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SWEDISH MATCH

Lars Dahlgren
President and CEO

A summary of 2011

Another solid year with an increased focus of expanding the business

■ Strong results

- Comparable sales* increased 8% in local currencies
- Comparable operating profit* increased 11% in local currencies
- Earnings per share of 12.14 SEK

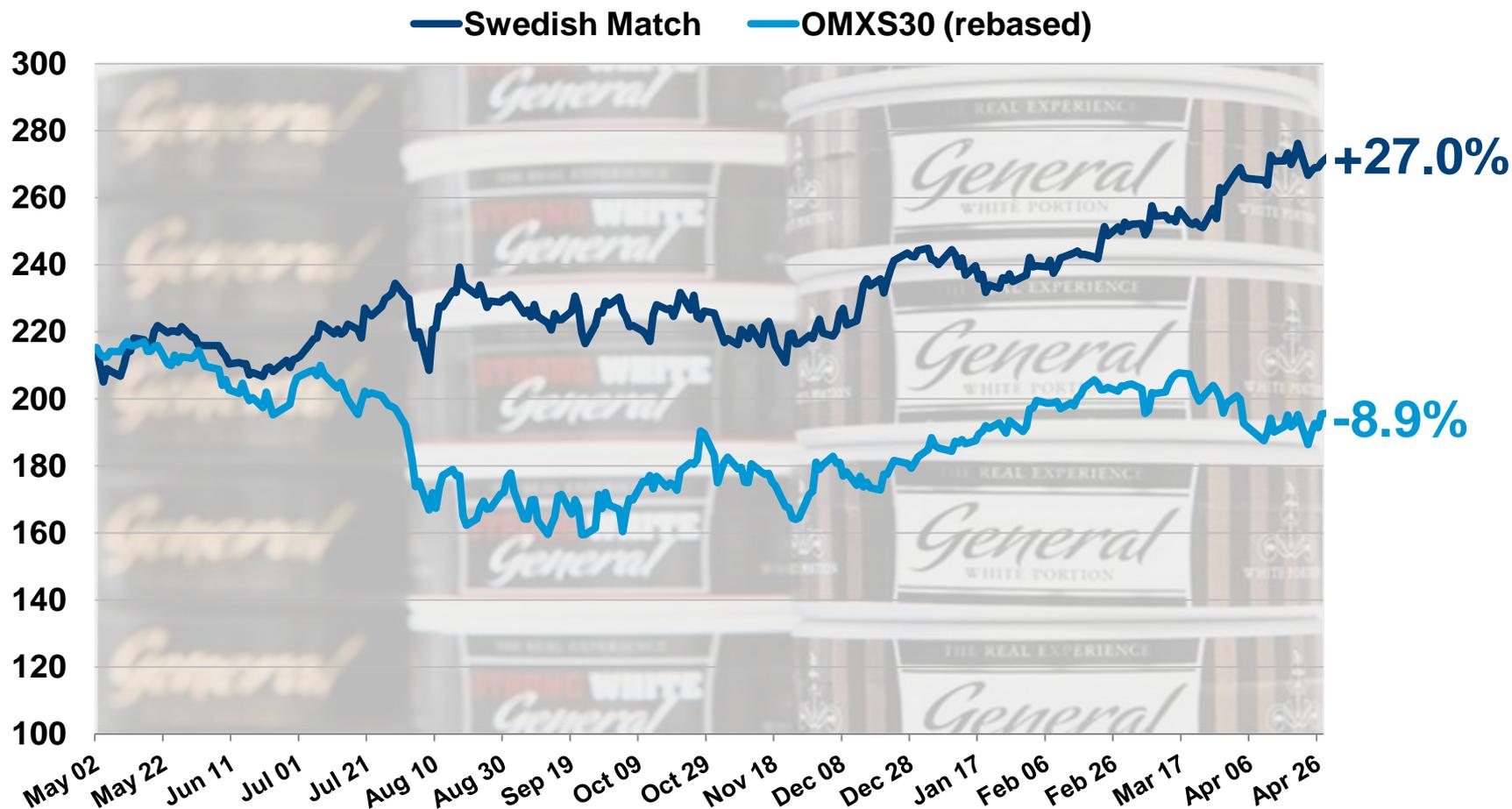
■ Expanding the business

- Strong growth on the Swedish snus market
- Continued growth on the Norwegian snus market
- Great progress for General snus in the US
- Sales of snus in Taiwan, Canada, and Russia through SMPM International
- Record profits and exceptional growth for mass market cigars
- High growth for lighters in Asia

