

SWEDISH MATCH INVESTOR INFORMATION AND RESULTS

Q4 2007



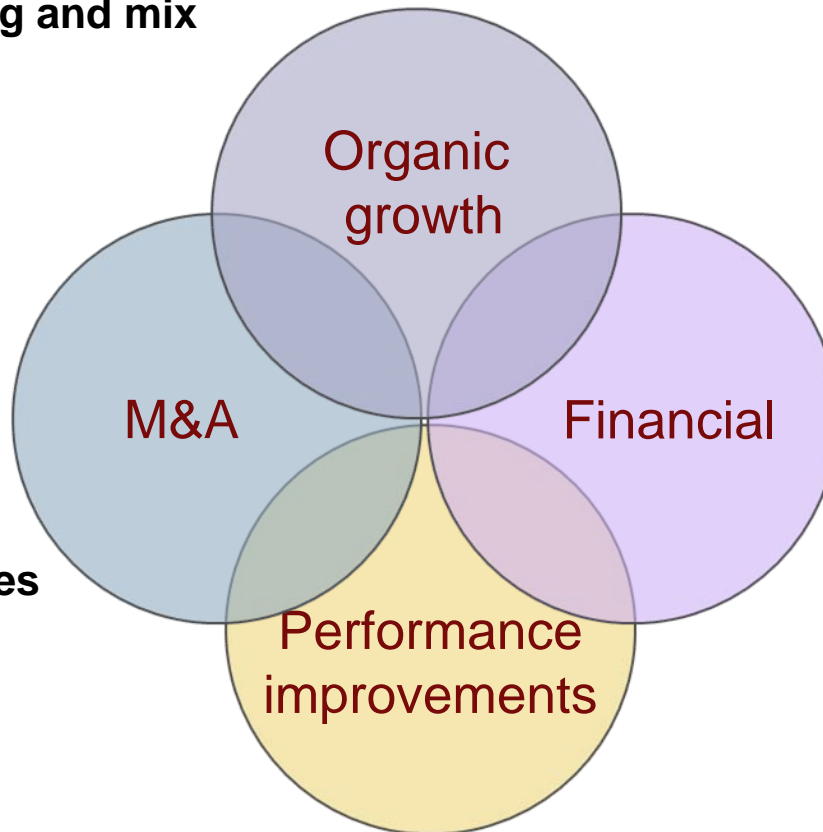
Swedish Match – A global Group of brands

- 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

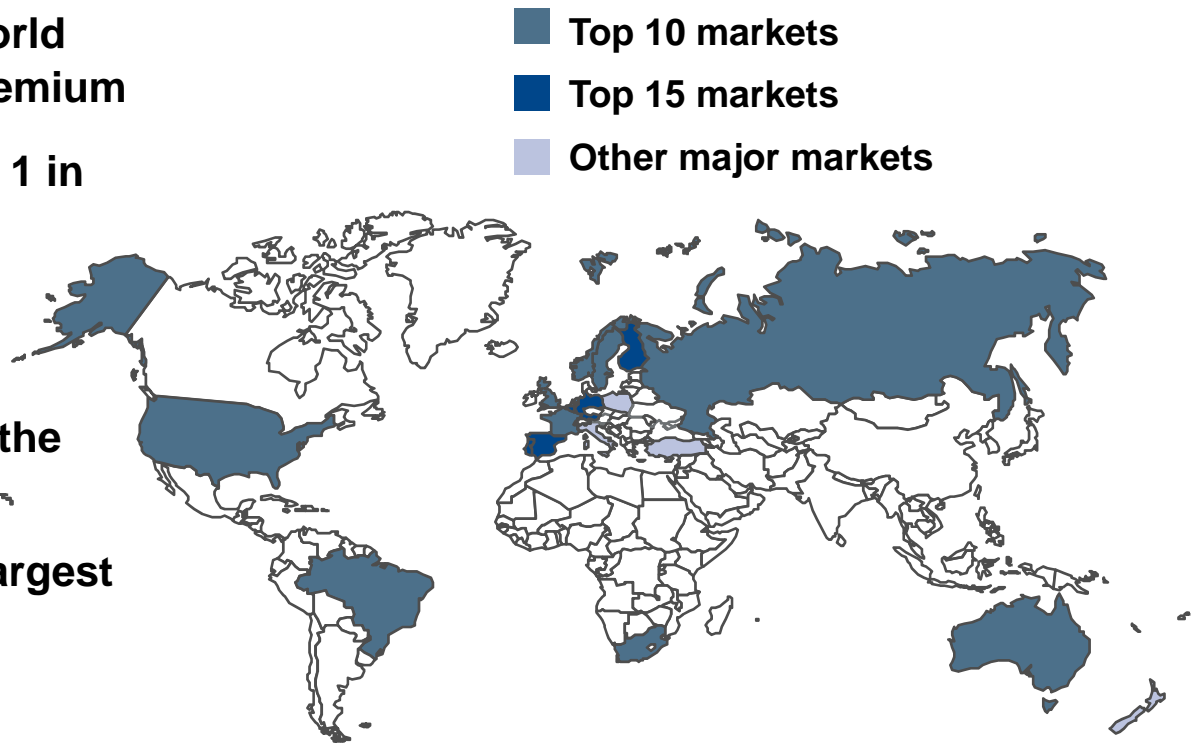
- Balance sheet efficiency
- Operating capital improvements
- Share buy-back program

