

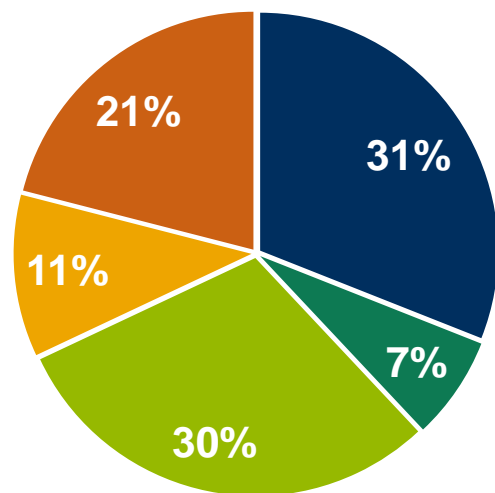
INVESTOR KIT

JANUARY – SEPTEMBER 2010

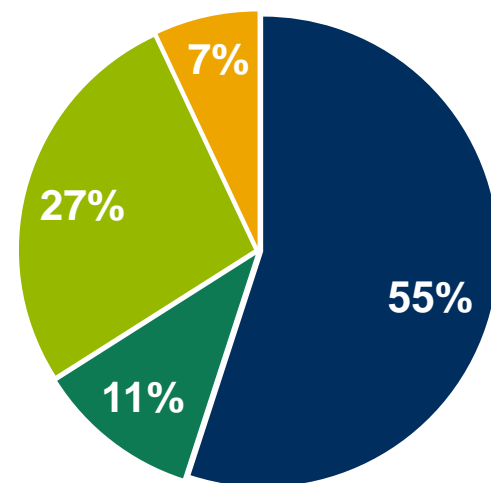


Group sales and operating profit – 9 months

Sales by product area, SEK



Operating profit* by product area, SEK



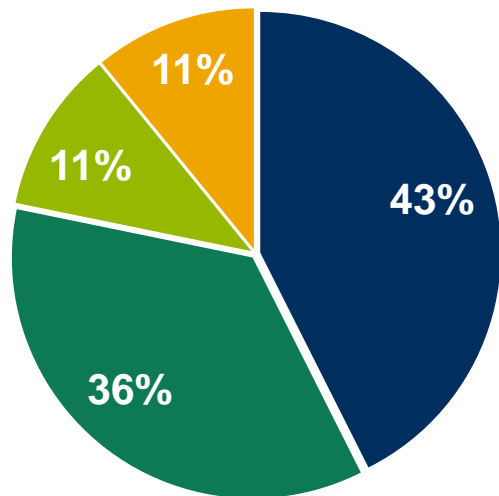
- Snus and snuff
- Chewing tobacco
- Cigars
- Lights
- Other operations

* Excluding Other operations and reversal of depreciation and amortization relating to assets held for sale.

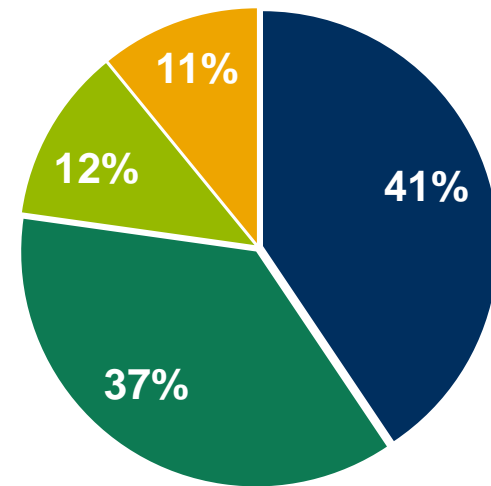
Sales by currency block*

Percent of sales, SEK

Q3 - 2010



FY - 2009



- North Europe
- North America
- Continental Europe
- Other

* Totals may not add to 100% due to rounding.

Group results* - third quarter 2010

- **Sales** amounted to **3,823 MSEK (3,606)**
 - ↳ In local currency, sales increased by 7 percent
- **Operating profit** amounted to **1,049 MSEK (874)**
 - ↳ Operating profit was 1,017 MSEK (874) including depreciation and amortization relating to assets held for sale
 - ↳ Operating profit increased by 17 percent in local currencies, including depreciation and amortization relating to assets held for sale
- **Profit before income tax** amounted to **921 MSEK (757)**
- **Profit for the period** amounted to **729 MSEK (1,319**)**
- **EPS (basic)** was **3.23 SEK (2.53)**

* Unless explicitly stated otherwise, figures are from continuing operations.

** Includes profit from discontinued operations, net after tax.

Conclusions from the third quarter – sales

- **Sales*** up 7% in local currencies, up 6% in SEK
- **Scandinavian snus** sales up 9%, volumes up 1.8 percent
 - Volume growth in Sweden, Norway, and Travel Retail
- **US snuff** sales up 6% in USD, on 5% higher volume
- **Chewing tobacco** sales down 1% in USD, down 2% in SEK
- **Cigar sales** were up 10% in local currencies, up 7% in SEK
 - US mass market cigar sales up 26% in local currencies, on significantly higher volumes
 - US premium cigar sales up 6% in local currency, on somewhat higher volume
 - European cigar sales up 6% in local currencies on slightly lower volumes
- **Lights** sales up 1%

* From continuing operations (excludes South African operations).

Conclusions from the third quarter – op. profit

- **Operating profit* up 17% in local currencies, up 16% in SEK**
 - Snus/Snuff operating margin was 50.4%, vs. 48.8% previous year
 - List price increases in the US on May 25 (6.7%), and in Sweden on June 7 (approximately 4%)
 - Operating profit for chewing tobacco up 1% in local currencies, up 5% in SEK
 - Cigar operating profit was up by 53% in local currencies, up 49% in SEK
 - Excluding Q3 2009 restructuring charges, operating profit was up 24% in local currencies
 - Continued solid underlying performance for US mass market cigars
 - Operating profit up in Europe
 - Operating profit up for US premium cigars
 - Operating profit for lights down 4%

* From continuing operations, including amortizations and depreciations of assets held for sale.

Conclusions from the third quarter – other items

- **Tax rate for the Group was 21% for the first nine months, and 21% in the third quarter**
 - Nine month tax rate includes some smaller one time items
 - Underlying tax rate was 22%
- **Solid cash position and limited debt repayments through 2010**
 - Cash and cash equivalents are 1,376* MSEK vs. 2,530 MSEK as of December 31, 2009
 - 600 MSEK of interest bearing debt remained in 2010, paid in October
- **Share repurchases during the third quarter amounted to 7.7 million shares for 1,323 MSEK**
 - YTD to September 30, 11.2 million shares repurchased
- **20 million shares cancelled in May, total registered shares stand at 231.0 million**

* Includes cash and cash equivalents in assets held for sale.

Nielsen snus/moist snuff consumption data*

- **SM total value market share Aug/Sept in Sweden was 88.0%**
 - 88.1% in June/July 2010 (89.0% in Aug/Sept 2009)
- **SM total volume market share Aug/Sept in Sweden was 85.7%**
 - 85.9% in June/July 2010 (86.7% in Aug/Sept 2009)
- **Low price segment is 25.0% in Aug/Sept of Swedish market**
 - 24.8% in June/July 2010 (23.8% in Aug/Sept 2009)
- **SM share Aug/Sept of low price segment in Sweden was 52.6%**
 - 53.3% in June/July 2010 (55.5% in Aug/Sept 2009)
- **Swedish snus market down 0.6% (rolling 6 months to Sept)**
- **US snuff market up 10.0% for the YTD ending Oct 2, 2010**
 - SM consumption volume up 1.5% YTD ending Oct 2
- **Swedish Match market shares in the US**
 - YTD ending Oct 2 was 11.9%, vs. 12.9% YTD 2009
 - *Longhorn* share at 5.4% YTD vs. 5.0% YTD 2009; *Timber Wolf* share at 5.2% (6.1%); *Red Man* share at 1.3% (1.8%)

* Source: Nielsen. Volume basis, unless stated otherwise.