* Excluding businesses transferred to STG

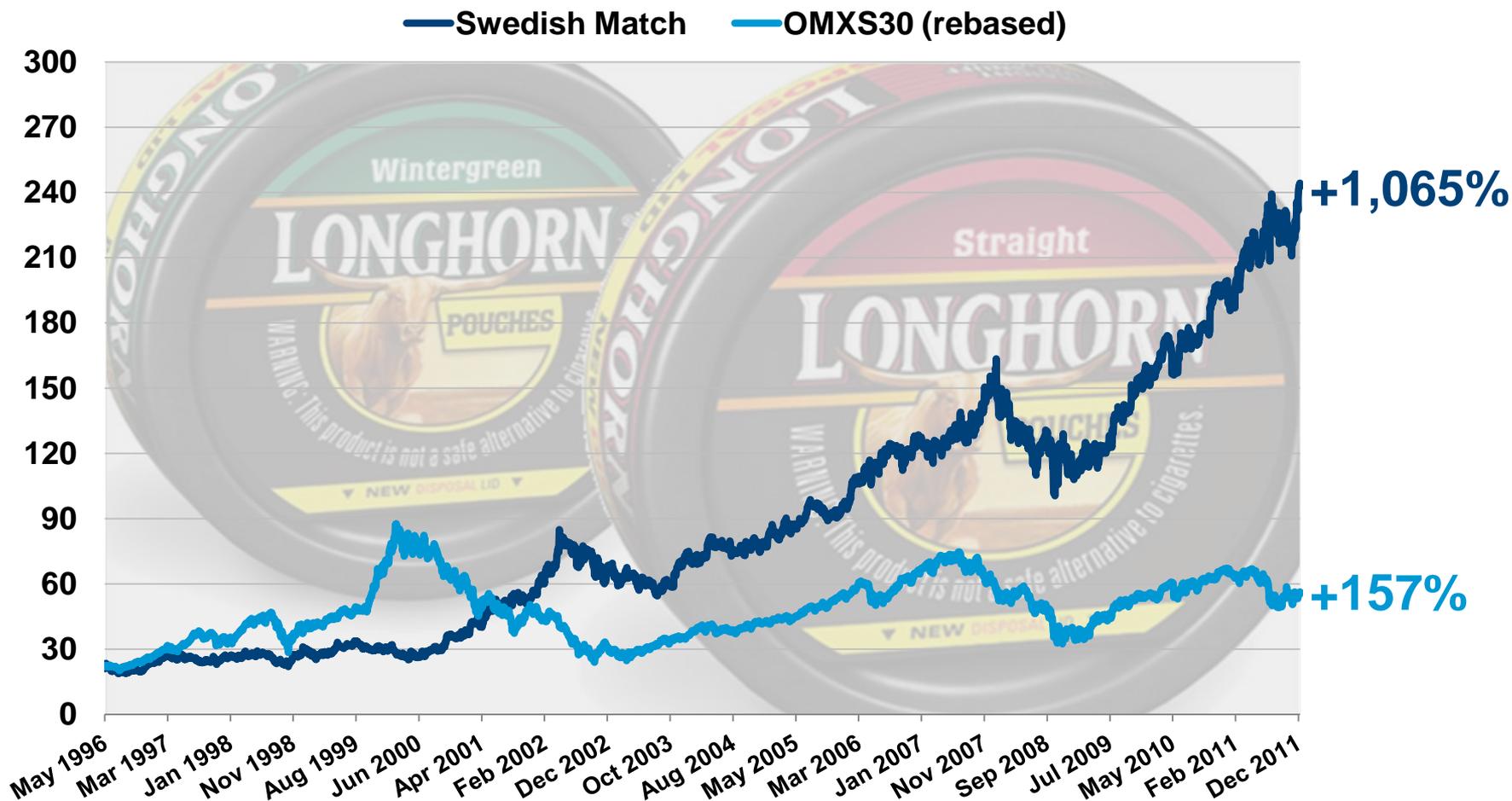
Share price performance

Share price performance compared to the Large