



Company presentation 2012

Swedish Match – who we are, what we do



Swedish Match develops, manufactures, and sells quality products with market-leading brands in the product areas Snus and snuff, Other tobacco products (cigars and chewing tobacco), and Lights (matches and lighters).

Well known brands include *General* snus, *Longhorn* moist snuff, *White Owl* cigars, *Red Man* chewing tobacco, *Fiat Lux* matches, and *Cricket* lighters.

The Group sells products across the globe, with production units in six countries. More than a third of total company sales and more than half of the operating profit come from the product area Snus and snuff.

In Sweden, the Group has an independent distribution company. Swedish Match also owns 50 percent of SMPM International (a joint venture with Philip Morris International for snus outside of Scandinavia and the US). In addition, Swedish Match holds a 49 percent ownership interest in Scandinavian Tobacco Group (STG).

The Swedish Match share is listed on NASDAQ OMX Stockholm.

Operating locations

USA
Production units
Sales offices
~ 1,000 employees

The Dominican Republic
Production unit
~ 800 employees

Brazil
Production units
Sales offices
~ 700 employees

Norway
Sales offices
~ 50 employees

Belgium
Treasury and Public
Affairs offices
~ 10 employees

The Netherlands
Production unit
~ 100 employees

Sweden
Head office
Production units
Sales offices
~ 1,000 employees

Turkey
Sales offices
~ 20 employees

The Philippines
Production unit
Sales offices
~ 200 employees

12 factories

3,848 employees

Vision and mission

Vision:

