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SWEDISH MATCH

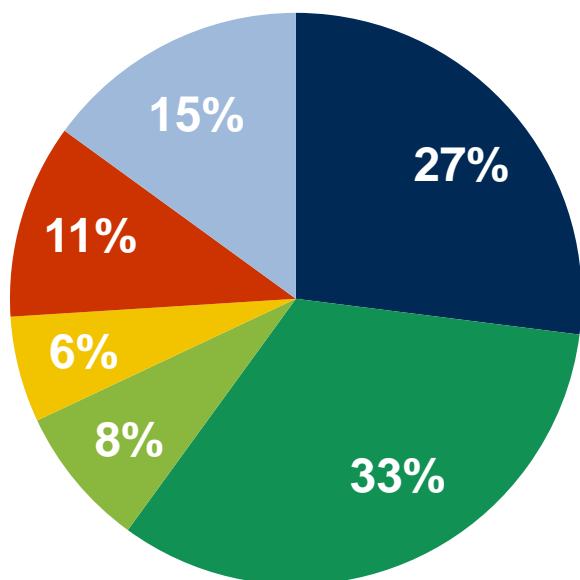
January – March 2009

Investor Kit

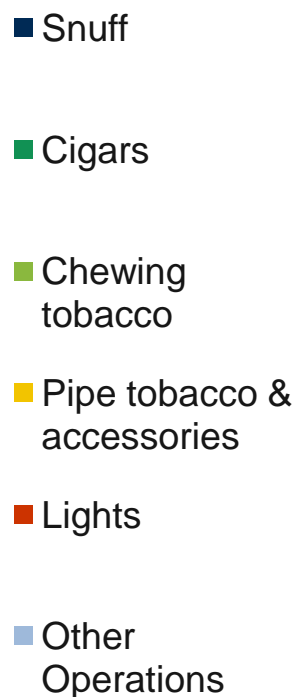


Group sales and operating profit – Q1 2009

Sales split, SEK



Operating profit* split, SEK

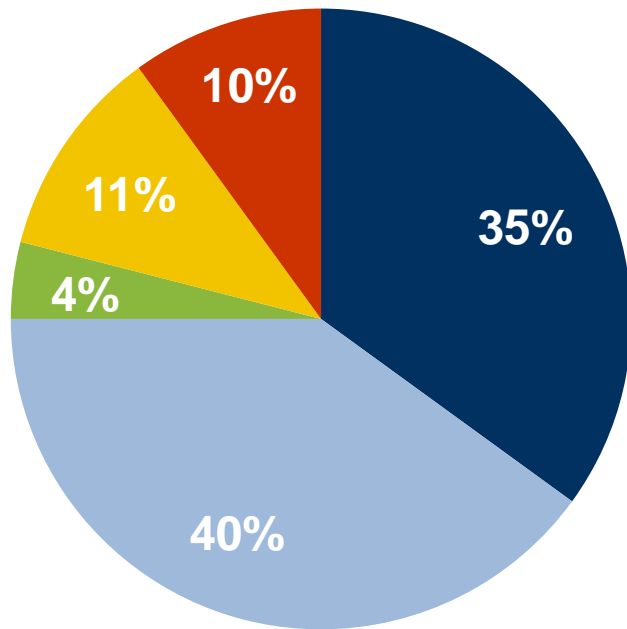


* Excluding Other operations

Sales by currency block

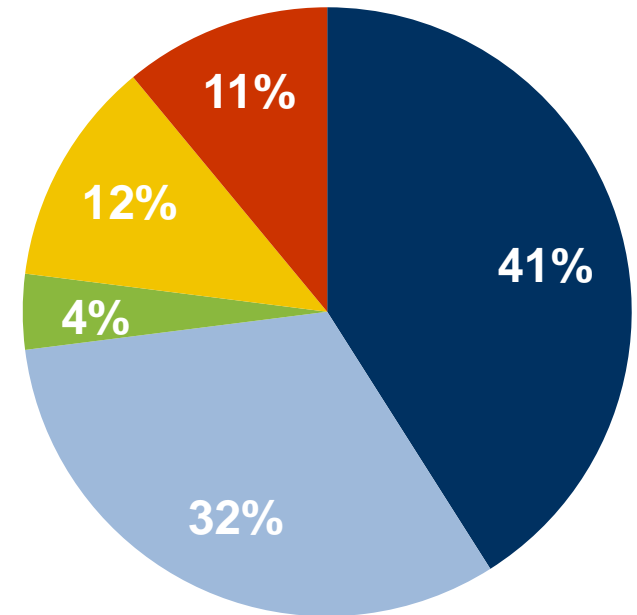
Percent of sales, SEK

YTD 2009



- North Europe
- North America
- South Africa
- Continental Europe
- Other

FY 2008



Conclusions from the first quarter - sales

- **Net sales up 25 percent, up 10 percent in local currencies**
- **Net sales excluding "Other operations" up 29 percent**
- **Scandinavian snus** sales up 16 percent, on 14 percent higher volume
 - Prior year included 5 – 6 million cans of trade destocking volume in Sweden
 - Volume growth in Norway, tax-free
- **US snuff** sales up 1 percent in USD, on 5 percent lower volume
 - Low volumes in March from destocking tied to Federal Excise Tax (FET).
Previous year included some national rollout pipeline shipments for Red Man
- **Cigar** sales increased by 56 percent, driven by both currency translation and US trade loading tied to FET increase
 - US mass market sales up 62 percent in USD, and US premium cigar sales up 29 percent
- **Chewing tobacco** sales up 35 percent, up 1 percent in USD
- **Pipe tobacco** sales up 3 percent, flat in local currencies
 - UK accessories business divested on December 22, 2008
- **Lights** sales up 9 percent