Cap index since AGM 2011



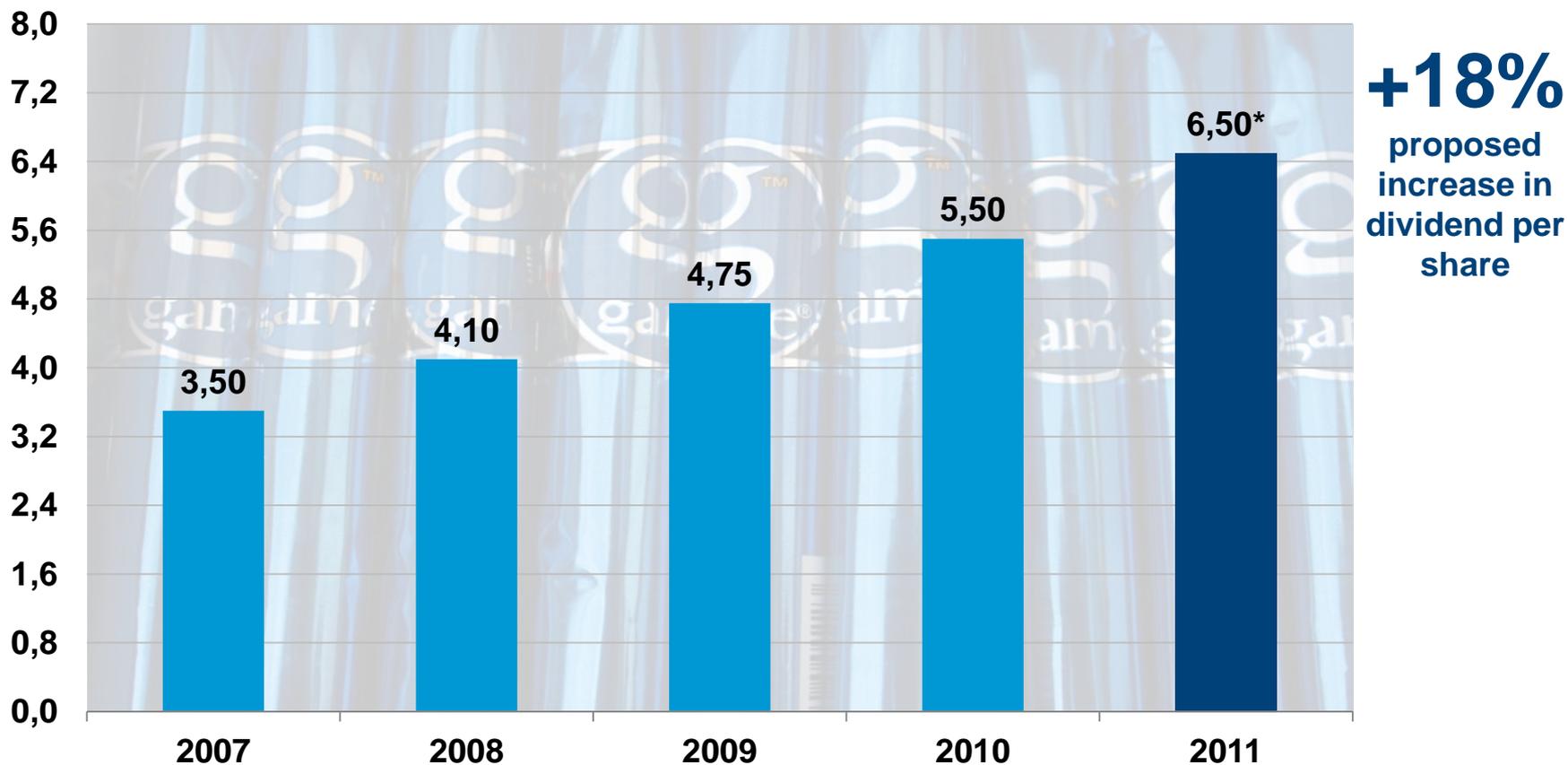
Share price performance

Share price performance vs. the Large Cap index since the introduction in 1996



