

☆☆☆
SWEDISH MATCH

Who we are.
What we do.



Swedish Match at a glance

Swedish Match develops, manufactures and sells market-leading brands in smokefree products (snus, snuff and chewing tobacco), cigars and lights products (matches and lighters). The share is listed on NASDAQ OMX Stockholm.



Year 2009:

- Sales 14,204 MSEK
- Operating profit 3,417 MSEK
- Number of employees 11,037
- Manufacturing in 10 countries
- Sales worldwide

Vision and 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 the 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



Global smokefree leader – strategic goals

The preferred choice
by the *consumer*



The most valued partner
to the *trade*



The industry authority
for *regulators*



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 prior to year end)

Strategic partnership with PMI



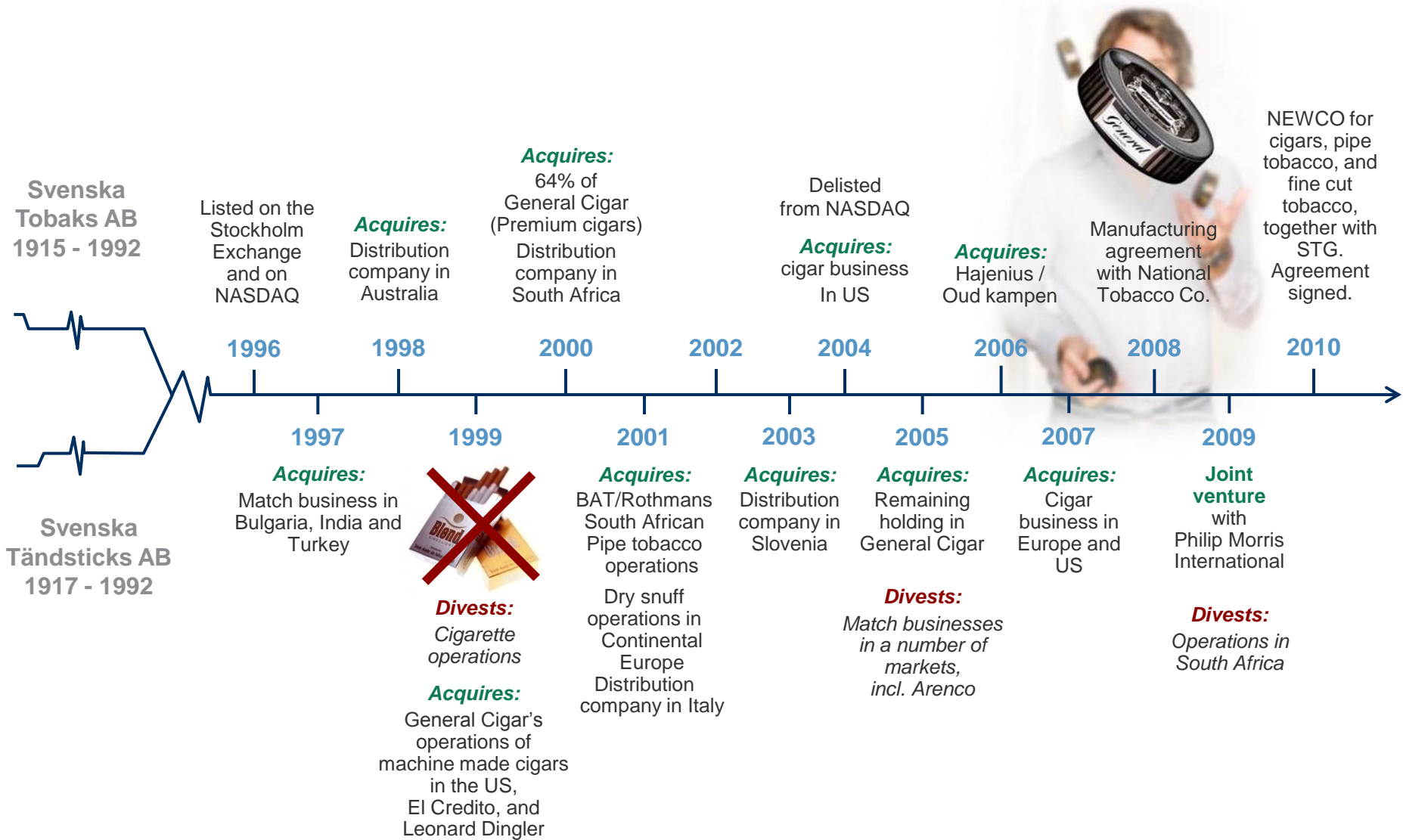
- A shared view on future smokefree growth opportunities
- Long term commitment to grow the smokefree category globally
- A perfect match of leading smokefree expertise and leading global market capabilities
- Leverage of strong brands and innovation capacities of both parties
- Strong support for the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

