

# SWEDISH MATCH INVESTOR INFORMATION AND RESULTS

Q3 2007



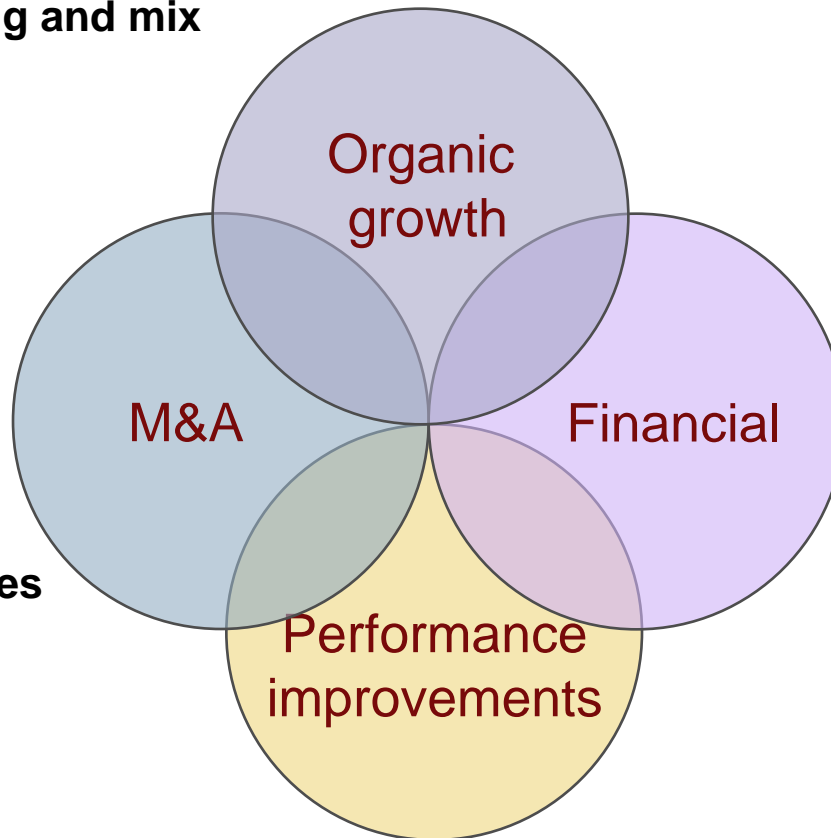
# Swedish Match – A global Group of brands

- Swedish Match is a **worldwide manufacturer and distributor** of smokeless tobacco, cigars, pipe tobacco, and lights
- The Company distributes products throughout the world, with **leading market positions** for many of its products in several countries
- Major markets include Scandinavia, the US, South Africa, Brazil, Russia, and Continental Europe
- Improved profits for the Company over time have come from **organic growth** from snuff and cigars, from **productivity improvements**, as well as from acquired businesses



# Swedish Match strategy

- Core organic growth initiatives
- Innovative organic growth platforms
- Pricing and mix



- Acquisitions and Divestitures

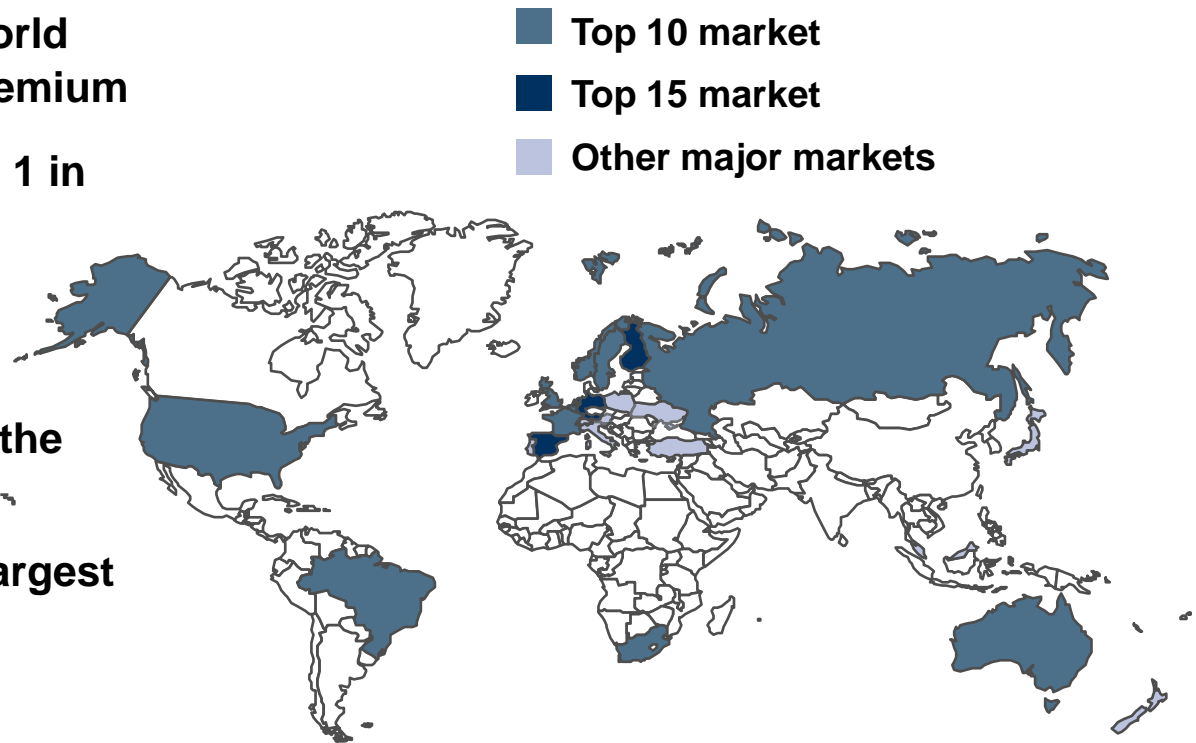
- Balance sheet efficiency
- Operating capital improvements
- Share buy-back program

- Productivity
- Restructuring

# Largest markets in 2006

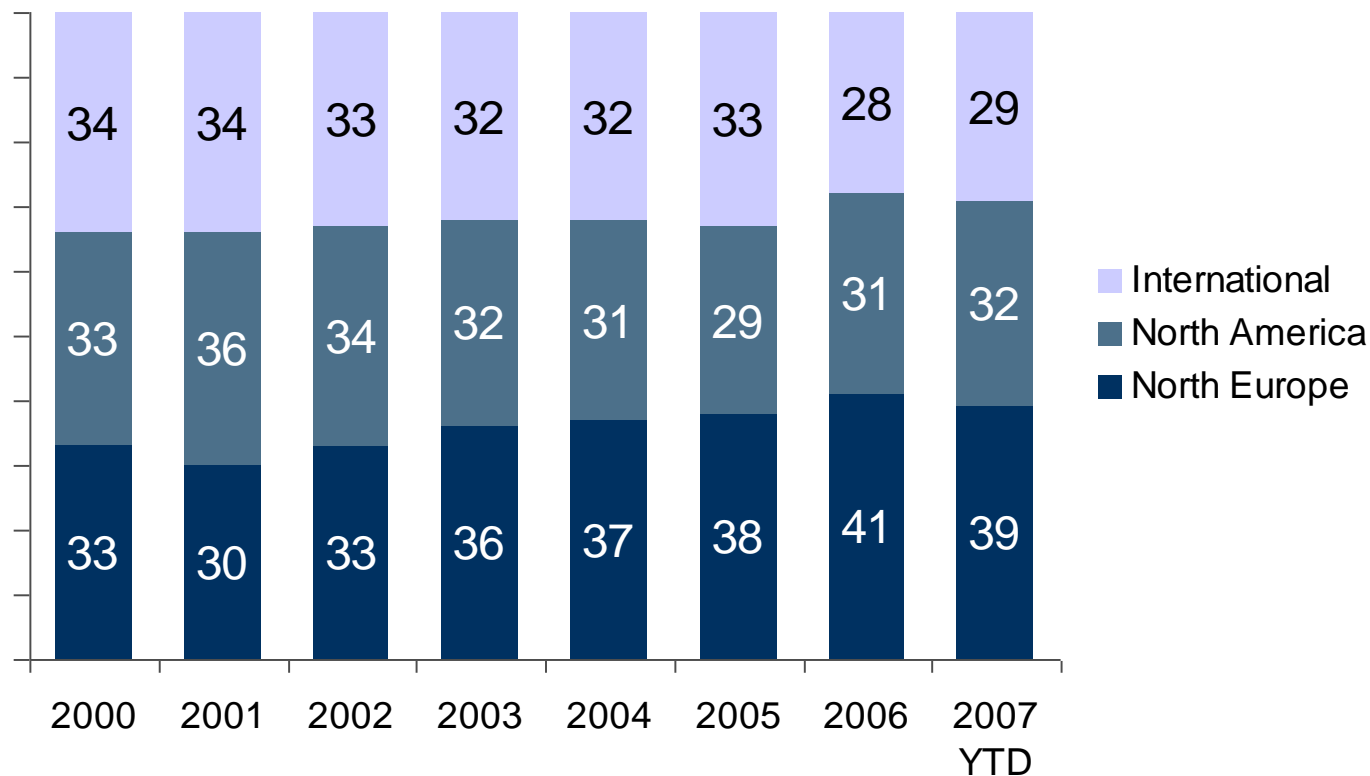
- **Snuff/Snus:** Number 1 in Scandinavia, number 3 in the US, and number 2 in South Africa
- **Cigars:** Number 2 in the world  
Number 1 in US premium
- **Chewing tobacco:** Number 1 in the US
- **Matches:** A leader in many markets
- **Lighters:** Cricket is one of the better known brands
- **Pipe tobacco:** One of the largest in the world