Cash distribution to shareholders

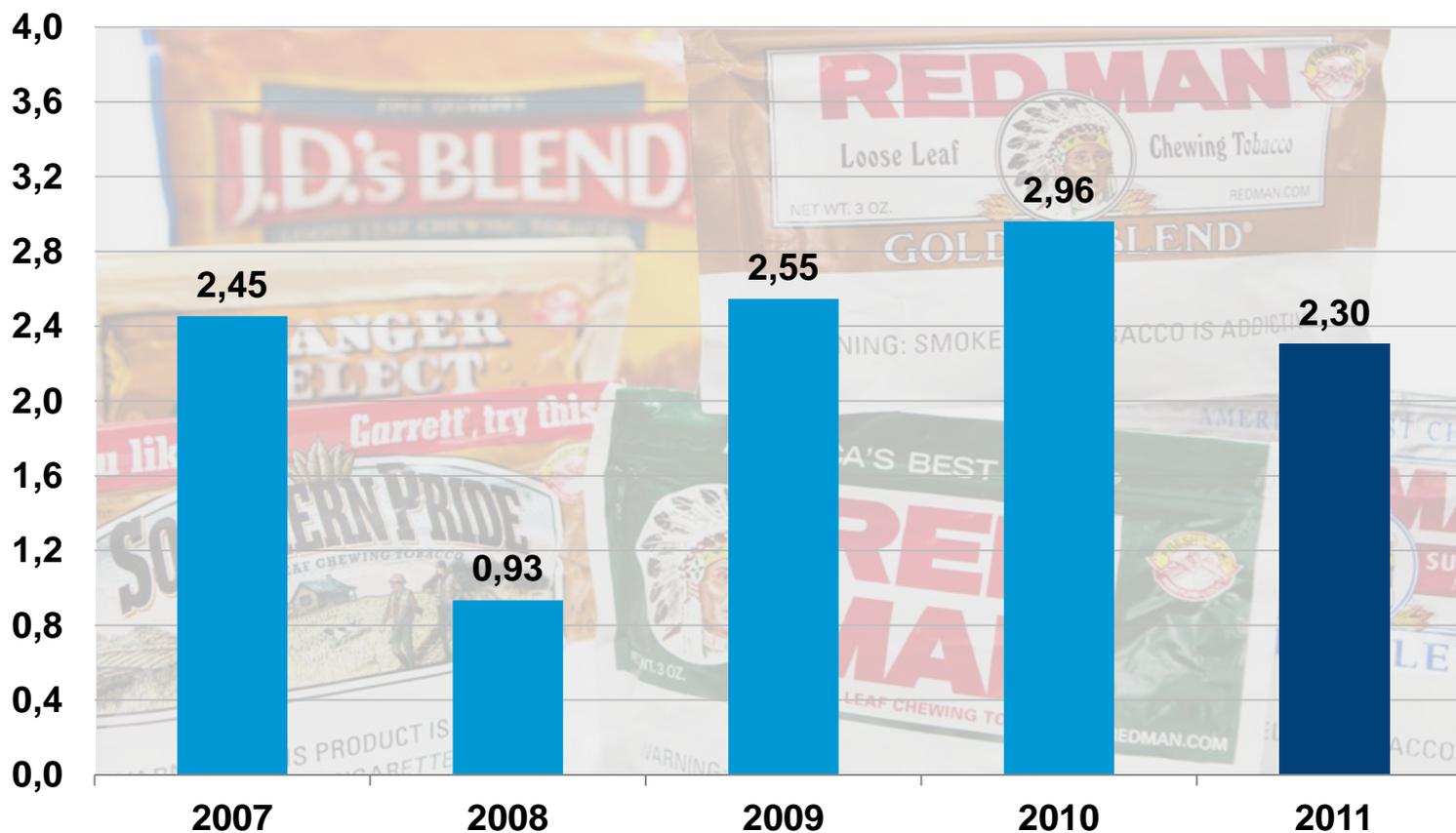
The Board proposes an increased dividend per share (SEK)