- Productivity
- Restructuring

Largest markets in 2007

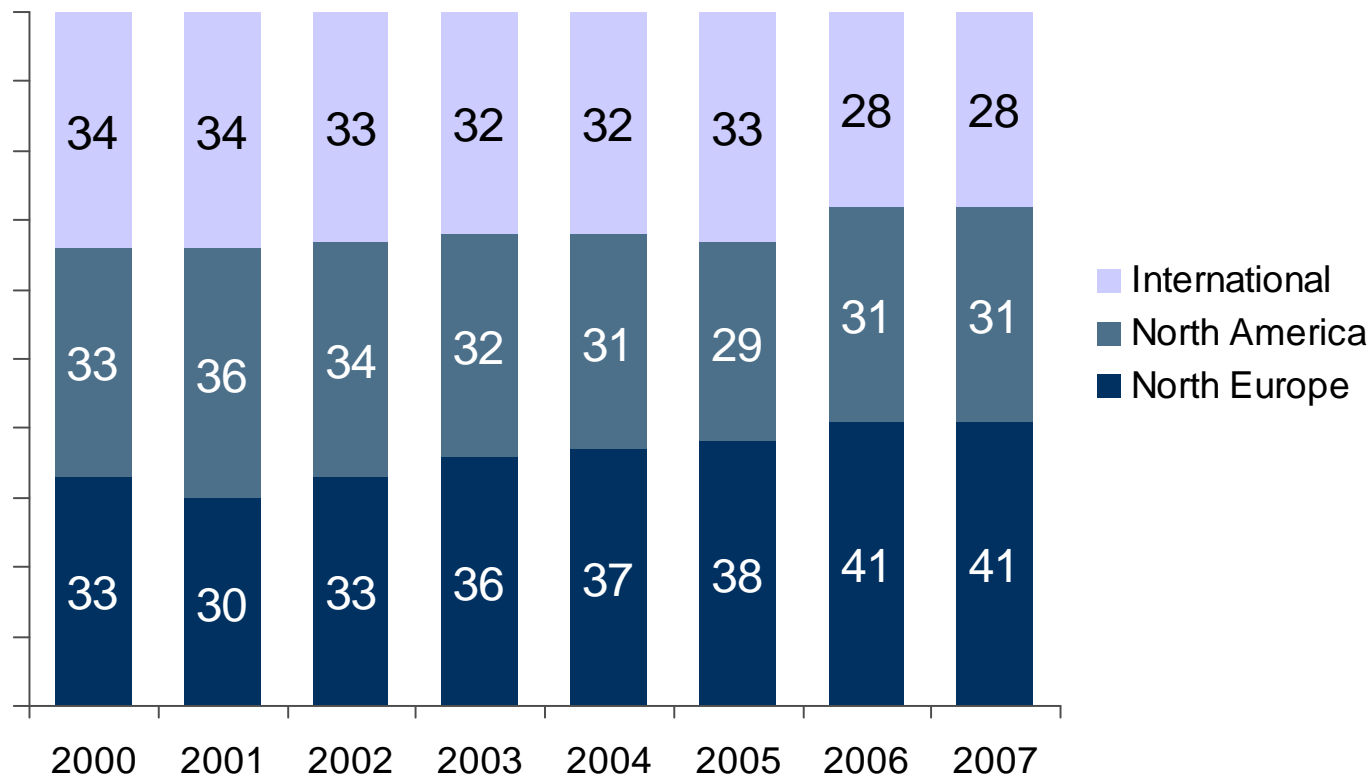
- **Snuff/Snus:** Number 1 in Scandinavia, number 3 in the US, and number 2 in South Africa
- **Cigars:** Number 2 in the world
Number 1 in US premium
- **Chewing tobacco:** Number 1 in the US
- **Matches:** A leader in many markets
- **Lighters:** Cricket is one of the better known brands
- **Pipe tobacco:**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

A company with worldwide sales, in more than 100 countries



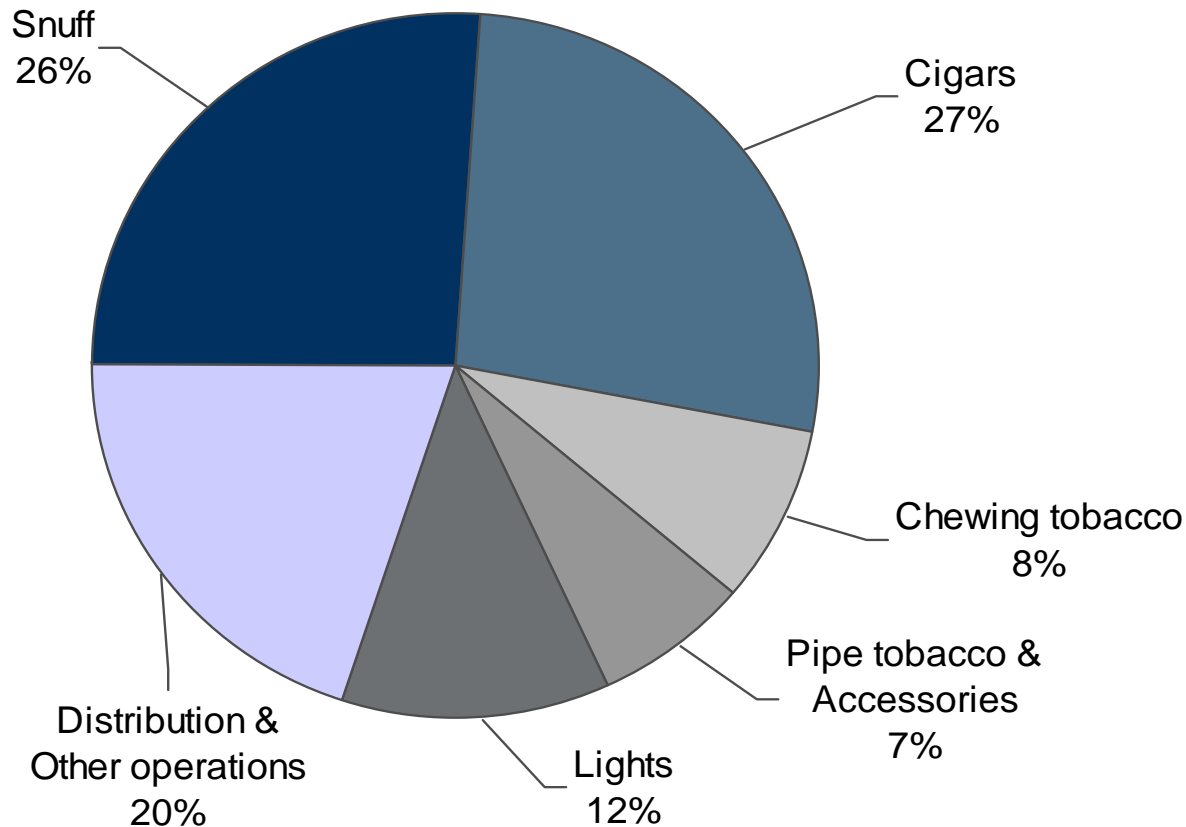
Sales by Geographic Division

Percent of sales (SEK)



Group sales split January – December 2007

Percentage split by product area, SEK



OTP*: 68%

* OTP = Other Tobacco Products

Conclusions from the fourth quarter

Results

- Continued recovery of Group operating profit*
 - ↳ Q4* reached 795 MSEK, (Q3: 759, Q2: 642, Q1: 534)
- Negative impact on sales and results from a continued weak USD
 - ↳ Operating profit* in Q4 up 1% in local currencies versus prior year despite higher marketing investments
- Excluding hoarding effects, underlying snus shipment volumes in Scandinavia have continued to recover
 - ↳ increased versus Q4 prior year (down 9% including hoarding effects)
- Overall snuff sales up 4% in local currencies on strong US growth, and despite a lower level of hoarding in Sweden
- Spending for growth initiatives (primarily snuff and snus) continues to be higher than last year
- Operating margin for snuff product line reached 45%
- Cigar acquisitions added to cigar sales and operating profit

* Excluding the gain from the sale of head office buildings in Stockholm, which added a further 267 MSEK in Q4