Conclusions from the first quarter

- **Operating profit increased by 35 percent in local currencies**
 - ↪ Snuff operating margin was 40.9 percent, vs. 39.0 percent previous year and 44.2 percent in Q4 2008
 - Impacted by stronger USD, trade destocking in US in Q1 2009 on FET, and higher marketing spending in Scandinavia
 - ↪ Cigar operating profit up 102 percent in local currency
 - Impacted by trade loading for mass market and premium cigars in US on FET
 - Premium cigars in Q1 2008 had trade destocking, reducing operating profit
 - ↪ Solid profitability for chewing tobacco, pipe tobacco, and lights
- **Tax rate for the Group was 23 percent, vs. 14.5 percent for full year 2008**
 - ↪ Prior year tax rate included several one time positive effects, including non-taxable capital gains and reversals of tax provisions
 - ↪ Full year tax rate for the Group estimated to be 22 - 24 percent
- **Solid cash position and limited debt repayments through 2009**
 - ↪ Cash and cash equivalents are 3,435 MSEK vs. 3,178 MSEK previous year
 - ↪ 366 MSEK of interest bearing debt remains due in 2009, with 350 MSEK paid in Q1

ACNielsen consumption data: Sweden

- **SM total value market share* in Sweden in was 89.6%**
 - 90.0% in Dec 08/Jan 09 (90.2% in Feb/Mar 2008)
- **SM total volume market share* in Sweden was 87.0%**
 - 87.3% in Dec 08/Jan 09 (87.4% in Feb/Mar 2008)
- **SM value share* of premium snus in Sweden is stable at 97.3%**
 - Volume share* is 97.0%
- **Low price segment is 23.4%* of Swedish market**
 - An increase from 22.9% in Dec 08/Jan 09 (21.9% in Feb/Mar 2008)
- **SM share* of low price segment in Sweden is stable at 54.4%**

* ACNielsen: Market shares are for the February/March period

ACNielsen consumption data: US moist snuff

- **US snuff market* up 2.5% for the YTD ending March 21**
 - Swedish Match consumption volume up 10.9% YTD
 - Volumes up for Red Man and Longhorn, with Timber Wolf down slightly
 - SM consumption up 11.8% latest four weeks, market up 1.3%
- **SM market shares* in the US continue to grow**
 - YTD March 21 was 12.6%, vs. 11.7% YTD 2008
 - 4 week March 21 share: 12.8%
 - YTD March 21 Red Man share 1.7%
 - 4 week March 21 share: 1.8%

* ACNielsen: Market share in volume for YTD and 4 week periods ending March 21, 2009

Other highlights

- **Other Operations**

- Improvement vs. prior year due primarily to prior year destocking effect for the Swedish distribution business

- **Other issues**

- SM and Philip Morris International signed agreement to establish a joint venture company to commercialize smokeless products outside of Scandinavia and the US
- Swedish Match to phase in production of chewing tobacco for National Tobacco, with full production from the second half of the year

- **Other issues post results**

- FET/SCHIP signed into law, effective April 1, 2009 bringing significant Q1 hoarding of cigars and destocking of other tobacco products

Outlook

- Swedish Match will take further steps to drive value creation and growth, to strengthen our position as a leading smokefree tobacco company
- The Company will maintain its strong commitment to profitability for the other product categories
- Both the US and Scandinavian snus markets are expected to grow in 2009
- The maintenance of the current Swedish weight based tax levels should help to stabilize the Swedish snus market
- US FET increases could negatively impact consumption, especially for cigars,
 - For US cigars, following significant trade hoarding in the first quarter, we expect significant destocking in the second quarter
- Long-term financial strategy and dividend policy maintained
 - Cost of financing taken into account in determining timing and amount of cash returns
- The tax rate for 2009 is estimated to be in the range of 22 - 24 percent

Group results first quarter 2009

- **Sales** amounted to **3,535 MSEK (2,818)**
 - In local currency sales increased by 10 percent
 - Net currency translation gave a positive impact of 431 MSEK
 - Sales for the Group excluding Other operations (Swedish distribution) increased by 11 percent in local currencies
- **Operating profit** amounted to **846 MSEK (547)**
 - Operating profit increased by 35 percent in local currencies
 - Net currency translation gave a positive impact of 109 MSEK
- **Profit before income tax** amounted to **737 MSEK (433)**
- **Net profit** for the period amounted to **567 MSEK (346)**
- **EPS (basic)** was **2.27 SEK (1.36)**