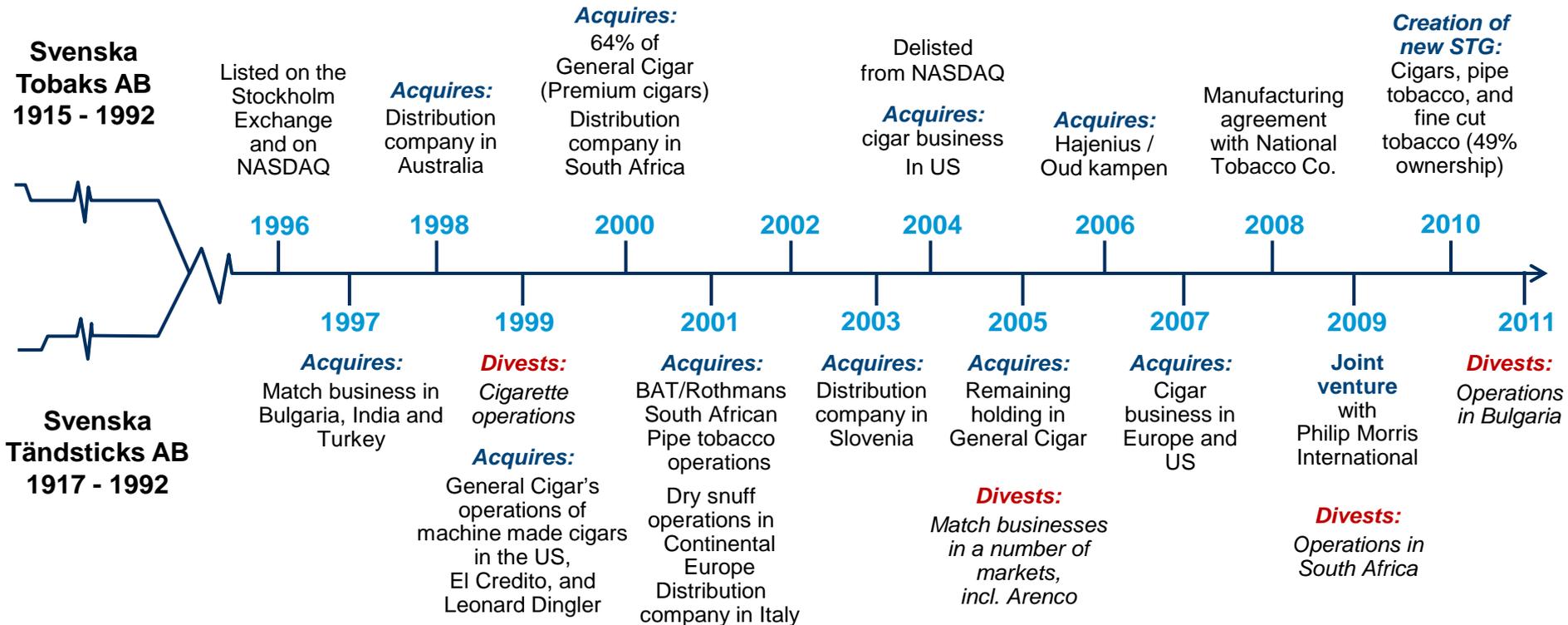
To be the global smokefree leader

Mission:

Swedish Match's mission is to responsibly develop, manufacture, market, and sell quality products with market leading brands in the product areas Snus and snuff, Other tobacco products, and Lights, delivering growing and sustainable profits to our shareholders.



Swedish Match company history



Swedish Match today

- The largest snus manufacturer in Scandinavia, number one position
- The third largest moist snuff manufacturer in the US
- Well positioned in the growing US snus market
- A 50/50 joint venture with Philip Morris International (PMI) to commercialize snus outside of Scandinavia and the US
- The largest manufacturer of chewing tobacco in the US, with market leading brands
- A significant and growing presence in the US (mass market) cigar market
- A leading manufacturer and distributor of matches and lighters with a strong brand portfolio across the globe
- The largest distributor of tobacco products on the Swedish market
- A 49 percent ownership of Scandinavian Tobacco Group (STG), the world's largest cigar manufacturer, with market leading positions for US premium cigars, European machine made cigars, and pipe tobacco, as well as for fine cut tobacco

Swedish Match in figures – full year 2012

- Sales: 12,486 MSEK
- Operating profit¹⁾: 4,062 MSEK
- Operating margin¹⁾: 32.3%
- Profit before income tax: 3,511 MSEK
- EBITDA¹⁾: 4,328 MSEK
- Profit for the year: 2,907 MSEK
- EPS (basic): 14.33 SEK
- Number of employees : 3,848
- Manufacturing in 6 countries
- Sales worldwide in more than 100 countries

1) Including share of net profit in STG.



Swedish Match reporting segments

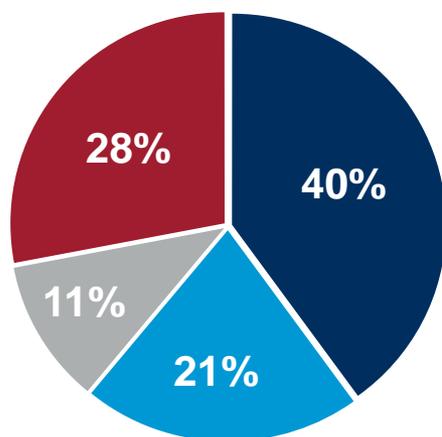
- Snus and snuff
 - Swedish snus (Scandinavia and US)
 - Moist snuff (US)
 - SMPM International
- Other tobacco products (OTP)
 - Cigars (US)
 - Chewing tobacco (US)
- Lights
 - Lighters
 - Matches
 - Fire related products
- Other operations
 - Distribution
 - Central costs



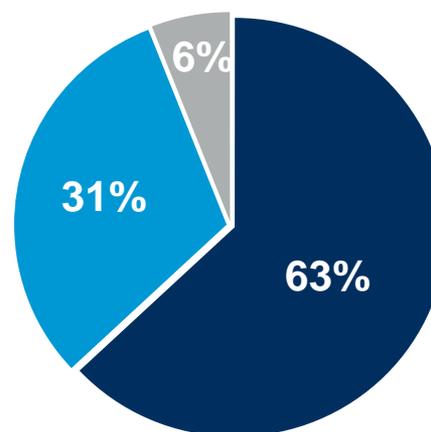
Sales and operating profit

Sales and operating profit by product area full year 2012

Sales, SEK



Operating profit*, SEK



■ Snus and snuff ■ Other tobacco products ■ Lights ■ Other operations

Totals may not add to 100% due to rounding.