Other items

- FDA regulations with new labeling requirements and limitations on certain types of marketing, among other things, was in effect as from June 22. Swedish Match is in full compliance with all FDA regulations
- On July 14, the Second Circuit Court of Appeals reversed a US District Court ruling in a case with regard to the Cohiba brand, upholding General Cigar's rights to the brand in the US
- After the close of the period, on October 1, Swedish Match and Scandinavian Tobacco Group formed a new company, combining the tobacco businesses of STG with the cigar and pipe tobacco businesses of Swedish Match (excluding US mass market cigars and minority interest in Arnold André)

Financial policy and financing needs

■ Financial policy

- Dividend policy: 40-60% of earnings per share
 - 2009 dividend paid of 4.75 SEK per share, an increase of 16% from the 2008 level of 4.10 SEK/share
- Net debt not to exceed 3 times EBITA

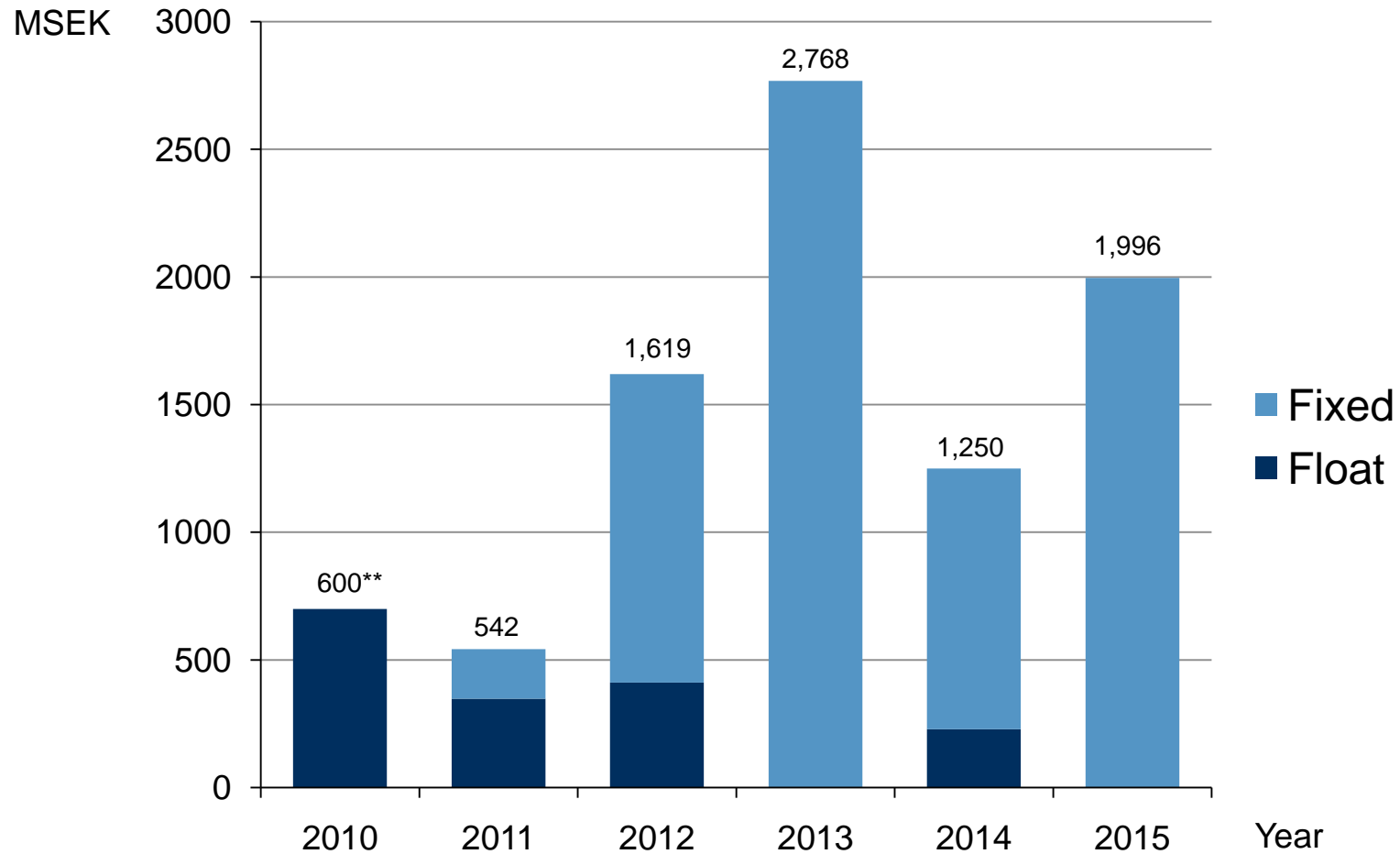
■ Financing and cash flow

- During the third quarter 1 billion SEK of bonds issued (2015) while 400 MSEK of 2012 bonds were repaid
- 8,775 MSEK of interest bearing debt (excluding retirement benefit obligations) as of September 30, 2010
 - 600 MSEK of interest bearing debt remained in 2010, paid in October
- Net debt*/EBITA was 2.4

* Including net financial assets reported as assets and liabilities held for sale.

Maturity profile of interest bearing liabilities*

As of September 30, 2010



* Includes Swedish (SEK) and Global (EUR) MTN programs.

** Paid in October.

Smokefree: snus and snuff

- Leading position in **Scandinavia**
- The second largest producer in the growing value priced snuff segment in **the US**
- Production in **Sweden** and **the US**
- **Joint venture with Philip Morris International** for markets outside Scandinavia and US



Snus and snuff

Sales, profits, volume up, US invests in brands

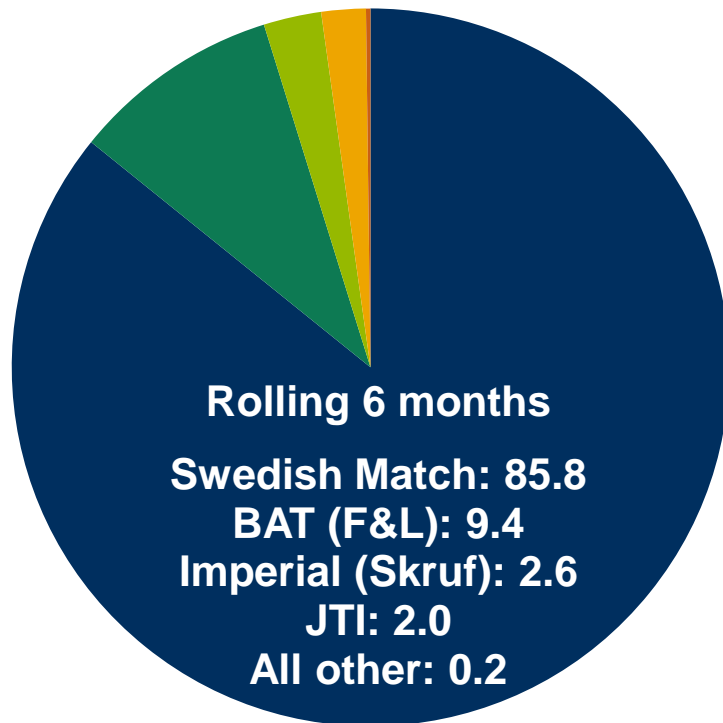
- Scandinavia snus sales up 9% in Q3
 - Scandinavian volumes up 1.8% in Q3
 - Q3 volumes up in Sweden, Norway, Travel Retail
- US Sales up 6% in USD on 5% higher volumes in Q3
 - Swedish Match consumption volume up 1.5% YTD Oct 2 (Nielsen)
- Q3 margins above year earlier levels
 - Higher margins in Scandinavia on stronger volume and price/mix effects
 - Lower US margins on higher product costs, marketing
 - *General* snus awareness activities in the US
 - New *Red Man* FlavorFresh™ Lid for longer lasting freshness launched end June
 - Price increases in the US (May 25, 6.7%) and Sweden (June 7, approx.4% list)



MSEK	Q3-2010	Q3-2009	chg	9m-2010	9m-2009	chg	Oct 2009 - Sep 2010	Full year 2009
Sales	1,174	1,093	7	3,344	3,149	6	4,445	4,250
Operating profit	592	534	11	1,513	1,394	9	2,036	1,916
Operating margin, %	50.4	48.8		45.2	44.3		45.8	45.1