**A company with worldwide sales,  
in more than 100 countries**



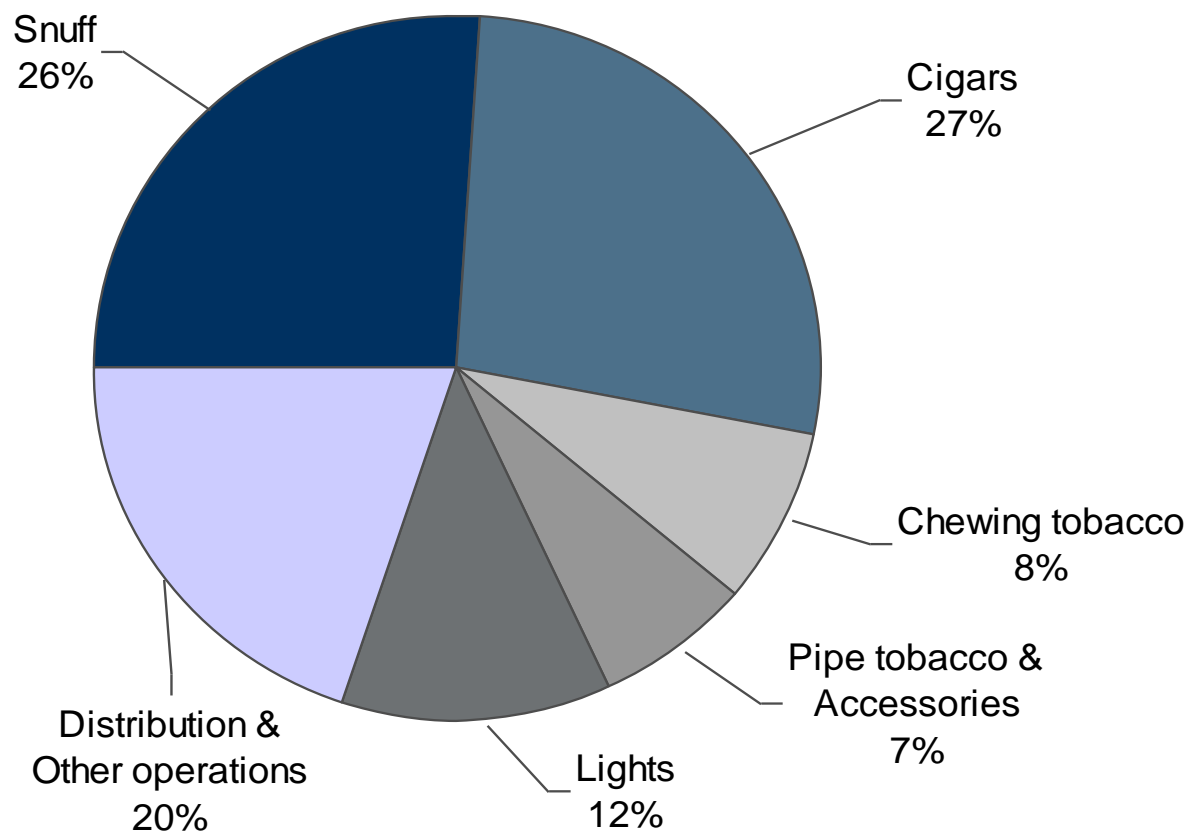
# Sales by Geographic Division

Percent of sales (SEK)



# Group sales split January – September 2007

## Percentage split by product area, SEK



**OTP\*: 68%**

\* OTP = Other Tobacco Products

# Conclusions from the third quarter

## Results

- Continued recovery of Group operating profit
  - Q3 reached 759 MSEK, (642 MSEK in Q2, 534 MSEK in Q1)
- Negative impact on sales and results from a continued weak USD
  - Operating profit in Q3 down 3% in local currencies versus prior year
- Snus shipment volumes in Scandinavia have continued to recover
  - down less than 1% in Q3 versus prior year
- Overall snuff sales up 10% in local currencies on strong US growth
- Spending for growth initiatives (primarily snuff and snus) continues to be higher than last year
- Operating margin for snus/snuff reached 45%
- Negative mix and weak volume development brought down operating margin for cigars
- Results for the lights product line is exceeding expectations

# Conclusions from the third quarter

## Markets (snuff and snus)

- Snuff volumes in the US increased by 34% in Q3
  - Red Man accounted for 6 percentage points of this increase
  - Red Man was rolled out in 8 states, late August/early September
- SM market shares\* in the US continue to grow
  - 4 weeks ending October 6 at 11.8%, and YTD share at 10.9% (9.9%)
- Longhorn is the fastest growing brand, +52% YTD\*
- SM total market share in Sweden was 89.8% in Aug/Sept,
  - a slight decline compared to June/July (90.1%)
- SM share of premium snus in Sweden is still stable at 97.5%
- Low price remains relatively stable at around 20% of total Swedish market, with SM share of 59.3%

\* ACNielsen



# Conclusions from the third quarter

## Real estate

- Office building transaction closed on October 1
  - 995 MSEK paid in cash
- Adjacent land and building rights sold
  - Total price a function of actual square meters, included in detailed building to be approved by the city

## Acquisitions/Investments

- Cigars International acquisition was completed as planned September 1
- Bogaert integration is going according to plan
- Continue to pursue complementary acquisitions

## Revised Financial Policies

- Dividend policy: 40 – 60% of earnings per share
- Net debt not to exceed 3 times EBITA

## Other issues

- Increased media attention on snus lately with articles in *New York Times* and *International Herald Tribune*, among others
- SM website has been ranked the No. 1 corporate website among all Swedish listed companies

# Group results January – September 2007

- Sales amounted to **9,024 MSEK (9,454)**
  - In local currency sales declined by 1 percent
  - Net currency translation negative impact 342 MSEK
  - Sales negatively affected by reduced Scandinavian snuff volumes , especially in the first half of the year, due to trade destocking and reduced consumption
- Operating profit amounted to **1,935 MSEK (2,326 excluding pension curtailment gain of 148 MSEK)**
  - Net currency translation negative impact of 96 MSEK
- Profit before income tax amounted to **1,686 MSEK (2,319)**
- Net profit for the period amounted to **1,264 MSEK (1,732)**
- EPS (diluted) was **4.77 SEK (5.92)**

# Group results July – September 2007

- Sales amounted to **3,272 MSEK (3,261)**
  - In local currency sales increased by 3 percent
  - Net currency translation negative impact of 75 MSEK
  - Sales for the group excluding Swedish Distribution increased by 5 percent in local currencies
- Operating profit amounted to **759 MSEK (808)**
  - In local currency operating profit declined by 3 percent
  - Net currency translation negative impact of 27 MSEK
- Profit before income tax amounted to **655 MSEK (741)**
- Net profit for the period amounted to **491 MSEK (627)**
- EPS (diluted) was **1.88 SEK (2.22)**