* Proposed dividend

Cash distribution to shareholders

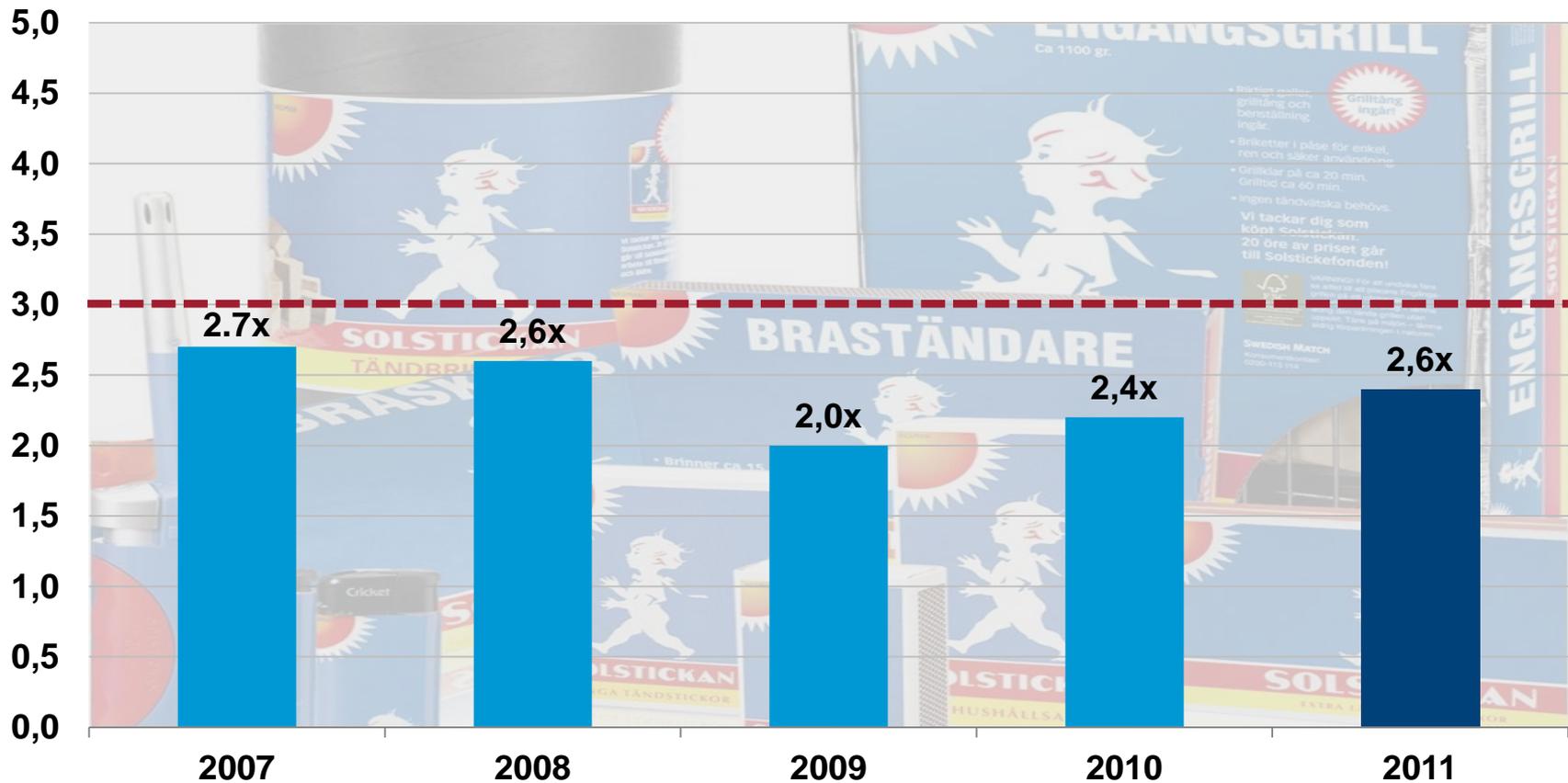
The Company continued to buy back shares in 2011 (billion SEK)



11.2
billion SEK
in share
repurchases
in the last 5
years

Financial strength

Well balanced level of net financial debt in relation to EBITA (billion SEK)