Swedish snus market shares

Volume share in Sweden, rolling 6 months through Sept 2010

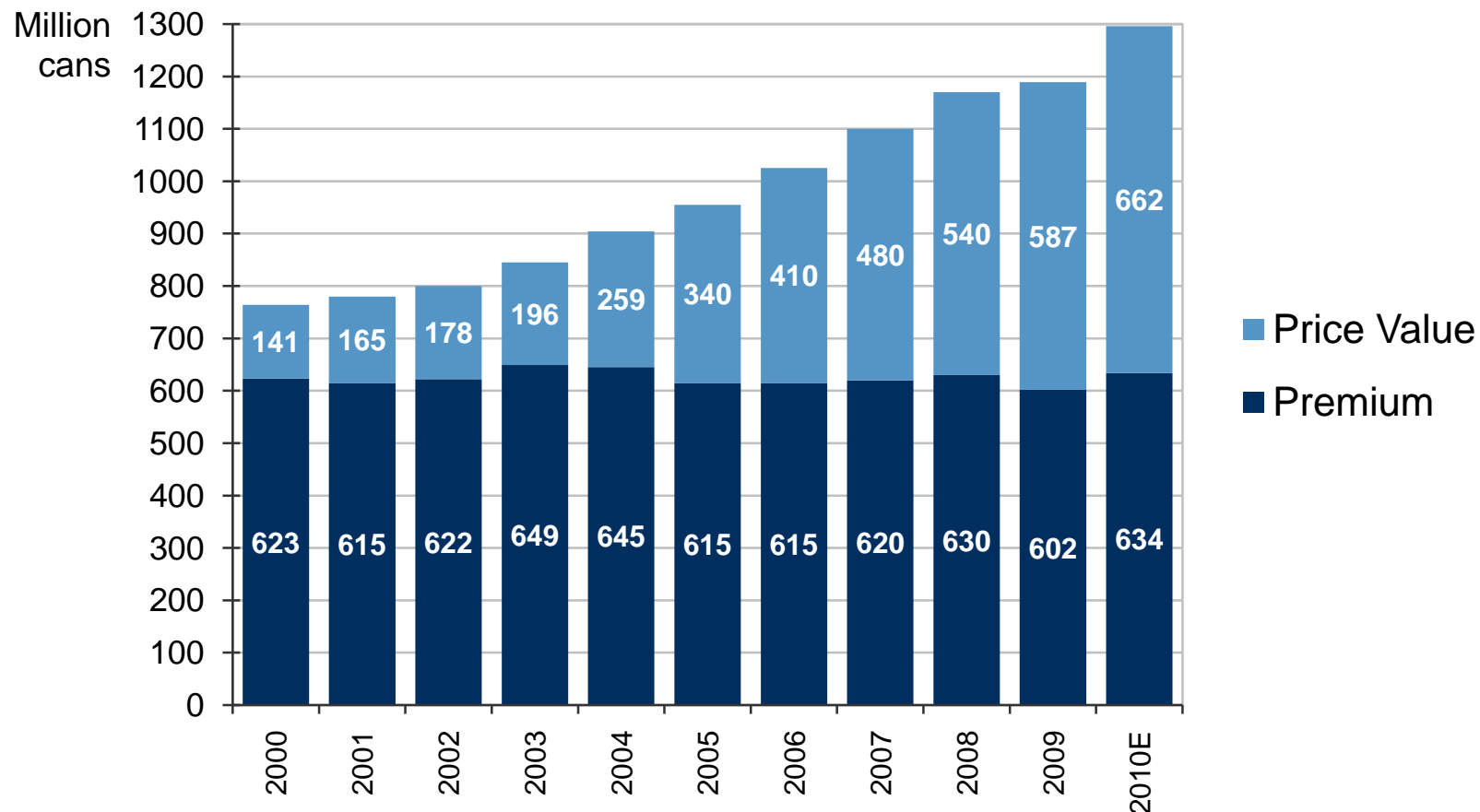


2 months Aug/Sep	value share	volume share
Swedish Match	88.0	85.7
BAT (F&L)	7.9	9.4
Imperial (Skruf)	2.4	2.7
JTI	1.6	2.0
All other	0.1	0.2

Source: Nielsen. Totals may not add to 100% due to rounding.

Volume growth of moist snuff in the US

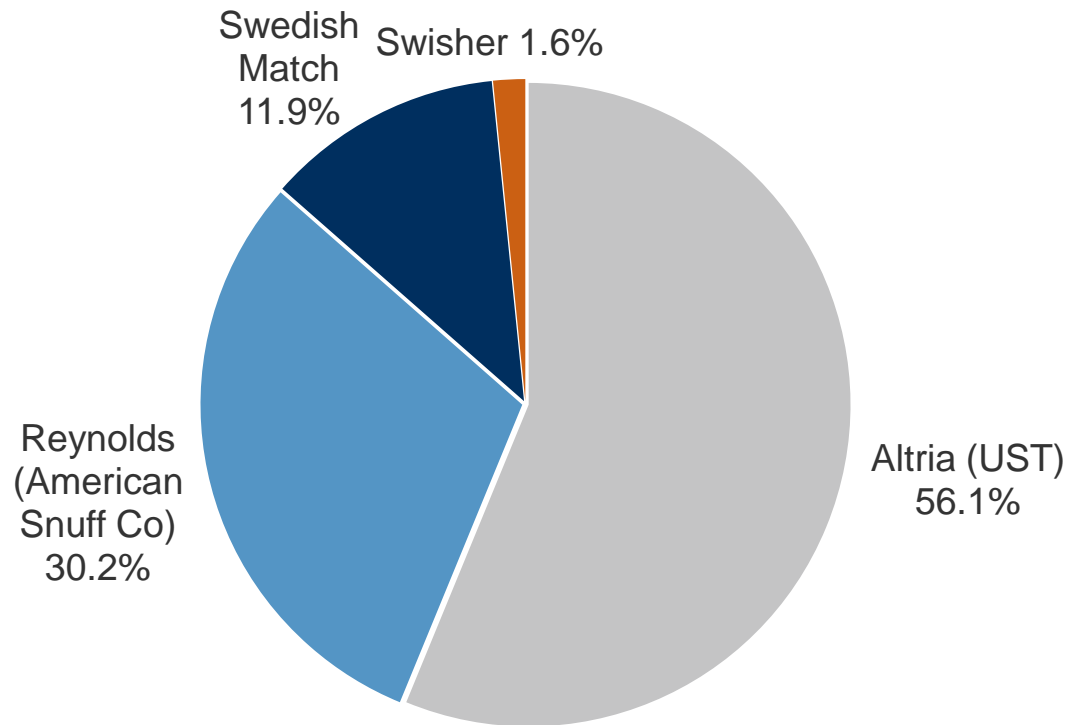
US snuff market by segment



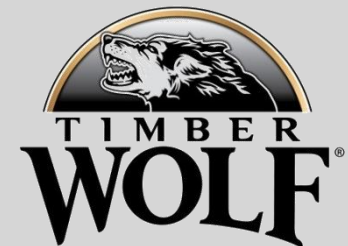
Market size estimated by Swedish Match using Nielsen estimates as well as industry data and estimates. Note that the value segment includes competitive “premium brand” line extensions launched at price value level.

US moist snuff market shares

Volume share US, YTD Oct 2



Source: Nielsen. Totals may not add to 100% due to rounding.



