, Solstickan, Three Stars, and Redheads.
Sales for the first six months amounted to 881 MSEK (833), an increase of 6 percent. Operating income grew 41 percent to 124 MSEK (88), as a result of strong sales growth in some overseas markets. Operating margin increased to 14.1 percent during the first six months versus 10.6 percent same period last year.
For the second quarter, sales were 421 MSEK (408) and operating income was 59 MSEK (44).

## Lighters

Swedish Match is the third largest producer of disposable lighters in the world and the main brand is Cricket.
Swedish Match sales for the first six months were 370 MSEK (423) and operating income was 43 MSEK (51). Operating margin for lighters was 11.6 percent (12.1).

For the second quarter, sales were 184 MSEK (203) and operating income was 23 MSEK (26).

## Other Operations

Other operations include, among other things, the distribution of tobacco products on the Swedish market, sales of advertising products, as well as corporate overheads and costs for business development. For the first six months, net expenses for other operations were 85 MSEK (-78).

## Financing and net financial expense

At the end of the six months, the Group had a net debt of 4,358 MSEK, as compared with 4,410 MSEK on December 31, 2001. During May, the Company paid dividends of 508 MSEK.
Cash and bank balances, including short term investments, amounted to 1,737 MSEK at the end of the period, compared with 1,606 MSEK at the beginning of the year.
Net interest expense for the first six months amounted to -133 MSEK (-137). Other financial items, net, amounted to -9 MSEK (21).

## Taxes

Total tax for the first six months amounted to 353 MSEK (298) corresponding to 32 percent of income before taxes.

## Earnings per share

Earnings per share for the first six months amounted to 2.07 (1.68), an increase of 23 percent. Earnings per share excluding amortization of intangible assets amounted to 2.48 SEK (2.06), an increase of 20 percent.

## Capital expenditure, depreciation and amortization

The Group's direct investments in tangible fixed assets amounted to 398 MSEK (259). Among the major investments is a new snuff factory outside Gothenburg, Sweden. Total depreciation and amortization amounted to 345 MSEK (311), of which depreciation on tangible assets amounted to 175 MSEK (153) and amortization of intangibles amounted to 170 MSEK (158).

## Tobacco tax

During the past 12 months, total tobacco tax and value-added tax on tobacco tax paid by Swedish Match in Sweden amounted to 10,284 MSEK $(9,805)$.

## Average number of Group employees

The average number of employees in the Group for the first six months was 14,769 compared with 14,343 for the full year 2001, primarily due to increased production of cigars in Indonesia and the Dominican Republic.

## Share structure

During the first six months $1,684,500$ shares have been repurchased, all in the second quarter. Swedish Match holds 23,280,500 shares in its treasury, corresponding to 6.2 percent of the total amount of shares. The number of shares outstanding, net after repurchase, as per June 30, 2002 amounts to 348,315,681.
At the Annual General Meeting the shareholders approved the reduction of share capital with 24 MSEK through cancellation of 10,000,000 shares with transfer to unrestricted reserve. This cancellation of shares is expected to be completed prior to year-end. The shareholders also renewed authorization to acquire a maximum of 10 percent of all shares in the Company.

## Events following the close of the period

Swedish Match North America, Inc. on July 22nd filed federal civil antitrust action in the United Stated District Court for the Western District against U.S. Smokeless Tobacco Company ("USST") and other U.S. Tobacco affiliated companies, seeking a permanent injunction and alleging antitrust damages in connection with USST's use of illegal, exclusionary tactics to suppress competition, raise prices, and stifle innovation in the United States moist snuff tobacco market.

## Accounting principles

This interim report employs the same accounting principles as the full-year 2001 annual report on operations.

## Additional information

This report has not been reviewed by the Company's auditors. The interim report for the first nine months of 2002 will be released October 24th.