Swedish Match and STG to form a new company



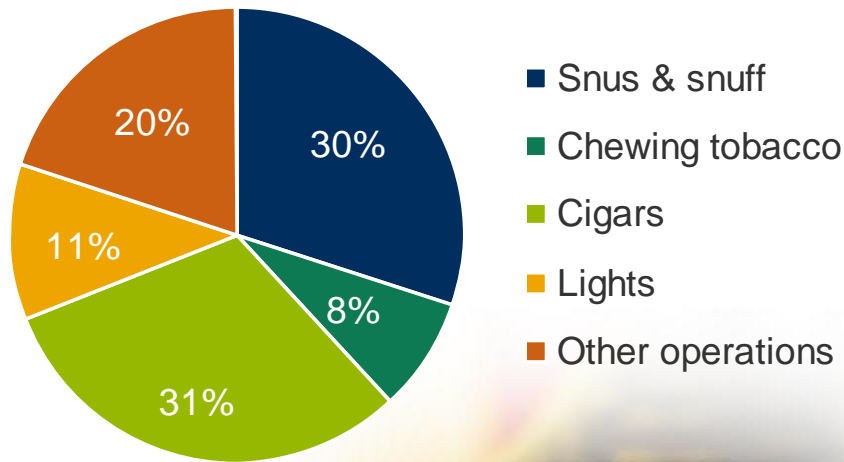
- Swedish Match and Scandinavian Tobacco Group (STG) have signed a letter of intent to form a new company combining the tobacco business of STG with the premium and machine made cigar businesses of Swedish Match (except US mass market)
 - Swedish Match to contribute all of its cigar business with the exception of US mass market cigars, 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 15th, 2010
 - Completion of the transaction is subject to regulatory approvals and is expected to occur prior to year end 2010

Swedish Match company history

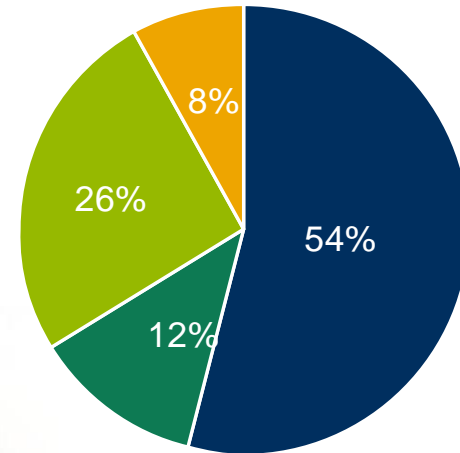


Sales and operating profit* - FY 2009

Sales split, SEK



Operating profit** split, SEK




* From continuing operations (excludes South African operations).