Conclusions from the fourth quarter

Markets (snuff and snus)

- Snuff volumes in the US increased by 28% in Q4
 - Red Man accounted for 8 percentage points of this increase
 - Red Man has expanded to 11 states from the original 8 states
- SM market shares* in the US continue to grow
 - 4 weeks ending December 29 at 11.8%, and YTD share at 11.1% (10.0%)
- Longhorn is the fastest growing brand, +51.5% YTD*
- SM total market share in Sweden was 89.8% in Oct/Nov*
 - Unchanged compared to Aug/Sept (89.8%)
- SM share of premium snus in Sweden is still stable at 97.4%*
- Low price remains relatively stable at around 20% of total Swedish market, with SM share at 58.5%*

* ACNielsen. Swedish shares are for the October/November period

Conclusions from the fourth quarter

Real estate

- Office building transactions closed Oct-Nov
 - 1,085 MSEK paid in cash
 - 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
- Havana Honeys, a niche premium brand, acquired
- Continue to pursue complementary acquisitions

Financial Policy

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

Other issues

- Total smoking ban in public places in France from January 1, 2008
- Smoking ban in the Netherlands from summer 2008

Group results January – December 2007

- Sales amounted to **12,551 MSEK (12,911)**
 - ↪ In local currency sales increased by 1%
 - ↪ Net currency translation negative impact 433 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 **2,997 MSEK (3,285)**
 - ↪ Profit comparison affected by higher hoarding of snus in Q4 2006 than Q4 2007 and low snus volumes in the beginning of the year in Scandinavia
 - ↪ Net currency translation negative impact of 117 MSEK
 - ↪ Higher marketing investments including launch costs for Red Man snuff
- Operating profit excl. larger one time items* was **2,730 MSEK (3,137)**
- Profit before income tax amounted to **2,662 MSEK (3,173)**
- Net profit for the period amounted to **2,056 MSEK (2,335)**
- EPS was **7.82 SEK (8.13)**

* Gain from sale of head office buildings in Stockholm of 267 MSEK in Q4 2007. Pension curtailment gain of 148 MSEK in Q2 2006.

Group results October – December 2007

- Sales amounted to **3,527 MSEK (3,457)**
 - In local currency sales increased by 5%
 - Net currency translation negative impact of 92 MSEK
 - Sales for the group excluding Swedish Distribution increased by 7% in local currencies
- Operating profit* amounted to **795 MSEK (811)**
 - In local currency operating profit increased by 1%
 - Lower hoarding and launch costs for snuff affect comparison
 - Net currency translation negative impact of 20 MSEK
- Profit before income tax amounted to **976 MSEK (854)**
- Net profit for the period amounted to **791 MSEK (603)**
- EPS was **3.04 SEK (2.19)**

* Excluding gain on sale of head office buildings in Stockholm in Q4 2007 of 267 MSEK

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

Red Man makes a strong debut.

Year-end hoarding in Sweden is less than half last year's levels

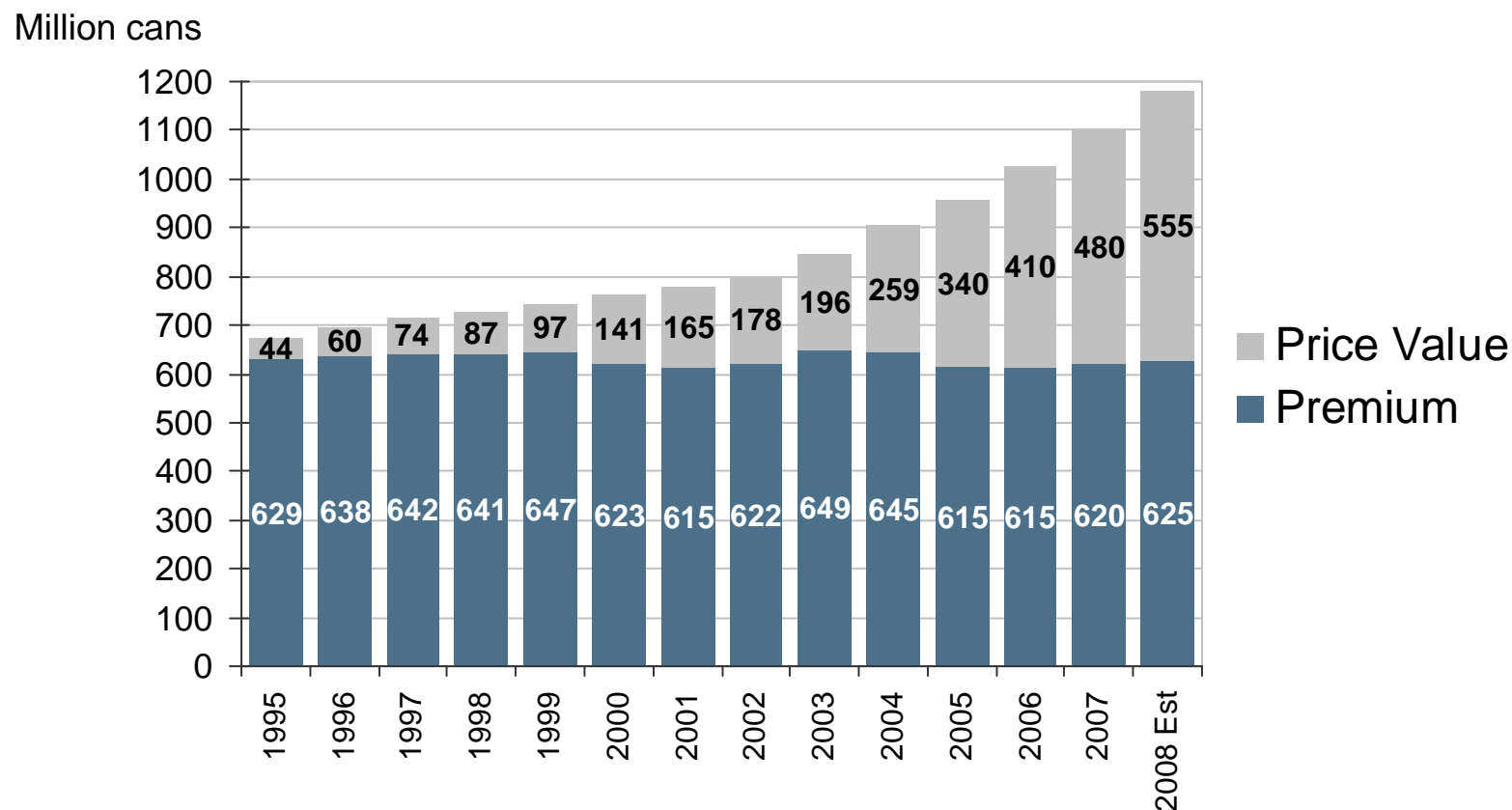


- North European division snus sales flat versus 2006, despite lower hoarding levels in 2007
- USD sales up 20% in US
- US snuff volumes up 28% with solid growth for Longhorn and Timber Wolf, and Red Man launch
- US snuff volumes up 20% for Longhorn and Timber Wolf
- Red Man expands to 11 states with national expansion planned during 2008
- Lower margins in Q4 from less hoarding, mix effects and higher marketing investments, including Red Man launch