Financial policy and financing needs

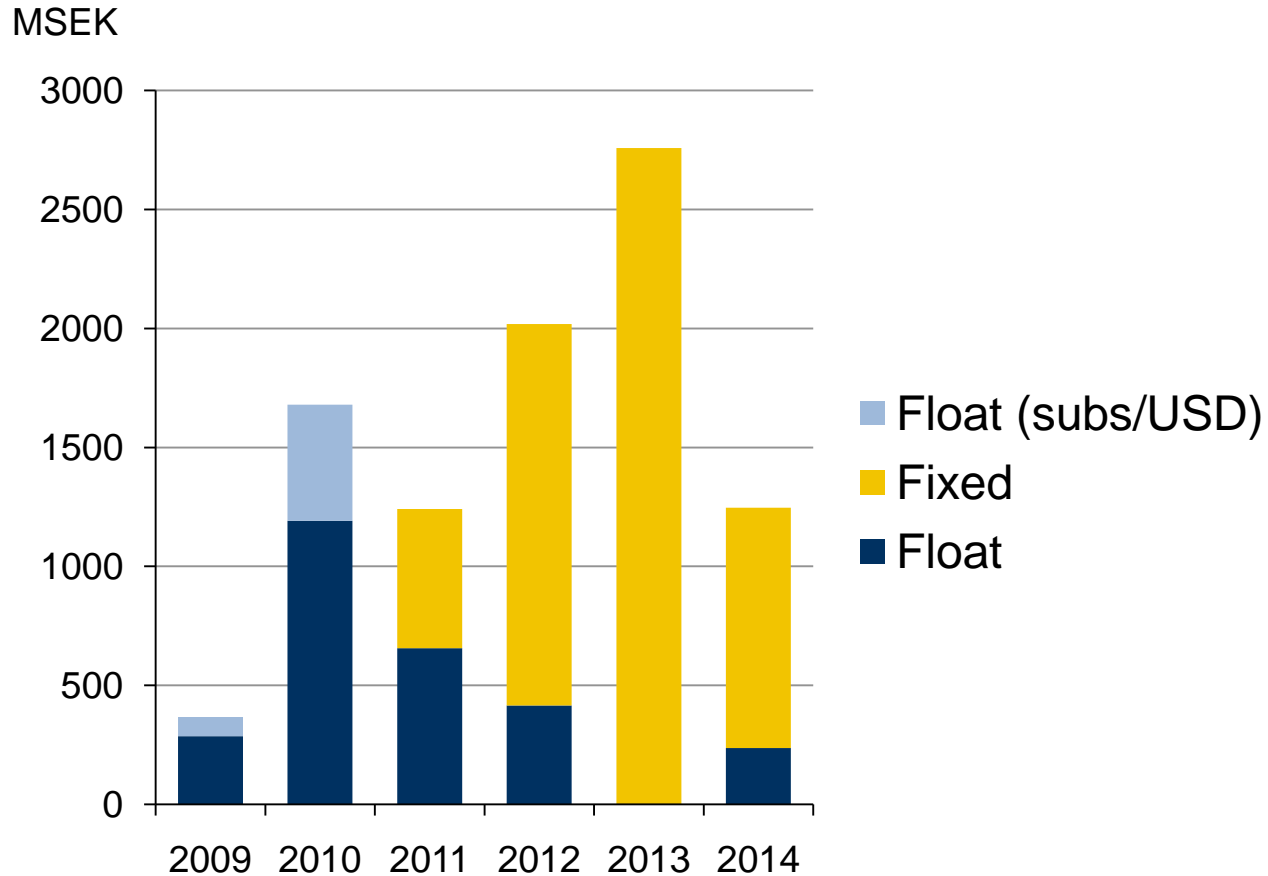
- **Financial policy**

- Dividend policy: 40 – 60% of earnings per share
 - Proposed dividend of 4.10 SEK is 46% of 2008 EPS, an increase of 17%
- Net debt not to exceed 3 times EBITA

- **Financing and cash flow**

- 717 MSEK in interest bearing debt due in 2009
 - 350 MSEK in interest bearing debt due and paid in Q1, and 141 MSEK to be paid in Q2, with the remaining 226 MSEK to be paid in the second half of the year

Maturity profile of interest bearing liabilities*



* Primarily from the Swedish (SEK) and Global (EUR) MTN programs

Snuff

- Leading position in **Sweden** and **Norway**
- Well positioned in the value price segment in **the US**
- Production in **Sweden** and **the US**



Strong sales and profit growth

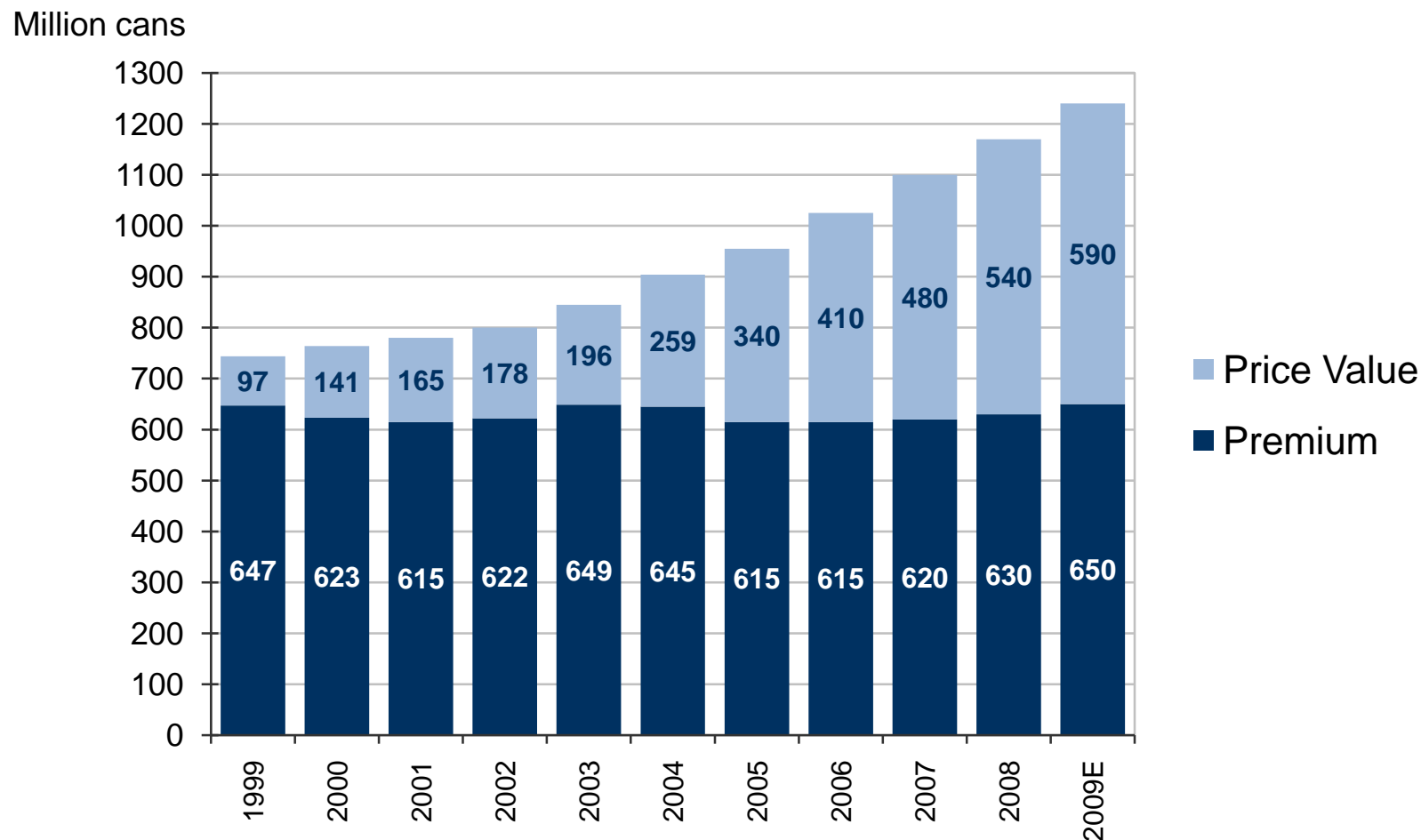
- **North European Division's snus sales up 16%**
 - Higher volumes in Sweden, Norway, and travel/retail/duty free
 - Swedish volumes flat vs. prior year excl. destocking effects
- **US sales up 1% in USD, volumes down 5% in Q1**
 - Prior year pipeline volume and trade destock in March on FET
 - Consumption volume up 10.9% (ACNielsen to YTD March 21)
- **Q1 margins up from year earlier levels**
 - Solid improvement in US margins, but low shipments in March on FET trade destock lessened positive impact
 - Dollar/mix effects and higher spending in Scandinavia have negative effect on reported margins