** Excluding Other operations.

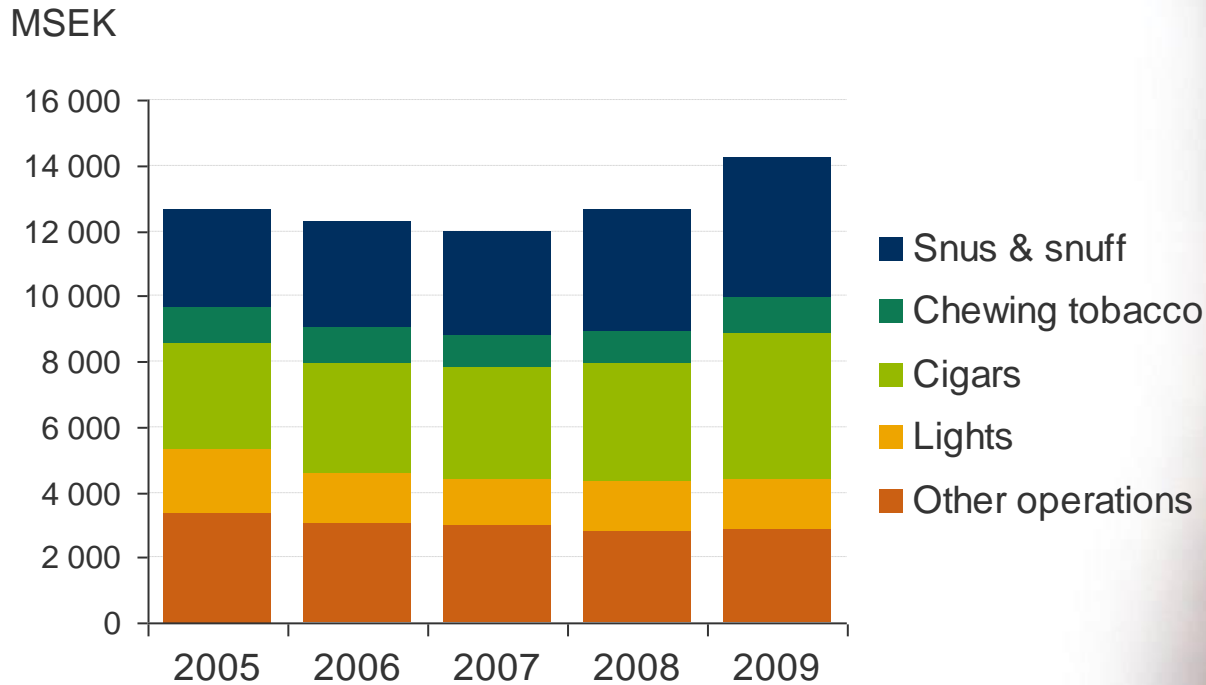


Group key data

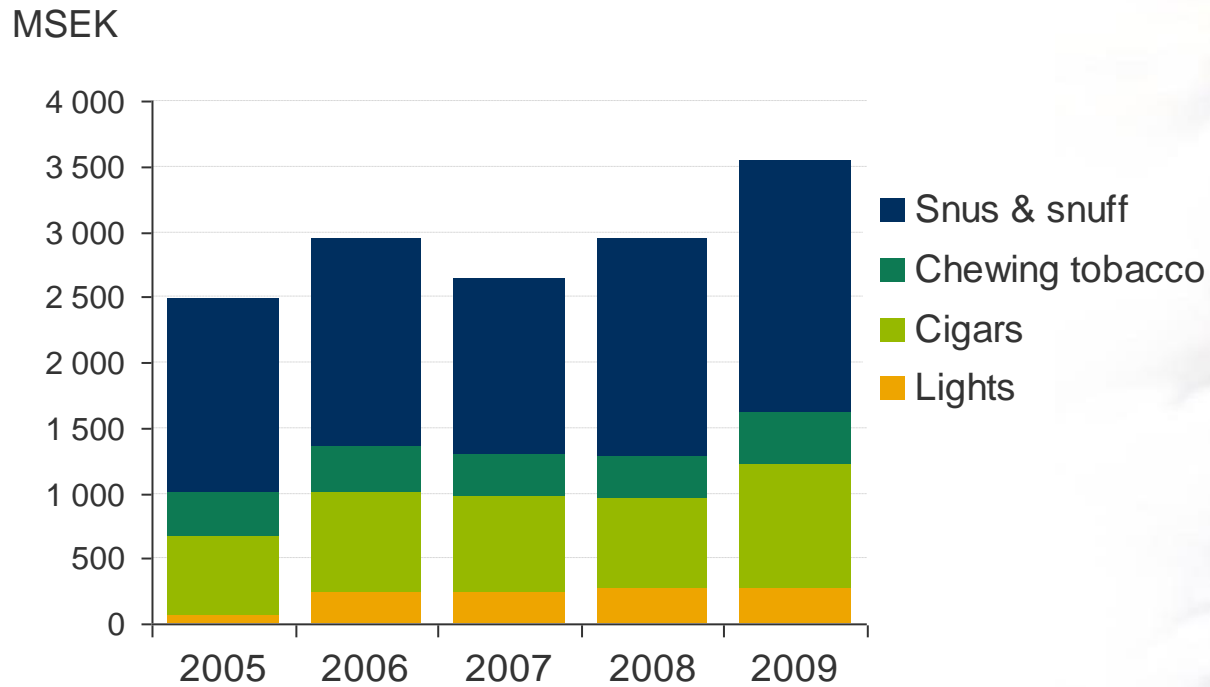


MSEK	Jan-Jun 2010	Full year 2009	Full year 2008
Sales	6,983	14,204	12,611
Operating profit	1,700	3,417	2,874
Operating margin, %	23.5	24.1	22.2
EBITDA	1,843	3,885	3,222
Profit for the period	1,155	2,361	2,091
Earnings per share, basic, SEK	5,04	9.67	8.30

Sales growth led by snus & snuff and cigars



Five year comparison, operating profit



Snus and snuff

- Leading position for snus in Sweden and Norway
- Well positioned in the value priced moist snuff segment in the US
- Major brands in Scandinavia are General, Ettan, Grovsnus, Göteborgs Rapé and Catch
- Major brands in the US are Timber Wolf, Red Man and Longhorn
- Production in Sweden and the US



MSEK	2009	2008	2007
Sales	4,250	3,725	3,194
Operating profit	1,916	1,658	1,343
Operating margin, %	45.1	44.5	42.1

Chewing tobacco



- Nearly all chewing tobacco sales are in the US
- Swedish Match is the largest producer of chewing tobacco in the US
- The market typically declines by 6-10% per year in volume
- Major brands are Red Man, Southern Pride and Granger Select

MSEK	2009	2008	2007
Sales	1,112	934	956
Operating profit	411	329	312
Operating margin, %	36.9	35.2	32.6

Cigars

- Swedish Match is one of the world's largest producers and distributors of cigars and cigarillos