MSEK	Q4-07	Q4-06	% chg	Full year 2007	Full year 2006	% chg
Sales	981	963	2	3,289	3,363	-2
Operating profit	441	462	-5	1,366	1,614	-15
Operating margin, %	45.0	48.0		41.5	48.0	

Volume growth of snuff in the US

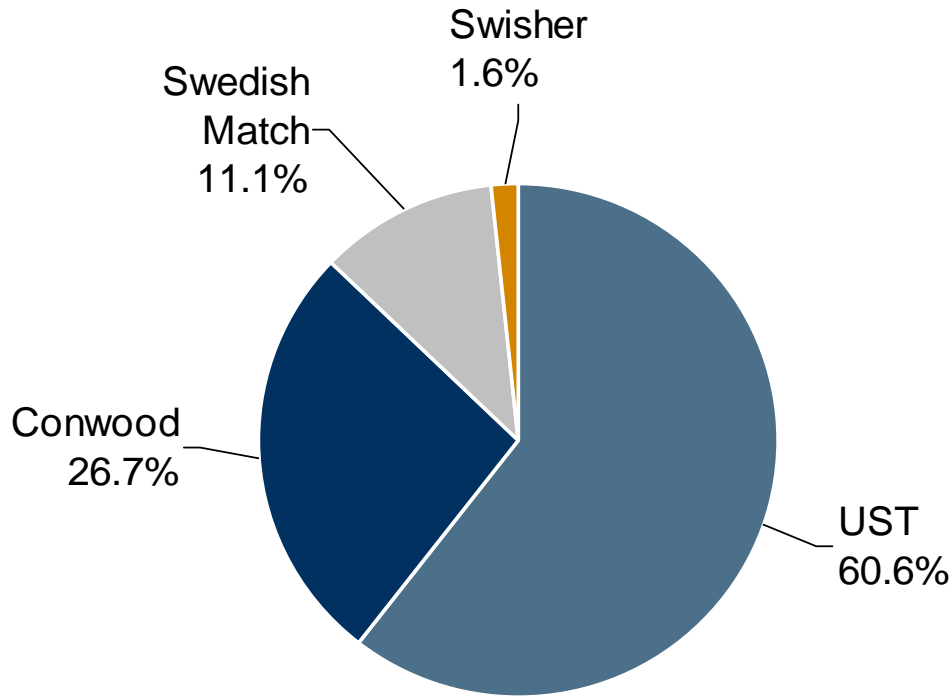
US snuff market by segment



Swedish Match estimated market size, using ACNielsen estimates as well as industry data and estimates
ACNielsen growth projection of 10% compares with estimates from other sources of 7-10% for 2007

US moist snuff market shares

Volume share North America, YTD December 29



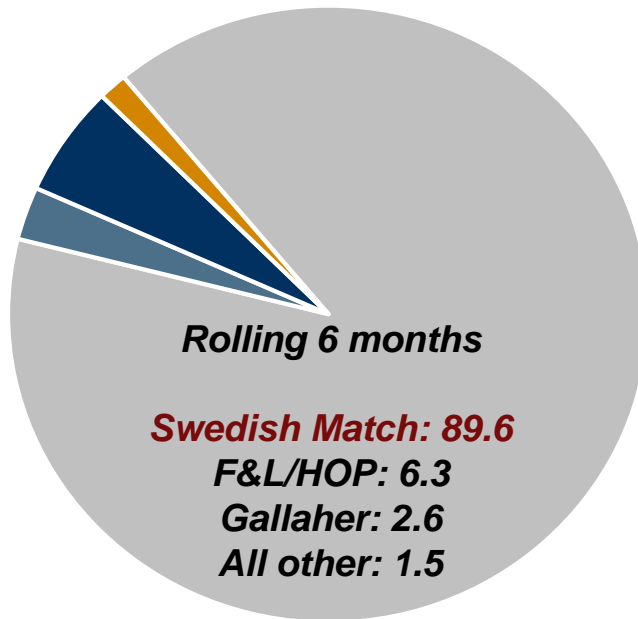
**4 weeks ending
January 26**

Swedish Match: 11.7
UST: 59.3
Conwood: 27.3
Swisher: 1.6

Source: ACNielsen

Swedish snus market shares

Volume share Sweden, rolling 6 months to January 2008



**2 months
December/January**

Swedish Match: 89.2
F&L/HOP: 6.8
Gallaher: 2.5
All other: 1.5

Source: ACNielsen

Swedish tax increases

- 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
 - 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
- Recovery on volumes from the end of second quarter 2007
- From January 1, 2008 weight based tax increases 37%
 - From 246 SEK/kg to 336 SEK/kg
- From January 2008 Swedish Match raised list prices by more than the tax increase
 - Reduced premium loose can weights from 50g to 45g
 - Increased its own prices excluding the tax by 1.5 – 2 SEK per can on most products

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 and Bogaert account for most of the sales growth