MSEK	Q1-09	Q1-08	chg	April 1, 2008- March 31, 2009	Full year 2008	chg
Sales	969	821	18	3,977	3,829	4
Operating profit	396	321	24	1,764	1,689	4
Operating margin, %	40.9	39.0		44.4	44.1	

Volume growth of snuff in the US

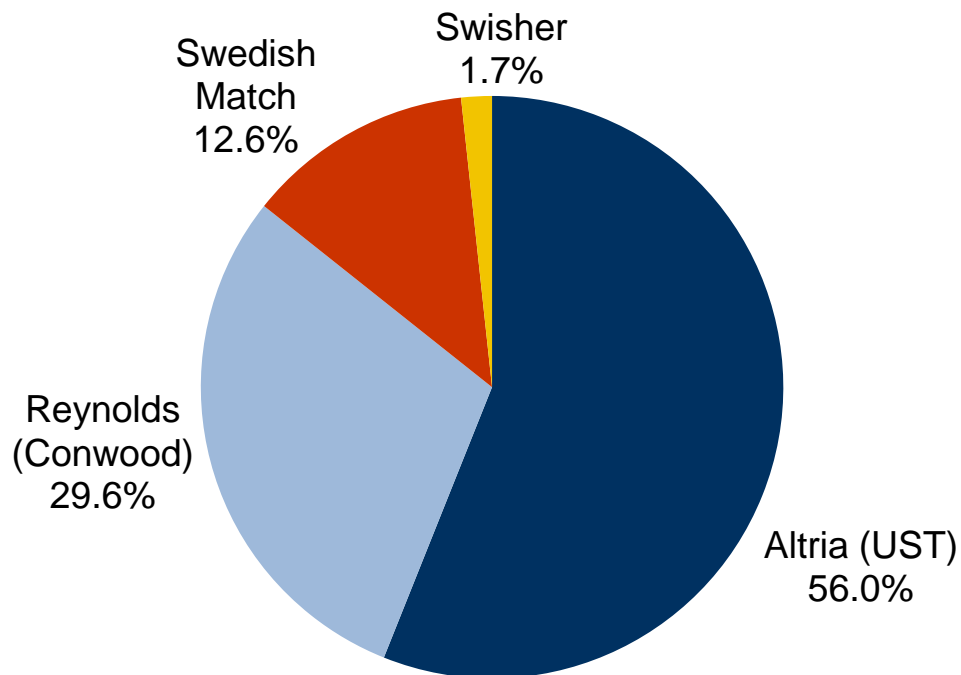
US snuff market by segment



Swedish Match estimated market size, using ACNielsen estimates as well as industry data and estimates

