

# LATHAM & WATKINS<sup>LLP</sup>

## FIRM / AFFILIATE OFFICES

Brussels	New York
Chicago	Northern Virginia
Frankfurt	Orange County
Hamburg	Paris
Hong Kong	San Diego
London	San Francisco
Los Angeles	Shanghai
Milan	Silicon Valley
Moscow	Singapore
Munich	Tokyo
New Jersey	Washington, D.C.

June 15, 2006

Mauri L. Osheroff, Esq.  
Associate Director  
Office of Regulatory Policy  
Division of Corporation Finance

Brian V. Breheny, Esq.  
Chief  
Office of Mergers and Acquisitions  
Division of Corporation Finance

David Lynn, Esq.  
Chief Counsel  
Office of Chief Counsel  
Division of Corporation Finance

Jonathan Ingram, Esq.  
Deputy Chief Counsel  
Office of Chief Counsel  
Division of Corporation Finance

Pamela Carmody, Esq.  
Special Counsel  
Office of Mergers and Acquisitions  
Division of Corporation Finance

Securities and Exchange Commission  
100 F Street, Station Place, N.E.  
Washington, D.C. 20549

Re: Proposed Odd-Lot Program of Swedish Match AB, File Number 000-28038  
Securities Exchange Act of 1934, Rule 13e-4  
Securities Act of 1933, Section 5

Ladies and Gentlemen:

We are writing on behalf of our client, Swedish Match AB (publ) ("Swedish Match"), to request that the Securities and Exchange Commission (the "Commission") grant exemptive relief to Swedish Match from Rule 13e-4 ("Rule 13e-4") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the staff of the Division of Corporation Finance (the "Staff") confirm that it will not recommend that the Commission take any enforcement action if the proposed odd-lot program of Swedish Match described in this letter

LATHAM & WATKINS LLP

(the "Program") is conducted without registration under Section 5 of the Securities Act of 1933, as amended (the "Securities Act").

**I. BACKGROUND**

A. Swedish Match; the Shares

Swedish Match is a public limited liability company (*aktiebolag*) incorporated under the laws of the Kingdom of Sweden. Swedish Match is a producer of tobacco products, matches and disposable lighters and distributes its products in many countries throughout the world, including in North America and most countries in Europe. In 1992, Swedish Match was acquired by Procordia AB, a public holding company which at the time was under the joint control of AB Volvo ("Volvo") and the Swedish State. In 1993, as a result of a share exchange between Volvo and the Swedish State, Volvo acquired an indirect majority interest in Swedish Match. In 1994, Volvo acquired all of the remaining outstanding shares of the holding company owning Swedish Match. In 1996, Swedish Match was spun-off by Volvo to its shareholders, by way of a stock dividend. In connection with the spin-off, the ordinary shares of Swedish Match (the "Shares") were listed on the Stockholm Stock Exchange (the "Exchange"), and American Depositary Shares ("ADSs"), evidenced by American Depositary Receipts ("ADRs") and representing the Shares, were quoted on the Nasdaq National Market (the "NNM").<sup>1</sup>

On October 14, 2004, Swedish Match delisted its ADSs from the NNM and terminated the deposit agreement creating the ADSs.<sup>2</sup> Accordingly, the Shares are currently listed only on the A-list of the Exchange.<sup>3</sup>

Since the Shares remain registered with the Commission under Section 12(g) of the Exchange Act, Swedish Match is subject to Section 13(a) of the Exchange Act.<sup>4</sup> Swedish Match is a "foreign private issuer" as defined in Rule 3b-4(c) under the Exchange Act.

Based on information in Swedish Match's shareholder register, as of April 30, 2006, Swedish Match is aware of 85,112 total shareholders, of which 397, or 0.47%, were

---

<sup>1</sup> The Shares and the ADSs were issued in a spin-off transaction, as part of which the Shares were registered under Section 12(g) of the Exchange Act with the Commission on Form 20-F on March 22, 1996. The ADSs were exempt from registration with the Commission under Section 12(g) by virtue of Rule 12g3-2(c) under the Exchange Act. Furthermore, since the ADSs were quoted on the NNM, rather than on a national securities exchange, neither they (nor the Shares) were subject to registration with the Commission under Section 12(b) of the Exchange Act.

<sup>2</sup> As noted above, the ADSs were not required to be registered under Section 12 of the Exchange Act. In addition, Section 15(d) reporting was not required with respect to the ADSs because Rule 15d-3 exempts depository shares registered on Form F-6 from periodic and annual reports. The ADSs were registered with the Commission on Form F-6 on April 8, 1996.

<sup>3</sup> In addition to the A-list, the Exchange also has an O-list. There are heightened listing requirements associated with listing on the A-list of the Exchange. In order to qualify for the A-list, companies must have an operating history of at least three years, documented profitability and a market capitalization at the time of listing of at least SEK 300 million (approximately \$40,755,332 based on the Noon Buying Rate (as defined below)).