New *Red Man*, with FlavorFresh™

- FlavorFresh™ Lid means *Red Man* snuff stays fresh longer
- Addresses key consumer demand for freshness
- Unique lid, clear positioning
- Supported by marketing programs beginning in July



General snus in the US

- *General* snus now in approximately 1000 stores in the US
 - Available in Original, Wintergreen, and Mint
 - Very good sell-through/rotation in stores
 - Distribution expansion continues



Smokefree: chewing tobacco

YTD sales in the US flat in local currency

Nearly all chewing tobacco sales are in *the US*. Swedish Match is the largest producer and production takes place in Owensboro, KY

The market typically declines by 5-10% per year in volume, down 10.9% YTD 2010 (to October 2)



- Q3 US sales down 1%, operating profit up 1% in USD
- YTD operating profit includes 10 MSEK charge for closure of *Piccanell* production in Sweden in Q2
- 5% price increase from end of December 2009
- Market share is 45.6% (YTD to Oct 2) vs. 45.0% YTD prior year

MSEK	Q3-2010	Q3-2009	chg	9m-2010	9m-2009	chg	Oct 2009 - Sep 2010	Full year 2009
Sales	275	280	-2	814	878	-7	1,047	1,112
Operating profit	113	107	5	296	335	-12	372	411
Operating margin, %	41.0	38.4		36.4	38.1		35.5	36.9

Chewing tobacco

Other points:

- Continued market decline
 - 2010 category down 10.9% (Nielsen YTD to October 2, 2010)
 - Swedish Match brands down 9.8% according to Nielsen
- Shipments to Florida and Texas down significantly (approx. 30%) post state tax increases over the summer 2009, pulling market down
- Price increase of 5% end December 2009 (4% increase net of FET increase in April '09)



Cigars

Operating profit up 24% in local currencies, excl prior year restructuring charge

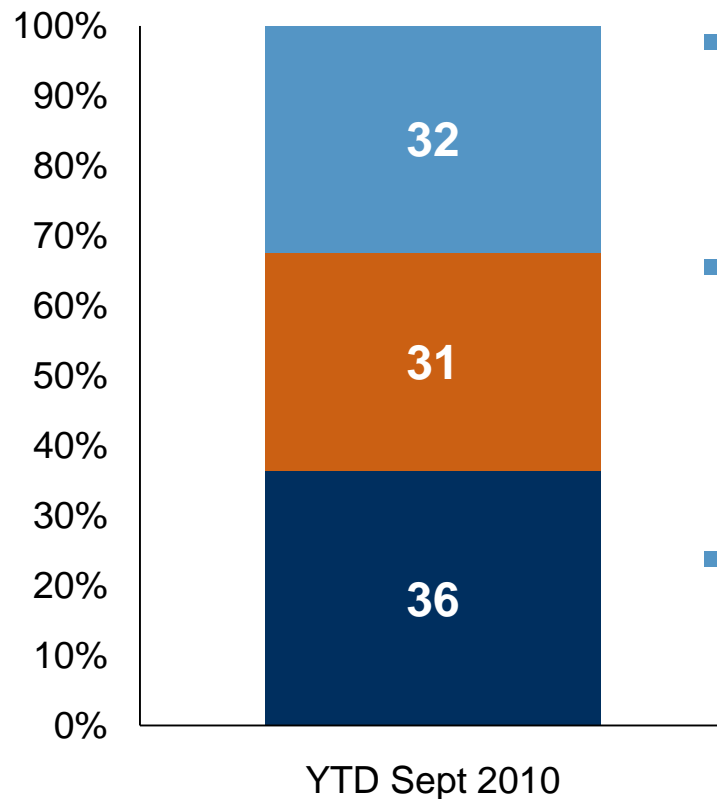
- US mass market sales and volumes show strong growth
 - Q3 sales up 26% in USD, on 43% higher volume. Operating profit up significantly
 - YTD mass market sales up 16% in USD, volumes up 26%
 - Restructuring charge of 45 MSEK in Q3 2009 affects operating profit comparisons
- US premium volumes up for Internet (Cigars International) and General Cigar in Q3
 - Higher demand for smaller cigars
 - Q3 premium cigar sales and operating profit up versus prior year
 - YTD sales down 3% in USD, operating profit and volumes also down
- European cigar sales and operating profit up in Q3 in local currencies
 - Improved pricing and mix compensated for modest volume declines
 - Market share gains in a number of key focus markets



MSEK	Q3-2010	Q3-2009	chg	9m-2010	9m-2009	chg	Oct 2009 - Sep 2010	Full year 2009
Sales	1,137	1,065	7	3,225	3,369	-4	4,281	4,426
Operating profit	284	190	49	760	757	-	938	935
Operating margin, %	24.9	17.9		23.6	22.5		21.9	21.1

Cigars

Sales split (SEK)



- Europe and other non-US:
 - 15% market share in Europe
 - 5 billion stick market (Europe)
- US mass market:
 - 11.4% value share (Nielsen, YTD Oct 2)
 - 5.5% volume share (Nielsen, YTD Oct 2)
 - 8 billion stick market (including littles)
- US premium:
 - 30% market share
 - 230 million stick market

■ US premium ■ US mass market ■ Europe/ROW

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

Lights

Sales up 1%, operating profit down 4%

Swedish Match is market leader in many markets. The brands are mostly local and hold a strong position in their respective markets

*Main markets are **Australia**, **Europe**, **Latin America**, and **Russia***

*Production in **Brazil**, **Bulgaria**, the **Netherlands**, the **Philippines**, and **Sweden***

- In local currencies, operating profit was down 8% in Q3
- Stronger lighter profits, with matches profit down



MSEK	Q3-2010	Q3-2009	chg	9m-2010	9m-2009	chg	Oct 2009 - Sep 2010	Full year 2009
Sales	391	388	1	1,168	1,152	1	1,591	1,574
Operating profit	59	62	-4	190	187	2	282	279
Operating margin, %	15.0	15.9		16.3	16.2		17.7	17.7

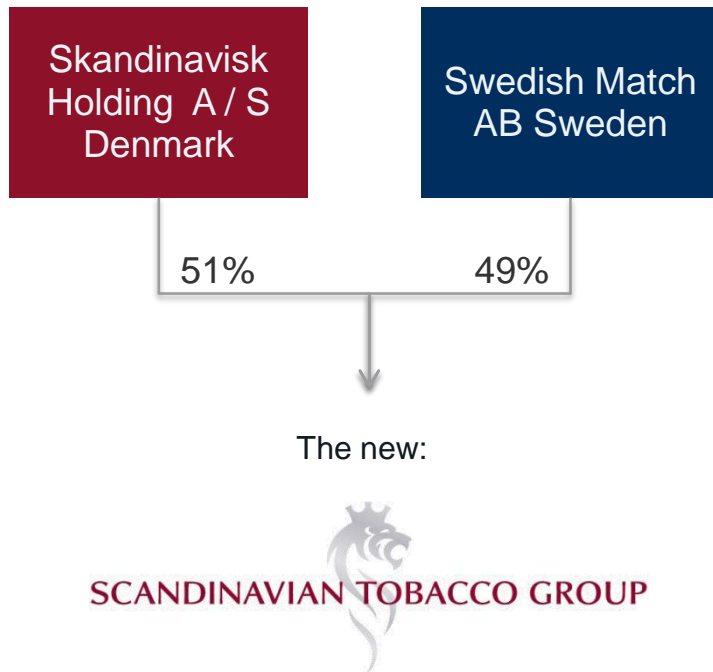
Swedish Match and STG form a new company



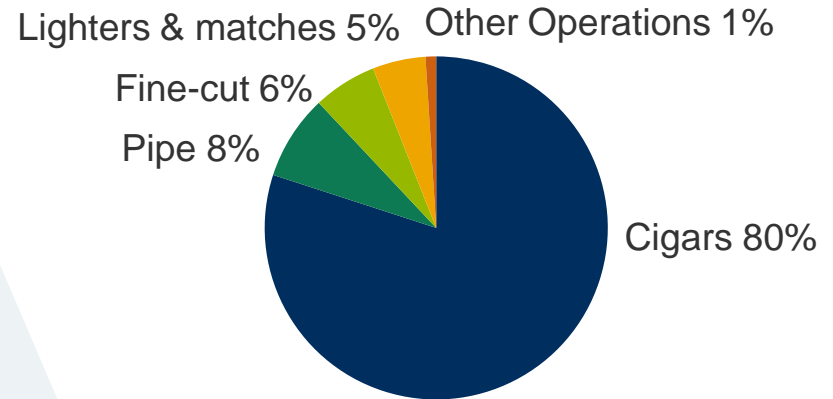
- Swedish Match and Scandinavian Tobacco Group (STG) on October 1st formed a new company combining all of the tobacco businesses of STG with the premium and machine made cigar businesses of Swedish Match (except US mass market cigars and holding in Arnold André)
 - Swedish Match owns 49% of the new STG
 - Swedish Match has contributed all of its cigar business (with the exception of US mass market cigars and its 40 percent holding of Arnold André) as well as its remaining pipe tobacco and accessories businesses
 - STG has contributed all of its tobacco business (cigars, pipe tobacco and fine cut tobacco)