# Snuff

- The only company with significant **international** snuff operations



- Leading position in **Sweden** and **Norway**
- Well positioned in the value price segments in the **US**
- Second largest position in **South Africa**
- Production in **Sweden**, **US** and in **South Africa**

# Snuff

## Scandinavian volumes during Q3 near year ago levels



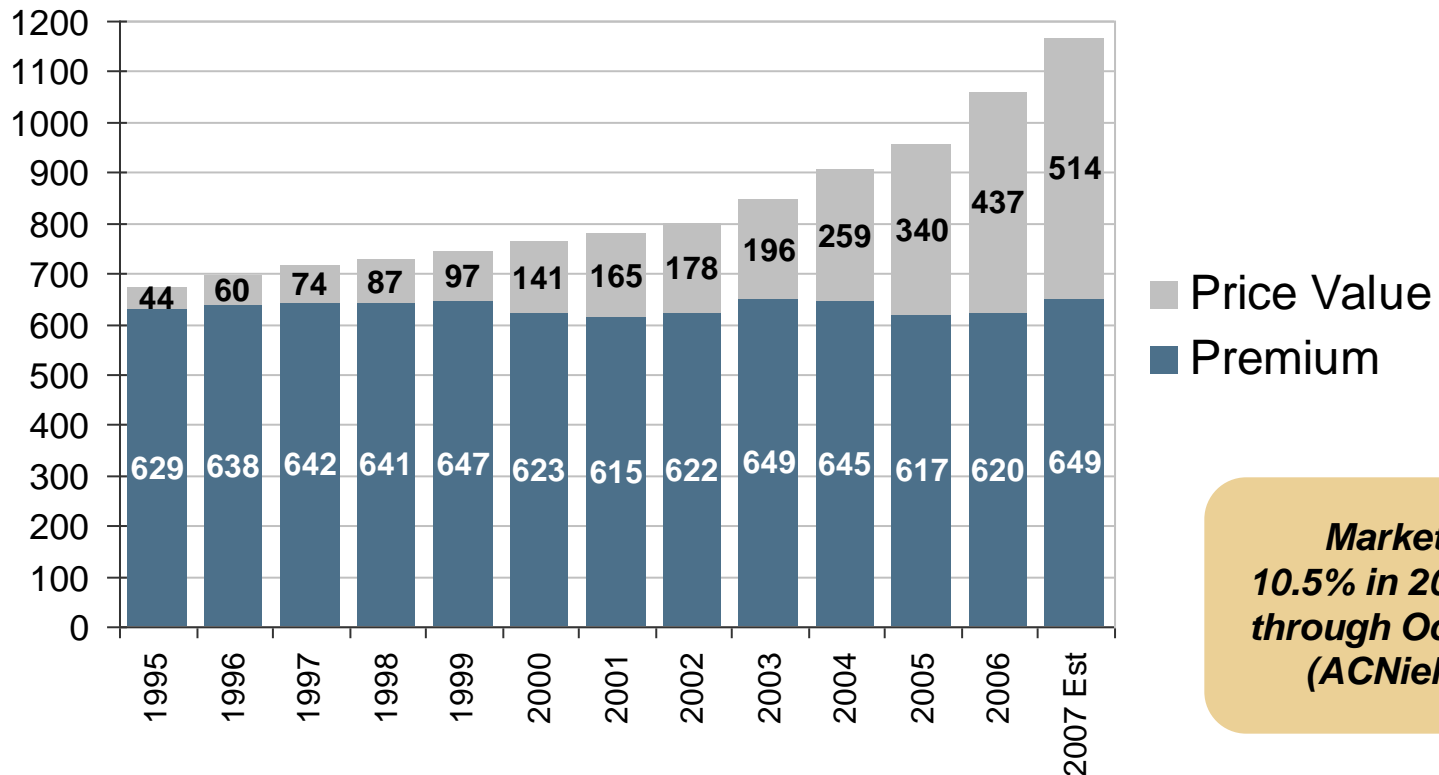
- Sales up 7% in N. Europe vs Q3 2006, USD sales up 24% in US
- Launch of Red Man, Wolf Packs mint in the US
- US snuff volumes up 34% with solid growth for Longhorn and Timber Wolf, and Red Man launch
- US snuff volumes up 28% for Longhorn and Timber Wolf combined
- Kronan has 59% of low priced segment in Sweden
- Lower margins from mix effects and higher marketing spending, including Red Man launch

MSEK	Q3-07	Q3-06	% chg	9m-07	9m-06	% chg	12 mos end. Sep 30, 2007	Full year 2006
Sales	852	785	8	2,308	2,400	-4	3,271	3,363
Operating profit	383	385	-1	925	1,151	-20	1,387	1,614
Operating margin, %	45.0	49.1		40.1	48.0		42.4	48.0