** Excluding Other operations and share of net profit in STG and larger one time items.*

Snus and snuff

- Leading position for snus in Scandinavia
- The third largest producer of moist snuff in the US
- Joint venture with Philip Morris International for markets outside Scandinavia and the US
- Production in Sweden (snus) and the US (moist snuff)
- Main brands:
Scandinavia: *General, Göteborgs Rapé, Ettan, Grovsnus, Catch, Kronan, and Kaliber*

Norway: *General, Nick and Johnny, The Lab Series, Catch, and Göteborgs Rapé*

US: *Longhorn, Timber Wolf, and Red Man* for moist snuff, and *General* for snus



Other tobacco products

Cigars and chewing tobacco

- Major player in the US (mass market) cigar market
- The largest manufacturer of US chewing tobacco with market leading brands
- Nearly all the products are sold exclusively in the US
- Production in the US (cigars and chewing tobacco) and in the Dominican Republic (cigars)
- Main brands:
Cigars: *White Owl*, *Garcia y Vega*, and *Game by Garcia y Vega*

Chewing tobacco: *Red Man* and *Southern Pride*



Matches and lighters

- Swedish Match is market leader in many markets. The brands are mostly local and hold a strong position in their respective markets
- Production in Brazil, the Netherlands, the Philippines, and Sweden
- Main markets are Europe/EU, Brazil, Asia and East Europe
- Main brands:
Matches and fire related products:
Solstickan (Sweden), *Fiat Lux*, *Swan* (UK), *Tres Estrellas* (Spain), *Feudor* (France), and *Redheads* (Australia)

Lighters: *Cricket* (globally)



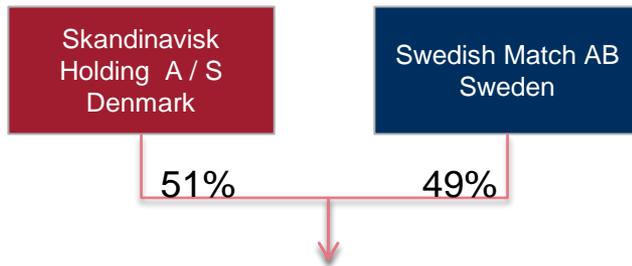
Other operations

- Other operations include the distribution company in Sweden and Corporate functions
- The Swedish distribution company is operating independently with several different suppliers. Focus is on distribution of tobacco products and other adjacent categories
- Corporate functions include CEO office, Group Finance, Group Business Control, Legal Affairs, Investor Relations and Corporate Sustainability



Scandinavian Tobacco Group

On October 1, 2010, Swedish Match and Scandinavian Tobacco Group created a new Scandinavian Tobacco Group - a company with focus on cigars



1. The world's largest manufacturer of cigars, number one in US long filler cigars and number one in European machine made cigars
2. Global number one in pipe tobacco and strong market positions in fine-cut tobacco, primarily in Scandinavia and the US