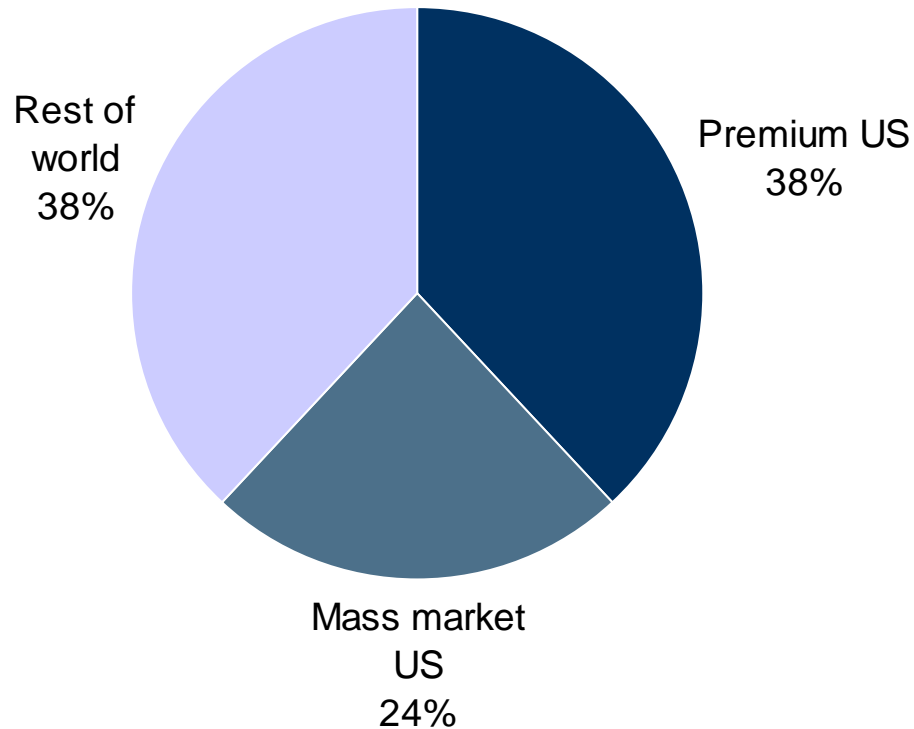


- Q4 sales increased 15% in local currency, primarily from acquired businesses
- US premium sales in Q4 were flat in USD, excluding Cigars International. US mass market sales down
- European cigar sales excluding Bogaert acquisition were down due to reduced volume and mix effects
- Full year operating profit down due to mix and currency effects, some increased marketing spending, and lower volumes in several European markets
- Smoking bans become more restrictive in France and Netherlands during 2008

MSEK	Q4-07	Q4-06	% chg	Full year 2007	Full year 2006	% chg
Sales	928	857	8	3,411	3,407	0
Operating profit	195	168	16	737	770	-4
Operating margin, %	21.0	19.6		21.6	22.6	

Cigar sales

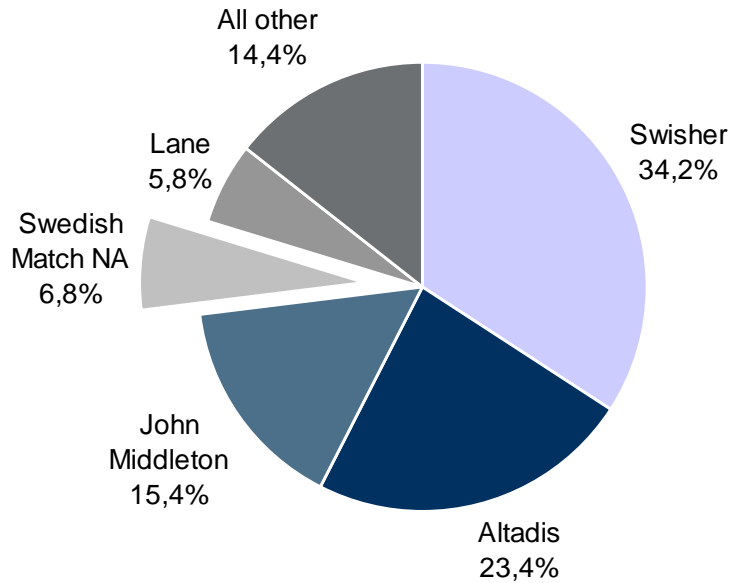
YTD December 2007 sales split (SEK)



Cigars

North America, mass market YTD December 29

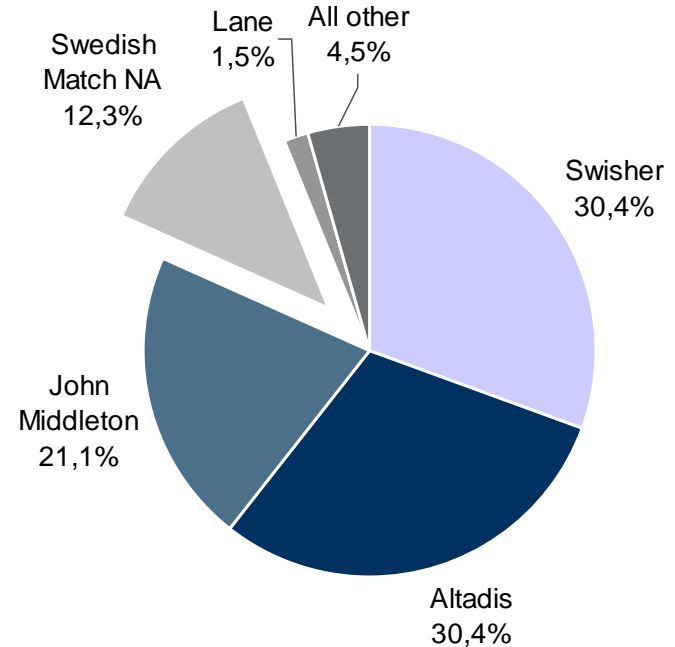
VOLUME share



**4 weeks ending
January 26**

Swedish Match: 6.2

VALUE share (USD)



**4 weeks ending
January 26**

Swedish Match: 11.4

Source: ACNielsen, percentages may not add up to 100% due to rounding

Chewing tobacco

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

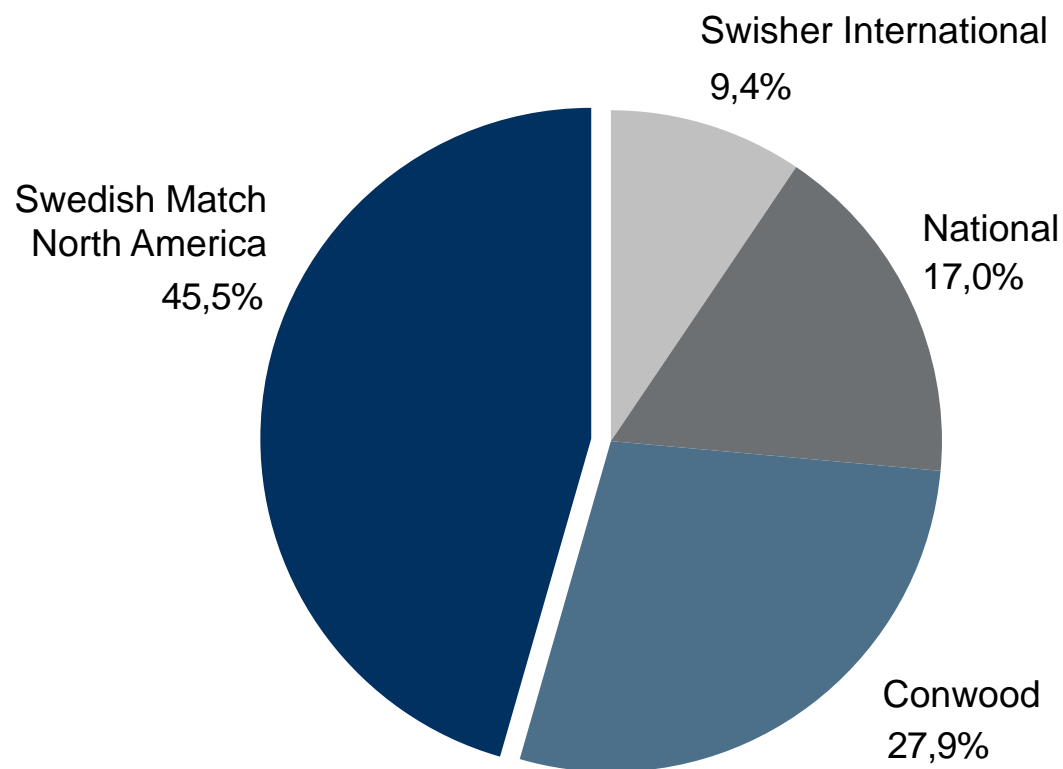


- Improved pricing partially offset shipment volume declines, with USD sales down 2% YTD
- Full year operating margins improved slightly
- Market shares at 45.5% for the year
- Q4 US sales up 2% in local currency
- Price increase of 5% in December