The new STG

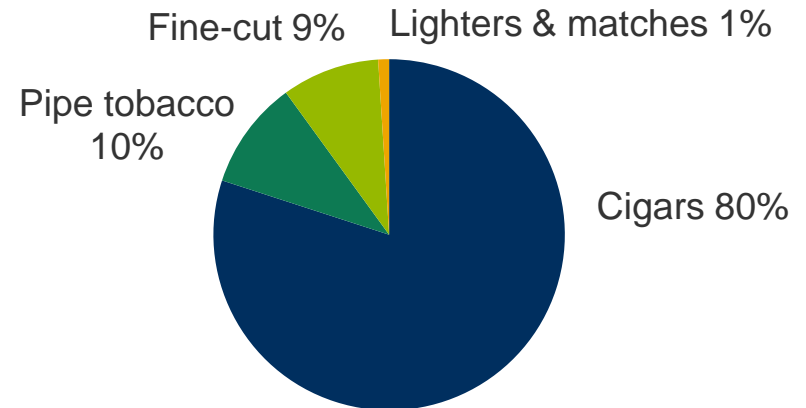
A leading, global company with focus on cigars



2009 sales ~ MEUR 690*



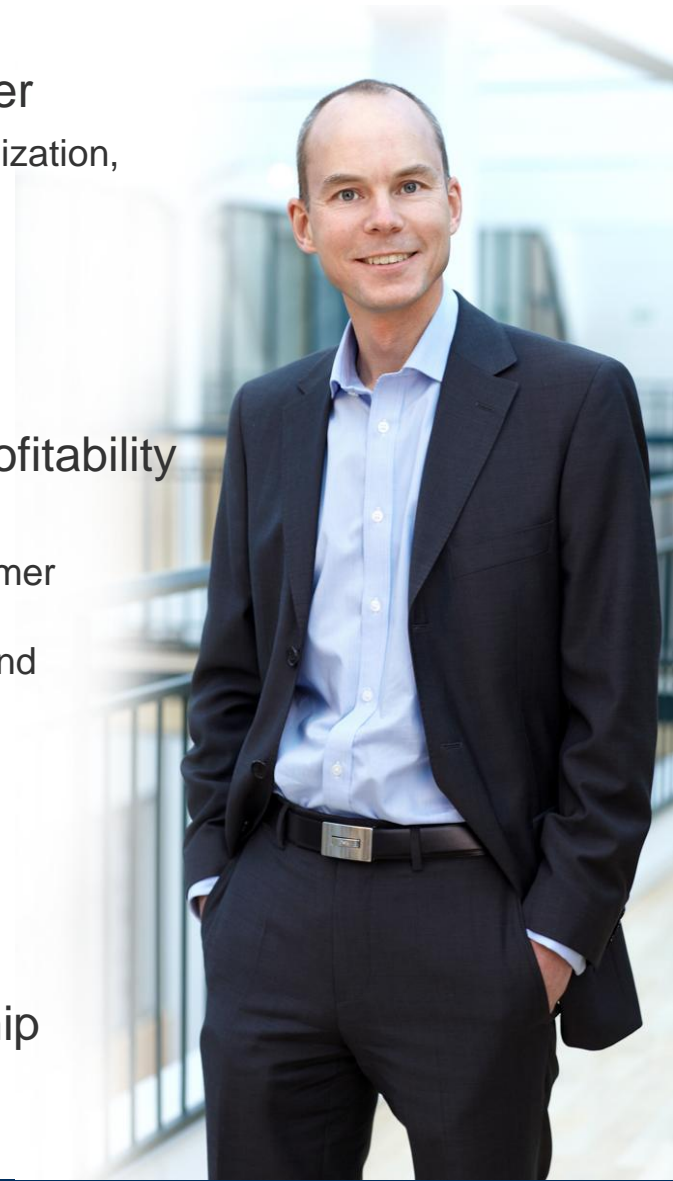
2009 EBITDA ~ MEUR 140*



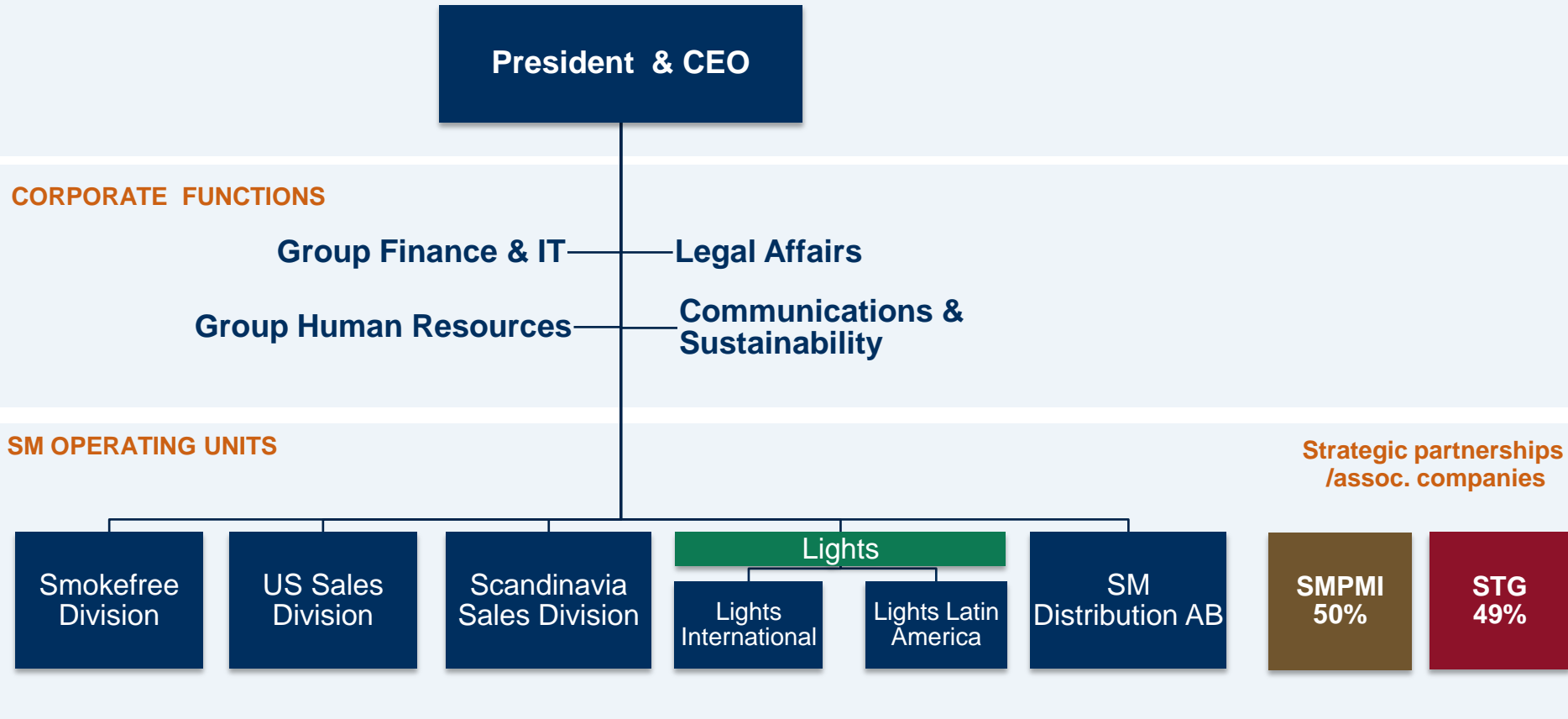
* Pro forma based on the Swedish Match and STG 2009 results

Group strategy – updated to strengthen focus

- 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
- Leverage strong platforms to maximize long term profitability in Other tobacco products
 - Drive profitable growth in US mass market cigars through consumer driven innovation and strong sales execution
 - Capitalize on leading position in the chewing tobacco category and continuously drive productivity improvements
- Continue to focus on operational excellence and profitability in Lights
 - Strong market positions
 - Efficient supply chain
- Realize the potential of STG through active ownership
 - Decisively pursue synergy opportunities
 - Leverage brand portfolio and scale to drive profitable growth



The new operating structure



Delivering the Group strategy – a shared responsibility

*Position the Company as the global **smokefree** leader*

*Leverage strong platforms to maximize long term profitability in **Other tobacco products***

*Continue to focus on operational excellence and profitability in **Lights***

*Realize the potential of **STG** through active ownership*

Smokefree Division

US Sales Division

Lights International

STG

Scandinavia Sales Division

Lights Latin America

US Sales Division

STG

SMPM International

CORPORATE FUNCTIONS

Swedish Match – new reporting segments

■ Snus and snuff

- Swedish snus in Scandinavia and the US
- US moist snuff
- Income from SMPM International

