

SWEDISH MATCH CORP
Form 6-K
October 26, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer

Persuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

Report on Form 6-K dated October 26, 2004

Swedish Match AB

(Translation of Registrant's Name into English)

Rosenlundsgatan 36

S-118 85 Stockholm, Sweden

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

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Form 20-F Form 40-F

(Indicate by check whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b);82-_____)

Enclosure: Interim Report January September 2004

SIGNATURES

Persuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Swedish Match AB

Date: October 26, 2004

By: /s/ Bertil Raihle

Bertil Raihle
Vice President Corporate Control

Interim Report

January - September 2004

Sales in Swedish crowns increased by 1%, to 9,797 MSEK (9,692). In local currencies, sales were up 4%

Operating income excluding item affecting comparability amounted to 1,628 MSEK (1,693)

Items affecting comparability amounted to 1,281 MSEK (0) and include a gain from UST settlement of 1,521 MSEK as well as impairment charges and provisions in match operations of 240 MSEK

Net profit, including items affecting comparability, amounted to 1,596 MSEK (1,228)

EPS, including items affecting comparability, increased to 4.88 SEK (3.68)

Sales for the first nine months increased to 9,797 MSEK (9,692), an increase of 1 percent. In local currency terms, sales were up by 4 percent.

Operating income, excluding items affecting comparability, for the first nine months amounted to 1,628 MSEK (1,693), a decrease of 4 percent. Operating income was negatively affected by restructuring measures during the first half of the year by 160 MSEK and negatively impacted by currency translations after translating subsidiaries' results into Swedish Crowns by 75 MSEK, primarily attributable to the weaker dollar.

For the first nine months net items affecting comparability total 1,281 MSEK. Items affecting comparability include a gain from the settlement with UST of 1,521 MSEK and 90 MSEK in charges related to deemed costs of shares in Wimco Ltd. (in accordance with the recent decision by the Supreme Court in India) and for impairment charges in the match product group of 150 MSEK.

For snuff, sales and operating income increased by 6 percent and amounted to 2,356 MSEK and 1,087 MSEK respectively. Operating margin was 46.1 percent (46.2).

Sales of cigars increased by 7 percent, to 2,381 MSEK and operating income grew by 29 percent, to 383 MSEK due to strong volume growth for mass market and premium cigars in the US.

Operating income for matches decreased to a negative 68 MSEK compared to a positive operating income of 78 MSEK year ago. The operating income includes restructuring costs of 105 MSEK, as reported during the first half of the year.

The tax rate for the period was 42 percent compared with 25 percent year ago. The tax rate this year has been negatively impacted by a higher tax rate due to items affecting comparability, while last year's tax rate was positively affected by one time effects.

EPS increased to 4.88 SEK (3.68) of which items affecting comparability accounts for 1.96 SEK. EPS for the first nine months year ago was positively impacted by one time gains in interest net and taxes.

Summary of Consolidated Income Statement

	January	September	Full year
	2004	2003	2003
<i>MSEK</i>			
Sales	9,797	9,692	13,036
Operating income excluding item affecting comparability	1,628	1,693	2,224
Operating income including item affecting comparability	2,909	1,693	2,224
Profit before tax	2,812	1,688	2,174
Net income for the period	1,596	1,228	1,558

Sales by product area

		Change	12 months ended	Full year	
July	Jan -	%	Sep 30, -04	2003	Change
- Sep	Sep				