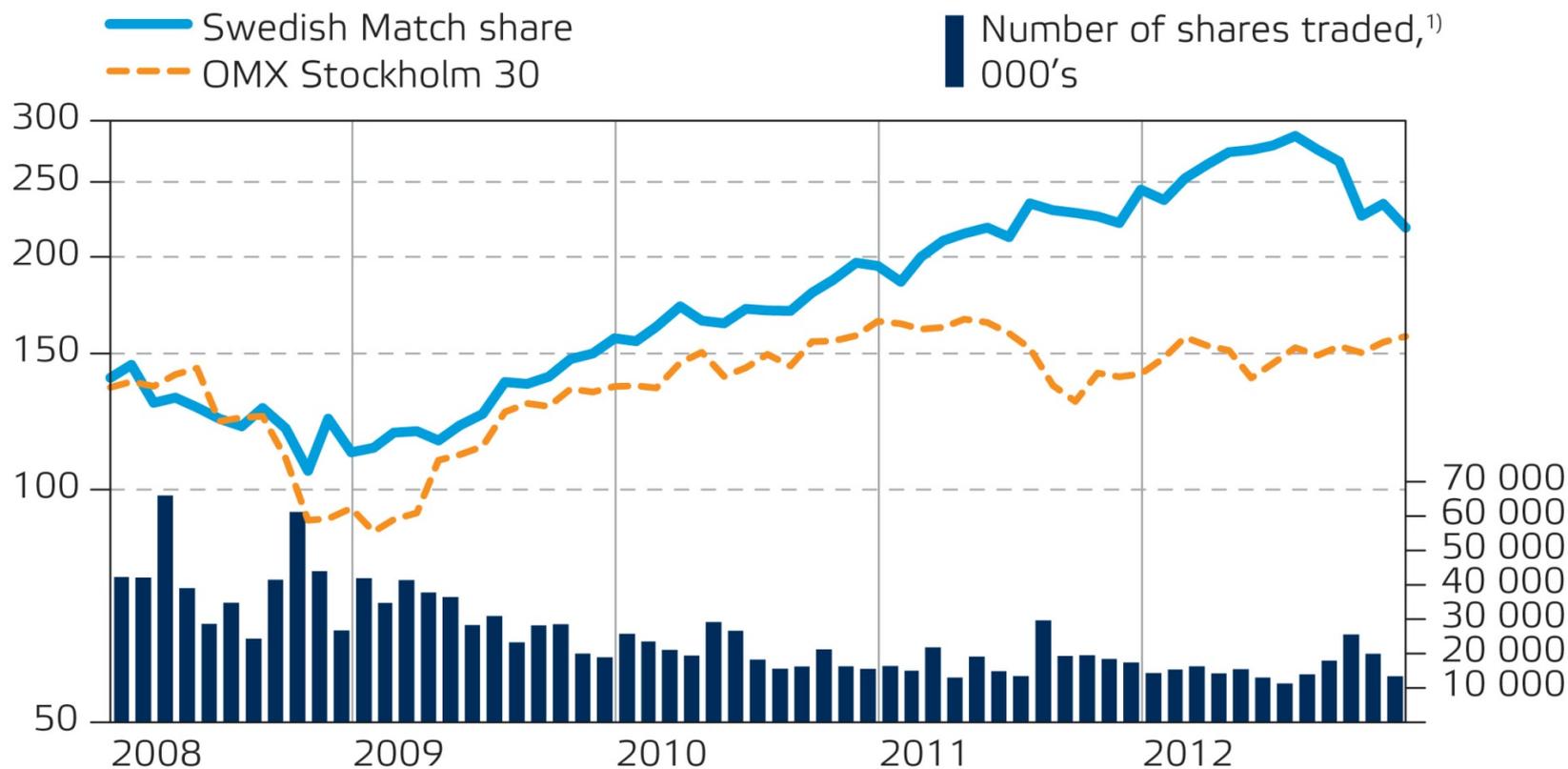
- Swedish Match's share of Scandinavian Tobacco Group's net profit after interest and tax amounted to 366 MSEK for the full year
- Net profit for the period for Scandinavian Tobacco Group amounted to 622 MDKK
- Total Scandinavian Tobacco Group net sales for the year amounted to 5,978 MDKK
- EBITDA for the full year amounted to 1,307 MDKK (including restructuring costs)