Stockholm, July 24, 2002

Lennart Sundén
President and Chief Executive Officer

|  | January - June |  | 12 months | Full year |
| :---: | :---: | :---: | :---: | :---: |
|  | 2002 | 2001 | June 30, 2002 | 2001 |
| Operating margin, \% | 18.2 | 15.9 | 17.2 | 16.1 |
| Operating capital, MSEK | 10,472 | 11,953 | 10,472 | 11,227 |
| Return on operating capital, \% |  |  | 21.3 | 20.8 |
| Return on shareholders' equity, \% |  |  | 33.1 | 28.3 |
| Net debt, MSEK | 4,358 | 4,535 | 4,358 | 4,410 |
| Net debt/equity ratio, \% | 100.0 | 88.5 | 100.0 | 90.5 |
| Equity/assets ratio, \% | 27.9 | 30.3 | 27.9 | 29.3 |
| Investments in tangible assets, MSEK | 398 | 259 | 772 | 633 |
| EBITDA, MSEK | 1,590 | 1,357 | 3,096 | 2,863 |
| Earnings per share |  |  |  |  |
| Basic, SEK | 2.09 | 1.69 | 3.80 | 3.40 |
| Diluted, SEK | 2.07 | 1.68 | 3.77 | 3.38 |
| Before items affecting comparability, SEK | 2.07 | 1.68 | 3.91 | 3.52 |
| Diluted, excluding amortization and items affecting comparability, SEK | 2.48 | 2.06 | 4.72 | 4.30 |
| Shareholders' equity per share, SEK | 10.56 | 12.27 | 10.56 | 11.73 |
| No of shares outstanding at end of period | 348,315,681 | 358,476,181 | 348,315,681 | 350,000,181 |
| Average No of shares outstanding | 349,788,525 | 367,328,463 | 352,736,215 | 361,506,184 |
| Average No of shares outstanding fully diluted | 352,590,498 | 368,581,642 | 355,069,338 | 363,016,335 |

## Consolidated Income Statement in summary

| MSEK | April - June |  | January - June |  | Change \% | $\begin{array}{r} 12 \text { months } \\ \text { ended } \\ \text { June 30, }-02 \end{array}$ | Full year 2001 | Change \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Sales, including tobacco tax | 5,981 | 5,769 | 11,206 | 10,715 | 5 | 22,919 | 22,428 | 2 |
| Less tobacco tax | $(2,448)$ | $(2,274)$ | $(4,356)$ | $(4,151)$ | 5 | $(8,998)$ | $(8,793)$ | 2 |
| Sales | 3,533 | 3,495 | 6,850 | 6,564 | 4 | 13,921 | 13,635 | 2 |
| Cost of goods sold | $(1,921)$ | $(1,941)$ | $(3,686)$ | $(3,680)$ | 0 | $(7,633)$ | $(7,627)$ | 0 |
| Gross profit | 1,612 | 1,554 | 3,164 | 2,884 | 10 | 6,288 | 6,008 | 5 |
| Sales and administrative expenses | (891) | (927) | $(1,760)$ | $(1,698)$ | 4 | $(3,564)$ | $(3,502)$ | 2 |
| Amortization, intangible assets | (87) | (78) | (170) | (158) | 8 | (353) | (341) | 4 |
| Shares in earnings of associated co | 6 | 6 | 11 | 18 |  | 21 | 28 |  |
|  | 640 | 555 | 1,245 | 1,046 | 19 | 2,392 | 2,193 | 9 |
| Items affecting comparability | - | - | - | - |  | (80) | (80) |  |
| Operating income | 640 | 555 | 1,245 | 1,046 | 19 | 2,312 | 2,113 | 9 |
| Net interest expense | (69) | (70) | (133) | (137) |  | (282) | (286) |  |
| Other financial items, net | (2) | 0 | (9) | 21 |  | (17) | 13 |  |
| Net financial items | (71) | (70) | (142) | (116) | 22 | (299) | (273) | 10 |
| Income before taxes and minority interests | 569 | 485 | 1,103 | 930 | 19 | 2,013 | 1,840 | 9 |
| Taxes | (182) | (155) | (353) | (298) |  | (644) | (589) |  |
| Minority interests | (18) | (6) | (20) | (11) |  | (32) | (23) |  |
| Net income for the period | 369 | 324 | 730 | 621 | 18 | 1,337 | 1,228 | 9 |
| Earnings per share, basic | 1.06 | 0.89 | 2.09 | 1.69 |  | 3.80 | 3.40 |  |
| Earnings per share, diluted | 1.05 | 0.88 | 2.07 | 1.68 |  | 3.77 | 3.38 |  |