# Volume growth of snuff in the US

## US snuff market by segment

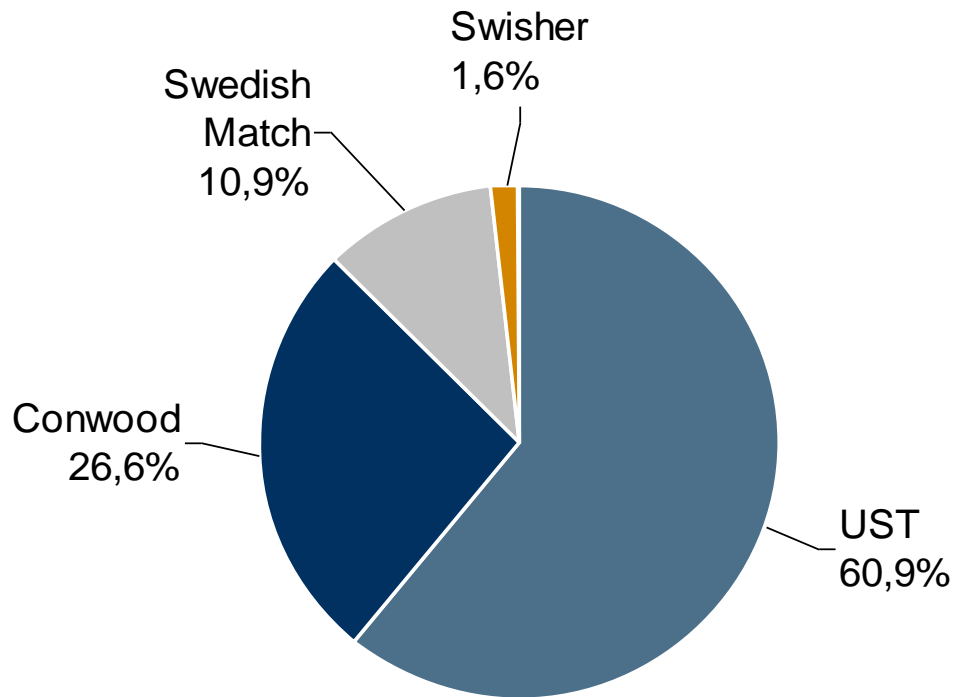
Million cans



Swedish Match estimated market size, using, in part, ACNielsen estimates

# US moist snuff market shares

Volume share North America, YTD October 6



**4 weeks ending  
October 6**

**Swedish Match: 11.8**

**UST: 59.4**

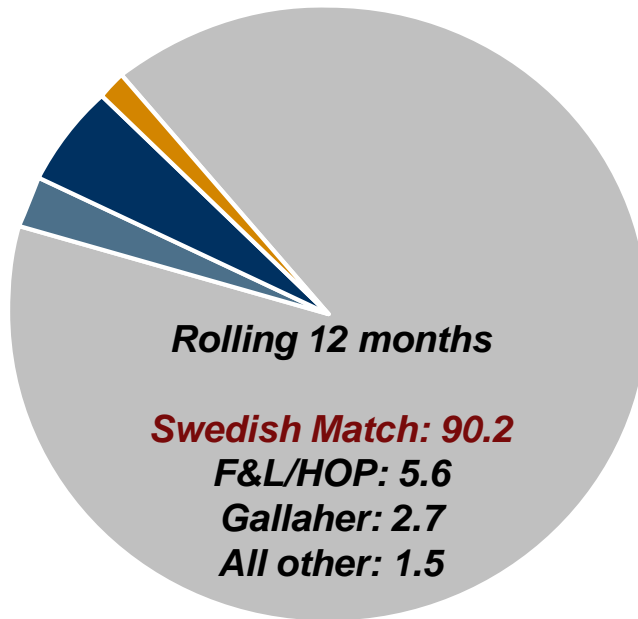
**Conwood: 26.9**

**Swisher: 1.7**

Source: ACNielsen

# Swedish snus market shares

Volume share Sweden, rolling 12 months to September 2007



**2 months August/September**

**Swedish Match: 89.8**  
**F&L/HOP: 6.0**  
**Gallaher: 2.7**  
**All other: 1.5**

Source: ACNielsen



# Swedish tax increase

- From January 1, 2007 weight based tax doubled
  - **From 123 SEK/kg to 246 SEK/kg**
- Effective January 1, 2007 Swedish Match raised prices and passed along the tax increase.
  - During the year, prices were raised and discounts were reduced to compensate for volume declines in the Swedish market
  - Retail prices increased by 4 – 7 SEK per can for 24g pouch products, and by 7 – 10 SEK per can for 50g loose products
- Destocking effect and moderate consumption declines in the first half, most significantly in the first quarter 2007
- Strong recovery on volumes from the end of second quarter 2007
- From January 1, 2008 weight based tax is proposed to increase
  - **From 246 SEK/kg to 336 SEK/kg**

# Cigars



- One of the world's largest producers and distributors of cigars and cigarillos. The cigars are marketed in more than 70 countries  
The largest markets are **North America** and **Western Europe** where about three-fourths of all cigars are sold
- Production in **Belgium, Dominican Republic, Indonesia, Honduras** and the **US**

# Cigars

## Cigars International Inc. acquired in September

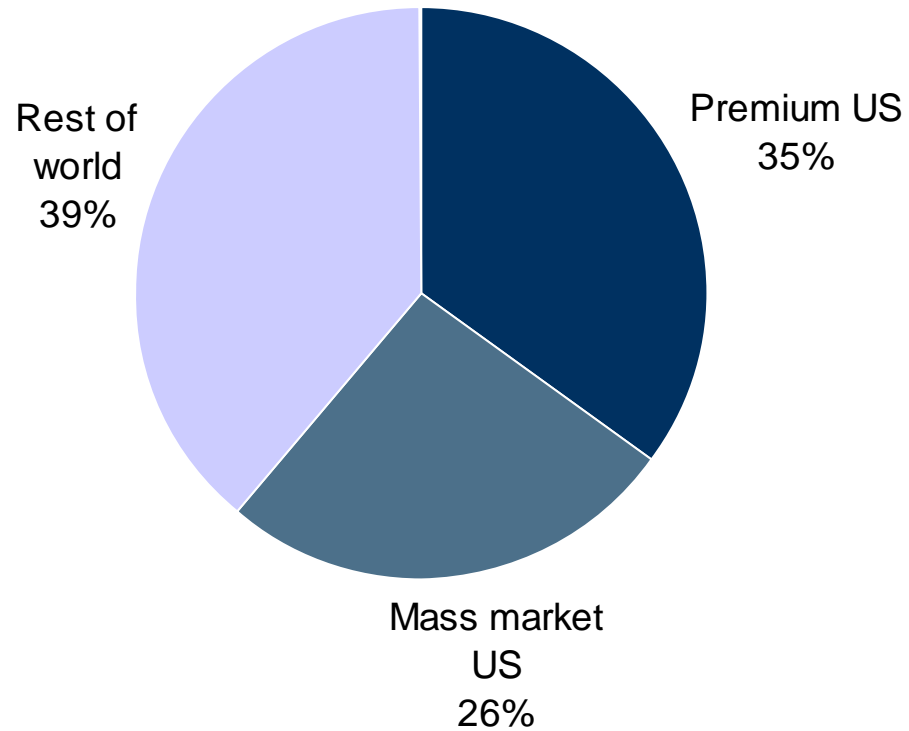


- Includes the acquired Bogaert (3 months) and Cigars International (1 month), which contributed positively to the results
- US premium and mass market sales in Q3 were flat in USD, excluding Cigars International
- European cigar sales (excluding Bogaert acquisition) down due to reduced volume and mix effects
- Operating profit down due to mix effects and increased marketing spending and lower volumes in several European markets, as well as currency effects

MSEK	Q3-07	Q3-06	% chg	9m-07	9m-06	% chg	12 mos end. Sep 30, 2007	Full year 2006
Sales	902	903	0	2,483	2,550	-3	3,340	3,407
Operating profit	185	231	-20	542	602	-10	710	770
Operating margin, %	20.5	25.6		21.8	23.6		21.3	22.6

# Cigar sales

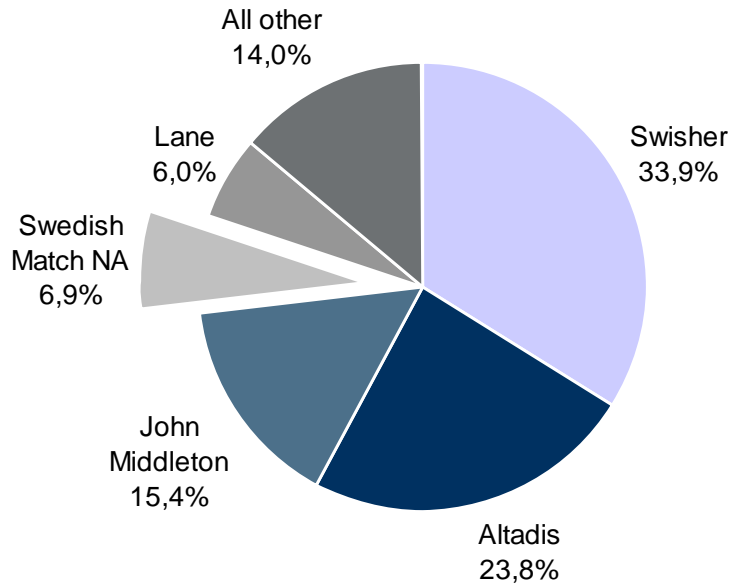
2007 September YTD sales split (SEK)



# Cigars

## North America, mass market YTD October 6

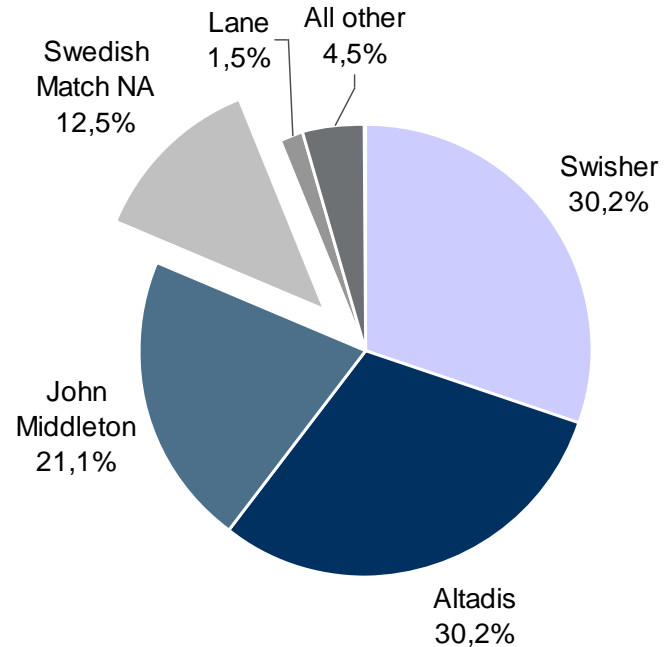
VOLUME share



**4 weeks ending  
October 6**

**Swedish Match: 6.6**

VALUE share (USD)