- Premium cigars (US), machine-made cigars (US, Europe)
- Main brands are La Paz, Willem II, Hajenius, Oud Kampen, White Owl, Garcia y Vega, Macanudo (US), Partagas (US) and Punch (US)
- The largest markets are the US and Western Europe
- Production in Belgium, Dominican Republic, Indonesia, Honduras and the US



MSEK	2009	2008	2007
Sales	4,426	3,644	3,395
Operating profit	935	686	733
Operating margin*, %	21.1	18.8	21.6

* Excluding larger one time items, but including restructuring charges for cigars of 45 MSEK in Q3 2009 and 29 MSEK in Q4 2009.

Lights

- Swedish Match is market leader in many markets. The brands are mainly local and strong in their respective home countries
- Major match brands include Solstickan, Fiat Lux, Swan, Tres Estrellas, Feudor and Redheads
- The main Swedish Match brand for lighters is Cricket
- Production in Sweden, Brazil, the Netherlands and the Philippines
- Main markets are Europe and Latin America

MSEK	2009	2008	2007
Sales	1,575	1,525	1,462
Operating profit	279	275	251
Operating margin, %	17.7	18.0	17.2



Other operations

- Other operations include the distribution of tobacco products on the Swedish market.

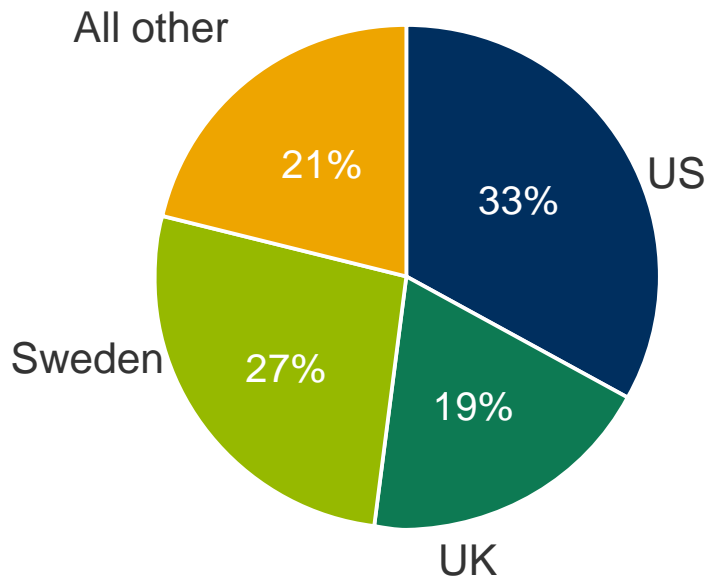
MSEK	2009	2008	2007
Sales	2,843	2,783	2,964
Operating profit	-123	-146	-105

- 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



Shareholders*

The share (SWMA) is listed on the NASDAQ OMX Stockholm.