US moist snuff market shares

Volume share North America, YTD March 21



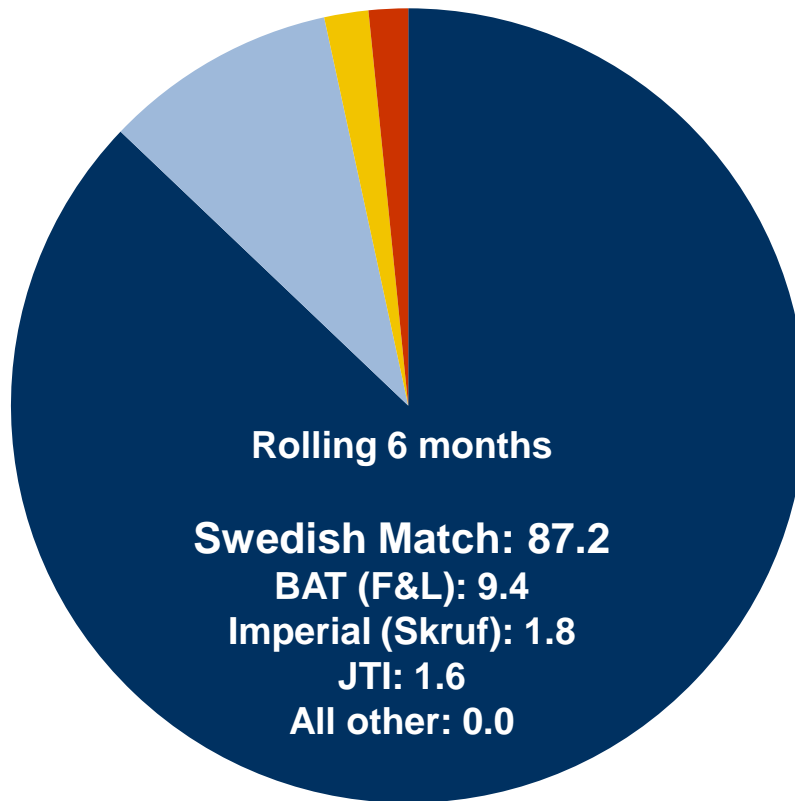
4 weeks ending
March 21

Swedish Match: 12.8
Altria (UST): 55.6
Reynolds (Conwood): 29.8
Swisher: 1.6

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

Swedish snus market shares

Volume share Sweden, rolling 6 months through March 2009



2 months **volume** share
Feb/March

Swedish Match: 87.0
BAT (F&L): 9.7
Imperial (Skruf): 1.7
JTI: 1.4
All other: 0.1

2 months **value** share
Feb/March

Swedish Match: 89.6
BAT (F&L): 7.4
Imperial (Skruf): 1.7
JTI: 1.2
All other: 0.1

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

Other points for 2009: snuff/snus

- Scandinavia

- No excise tax increase in Sweden announced
- 13% excise tax increase in Norway
- Reduced travel

- US

- Federal Excise Tax increase (SCHIP) from April 1
 - List prices **reduced** for premium competitive products, and **unchanged** for largest value priced competitor
 - SM value price products also have **unchanged** list price from April 1, despite FET increase of 7 cents per can
- State tax increases possible
- FDA may take over regulation, could take effect in 2010/11
- Altria/UST combined sales force and administration, change in promotional strategy
- Increased activity in the snus category

Cigars

- Swedish Match is one of the world's largest producers and distributors of cigars and cigarillos
- The largest markets are **North America** and **Western Europe**
- Production in **Belgium, Dominican Republic, Indonesia, Honduras and the US**



Cigars

Q1 sales up 56% on sharply higher US volumes

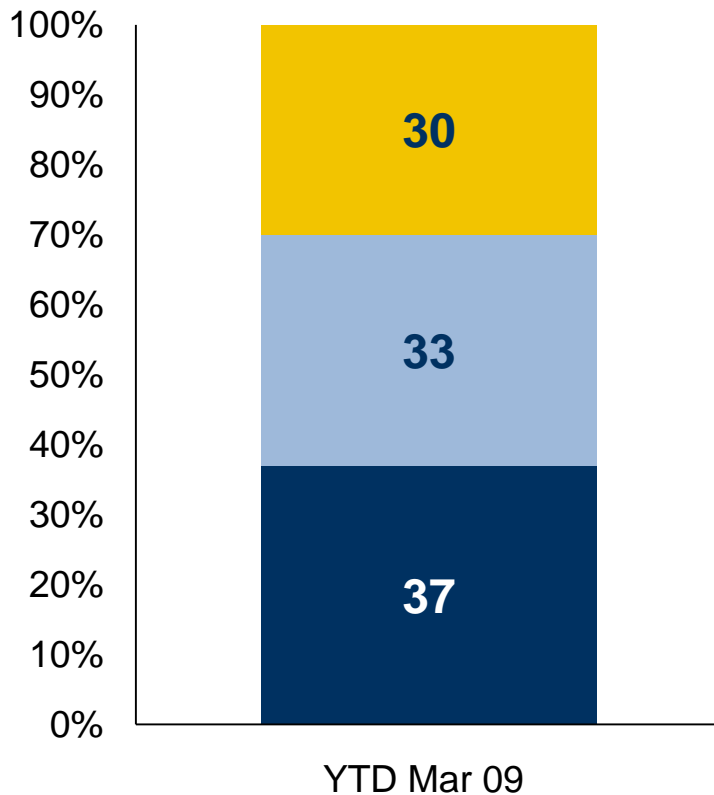
- **US mass market sales up 62% in USD, volumes up 54%**
 - Trade loading in anticipation of FET increase
- **US premium sales up 29% in USD, volumes up 31%**
 - Trade loading tied to FET
- **European cigar sales down despite higher volumes, due to mix effects toward smaller/less expensive cigars**
- **Operating margins exceptionally high during the first quarter due to US hoarding, reaching 24.3 percent**
 - Margins were unusually low in Q1 2008 on destocking for premium cigars



MSEK	Q1-09	Q1-08	chg	April 1, 2008- March 31, 2009	Full year 2008	chg
Sales	1,179	757	56	4,079	3,657	12
Operating profit	287	112	157	864	689	25
Operating margin, %	24.3	14.8		21.2	18.8	

Cigars

Sales split (SEK)