**4 weeks ending  
October 6**

**Swedish Match: 12.1**

Source: ACNielsen

# Chewing tobacco

US sales down 2%, operating profit up 3% YTD in local currency

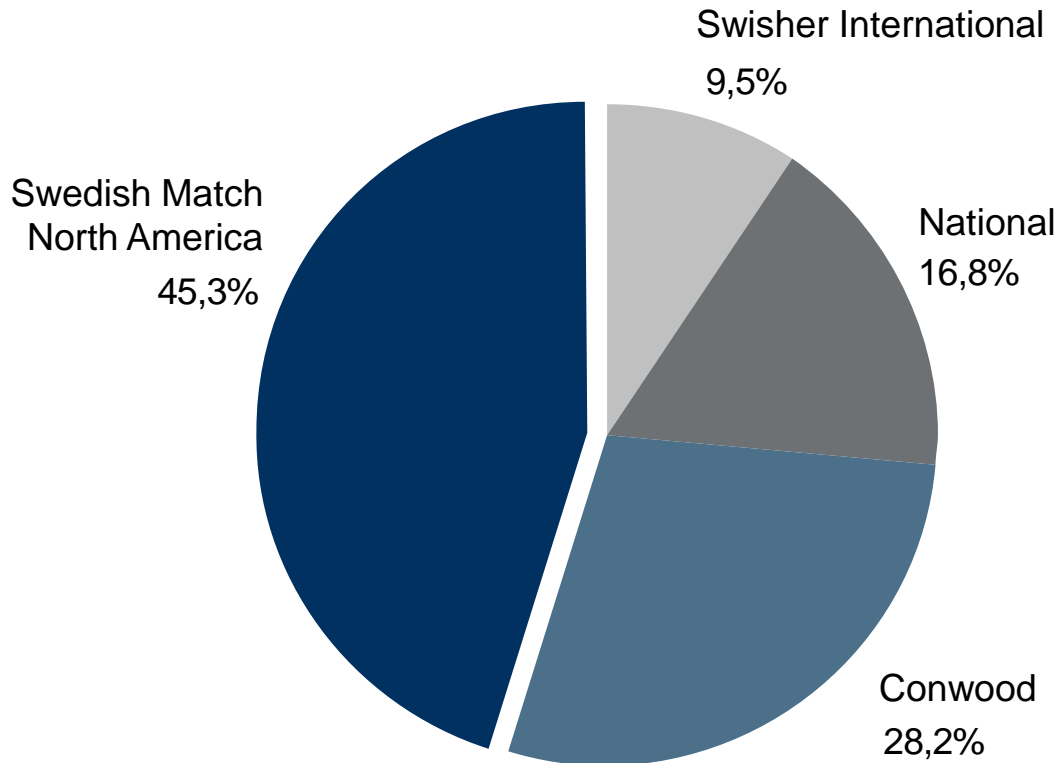


- Improved pricing partially offset shipment volume declines, with USD sales down 2% YTD
- Q3 US sales down 4% in local currency
- Market shares stable at 45%

MSEK	Q3-07	Q3-06	% chg	9m-07	9m-06	% chg	12 mos end. Sep 30, 2007	Full year 2006
Sales	243	273	-11	734	823	-11	974	1,063
Operating profit	83	95	-12	237	262	-10	313	338
Operating margin, %	34.3	34.7		32.2	31.8		32.1	31.8

# Chewing tobacco

Volume share North America, YTD October 6



**4 weeks ending  
October 6**

**Swedish Match: 45.5**  
**Conwood: 28.3**  
**National: 17.0**  
**Swisher: 9.0**

Source: ACNielsen

# Pipe tobacco

- One of the world's largest producers of pipe tobacco

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

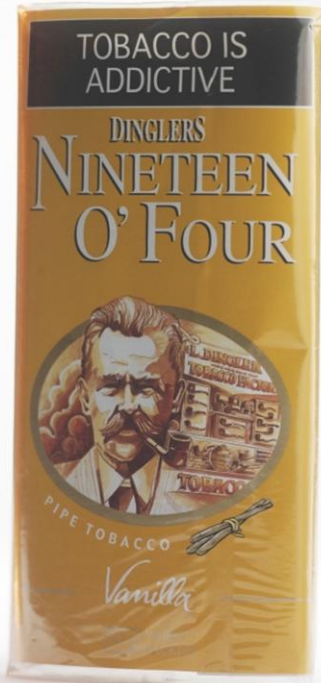
- Production in **US** and in **South Africa**





# Pipe tobacco and Accessories

## Volume declines in most markets



- Sales and operating profit negatively affected by currency translation (ZAR)
- Volume declines in most markets
- YTD operating profit negatively impacted by 20 MSEK charge in Q2 from closure of Rustenburg, South Africa

MSEK	Q3-07	Q3-06	% chg	9m-07	9m-06	% chg	12 mos end. Sep 30, 2007	Full year 2006
Sales	220	217	2	628	673	-7	854	899
Operating profit	64	68	-7	143	202	-29	206	265
Operating margin, %	28.9	31.5		22.7	30.0		24.1	29.5

# Lights

- A 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**



# Lights

## Stable sales and operating margin



- **Solid Q3 for both sales and operating profit**
- **Sales in Q3 up 4%**
- **Operating profit in Q3 up 5%**
- **Operating margin continues to be strong**

MSEK	Q3-07	Q3-06	% chg	9m-07	9m-06	% chg	12 mos end. Sep 30, 2007	Full year 2006
Sales	<b>374</b>	360	4	1,068	1,115	-4	1,455	1,503
Operating profit	<b>67</b>	64	5	186	198	-6	237	249
Operating margin, %	<b>17.8</b>	17.7		17.4	17.8		16.3	16.6

# P & L summary

MSEK	January – September		Percent	12 mos end.	Full year	Percent
	2007	2006	change	Sep 30, 2007	2006	change
<b>Sales</b>	<b>9,024</b>	<b>9,454</b>	<b>-5</b>	<b>12,481</b>	<b>12,911</b>	<b>-3</b>
Cost of sales	-4,698	-4,797		-6,576	-6,674	
<b>Gross profit</b>	<b>4,326</b>	<b>4,657</b>	<b>-7</b>	<b>5,906</b>	<b>6,237</b>	<b>-5</b>
Sales and adm. expenses*	-2,393	-2,191		-3,164	-2,963	
Share of profit in equity accounted investees	3	8		5	11	
<b>Operating profit</b>	<b>1,935</b>	<b>2,474</b>	<b>-22</b>	<b>2,747</b>	<b>3,285</b>	<b>-16</b>
Financial income**	109	90		257	239	
Financial expenses	-358	-245		-464	-351	
Net finance cost	-250	-155		-207	-112	
<b>Income before tax</b>	<b>1,686</b>	<b>2,319</b>	<b>-27</b>	<b>2,540</b>	<b>3,173</b>	<b>-20</b>
Income tax expense	-421	-587		-672	-838	
<b>Profit for the period</b>	<b>1,264</b>	<b>1,732</b>	<b>-27</b>	<b>1,867</b>	<b>2,335</b>	<b>-20</b>
<b>Attributable to:</b>						
Equity holders of the Parent	1,264	1,732		1,867	2,335	
Minority interests	1	1		1	1	
<b>Profit for the period</b>	<b>1,264</b>	<b>1,732</b>	<b>-27</b>	<b>1,867</b>	<b>2,335</b>	<b>-20</b>
EPS, basic, SEK	4.78	5.94		7.00	8.13	
EPS, diluted, SEK	4.77	5.92		6.97	8.10	

\* Including pension curtailment gain of 148 MSEK in Q2 2006

\*\* Including a gain on sale of securities of 111 MSEK in Q4 2006

# Balance sheet

MSEK	Sep 30, 2007	Dec 31, 2006
Intangible fixed assets*	4,593	3,469
Property, plant and equipment	2,361	2,221
Financial fixed assets	997	1,055
Current operating assets*	5,885	5,827
Current investments	5	56
Cash and cash equivalents	1,281	3,042
<b>Total assets</b>	<b>15,121</b>	<b>15,670</b>
Equity attributable to equity holders of the parent	281	2,037
Minority interests	3	3
Total equity	284	2,041
Non-current provisions	1,431	1,192
Non-current loans	8,216	7,815
Other non-current liabilities	611	657
Current provisions	40	61
Current loans	1,212	409
Other current liabilities	3,327	3,495
<b>Total equity and liabilities</b>	<b>15,121</b>	<b>15,670</b>
Operating capital	9,553	8,059
Net debt	8,707	5,658