<sup>4</sup> There is no Section 15(d) reporting obligation in respect of the Shares because the Shares were issued in a spin-off transaction, rather than registered pursuant to a registration statement under the Securities Act.

LATHAM & WATKINS LLP

shareholders with U.S. addresses. Swedish Match had 324,596,181 Shares outstanding,<sup>5</sup> of which 66,770,440 (or approximately 20.6%) were held by shareholders with U.S. addresses. On May 2, 2006, the closing price of the Shares on the Exchange was SEK 112.50 per Share.

B. Round Lots on the Exchange

The size of a round lot on the Exchange is company specific and is determined solely for purposes of facilitating the trading of company shares on the Exchange. Trades made in round lots can be carried out quickly and with a minimum of inconvenience, whereas trades in lots smaller than a round lot are made in a separate and less liquid system for small trading orders. We understand that companies on the A-list of the Exchange have round lots of 10, 50, 100, 200, 500, 1000, 2000 and 10,000 shares (these are permitted round lot sizes), with the large majority of such companies having round lots of 100 or 200 shares.

The Exchange has ultimate authority to decide what a company's round lot size will be. The general purpose of the Exchange in setting the round lot is to make the size of one round lot equal to the number of shares worth approximately SEK 20,000,<sup>6</sup> by setting the actual number of shares in a round lot at one of the several permitted round lot sizes. The Exchange typically makes adjustments to round lots in situations where the value of a round lot exceeds SEK 40,000 or is less than SEK 10,000. The Exchange reviews the size of a company's round lot twice a year, and adjustments can be made with effect from January or July of each year. In January 2005, for example, the Exchange decreased the size of Swedish Match's round lot from 500 to 200 Shares, thereby reducing the value of a round lot of Shares to approximately SEK 20,000.

Based on the closing price of SEK 112.50 per Share on May 2, 2006, the approximate value of a round lot, or 200 shares, of Swedish Match on such date was SEK 22,500, or approximately \$3,057 (based on the Noon-Buying Rate).

Swedish Match has no reason to believe that the Exchange will adjust the size of a round lot during the period prior to launch or during the pendency of the Program, which will not last less than 20 business days.

C. The Program

The Program is designed to reduce the financial and administrative burden on Swedish Match of having a large shareholder base, by reducing the worldwide number of shareholders through an odd-lot program.

As of April 30, 2006, based on information in its shareholder register, Swedish Match had 55,325 shareholders, out of a total of 85,112 shareholders, holding less than 200 Shares each. The total shareholding of this group was 3,353,865 Shares, out of 324,596,181 total

---

<sup>5</sup> 298,528,985 Shares were held by shareholders; the remaining Shares were held by Swedish Match as treasury stock. Under Swedish corporate law, treasury shares are considered to be outstanding for all purposes, except that a company cannot vote on its treasury shares. On May 5, 2006, Swedish Match cancelled 24,000,000 Shares held by Swedish Match as treasury stock. The shareholder information contained herein does not reflect this cancellation of Shares.

<sup>6</sup> On May 1, 2006, the noon buying rate in the City of New York for cable transfers between Swedish Kronor and U.S. dollars as certified for customs purposes by the Federal Reserve Bank of New York was SEK7.3610 to \$1.00 (the "Noon Buying Rate"). The target value of a round lot of an A-list company expressed in U.S. dollars is therefore approximately \$2,717.

LATHAM & WATKINS LLP

Shares outstanding. In other words, 65.0% of the shareholders of Swedish Match held approximately 1.0% of total outstanding Shares. Servicing these shareholders requires a disproportionately large amount of Swedish Match's resources, given the aggregate number of Shares they represent.

The Program will be available worldwide only to holders of less than 200 Shares who wish to sell all, but not part, of their respective Shares. Swedish Match will appoint an independent broker to administer the Program, and any Shares sold pursuant to the Program will subsequently be sold by the independent broker on the open market through the Exchange. The independent broker will rebundle the Shares for trades of at least 200 Shares, so that no buyer will purchase less than 200 Shares. The broker will sell the Shares during and at the end of the period during which the Program is open, and will distribute proceeds to each shareholder who sells Shares pursuant to the Program based on the weighted average price of all Shares sold pursuant to the Program. The proceeds will be distributed promptly through book-entry transactions initiated by the independent broker, and in any event not later than ten Swedish business days, after the expiration of the period during which the Program is open. The broker intends to sell the Shares with the least possible negative effect on the market price thereof. Sales of the Shares will be conducted through the independent broker's ordinary brokerage business through the Stockholm Stock Exchange's electronic system. Under no circumstances will sales be made to Swedish Match or any of its affiliates. Swedish Match will pay all of the commissions and fees associated with these sales on the open market, which otherwise would consume a large percentage of the proceeds from sales of small numbers of Shares.