■ US premium ■ US mass market ■ Europe/ROW

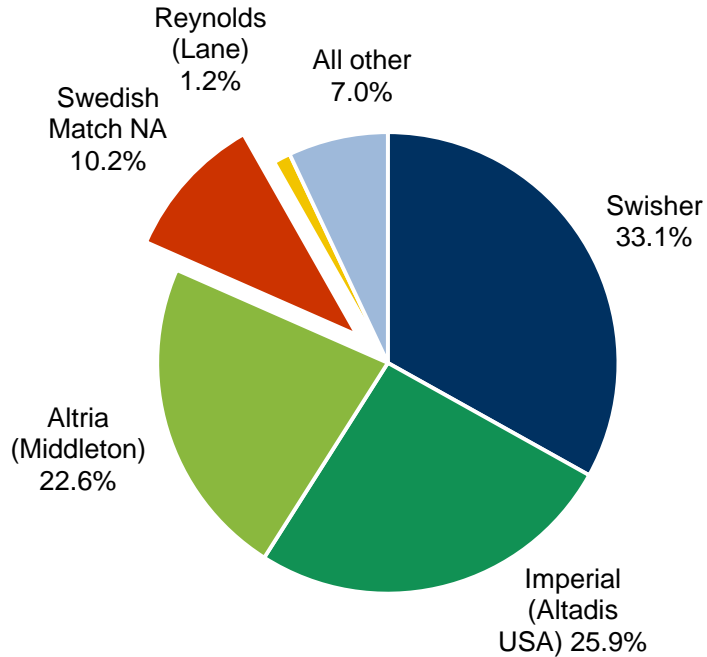
- **Europe and other non-US:**
 - 15% market share in Europe*
 - 5 billion stick market (Europe)
 - Long term market volume trend: stable to slightly down
- **US mass market:**
 - 10.2% value share (ACNielsen, YTD Mar 21)
 - 5.2% volume share (ACNielsen, YTD Mar 21)
 - 7 billion stick market (including littles)
 - Long term volume trend: up
- **US premium:**
 - 30% market share*
 - 270 million stick market*
 - Market likely down in the range of 5% in 2008
 - Long term market volume trend: stable, but with fluctuations year to year

* Source: Swedish Match estimates for Europe (excl. UK) and US premium cigars

Cigars

North America, mass market YTD March 21

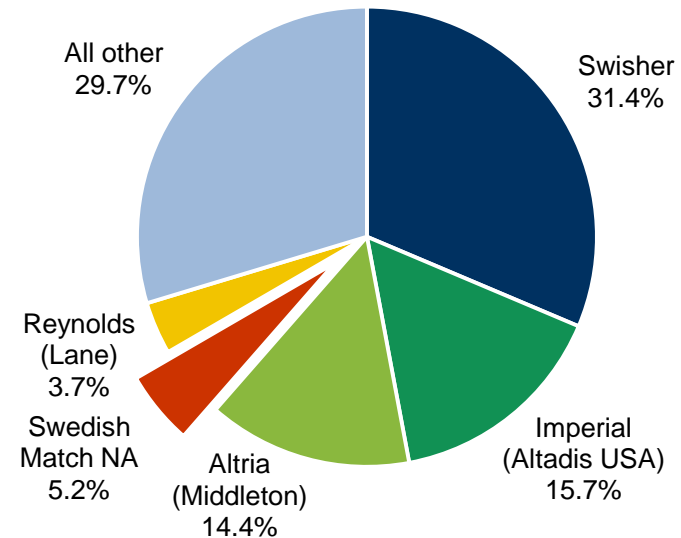
VALUE share



4 weeks ending
March 21

Swedish Match: 10.2

VOLUME share



4 weeks ending
March 21

Swedish Match: 5.4

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

Other points for 2009: Cigars

- US premium
 - Availability of credit for small retailers
 - Slowdown in travel and tourism
 - Federal Excise Tax/SCHIP from April 1
 - Hoarding in Q1 likely to be followed by unwind in Q2
- US machine made
 - Federal Excise Tax/SCHIP from April 1
 - Hoarding in Q1 highly likely to be followed by unwind in Q2
 - State tax increases possible
- Europe machine made
 - Lag effects from 2008 smoking bans
 - Lower volumes in the Netherlands



Chewing tobacco

In local currency, Q1 sales up 1%, operating profit up 7%

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

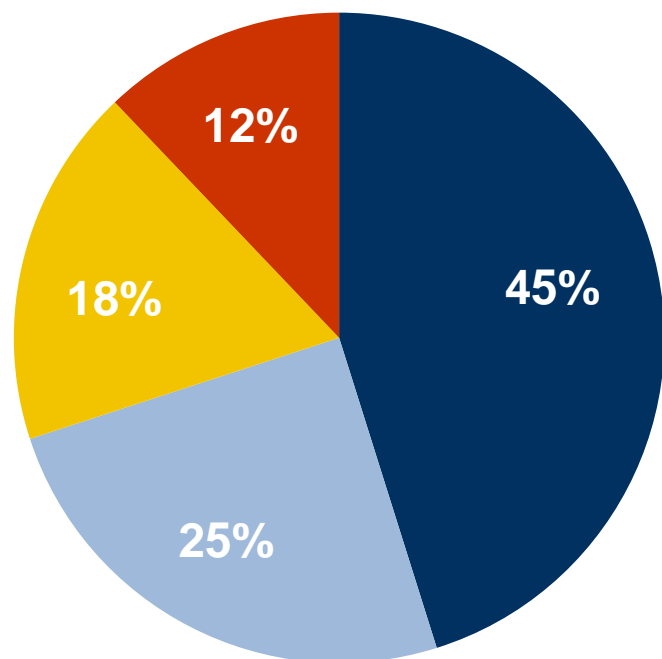


- Operating margins up year on year, from pricing and cost control
- Market shares at 45.1% for the year to date through March 21
- Price increase of 3% in May 2008, 7% in December 2008

MSEK	Q1-09	Q1-08	chg	April 1, 2008- March 31, 2009	Full year 2008	chg
Sales	284	210	35	1,008	934	8
Operating profit	98	69	43	359	329	9
Operating margin, %	34.6	32.7		35.6	35.2	