\* Please refer to notes in the January-September 2007 interim report

# Cash flow in summary

MSEK	January – September	
	2007	2006
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,579</b>	<b>1,007</b>
Cash flow from changes in working capital	-185	-543
<b>Net cash from operating activities</b>	<b>1,394</b>	<b>464</b>
Acquisition of property, plant and equipment*	-422	-189
Proceeds from sale of property, plant and equipment	29	92
Acquisition of intangible assets	-67	-270
Acquisition of subsidiaries, net of cash acquired	-1,168	-19
Divestment of business operations	-	31
Changes in financial receivables etc.	78	-234
Changes in current investments	51	-457
<b>Net cash used in investing activities</b>	<b>-1,500</b>	<b>-1,045</b>
Changes in loans	1,207	4,840
Dividends	-664	-627
Repurchase of own shares, net	-2,152	-3,580
Other	-45	-32
<b>Net cash used in financing activities</b>	<b>-1,653</b>	<b>601</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-1,759</b>	<b>21</b>
Cash and cash equivalents at the beginning of the period	3,042	3,325
Effect of exchange rate fluctuations on cash and cash equivalents	-3	-137
<b>Cash and cash equivalents at the end of the period</b>	<b>1,281</b>	<b>3,209</b>

\* Includes investments held for sale and biological assets

# Key data

MSEK	January – September	
	2007	2006
Operating margin, %**	21.4	24.6
EBITDA, MSEK**	2,268	2,661
EBITA, MSEK**	2,037	2,423
EBITA interest cover	8.6	16.4
Net debt/EBITA*	3.0	1.7
<b>Share data**</b>		
Earnings per share, basic, SEK	4.78	5.94
Earnings per share, diluted, SEK	4.77	5.92
Average numbers of shares outstanding (Mio)	264.3	291.3
Shares outstanding, end of period (Mio)	257.9	274.4

\* For the 12 month period ending September 2007 and for full year 2006

\*\* Please refer to notes in the January-September 2007 interim report

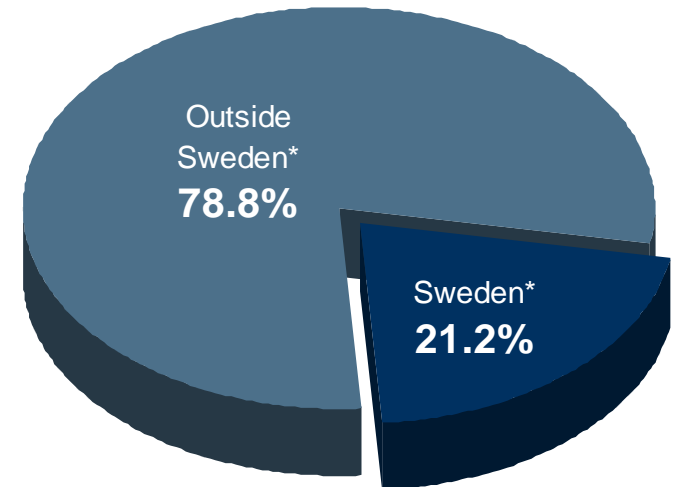
# Largest shareholders

As per September 30, 2007

## Largest shareholders\*:

Parvus Asset Management	10.2 %
Wellington Management Company	9.7 %
Morgan Stanley Investment Mgmt	5.5 %
Swedbank Robur Fonder	2.4 %
SHB/SPP Fonder	2.3 %
SEB Fonder	1.5 %
Första AP-fonden	1.1 %
Fidelity Funds	1.0 %
Tredje AP-fonden	0.9 %
Govt of Singapore Inv Corp	0.9 %
	<hr/>
	<b>35.5 %</b>

**55,076** shareholders



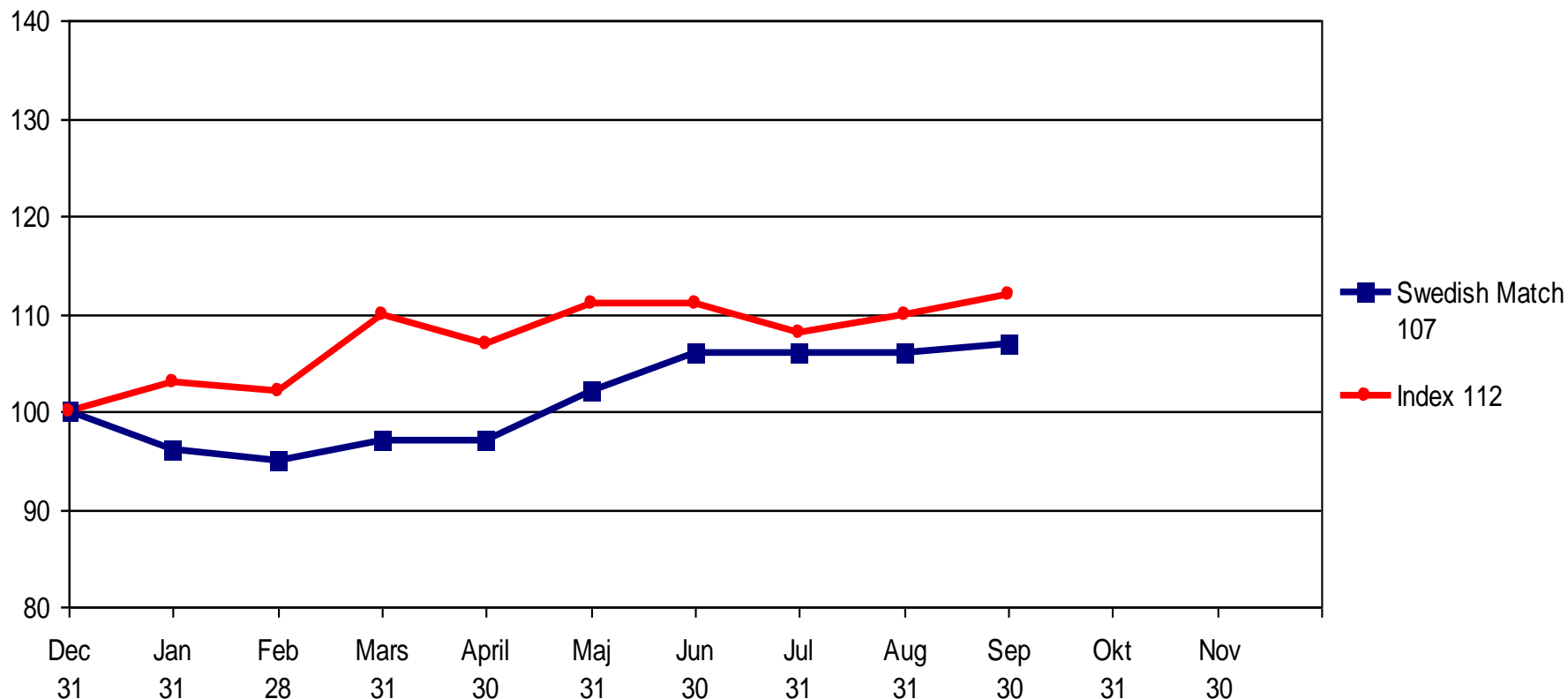
Source: VPC (official registry) and SIS Ägaranalys, percent of share capital excluding Swedish Match shares held in Treasury  
\* Percent split of share capital held, excluding Swedish Match shares held in Treasury



# Swedish Match compared with index

## Total Shareholder Return, YTD 2007

Index includes: UST, Altadis, Imperial, Japan Tobacco + Gallaher, BAT



*Total shareholder return assumes dividends and redemptions are reinvested (taxes, commissions, etc. are not considered)*

# Increasing international interest in snus

## THE WALL STREET JOURNAL.

SATURDAY, SEPTEMBER 16, 2006

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### Should Snuff Be Used as a Tool To Quit Smoking?

Smokeless Tobacco Is Safer Than Cigarettes but Poses Its Own Health Risks

#### The Lure of Swedish 'Snus'

By KEVIN HELLIKER

For four decades, Pam Harlan sought to quit smoking. She tried cessation therapy and nicotine-replacement products such as the patch. She coughed in the morning, felt chest pain, watched her mother die of lung cancer -- and continued lighting up.

Then she tried smokeless tobacco. Instead of the usual wad of snuff, however, she popped a small pellet of tobacco that dissolves like a cough drop. The pellet packs as much nicotine as a cigarette. By popping about 15 pellets a day, Ms. Harlan, a 56-year-old nurse at the University of Louisville School of Medicine, has stayed off cigarettes since Sept. 19, 1995.