Group results 2011

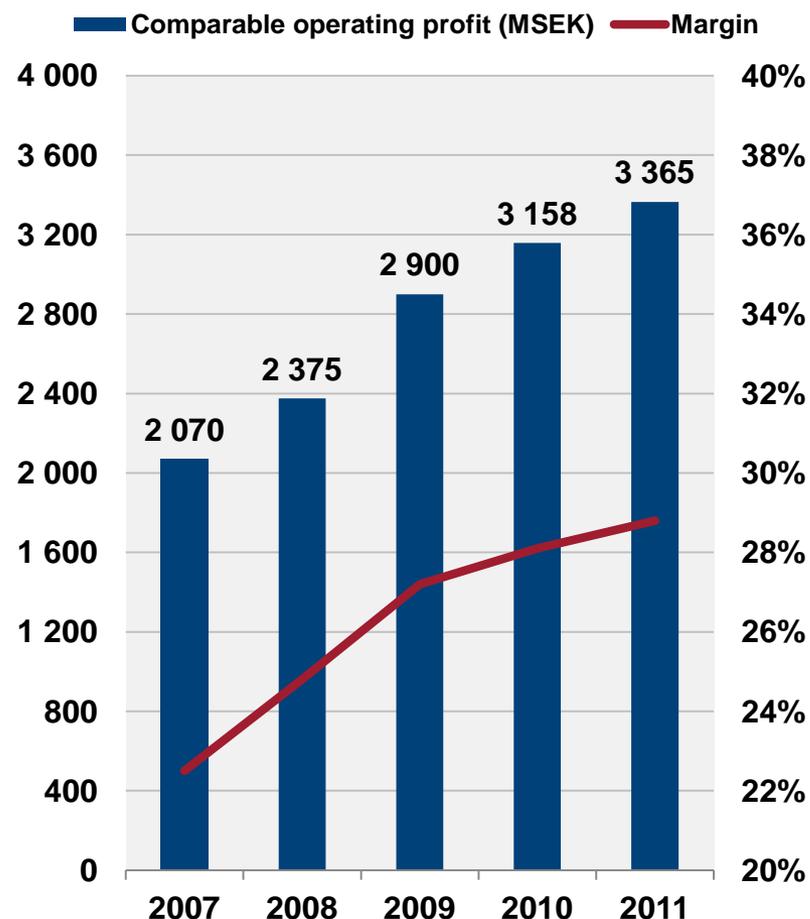
2011 was another year of strong growth in both sales and profits

- **Comparable sales*** increased 4% (8% in local currencies)
- **Comparable operating profit** increased 7% (11% in local currencies)
- **Operating margin** improved to 28.8% (28.1% in 2010)
- **2011 profits were driven by snus in Scandinavia and US mass market cigars**

	2011	2010
Comparable sales*	11,666	11,222
Comparable operating profit*	3,365	3,158
Earnings per share**	12.14	9.92

* Excluding businesses transferred to STG

** Excluding major one time items



Global smokefree leader

- Drive the snus category in Scandinavia and maintain our leading market position
- Develop the snus category in the US and establish a strong presence
- Defend our moist snuff business in the US from competitive pressures
- Explore global opportunities for Swedish snus through SMPM International