Chewing tobacco

Volume share North America, YTD March 21



- Swedish Match North America
- Reynolds (Conwood)
- National
- Swisher

4 weeks ending
March 21

Swedish Match: 44.7
Reynolds (Conwood): 25.0
National: 18.2
Swisher: 12.0

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

Other points for 2009: Chewing tobacco

- Continued market decline (6 - 10%)
- Phase-in of production for National (18% SOM)
 - Full production for National in H2
- Price increase of 7% in April, 2009 (4% net of FET increase)



Pipe tobacco and accessories

Like for like South African pipe tobacco sales up 11% in ZAR

Swedish Match is one of the world's largest producers of pipe tobacco

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

Production in **the US** and in **South Africa**



- South Africa accounts for more than 70% of pipe tobacco/accessories sales
- Operating profit negatively affected by higher local costs for tobacco
- UK accessories business divested end of 2008. Nasal snuff produced in South Africa now included

MSEK	Q1-09	Q1-08	chg	April 1, 2008- March 31, 2009	Full year 2008	chg
Sales	204	198	3	823	817	1
Operating profit	49	51	-4	208	210	-1
Operating margin, %	24.3	26.0		25.3	25.7	

Lights

Sales flat, operating profit up in local currencies

Swedish Match is 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***



- Sales flat in Q1, while operating profit up 9% in local currencies
- Declines in lighter volumes in Eastern European markets in Q1 offset by positive mix effects in Western European markets

MSEK	Q1-09	Q1-08	chg	April 1, 2008- March 31, 2009	Full year 2008	chg
Sales	380	347	9	1,567	1,534	2
Operating profit	63	56	13	284	276	3
Operating margin, %	16.6	16.1		18.1	18.0	

P & L summary

MSEK	January - 2009	March 2008	April 2008 - March 2009	Full year 2008		
Sales	3,535	2,818	25	13,879	13,162	5
Cost of goods sold	-1,701	-1,434		-6,952	-6,685	
Gross profit	1,834	1,384	33	6,927	6,477	7
Sales and administrative expenses	-991	-834		-3,629	-3,472	
Share of profit in equity accounted investees	2	-3		17	11	
Gain on sale of subsidiary and related assets	-	-		73	73	
Operating profit	846	547	55	3,388	3,090	10
Finance income	29	43		150	163	
Finance costs	-138	-156		-589	-607	
Net finance cost	-109	-114		-439	-443	
Profit before income tax	737	433	70	2,949	2,646	11
Income tax expense	-169	-87		-467	-385	
Profit for the period	567	346	64	2,482	2,261	10
<i>Attributable to:</i>						
Equity holders of the Parent	567	346		2,482	2,261	
Minority interests	0	0		1	1	
Profit for the period	567	346	64	2,482	2,261	10
EPS, basic, SEK	2.27	1.36		9.91	8.98	
EPS, diluted, SEK	2.27	1.35		9.90	8.96	

Balance sheet

MSEK	Mar 31, 2009	Dec 31, 2008
Intangible assets	4,850	4,702
Property, plant and equipment	2,550	2,458
Other non-current financial receivables	2,334	2,284
Current operating assets	5,699	5,732
Other current investments	1	1
Cash and cash equivalents	3,435	3,178
Total assets	18,870	18,355
Equity attributable to equity holders of the Parent	2,403	1,377
Minority interests	4	4
Total equity	2,407	1,381
Non-current provisions	1,295	1,281
Non-current loans	9,705	9,975
Other non-current financial liabilities	1,440	1,337
Current provisions	104	29
Current loans	709	743
Other current liabilities	3,209	3,609
Total equity and liabilities	18,870	18,355

Cash flow in summary

MSEK	January – March	
	2009	2008
Cash flow from operating activities before changes in working capital	812	391
Cash flow from changes in working capital	-155	-413
Net cash from operating activities	657	-22
Acquisition of property, plant and equipment	-111	-73
Proceeds from sale of property, plant and equipment	7	30
Acquisition of subsidiaries, net of cash acquired	-31	-4
Changes in financial receivables etc.	3	-6
Changes in current investments	0	0
Net cash used in investing activities	-132	-53
Changes in loans	-350	-408
Repurchase of own shares	-	-497
Stock options exercised	38	61
Other	26	-138
Net cash used in financing activities	-287	-983
Net increase/decrease in cash and cash equivalents	237	-1,057
Cash and cash equivalents at the beginning of the period	3,178	3,439
Effect of exchange rate fluctuations on cash and cash equivalents	19	-59
Cash and cash equivalents at the end of the period	3,435	2,324

Key data

	January – March	
	2009	2008
Operating margin, %*	23.9	19.4
Operating capital, MSEK	9,936	8,213
Net debt , MSEK	7,029	7,422
EBITDA, MSEK*	967	660
EBITA, MSEK*	883	581
EBITA interest cover	8.8	5.6
Share data*		
Earnings per share, basic, SEK	2.27	1.36
Earnings per share, diluted, SEK	2.27	1.35
Average numbers of shares outstanding (Mio)	249.3	255.3
Shares outstanding, end of period (Mio)	249.6	253.1