For decades, public-health officials have been warning people about the dangers of smokeless tobacco. Now there is debate over whether smokers ought to be informed about smokeless tobacco as a way to quit smoking.

A growing body of research -- some of it funded by smokeless tobacco purveyors -- shows that smokeless tobacco is much less harmful than cigarettes. The reduced risk is most dramatic for varieties of smokeless tobacco that are low in nitrosamines, as the primary carcinogens in smokeless tobacco are called. A panel of medical experts funded by the National Cancer Institute studied low-nitrosamine smokeless tobacco and concluded that it posed at least a 90% reduction in health risks compared with smoking, according to a 2004 report in the journal *Cancer Epidemiology, Biomarkers & Prevention*. A 2002 statement from Britain's Royal College of Physicians, which sets standards in the U.K., called smokeless tobacco "70 to 1,000 times less hazardous than smoking, depending on the product."

There is also evidence that smokeless tobacco can be used as a tool for quitting smoking. In Sweden, where the smoking rate among men has fallen to the lowest in the industrialized world, many smokers have switched to smokeless tobacco.

This poses a dilemma for health officials: Would publicizing the lower risks of smokeless tobacco convert smokers -- or merely create a new problem, by increasing usage of smokeless? Adding a sense of urgency to the debate: Major cigarette companies, facing flat or declining sales, now see smokeless tobacco as a way to boost business.

Nobody is suggesting that use of smokeless tobacco is preferable to quitting tobacco altogether, or to quitting it with the use of nicotine products such as the gum or the patch. But some believe that smokeless tobacco could serve as a last-ditch alternative for those who can't otherwise quit. After falling for decades, the number of Americans who smoke is stuck at about 45 million. More than 400,000 Americans die each year of smoking-related disease, making cigarettes the No. 1 cause of preventable deaths in the U.S.

Surveys show that most smokers want to quit and about 40% each year make a serious effort to do so. But even with the help of counseling or nicotine-replacement products, the vast majority of quitting attempts fail. Of those who fail, half will die of smoking-related disease, say public-health officials.

Some say smokers should know about the reduced risks of smokeless tobacco. "Smokers have a right to be informed of significant harm reduction options," Lynn T. Kozlowski, chairman of behavioral health at State University of New York at Buffalo, argued in a 2001 commentary in *Nicotine and Tobacco*

Research. Dr. Kozlowski, who receives no money from the tobacco industry, years ago helped uncover the fact that light cigarettes aren't necessarily less harmful.

But others counter that the state of California -- without any help from smokeless tobacco -- has lowered its smoking rate to nearly the same low rate found in Swedish men, by using public-health initiatives. They worry that declaring smokeless to be safer could encourage teenagers and others to start using it. "Smokeless tobacco products are neither a safe substitute for smoking nor an effective method of quitting smoking," says David Sampson, spokesman for the American Cancer Society.

A National Cancer Institute-funded report, published this year in the journal *Addictive Behaviors*, studied the likely outcome of an official policy offering a regulated low-nitrosamine smokeless product to smokers. It concluded such a policy would increase use of smokeless tobacco but bring about a reduction in smoking. "This reduction would likely yield substantial health benefits," the report said, while expressing concern about possible unintended consequences.

The vast majority of smokeless tobacco sales come from so-called moist snuff, which users place between their lip and gum. Switching from cigarettes to virtually any moist snuff on the U.S. market would bring about a reduction in risk for cancer and heart disease, by eliminating the dangers of smoke. But smokeless brands vary widely in the amount of nitrosamines they contain, and those with the lowest levels -- and hence the lowest risks -- are the least available. The kind used in Sweden, which is low in nitrosamines, can be

THE AMERICAN COUNCIL ON SCIENCE AND HEALTH PRESENTS

HELPING SMOKERS QUIT:  
A ROLE FOR SMOKELESS TOBACCO?

Dr. Elizabeth Whelan, President  
ACSH, 1995 Broadway, 2nd Floor, New York, NY 10021

FT.com / Companies / Consumer Industries - Tobacco ruling reopens debate on smokeless products

09/27/2006 11:31 AM

FT.com  
FINANCIAL TIMES

Close

### Tobacco ruling reopens debate on smokeless products

By Lauren Foster in New York  
Published: September 26 2006 19:36 | Last updated: September 26 2006 19:36

Big tobacco had more bad press this week after a US federal judge ruled people who smoked "light" cigarettes in the belief they were safer than higher-tar alternatives could proceed with a nationwide class action.

The news follows a recent study that found the amount of nicotine in US cigarettes rose about 10 per cent between 1998 and 2004, potentially making it harder to quit and easier to become addicted.

The message was clear: smokers are getting more nicotine than in the past and may need additional help in trying to break their powerful nicotine addiction.

In the US, home to 44.5m adult smokers, 70 per cent want to quit and 40 per cent make a serious attempt each year, but fewer than 5 per cent succeed in any given year, according to the National Institutes of Health.

Worldwide, an estimated 5m people die every year from tobacco-related diseases, and health officials predict the annual death toll will double by 2020 if current smoking trends continue.

Faced with these figures, some public health experts are looking more closely at smokeless products, such as Swedish "snus" and traditional moist snuff, as a way to reduce tobacco-related deaths and diseases. They suggest these products are a potentially less harmful way of delivering nicotine.

"Five million deaths worldwide is unconscionable when some of those could be prevented by offering some safer alternatives to smoking, which we know is very dangerous," said Philip Alcabes, associate professor of urban public health at Hunter College School of Health Sciences.

Tobacco is not deadly, he says, the harm is in the smoke. "The weight of the evidence is quite heavy at this point that there are smokeless products that are far safer than smoking cigarettes," he said. "Whatever opinion you may have about the moral probity of smoking, from an empirical standpoint people don't just stop doing something just because you tell them to. If you have a simple way of protecting them, why not use it?"

Brad Rodu, an oral pathologist and professor of Medicine at the University of Louisville, says smokeless products can serve as effective substitutes for smokers who are either unable or unwilling to quit tobacco and nicotine entirely. (Mr Rodu holds an endowed chair in tobacco harm-reduction research funded by two companies that manufacture smokeless tobacco products.)

"The model I envision for nicotine use is much like that for caffeine use: it's an addictive drug, but right now the difference is the delivery system," he said. "With nicotine, unfortunately the most common consumption is to burn the tobacco and inhale the smoke, and that is what confers high risk after decades of use. Smokeless tobacco use has, at most, 2 per cent of the health risks of smoking."

Mr Rodu and others point to Sweden, where snus is more widely used by men than cigarettes and where men have the lowest rate of lung cancer in Europe. One study showed that the smoking rate among Swedish men fell from 19 per cent in 1996 to 9 per cent in 2004. By contrast, women are much less likely to use snus and their rate of tobacco-related deaths is similar to that in other European countries.

Jonathan Foulds, director of the Tobacco Dependence Program at the University of Medicine and Dentistry of New Jersey, says it is "fairly clear" that people in Sweden who use snus are less likely to smoke and young people who use snus are less likely to start smoking.

Jeff Slier, associate director of the American Council on Science and Health, acknowledges snus is "not 100 per cent safe" and that there are "clearly" risks associated with it, but says they are lower than the risks of smoking cigarettes.

One potential risk is oral cancer, as the products contain carcinogenic chemicals called tobacco-specific nitrosamines. They have also been linked with gum disease, pancreatic cancer, hypertension and increased risk of heart disease.

In the US, the Centers for Disease Control and Prevention take the position that there is no safe tobacco product. And in the European Union, snus is banned, except in Sweden.