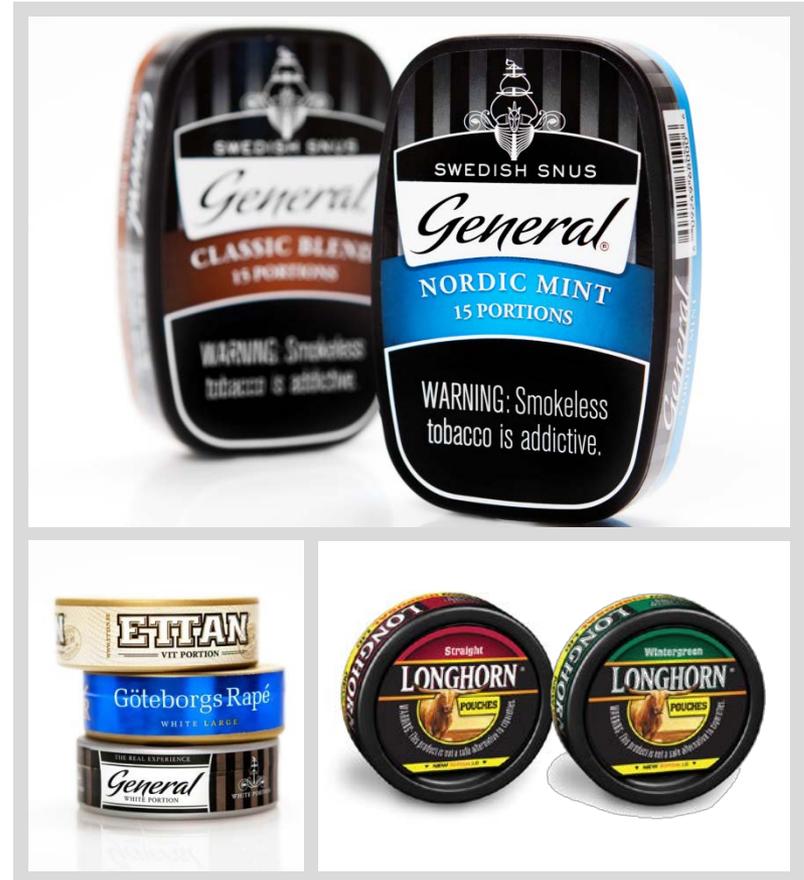


Snus and snuff

Continued growth and profitability as well as increased investments in snus

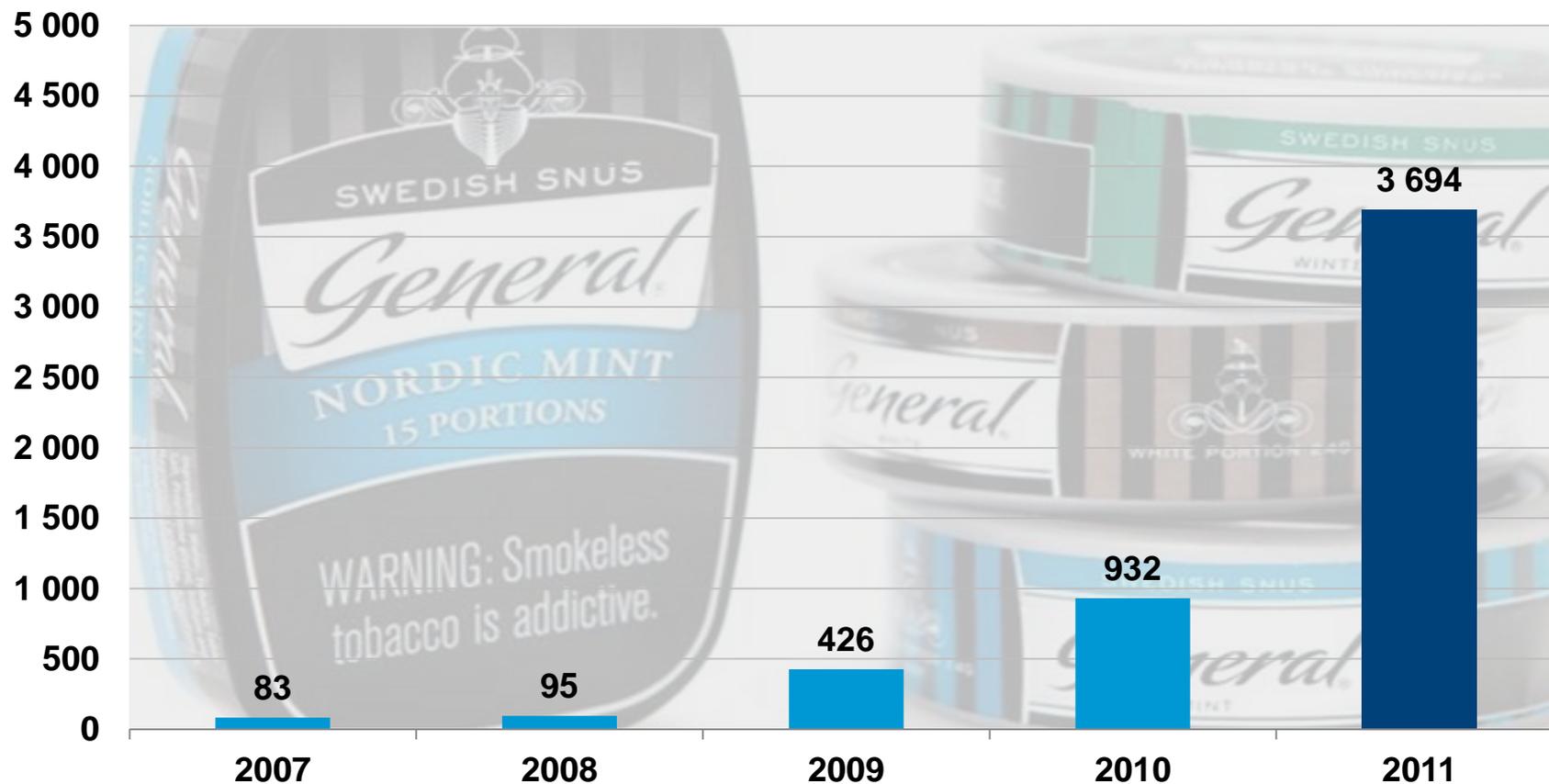
- Strong growth of the Scandinavian snus market
- Record level profits in challenging moist snuff category
- Continued snus distribution expansion and investments in the US
- SMPMI test market expansion continued