## Consolidated Balance Sheet in summary

| MSEK |  |  |
| :--- | ---: | ---: |
|  | June 30, 2002 | Dec 31, 2001 |
| Intangible fixed assets |  |  |
| Tangible fixed assets | 4,247 | 4,769 |
| Financial fixed assets | 2,851 | 2,970 |
| Current operating assets | 612 | 691 |
| Liquid Funds | 6,201 | 6,587 |
| Total assets | 1,737 | 1,606 |
|  | $\mathbf{1 5 , 6 4 8}$ | $\mathbf{1 6 , 6 2 3}$ |
| Shareholders' equity |  |  |
| Minority interests | 3,677 | 4,105 |
| Provisions | 683 | 767 |
| Long-term loans | 2,120 | 2,311 |
| Other long-term liabilities | 5,245 | 5,072 |
| Short-term loans | 81 | 78 |
| Other current liabilities | 850 | $\mathbf{9 4 4}$ |
| Total shareholders' equity, provisions and liabilities | 2,992 | $\mathbf{3 , 3 4 6}$ |


| Change in Shareholders' equity |  |  |
| :---: | :---: | :---: |
| MSEK |  |  |
|  | January - June 2002 | January - June 2001 |
| Shareholders' equity, opening balance as per December 31 | 4,105 | 4,635 |
| Effect due to change in accounting principle | - | (51) |
| Adjusted shareholders' equity, opening balance | 4,105 | 4,584 |
| Cancellation of shares for transfer to unrestricted reserves and transfer to statutory reserve | - | (17) |
| Increase of unrestricted reserves from cancellation of shares and decrease from transfer to statutory reserve | - | 17 |
| Repurchase of own shares | (132) | (723) |
| Dividend paid | (508) | (490) |
| Translation difference for the period | (518) | 408 |
| Net income for the period | 730 | 621 |
| Total shareholders' equity at end of period | 3,677 | 4,400 |


| MSEK | January - June 2002 | January - June 2001 |
| :---: | :---: | :---: |
| Cash flow from operations before changes in Working |  |  |
| Capital | 1,363 | 965 |
| Cash flow from changes of Working Capital | (344) | (394) |
| Cash flow from operations | 1,019 | 571 |
| Investments |  |  |
| Investments in property, plant and equipment | (398) | (259) |
| Sales of property, plant and equipment | 95 | 18 |
| Investments in intangibles | (4) | - |
| Investments in consolidated companies | (10) | (747) |
| Changes in financial receivables etc. | (23) | (15) |
| Cash flow from investments | (340) | $(1,003)$ |
| Financing |  |  |
| Changes in loans | 134 | (43) |
| Dividends | (508) | (490) |
| Repurchase of shares | (132) | (723) |
| Other | 11 | (79) |
| Cash flow from financing | (495) | $(1,335)$ |
| Cash flow for the period | 184 | $(1,767)$ |
| Liquid funds at the beginning of the period | 1,606 | 2,960 |
| Translation difference attributable to liquid funds | (53) | 32 |
| Liquid funds at the end of the period | 1,737 | 1,225 |