MSEK	Q4-07	Q4-06	% chg	Full year 2007	Full year 2006	% chg
Sales	222	240	-8	956	1,063	-10
Operating profit	75	76	-1	312	338	-8
Operating margin, %	34.1	31.7		32.7	31.8	

Chewing tobacco

Volume share North America, YTD December 29



**4 weeks ending
January 26**

Swedish Match: 46.9
Conwood: 25.5
National: 17.9
Swisher: 9.5

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	Q4-07	Q4-06	% chg	Full year 2007	Full year 2006	% chg
Sales	223	226	-1	851	899	-5
Operating profit	58	63	-9	201	265	-24
Operating margin, %	25.9	28.0		23.6	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

Improved sales and operating margin in Q4. Stable 2007



- Solid Q4 for both sales and operating profit
- Sales in Q4 up 5%
- Operating profit in Q4 up 31%

MSEK	Q4-07	Q4-06	% chg	Full year 2007	Full year 2006	% chg
Sales	405	388	5	1,473	1,503	-2
Operating profit	67	51	31	252	249	1
Operating margin, %	16.4	13.1		17.1	16.6	

Outlook

- A continued positive development is foreseen for 2008
 - Higher Group sales
 - Higher Group operating profit (excl. the larger one time item in 2007)
- Improved snuff performance
 - **US**: higher volumes and improved market share
 - Continued substantial marketing investments behind Red Man
 - **Scandinavia**: Improved margins and operating profits
 - Lower volumes in Sweden
- Significant increase of sales for Cigars
 - Full year impact from acquisitions
 - Some pressure on margins, especially in the first part of the year
 - Challenging environment in some European countries
 - Amortization of intangibles from acquired businesses
- Continue to optimize the balance sheet
- Tax rate of 20 percent

P & L summary

MSEK	October – December 2007	December 2006	Percent change	Full year 2007	Full year 2006	Percent change
Sales	3,527	3,457	2	12,551	12,911	-3
Cost of sales	-1,880	-1,877		-6,578	-6,674	
Gross profit	1,647	1,581	4	5,973	6,237	-4
Sales and adm. expenses*	-584	-772		-2,976	-2,963	
Share of profit in equity accounted investees	-1	3		1	11	
Operating profit	1,062	811	31	2,997	3,285	-9
Financial income**	56	150		165	239	
Financial expenses	-142	-107		-501	-351	
Net finance cost	-86	43		-336	-112	
Profit before income taxes	976	854	14	2,662	3,173	-16
Income tax expense	-185	-251		-606	-838	
Net profit for the period	791	603	31	2,056	2,335	-12
Attributable to:						
Equity holders of the Parent	791	603		2,055	2,335	
Minority interests	0	0		1	1	
Net profit for the period	791	603	31	2,056	2,335	-12
EPS, basic, SEK	3.04	2.19		7.82	8.13	
EPS, diluted, SEK	3.04	2.18		7.80	8.10	

* Including gain of 267 MSEK from sale of head office buildings in Q4 2007 and 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	Dec 31, 2007	Dec 31, 2006
Intangible fixed assets	4,419	3,469
Property, plant and equipment	2,388	2,221
Financial fixed assets	1,011	1,055
Current operating assets*	5,204	5,827
Other current investments	5	56
Cash and cash equivalents	3,439	3,042
Total assets	16,467	15,670
Equity attributable to equity holders of the Parent	720	2,037
Minority interests	4	3
Total equity	724	2,041
Non-current provisions	1,292	1,192
Non-current loans	8,768	7,815
Other non-current liabilities	567	657
Current provisions	60	61
Current loans	1,271	409
Other current liabilities	3,785	3,495
Total equity and liabilities	16,467	15,670

* 2006 includes assets held for sale amounting to 747 MSEK, mainly attributable to the head office property in Stockholm which was sold during the fourth quarter 2007

Cash flow in summary

MSEK	January – December	
	2007	2006
Cash flow from operating activities before changes in working capital	2,372	1,551
Cash flow from changes in working capital	-45	-216
Net cash from operating activities	2,327	1,135
Acquisition in property, plant and equipment*	-541	-304
Proceeds from sale of property, plant and equipment	1,165	100
Acquisition of intangible assets	-68	-270
Acquisition of subsidiaries, net of cash acquired	-1,209	-29
Divestment of business operations	-	31
Changes in financial receivables etc.	112	-60
Changes in current investments	51	-277
Net cash used in investing activities	-490	-255
Changes in loans	1,802	3,129
Dividends	-664	-627
Repurchase of own shares, net	-2,453	-3,580
Other	-111	-86
Stock options exercised	122	94
Net cash used in financing activities	-1,426	-1,164
Net increase/decrease in cash and cash equivalents	410	-85
Cash and cash equivalents at the beginning of the period	3,042	3,325
Effect of exchange rate fluctuations on cash and cash equivalents	-13	-198
Cash and cash equivalents at the end of the period	3,439	3,042

* Includes investments held for sale and biological assets

Key data

MSEK	January – December	
	2007	2006
Operating margin, %*	21.8	24.3
Operating capital	8,439	8,059
Net dept	7,127	5,658
EBITDA, MSEK*	3,166	3,583
EBITA, MSEK*	2,865	3,269
EBITA interest cover	9.0	15.7
Net debt/EBITA	2.5	1.7
Share data*		
Earnings per share, basic, SEK	7.82	8.13
Earnings per share, diluted, SEK	7.80	8.10
Average numbers of shares outstanding (Mio)	262.6	287.1
Shares outstanding, end of period (Mio)	255.9	274.4