Largest shareholders:

Parvus Asset Management	8.7%
Morgan Stanley Investment Mgmt	5.7%
Wellington Management Company	5.3%
AMF Insurance & Funds	2.6%
Swedbank Robur Funds	2.6%
SEB Funds	1.9%
SHB Funds	1.5%
Third Swedish National Pension Fund	1.3%
Second Swedish National Pension Fund	1.2%
Standard Life Investment Funds	1.2%
Total	32.0%

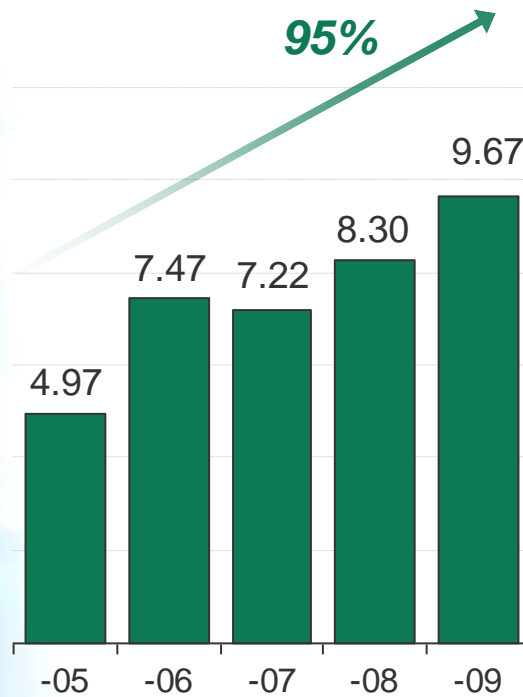
As per December 31, 2009

Source: Euroclear Sweden AB official registry and SIS Ägaranalys .

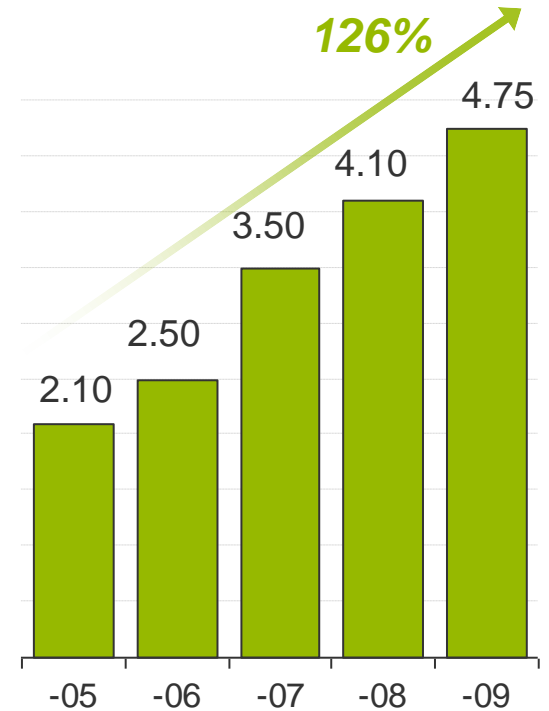
* Percent split of share capital held, excluding Swedish Match shares held in treasury .

Earnings per share and dividend

Earnings per share



Dividend



* Board proposal.

Organization

CEO

GROUP FUNCTIONS

Group Finance & IT

Group Human Resources

Legal Affairs

Corporate Communications

**SMOKEFREE
DIVISION**

**SCANDINAVIA
SALES
DIVISION**

**US SALES
DIVISION**

**SWEDISH MATCH
INTERNATIONAL**

**OTHER
OPERATIONS**

Smokefree operations

Lights and Cigar
operations

Swedish distribution

Our core values

- Communication
- Cooperation
- Trust
- Innovation
- Recognition
- Growth