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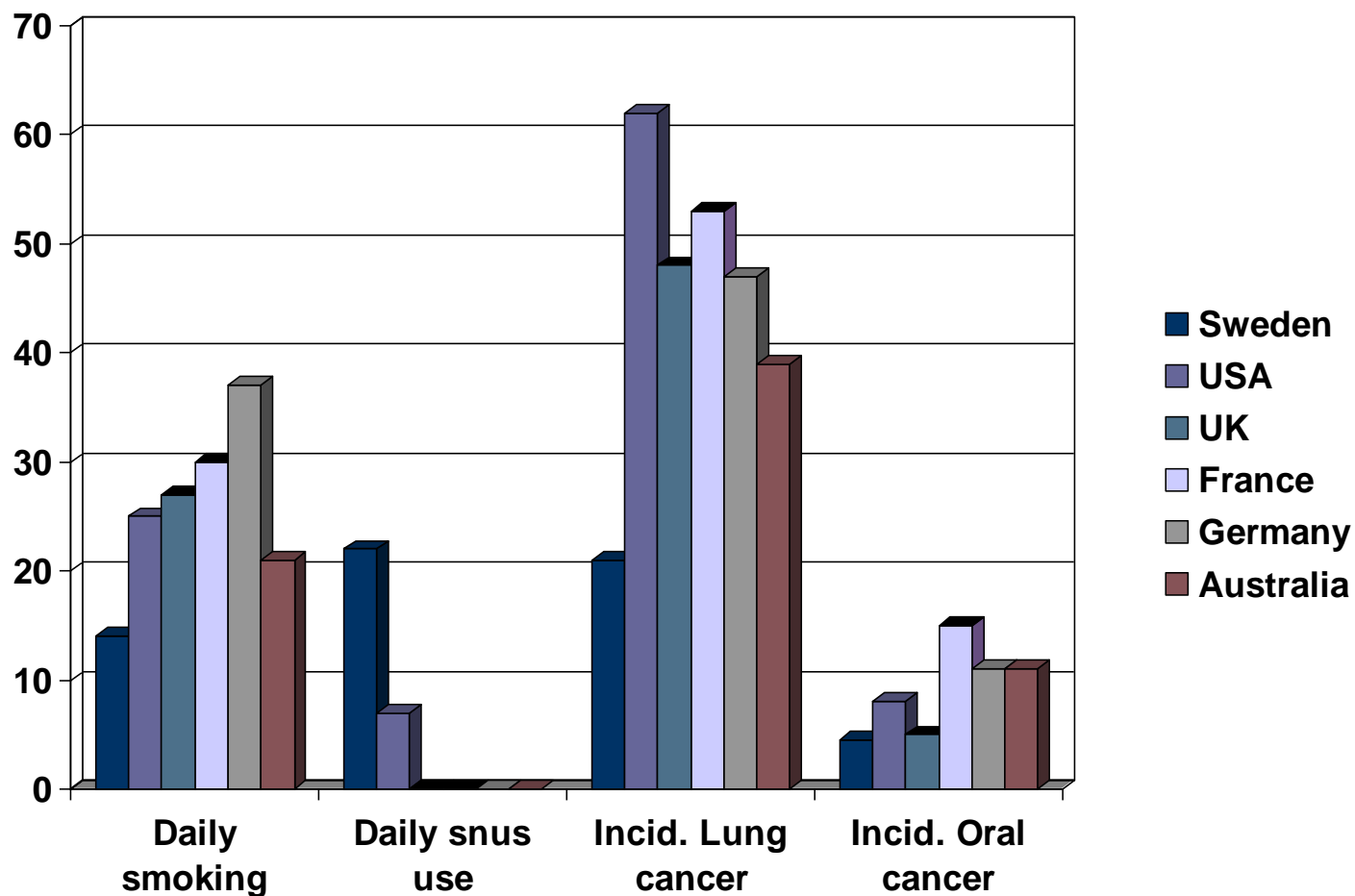
INTERNATIONAL  
Herald Tribune

# The Swedish Experience

- In Sweden, total tobacco consumption is similar to other European countries due to the combined prevalence of smoking and snus
- However, Sweden is the only country in Europe to have met the World Health Organization's (WHO) objective of reducing the percentage of adult smokers to less than 20% (Swedish males 14%)
- Swedish males have favored Swedish snus over smoking and they have amongst the lowest prevalence of tobacco related diseases in the Western world; this is referred to as the Swedish experience
- The Swedish experience serves as a useful example to other countries who wish to reduce the incidence of tobacco smoking and related health issues since Sweden has:
  - Europe's **highest** per capita consumption of smokeless tobacco
  - **Lowest** cigarette consumption in Europe
  - **Lowest** lung cancer mortality rate in Europe
  - **Lowest** percentage of smoking-related deaths among developed countries
  - Among the **lowest** oral cancer mortality rate in Europe

# The Swedish Experience

## Reduced number of tobacco related diseases

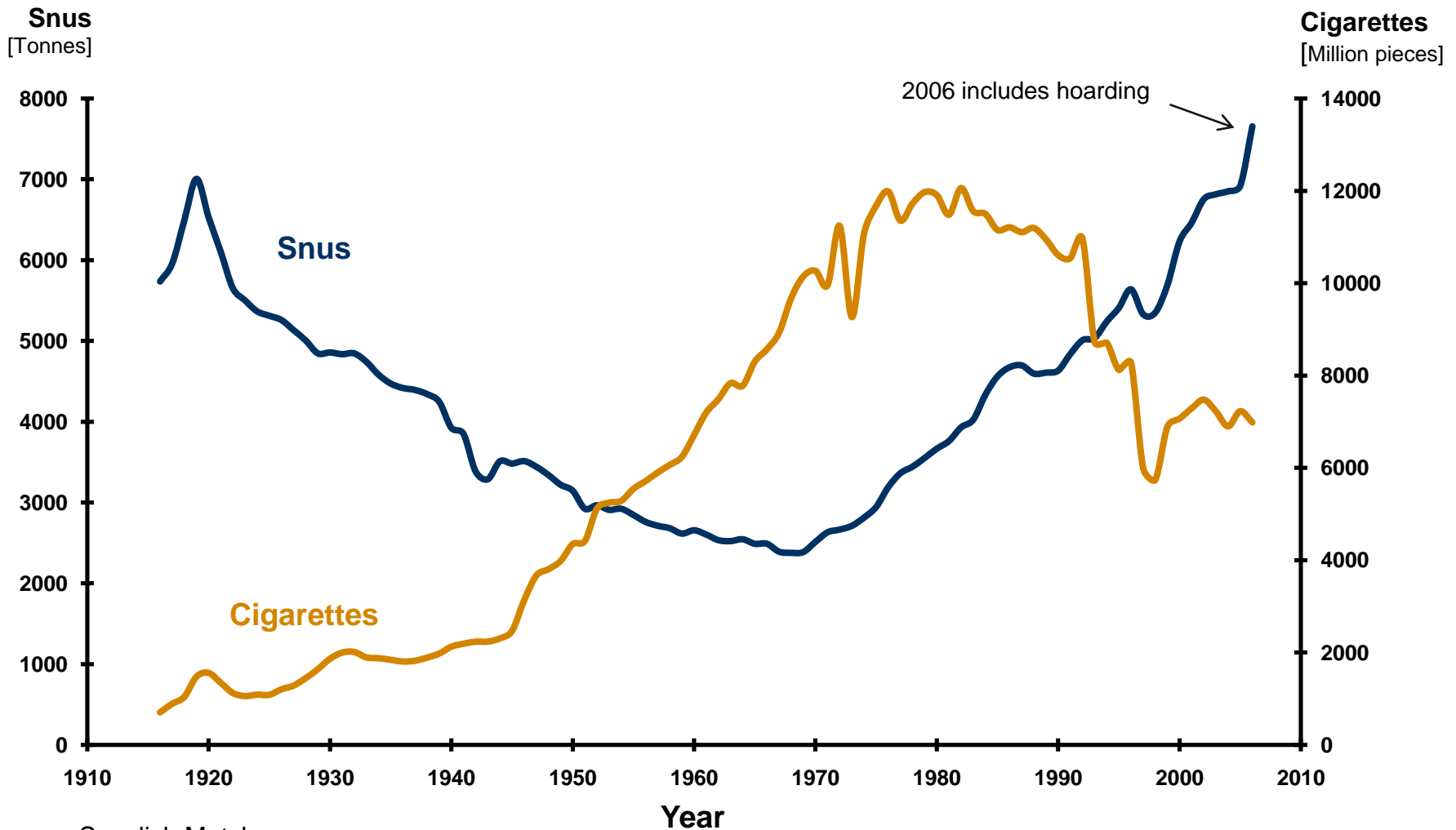


Sources: Cancer; WHO/IARC GLOBOCAN 2002. Tobacco use, latest available official figures.

(1) Incidence (new cases) per 100 000 inhabitants. ASR, age standardised rates, based on world standard population (W).

# Snus vs cigarettes in Sweden

## Sales of snus and cigarettes in Sweden 1916-2006



Source: Swedish Match