* Please refer to notes in the full year 2007 report

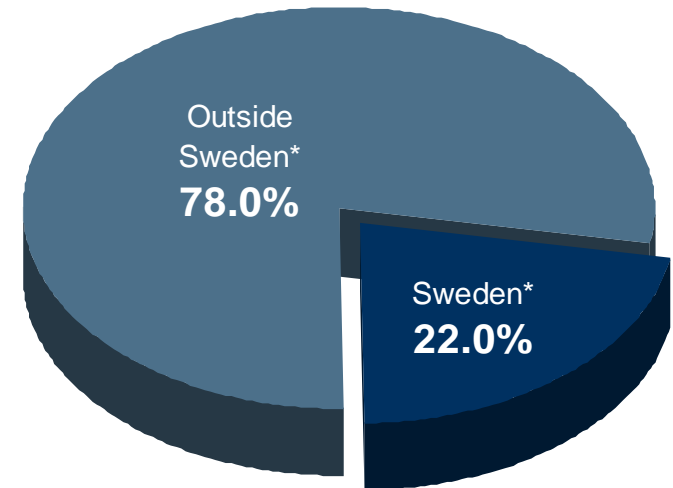
Largest shareholders

As per December 31, 2007

Largest shareholders*:

Parvus Asset Management	10.3 %
Wellington Management Company	9.8 %
Morgan Stanley Investment Mgmt	5.5 %
Swedbank Robur Funds	2.3 %
SHB/SPP Funds	2.0 %
SEB Funds	1.6 %
Nordea Funds	1.3 %
Third Swedish National Pension Fund	1.0 %
The Children's Investment Fund	1.0 %
Govt of Singapore Inv Corp	1.0 %
	<hr/>
	35.8 %

54,594 shareholders



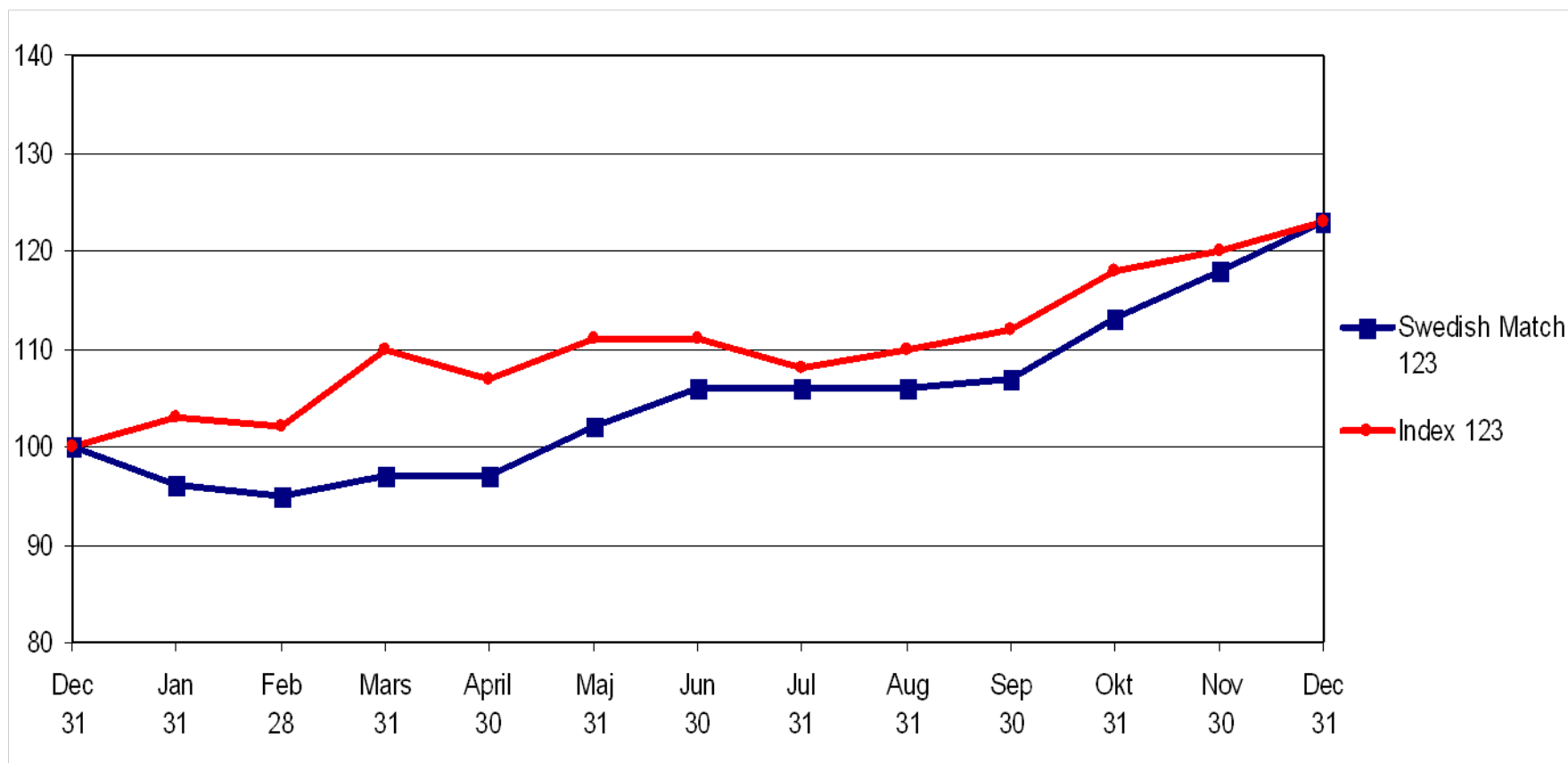
Source: VPC (official registry) and SIS Ägaranalys, percent of share capital excluding Swedish Match shares held in Treasury

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

Swedish Match compared with index

Total Shareholder Return, 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, 2005.

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 death 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?

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ACSH, 1900 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
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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 Slater, 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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The New York Times