	2011	2010	Chg.
Sales	4,726	4,522	+5%
Operating profit	2,181	2,080	+5%
Operating margin	46.1%	46.0%	+0.1pp



Snus and snuff

Year end US store distribution development for General (number of stores)*



* Excluding stores no longer in distribution

Maximize long term profitability

- Drive profitable growth in mass market cigars through continued first class innovation and sales execution
- Capitalize on the leading position within the US chewing tobacco category
- Continually drive productivity improvements



Other tobacco products

Increased profitability and remarkable success for US mass market cigars

- Mass market cigar volumes increased by 39%
- Continued success for new mass market cigar product offerings
- Best in class mass market cigars supply chain
- Profitability for chewing tobacco at all time high

	2011	2010	Chg.
Sales	2,388	2,440	-2%
Operating profit	1,049	942	+11%
Operating margin	44.0%	38.6%	+5.4pp



Operational excellence and profitability

- Maintain and take advantage of leading market positions and brands
- Pursue selected opportunities for growth
- Continuously look for improvements in the supply chain



Lights

Good cash flow and profit generation despite tough external conditions

- Declining match volumes in Western Europe and Brazil
- Improved volume growth for lighters, especially in Asia
- High price levels on raw materials
- Negative effect due to a strong SEK



	2011	2010	Chg.
Sales	1,346	1,429	-6%
Operating profit	240	279	-14%
Operating margin	17.9%	19.5%	-1.6pp

Scandinavian Tobacco Group

Successful company integration and synergies realized according to plan

- Rapid and successful integration
- The comparable result improved for all product segments
- Acquisition of Lane Limited strengthens the position on the US market



Benefits for Swedish Match and the world around us

- Increased transparency and a better understanding of risks and opportunities
- Continuous improvement in reporting and activities with regard to economic, environmental, and social matters
- Improved efficiencies, and a better use of resources
- Improved long term environmental footprint while reducing costs



Sustainability efforts during 2011

■ Corporate Sustainability reporting

- www.swedishmatch.com/sustainability
- Increased level of reporting indicators for GRI

■ Ongoing stakeholder engagement

- Materiality surveys with key stakeholders

■ Environmental targets for 2016 set

- Energy consumption, electricity, CO₂ emissions, waste/hazardous waste, and water use

■ Active community/social engagement

- Culture
- Education and competence programs
- Disaster relief, emergency loans, and aid
- Drug prevention
- Anti-bullying
- Anti-littering
- Child abuse prevention
- Orphanage



The Global Smokefree Leader



The computers of the past...



...and the computers of tomorrow



The cars of the past...



...and the cars of tomorrow



The tobacco of the past...



...and the tobacco of tomorrow