* Please refer to notes in the interim report January – March 2009

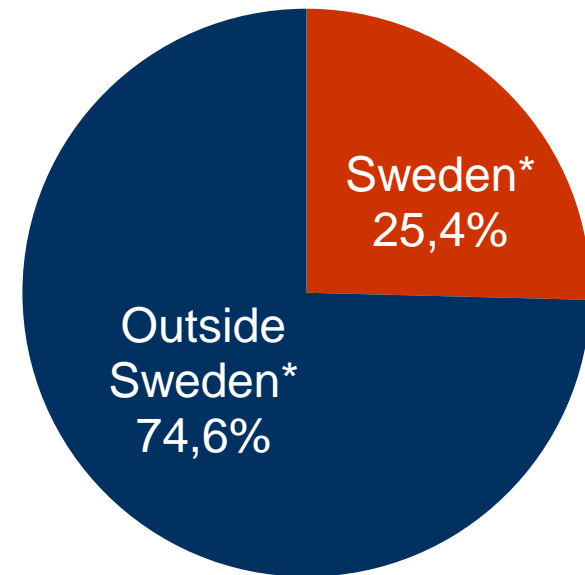
Largest shareholders

As per March 31, 2009

Largest shareholders*:

Parvus Asset Management	10.5 %
Morgan Stanley Investment Mgmt	5.7 %
Wellington Management Company	4.9 %
Swedbank Robur Funds	2.8 %
Norwegian State	2.3 %
Nordea Funds	2.0 %
Fourth Swedish National Pension Fund	1.7 %
Second Swedish National Pension Fund	1.4 %
SHP/SPP funds	1.2 %
SEB funds	1.1 %
	<hr/>
	33.6 %

53,781 shareholders

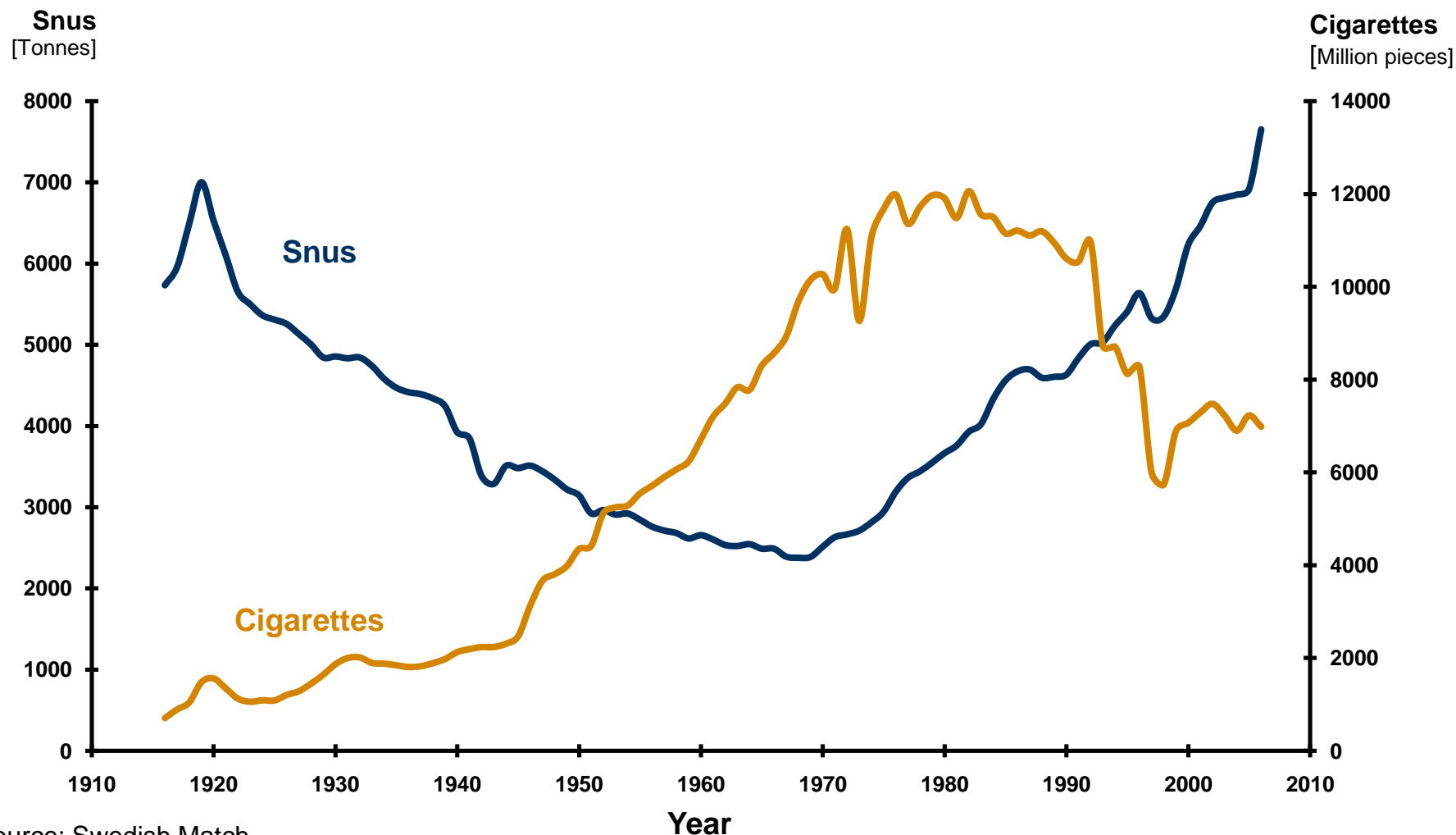


Source: Euroclear (former VPC), official registry and SIS Ägaranalys, percent of share capital excluding Swedish Match shares held in treasury

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

Snus vs. cigarettes in Sweden

Sales of snus and cigarettes in Sweden 1916-2006



Source: Swedish Match

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 our **cigar** business to the **best in class**
 - Deliver superior quality to customers and consumers
 - Drive to improve profitability
- Our **lights and pipe tobacco** businesses should continue to focus on operational excellence and profitability
 - Strong market positions
 - Efficient supply chain

Strategic partnership with PMI

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- 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

Global reach of smokefree joint venture