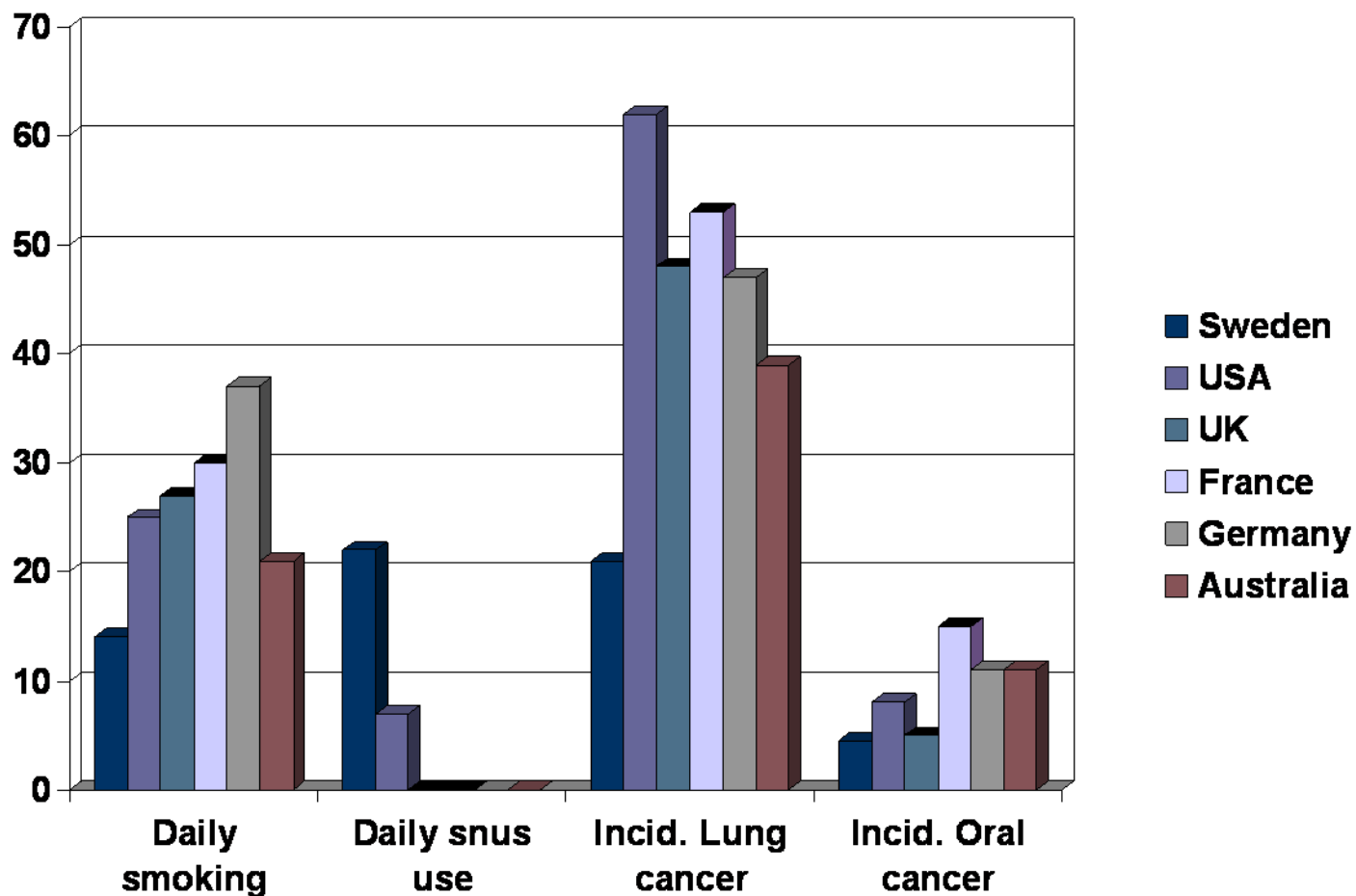
INTERNATIONAL
Herald Tribune

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

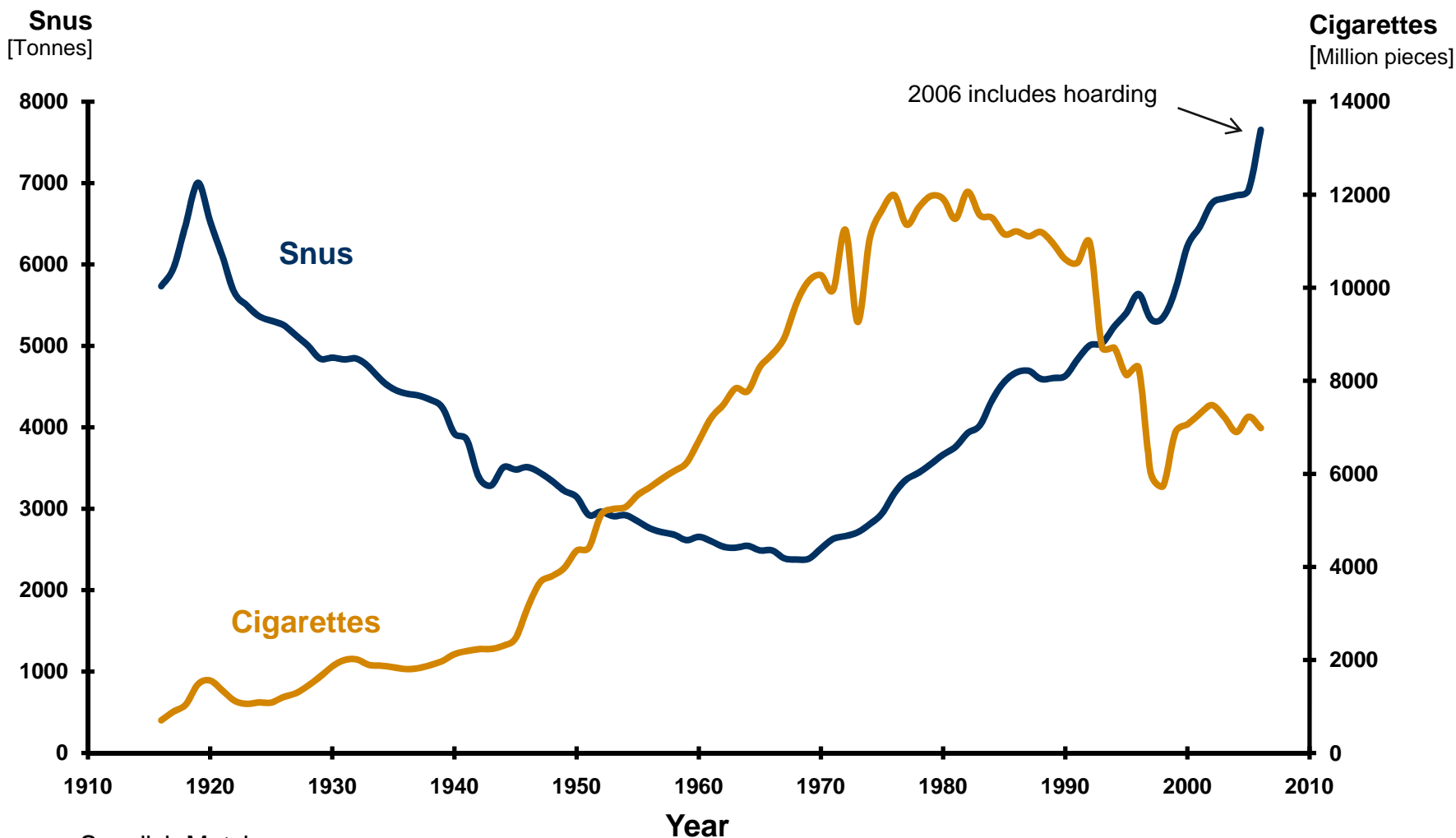


Sources: Cancer; WHO/IARC GLOBOCAN 2002. Tobacco use, latest available official figures.

(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