Strategic partnership with PMI



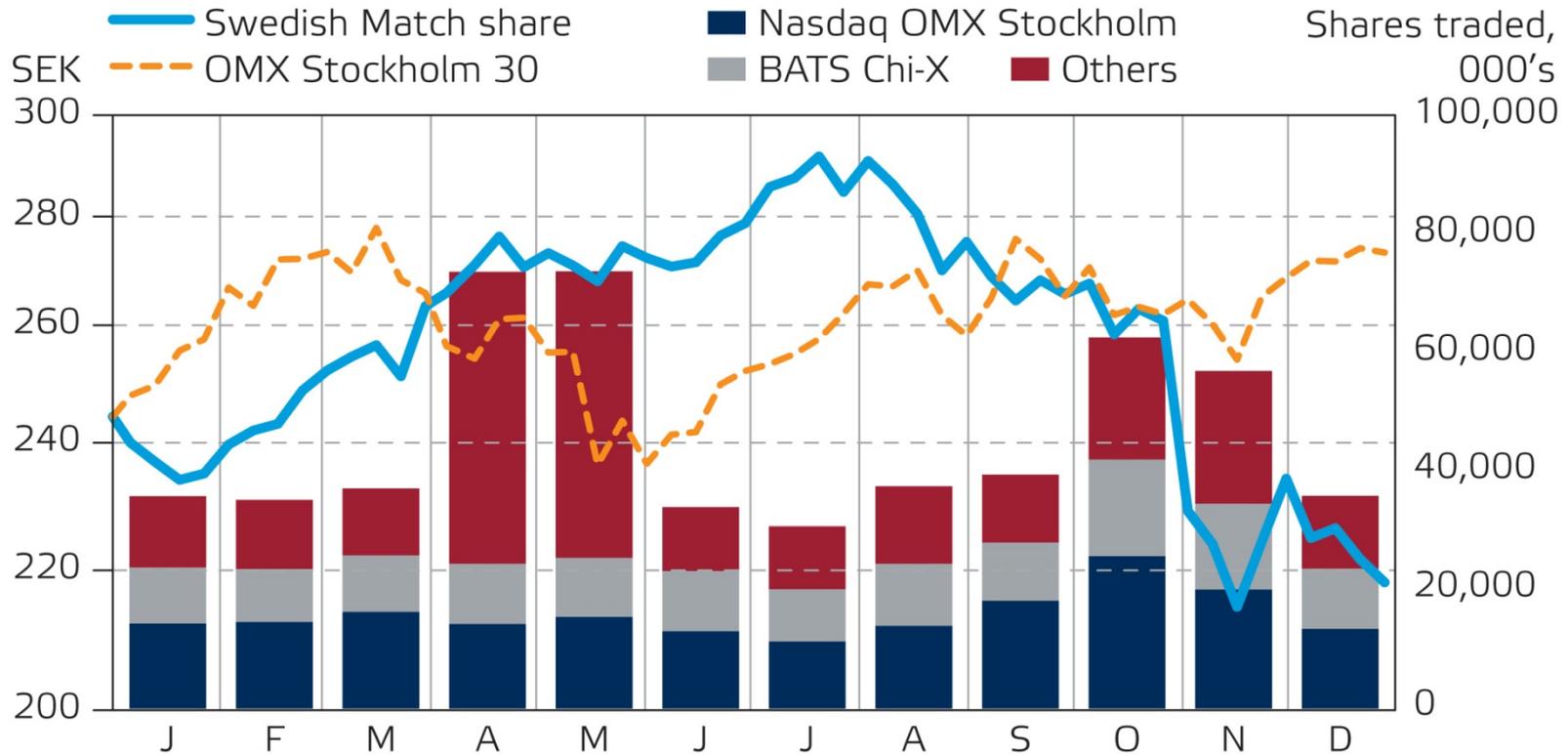
- Long term commitment to growing the smokefree category globally
- World class Swedish snus manufacturing, combined with access to a sales force of 75,000 in 160 countries
- Leading smokefree expertise and leading global market capabilities
- Leverage of strong brands and innovation capacities
- Flexible and adaptable, with in depth local knowledge, worldwide
- Long term shareholder value creation potential

Swedish Match five year share performance



1) Volumes traded on NASDAQ OMX Stockholm.
Source: NASDAQ OMX.