## Quarterly data

| MSEK | Q2/00 | Q3/00 | Q4/00 | Q1/01 | Q2/01 | Q3/01 | Q4/01 | Q1/02 | Q2/02 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Sales, including tobacco tax | 5,045 | 5,262 | 5,336 | 4,946 | 5,769 | 5,981 | 5,732 | 5,225 | 5,981 |
| Less tobacco tax | $(2,174)$ | $(2,190)$ | $(2,140)$ | $(1,877)$ | $(2,274)$ | $(2,440)$ | $(2,202)$ | $(1,908)$ | $(2,448)$ |
| Sales | 2,871 | 3,072 | 3,196 | 3,069 | 3,495 | 3,541 | 3,530 | 3,317 | 3,533 |
| Cost of goods sold | $(1,654)$ | $(1,776)$ | $(1,832)$ | $(1,738)$ | $(1,941)$ | $(1,957)$ | $(1,991)$ | $(1,765)$ | $(1,921)$ |
| Gross profit | 1,217 | 1,296 | 1,364 | 1,331 | 1,554 | 1,584 | 1,539 | 1,552 | 1,612 |
| Sales and administrative expenses | (688) | (722) | (779) | (772) | (927) | (932) | (871) | (869) | (891) |
| Amortization, intangible assets | (66) | (78) | (82) | (80) | (78) | (94) | (89) | (83) | (87) |
| Shares in earnings of associated co. | 8 | 4 | (3) | 12 | 6 | 4 | 6 | 5 | 6 |
|  | 471 | 500 | 500 | 491 | 555 | 562 | 585 | 605 | 640 |
| Items affecting comparability | - | - | - | - | - | (80) | - | - |  |
| Operating income | 471 | 500 | 500 | 491 | 555 | 482 | 585 | 605 | 640 |
| Net interest expense | (41) | (57) | (67) | (67) | (70) | (81) | (68) | (64) | (69) |
| Other financial items, net | (3) | 7 | 0 | 21 | 0 | 0 | (8) | (7) | (2) |
| Net financial items | (44) | (50) | (67) | (46) | (70) | (81) | (76) | (71) | (71) |
| Income after financial items | 427 | 450 | 433 | 445 | 485 | 401 | 509 | 534 | 569 |
| Income taxes | (138) | (151) | (128) | (143) | (155) | (128) | (163) | (171) | (182) |
| Minority interests | (3) | (3) | (5) | (5) | (6) | (8) | (4) | (2) | (18) |
| Net income for the period | 286 | 296 | 300 | 297 | 324 | 265 | 342 | 361 | 369 |

Sales by product area
MSEK

|  | Q2/00 | Q3/00 | Q4/00 | Q1/01 | Q2/01 | Q3/01 | Q4/01 | Q1/02 | Q2/02 |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
|  |  |  |  |  |  |  |  |  |  |
| Snuff | 531 | 529 | 552 | 528 | 642 | 629 | 658 | 672 | 711 |
| Chewing Tobacco | 318 | 311 | 316 | 314 | 365 | 349 | 349 | 344 | 367 |
| Cigars | 646 | 796 | 843 | 750 | 892 | 944 | 895 | 778 | 871 |
| Pipe Tobacco \& Accessories | 184 | 205 | 200 | 205 | 245 | 247 | 236 | 190 | 211 |
| Matches | 414 | 429 | 478 | 425 | 408 | 421 | 436 | 460 | 421 |
| Lighters | 169 | 175 | 201 | 220 | 203 | 190 | 196 | 186 | 184 |
| Other operations | 609 | 627 | 606 | 627 | 740 | 761 | $\mathbf{7 6 0}$ | 687 | $\mathbf{7 6 8}$ |
| Total | $\mathbf{2 , 8 7 1}$ | $\mathbf{3 , 0 7 2}$ | $\mathbf{3 , 1 9 6}$ | $\mathbf{3 , 0 6 9}$ | $\mathbf{3 , 4 9 5}$ | $\mathbf{3 , 5 4 1}$ | $\mathbf{3 , 5 3 0}$ | $\mathbf{3 , 3 1 7}$ | $\mathbf{3 , 5 3 3}$ |

## Operating income by product area

 MSEKSnuff
Chewing Tobacco
Cigars
Pipe Tobacco \& Accessories
Matches

| Q2/00 | Q3/00 | Q4/00 | Q1/01 | Q2/01 | Q3/01 | Q4/01 | Q1/02 | Q2/02 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |

Lighters
Other operations

## Subtotal

Items affecting comparability
Total

| 241 | 254 | 250 | 214 | 235 | 242 | 259 | 290 | 313 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| 83 | 72 | 87 | 89 | 99 | 90 | 94 | 106 | 105 |
| 87 | 104 | 104 | 101 | 124 | 137 | 138 | 122 | 149 |
| 52 | 58 | 54 | 59 | 64 | 62 | 51 | 42 | 36 |
| 18 | 24 | 23 | 44 | 44 | 46 | 49 | 65 | 59 |
| 19 | 18 | 21 | 25 | 26 | 23 | 27 | 20 | 23 |
| $(29)$ | $(30)$ | $(39)$ | $(41)$ | $(37)$ | $(38)$ | $(33)$ | $(40)$ | $(45)$ |
| $\mathbf{4 7 1}$ | $\mathbf{5 0 0}$ | $\mathbf{5 0 0}$ | $\mathbf{4 9 1}$ | $\mathbf{5 5 5}$ | $\mathbf{5 6 2}$ | $\mathbf{5 8 5}$ | $\mathbf{6 0 5}$ | $\mathbf{6 4 0}$ |
| - | - | - | - | - | $(80)$ | - | - | - |
| $\mathbf{4 7 1}$ | $\mathbf{5 0 0}$ | $\mathbf{5 0 0}$ | $\mathbf{4 9 1}$ | $\mathbf{5 5 5}$ | $\mathbf{4 8 2}$ | $\mathbf{5 8 5}$ | $\mathbf{6 0 5}$ | $\mathbf{6 4 0}$ |

## Operating margin by product area

PERCENT

|  | Q2/00 | Q3/00 | Q4/00 | Q1/01 | Q2/01 | Q3/01 | Q4/01 | Q1/02 | Q2/02 |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
|  |  |  |  |  |  |  |  |  |  |
| Snuff | 45.4 | 48.0 | 45.3 | 40.5 | 36.6 | 38.5 | 39.4 | 43.2 | 44.0 |
| Chewing Tobacco | 26.1 | 23.2 | 27.5 | 28.3 | 27.1 | 25.8 | 26.9 | 30.8 | 28.6 |
| Cigars | 13.5 | 13.1 | 12.3 | 13.5 | 13.9 | 14.5 | 15.4 | 15.7 | 17.1 |
| Pipe Tobacco \& Accessories | 28.3 | 28.3 | 27.0 | 28.8 | 26.1 | 25.1 | 21.6 | 22.1 | 17.1 |
| Matches | 4.3 | 5.6 | 4.8 | 10.4 | 10.8 | 10.9 | 11.2 | 14.1 | 14.0 |
| Lighters | 11.2 | 10.3 | 10.4 | 11.4 | 12.8 | 12.1 | 13.8 | 10.8 | 12.5 |
| Group | $\mathbf{1 6 . 4}$ | $\mathbf{1 6 . 3}$ | $\mathbf{1 5 . 6}$ | $\mathbf{1 6 . 0}$ | $\mathbf{1 5 . 9}$ | $\mathbf{1 5 . 9}$ | $\mathbf{1 6 . 6}$ | $\mathbf{1 8 . 2}$ | $\mathbf{1 8 . 1}$ |

For further information, please contact:

| Lennart Sundén, President and Chief Executive Officer | office | +4686580175 |
| :---: | :---: | :---: |
| Sven Hindrikes, Executive Vice President and | office | +468658 0282 |
| Chief Financial Officer | mobile | +46705674176 |
| Bo Aulin, Senior Vice President, Secretary | office | +4686580364 |
| and General Counsel | mobile | +46 705580364 |
| Emmett Harrison, Vice President, Investor Relations | office | +4686580173 |
|  | mobile | +46709380173 |
| Lin McKinnie, Vice President, Investor Relations (US) | office | +18043021912 |
|  | mobile | +19175927670 |