■ Other tobacco products (OTP)

- US mass market cigars
- Chewing tobacco

■ Lights

- Lighters
- Matches
- Fire products

■ Other operations

- Distribution
- Central costs

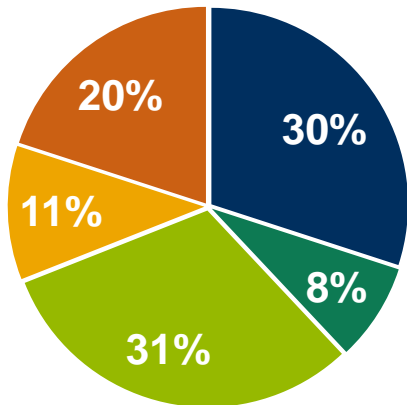


The transaction will change the financial reporting

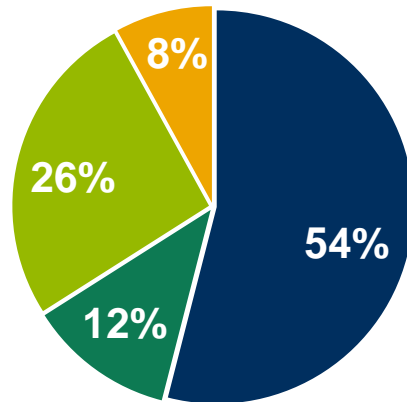
With Swedish Match now owning 49% of STG, the Company has a new profile

2009:

Sales



Operating profit¹⁾

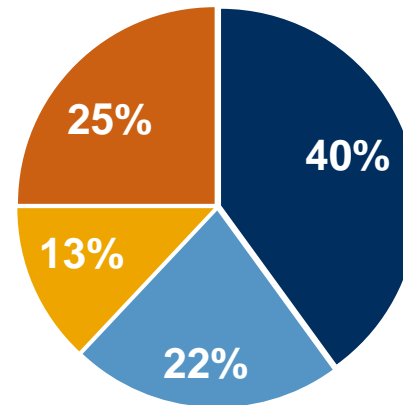


- Snus and snuff
- Chewing tobacco
- Cigars
- Lights
- Other operations

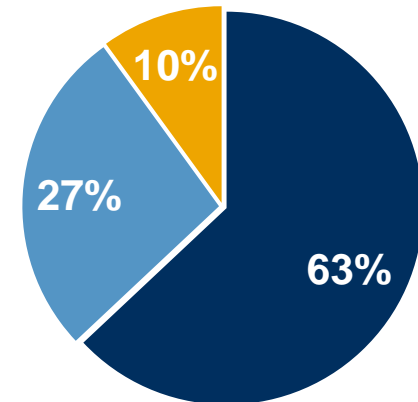
1) Excluding Other operations.

2009 pro-forma under new structure
(indicative):

Sales



Operating profit²⁾



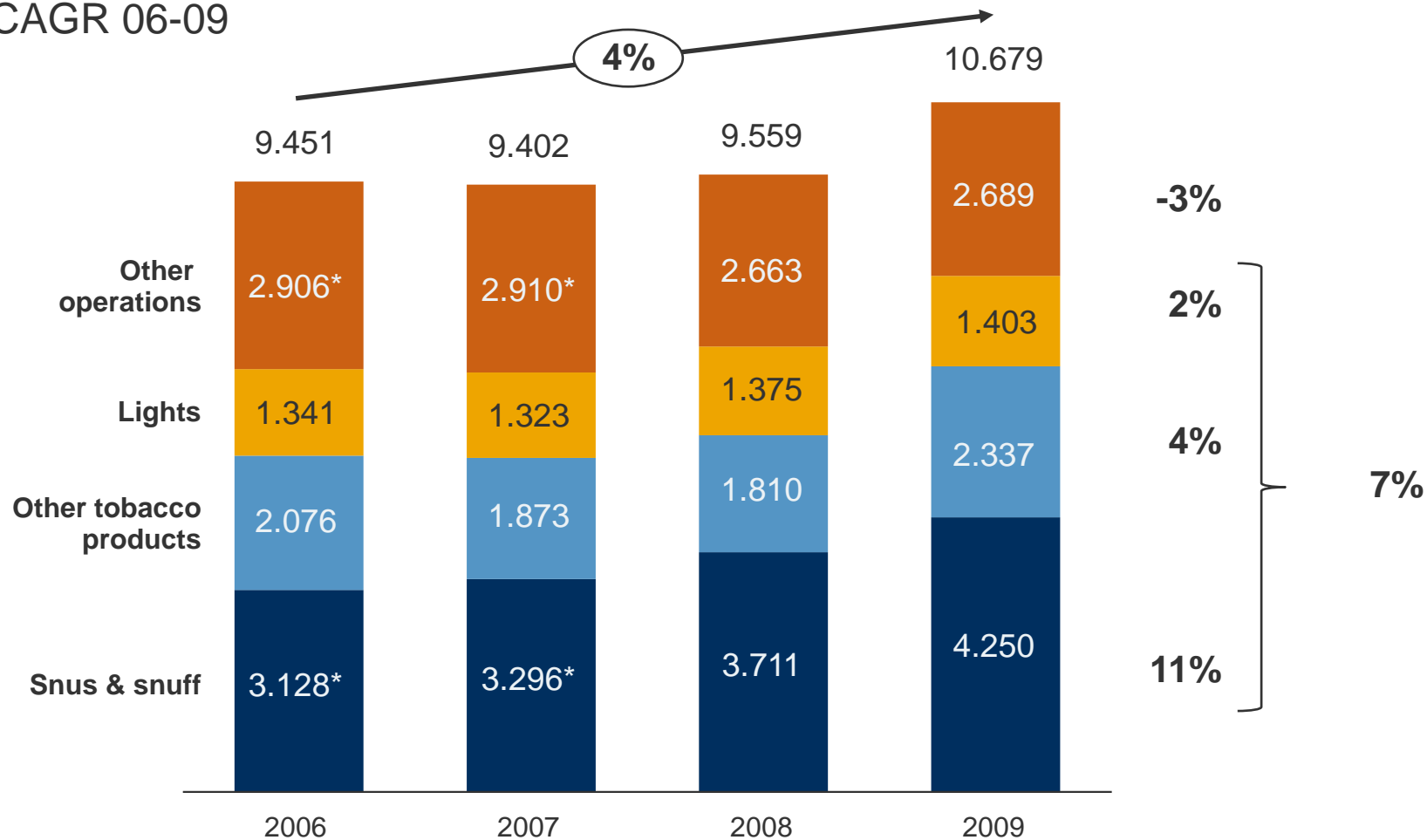
- Snus and snuff
- Other tobacco products
- Lights
- Other operations

2) Excluding Other operations and income from STG.

Pro-forma sales with new segments

Sales per segment (MSEK)