Share price and turnover 2012



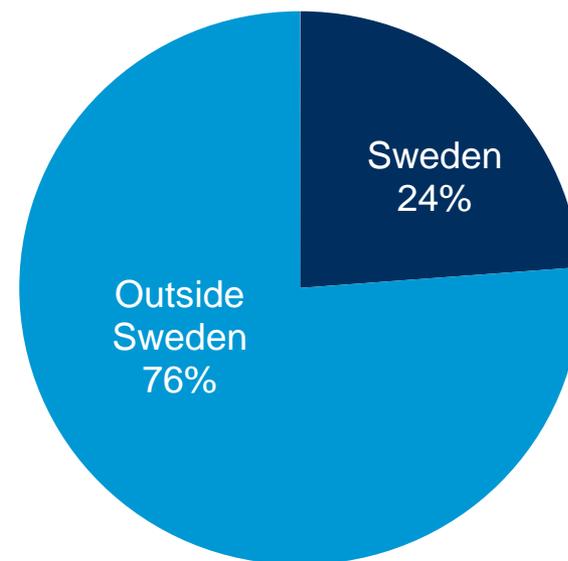
Source: Fidessa and NASDAQ OMX.

Largest shareholders*

Largest shareholders

Morgan Stanley Investment Management	6.6%
AMF Insurance & Funds	2.9%
Fidelity Funds	2.9%
Swedbank Robur Funds	2.4%
Standard Life Investment Funds	2.2%
Capital Group Funds	1.6%
SHB Funds	1.4%
Fourth Swedish National Pension Fund	1.2%
Second Swedish National Pension Fund	1.0%
Parvus Asset Management	1.0%
	<hr/>
	23.2%

51,244 shareholders



Source: Euroclear Sweden AB, official registry and SIS Ägarservice AB.

* Percent split of share capital held, excluding Swedish Match shares held in treasury. as per December 31, 2012.

For Swedish Match, sustainability implies always striving to balance economic responsibility with environmental and social responsibility

Sustainability focus areas

Economic responsibility:

To deliver sustainable and growing long term profits to shareholders, while maintaining strong cash flows as well as to help to create economic prosperity among other stakeholders. This implies working to achieve long term shareholder/stakeholder buy-in of the business model through high levels of transparency and corporate governance, as well as efficient operations.

Environmental responsibility:

To consciously and actively reduce the negative impacts the Company has on the environment. This implies working efficiently with resource management, reducing waste and energy consumption, as well as maintaining sound environmental management processes.

Societal responsibility:

To build and strengthen relationships with society at large, such as with the regulatory and scientific community as well as in local communities where the Company operates. In addition to addressing societal issues such as human rights and child labor, this implies continuous dialogue and engagement as well as contributing to local communities through projects and activities that are relevant to local business operations.



Employee responsibility:

To attract, develop, and retain competent employees, to promote a culture of openness and trust, and a sound workplace environment. This implies addressing issues such as ethical business practices, workforce diversity, talent management, training and development, as well as workplace health and safety.

Supplier responsibility:

To work closely with the Company's suppliers in order to maintain adherence to Swedish Match's high standards of conduct and to support efforts to ensure that suppliers work responsibly in terms of economic, environmental, and social issues. This implies working closely with major suppliers, addressing issues related to human rights and working conditions, child labor and tobacco farming, as well as making sure honest and ethical business practices are conducted in the supply chain.

Consumer and marketplace responsibility:

To bring high-quality tobacco and lights products to consumers as well as take a lead in keeping high standards of corporate conduct within the Company's marketplace. This implies the labeling and marketing of all products in a responsible manner, and working closely with customers/retailers in order to promote high standards of conduct in the tobacco marketplace.

More information on the Company's sustainability efforts is available on the website www.swedishmatch.com/sustainability.

Core values



Innovation



Recognition



Growth



Communication



Teamwork



Trust

Swedish Match's core values are the foundation of the Company's culture. These values are central to Swedish Match's business ethics and, as such, they are demonstrated in all relations with stakeholders and are a natural part of the way the Company conducts business.