CAGR 06-09

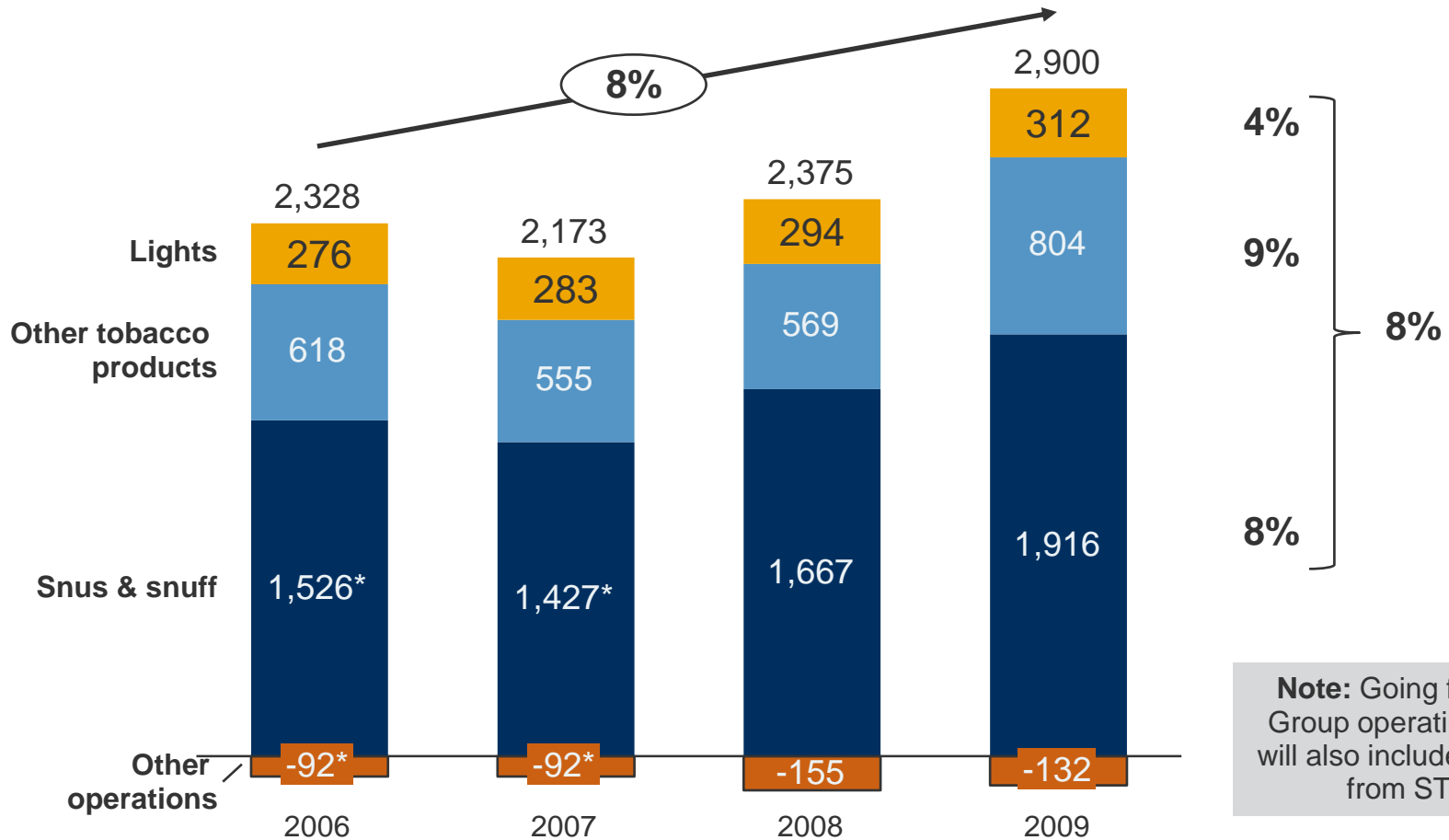


* Adjusted due to hoarding in 2006.

Pro-forma operating profit with new segments

Operating profit per segment (MSEK)

CAGR 06-09



* Adjusted due to hoarding in 2006.

Snus and snuff

Strategy

- More aggressively pursue growth opportunities for snus on a global basis, in US within Swedish Match and globally through the SMPMI JV
- Leverage our unique heritage, technological lead, talented organization and brand portfolio globally
- Be the preferred choice by consumers
- Be the most valued partner to the trade
- Remain the industry authority for regulators and opinion makers

Core focus areas

- Drive category growth and maintain the leading position in Scandinavia
- Strengthen position in the US; take a major role in the development of the snus category
- Drive the international expansion of Swedish snus in close cooperation with SMPMI International



MSEK	Q3-2010	Q3-2009	chg	9m-2010	9m-2009	chg	Oct 2009 - Sep 2010	Full year 2009
Sales	1,174	1,093	7	3,344	3,149	6	4,445	4,250
Operating profit	592	534	11	1,513	1,394	10	2,036	1,916
Operating margin, %	50.4	48.8		45.2	44.3		45.8	45.1

Other tobacco products: mass market cigars

Strategy

- Drive profitable growth in US mass market cigars through consumer driven innovation and strong sales execution

Core focus areas

- Remain at forefront of innovation
- Optimize sales execution
- Expand distribution
- Improve productivity



Other tobacco products: chewing tobacco

Strategy

- Capitalize on leading position in the chewing tobacco category and continuously drive productivity improvements

Core focus areas

- Maintain strong market position and leading brands
- Optimize sales execution
- Efficient pricing strategy
- Manage volume declines with increased productivity



Charts below for all OTP (cigars/chewing tobacco):

MSEK	Q3-2010	Q3-2009	chg	9m-2010	9m-2009	chg	Oct 2009 - Sep 2010	Full year 2009
Sales	631	571	11	1,883	1,881	0	2,339	2,337
Operating profit	259	169	53	733	667	10	869	804
Operating margin, %	41.0	29.6		38.9	35.5		37.2	34.4

USD	Q3-2010	Q3-2009	chg	9m-2010	9m-2009	chg	Oct 2009 - Sep 2010	Full year 2009
Sales	87	79	10	256	239	7	323	306
Operating profit	36	24	49	100	85	18	120	105
Operating margin, %	41.0	30.3		38.9	35.5		37.2	34.4

Lights

Strategy

- Continue to focus on operational excellence and profitability in lights

Core focus areas

- Focus on key brands
- Continuously improve productivity
- Maintain market leading positions
- Selectively pursue growth opportunities



MSEK	Q3-2010	Q3-2009	chg	9m-2010	9m-2009	chg	Oct 2009 - Sep 2010	Full year 2009
Sales	352	341	3	1,050	1,030	2	1,423	1,403
Operating profit	58	72	-21	191	212	-10	291	312
Operating margin, %	16.3	21.3		18.2	20.6		20.4	22.2

P & L summary

Continuing operations

MSEK	Q3- 2010	Q3- 2009	chg	9m- 2010	9m- 2009	chg	Oct 2009 - Sep 2010	Full year 2009	chg
Sales	3,823	3,606	6	10,806	10,659	1	14,351	14,204	1
Cost of goods sold	-1,896	-1,843		-5,325	-5,279		-7,160	-7,114	
Gross profit	1,927	1,764	9	5,481	5,379	2	7,191	7,089	1
Sales and administrative expenses	-878	-892		-2,735	-2,821		-3,595	-3,681	
Share of profit in associated companies and joint ventures	1	3		3	9		3	10	
Operating profit	1,049	874	20	2,749	2,568	7	3,598	3,417	5
Finance income	6	35		19	76		30	86	
Finance costs	-134	-152		-383	-408		-504	-529	
Net finance cost	-128	-117		-363	-333		-474	-443	
Profit before income tax	921	757	22	2,386	2,235	7	3,124	2,974	5
Income tax expense	-192	-142		-501	-469		-644	-613	
Profit for the period	729	615	19	1,885	1,766	7	2,480	2,361	5
EPS, basic, SEK	3.23	2.53		8.28	7.15		10.79	9.67	
EPS, diluted, SEK	3.22	2.52		8.26	7.15		10.77	9.66	

Balance sheet in summary

MSEK	September 30, 2010	December 31, 2009
Intangible assets	1,115	3,792
Property, plant and equipment	2,090	2,525
Other non-current financial receivables*	1,586	2,193
Current operating assets	2,427	5,296
Other current investments	1	1
Cash and cash equivalents	1,273	2,530
Assets held for sale*	5,501	-
Total assets	13,994	16,337
Equity attributable to equity holders of the Parent	-709	899
Non-controlling interests	4	4
Total equity	-705	903
Non-current provisions	996	1,301
Non-current loans	7,684	8,252
Other non-current financial liabilities*	1,457	1,440
Current provisions	95	125
Current loans	1,142	1,002
Other current liabilities	2,552	3,313
Liabilities attributable to assets held for sale*	773	-
Total equity and liabilities	13,994	16,337

* For full detail, please refer to notes in the interim report for January-September 2010

Cash flow in summary

MSEK	9m - 2010	9m - 2009
Cash flow from operating activities before changes in working capital	1,986	1,990
Cash flow from changes in working capital	12	-119
Net cash from operating activities	1,997	1,871
Purchase of property, plant and equipment	-248	-324
Proceeds from sale of property, plant and equipment	5	4
Purchase of intangible assets	-31	-1
Acquisition of subsidiaries, net of cash acquired*	-	-39
Investments in associated companies and joint ventures*	-123	-8
Proceeds from sale of subsidiaries, net of cash disposed of	-	1,574
Changes in financial receivables etc.	0	0
Net cash used in investing activities	-396	1,205
Changes in loans	207	-527
Dividends paid to equity holders of the Parent	-1,089	-1,024
Repurchase of own shares	-1,878	-1,368
Stock options exercised	53	51
Other	63	76
Net cash used in financing activities	-2,644	-2,793
Net decrease/increase in cash and cash equivalents from discount. op.	-1,043	284
Total net decrease/increase in cash and cash equivalents	-1,043	459
Cash and cash equivalents at the beginning of the period	2,530	3,178
Effect of exchange rate fluctuations on cash and cash equivalents	-111	-38
Less cash and cash equivalents reclassified as assets held for sale	-103	-
Cash and cash equivalents at the end of the period	1,273	3,600

* For full detail, please refer to notes in the interim report for January-September 2010

Key data

Continuing operations, unless stated otherwise

	9m - 2010	9m - 2009
Operating margin, %*	24.6	24.1
Operating capital, MSEK*	8,029	8,207
Return on operating capital, %* (12 months to September 30)	43.2	
EBITDA, MSEK*	2,961	2,938
EBITA, MSEK*	2,737	2,657
Net debt, MSEK*	8,622	6,494
Net debt/EBITA* (12 months to September 30)	2.4	
Investments in property, plant and equipment, MSEK*	248	324
EBITA interest cover*	8.6	8.5
Share data		
<i>Earnings per share, basic, SEK</i>		
From continuing operations	8.28	7.15
Including discontinued operations		10.33
<i>Earnings per share, diluted, SEK</i>		
From continuing operations	8.26	7.15
Including discontinued operations		10.32
Average number of shares outstanding, basic (Mio)	227.7	247.0
Shares outstanding, end of period (Mio)	220.7	239.3

* For full detail, please refer to notes in the interim report for January-September 2010

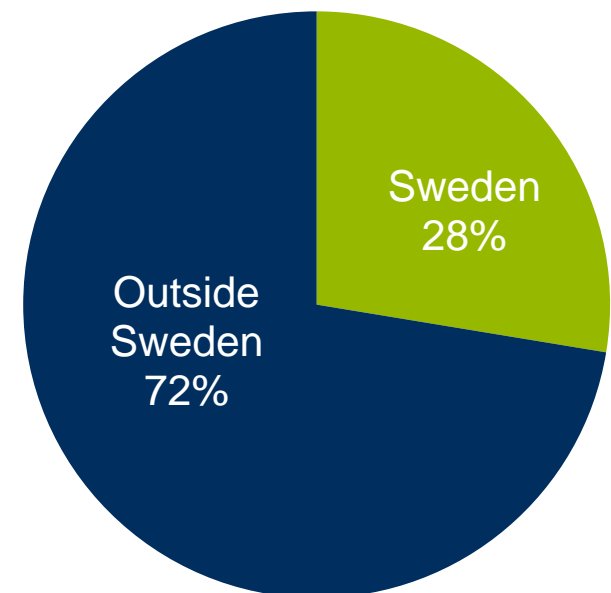
Largest shareholders*

As per September 30, 2010

Largest shareholders

Parvus Asset Management	6.4%
Morgan Stanley Investment Management	6.0%
AMF Insurance & Funds	3.1%
Swedbank Robur Funds	3.0%
SHB Funds	1.4%
Standard Life Investment Fund	1.3%
Second Swedish National Pension Fund	1.3%
SEB Funds	1.2%
Didner & Gerge Mutual Funds	1.2%
Third Swedish National Pension Fund	1.0%
	<hr/>
	25.9%

54,220 shareholders

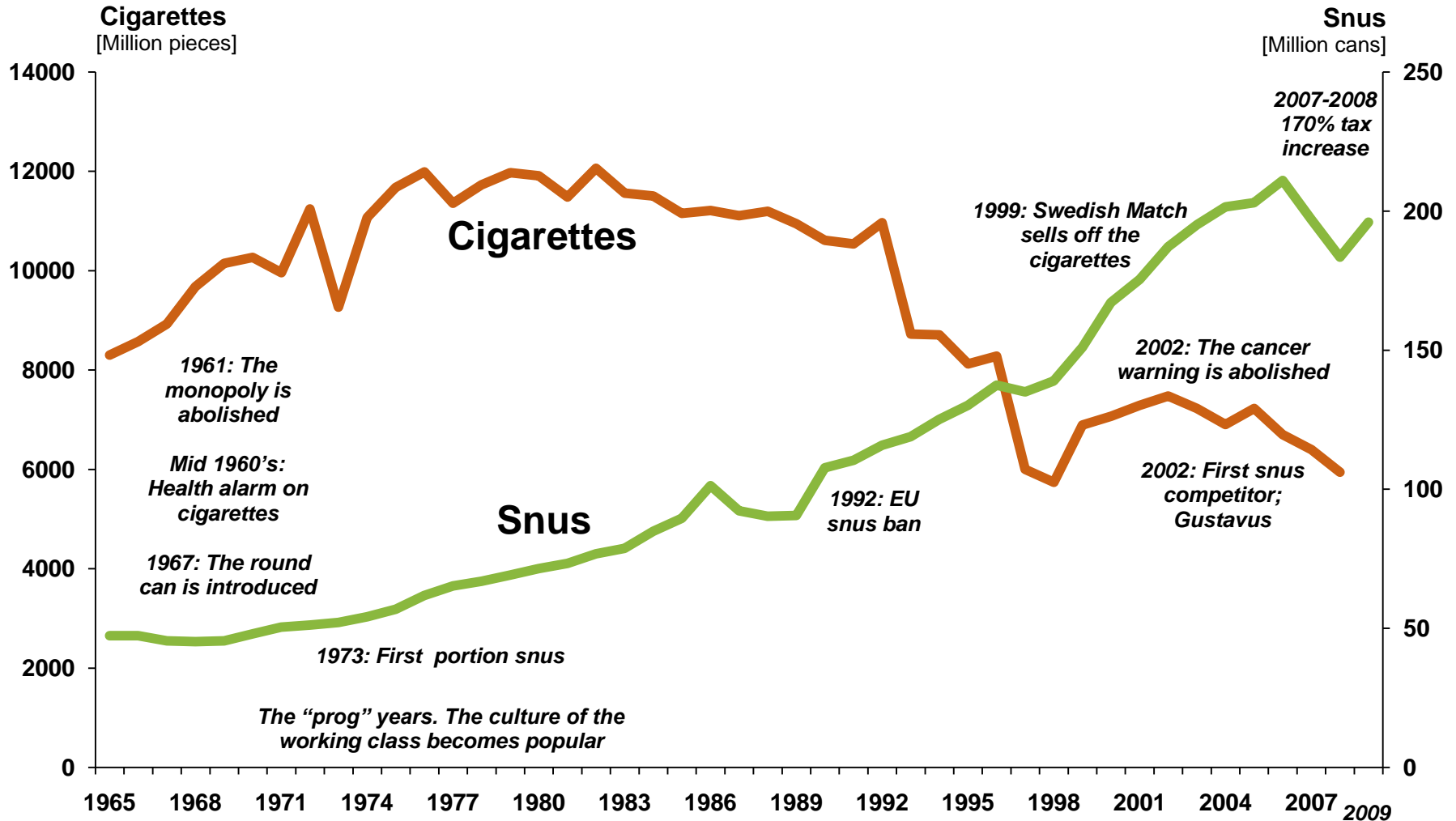


Source: Euroclear, official registry and SIS Ägaranalys.

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

Snus vs. cigarettes in Sweden

Sale of snus and cigarettes in Sweden



Source: Swedish Match

SM/STG – pro forma

	SM 2009		Approximate pro forma 2009 ³⁾		
(MEUR)	SM ¹⁾	SM ¹⁾ excl. BD - approximate	BD	STG	COMB.
Sales ²⁾	1,337	970	370	320	690
EBIT	322	270	60	50	110
EBITA	333	280	60	60	120
EBITDA	366	300	70	70	140
Operating capital	825	310			

¹⁾ Amounts exclude Swedish Match South African operations, which were divested in September 2009

²⁾ Swedish Match internal sales to the Business to be Divested (BD) have been eliminated in the sales numbers for Swedish Match (SM), but are included in the sales for Swedish Match excluding the businesses to be divested (SM excl. BD)

³⁾ Normalized numbers, rounded to nearest 10 MEUR