A resolution of the board of directors is the only corporate approval needed before a Swedish company can make an offer to shareholders to sell their shares on the open market pursuant to a commission-free sales program such as the Program. Although not required pursuant to Swedish law, the Board of Directors of Swedish Match submitted a proposal to Swedish Match's shareholders at the Annual General Meeting held on April 20, 2006 that a resolution be adopted to carry out the Program. This proposal was adopted.

There are no Swedish disclosure, filing or other regulatory requirements in connection with the Program, and we do not believe there are any such regulatory requirements in any other jurisdiction in which the Program will be conducted. In particular, we note that the Program would not be considered an issuer tender offer in any jurisdiction outside the United States.

Consistent with typical practice in Sweden, Swedish Match, together with its legal advisors and the independent broker, will prepare Swedish and English versions of an information memorandum describing the Program. The information memorandum, together with an acceptance form (the "acceptance form") will be distributed exclusively to shareholders holding less than 200 shares ("eligible shareholders"). The Swedish version of the information memorandum will be distributed to eligible holders with addresses in Sweden, and the English version to all eligible shareholders residing outside of Sweden. Eligible holders will have a period of not less than 20 business days to complete and submit their acceptance form to the independent broker. Once received by the independent broker, acceptance forms will be irrevocable.

Because there is a possibility that the Program may have the effect of causing the Shares to be held of record by less than 300 U.S. residents, Swedish Match will comply with the substantive and procedural requirements of Rule 13e-3 under the Exchange Act, including

LATHAM & WATKINS LLP

by preparing and filing a Schedule 13E-3 with the Commission and disseminating certain information to U.S. shareholders. It will also keep the Program open for not less than 20 business days, in accordance with Rule 14e-1(a) under the Exchange Act.

Other than with respect to its participation in the preparation of the information memorandum, its engagement of the independent broker and the funding of the costs of the Program, Swedish Match will have no involvement in the Program. As a practical matter, the independent broker will administer and manage the Program in all respects, making decisions, for example, whether to accept acceptance forms, how and when to execute trades, and the exact timing of any payments to be made to the participating shareholders. To the extent shareholders have questions in relation to the Program, the information memorandum will provide instructions and contact details which will allow shareholders to contact representatives of the independent broker (but not Swedish Match). Neither Swedish Match nor the independent broker will make any recommendation to Swedish Match shareholders regarding the Program. Swedish Match will not be involved in the purchase or sale of the Shares by the broker, will not determine or influence the price or amount paid to shareholders, and will not receive any proceeds from the Program.

## II. DISCUSSION

### A. Rule 13e-4

We acknowledge the Commission's long-standing position that a commission-free sales program such as the Program triggers the requirements of Rule 13e-4 under the Exchange Act.<sup>7</sup> The odd-lot exception of Rule 13e-4(h)(5) would not appear to be available to Swedish Match because the Program will allow shareholders holding more than 100 Shares to sell their Shares. The Program will comply with the other requirements of Rule 13e-4(h)(5).<sup>8</sup>

The Commission has previously stated that it will consider "on a case-by-case basis, issuer offers involving tenders of more than 99 shares from each holder, where such offers involve a number of securities that represent a *de minimis* proportion of the value of the issuer's outstanding securities" Release No. 33-7376 (December 20, 1996) (the "13e-4 Amending Release"), page 2.

We believe that both the number of odd-lot holders of Shares and the number of odd-lot holders of Shares with U.S. addresses are *de minimis*. As discussed earlier, as of April 30, 2006, based on information in its shareholder register, Swedish Match had 55,325

---

<sup>7</sup> We note, however, that in the past the Staff has taken no-action positions in relation to Rule 13e-4 with respect to sales programs available to shareholders holding more than 100 shares each. See, e.g., The Manufacturers Life Insurance Company (avail. September 29, 1999); Metropolitan Life Insurance Company (avail. November 23, 1999); EquiServe Trust Company, N.A. (avail. February 2, 2000); Canada Life Financial Corporation (avail. March 13, 2001); The Prudential Insurance Company of America (avail. April 6, 2001); General Electric Company and GE Investments, Inc. (avail. February 24, 2004). While the programs that were the subject of the aforementioned letters did not necessarily consist of "odd-lot" programs, much of the purpose and intention behind such programs and many of their features were the same as in the Program. Accordingly, we see no reason the Program should not benefit from the same policy considerations applied by the Staff to such programs.

<sup>8</sup> The offer would be open to all holders who own less than a round lot of 200 Shares. In addition, all participating shareholders would receive the same price for the Shares. Swedish Match would pay all commissions and fees associated with those sales.

LATHAM & WATKINS LLP

shareholders holding less than 200 Shares each. The total shareholding of this group was 3,353,865 Shares, or 1.0% of total outstanding Shares. Out of such shareholders, there were 167 shareholders with U.S. addresses, together representing 10,923 Shares, or 0.0034% of total outstanding Shares. The aggregate value of such Shares was approximately SEK 1,228,838, based on the closing price of the Shares on the Exchange on May 2, 2006, or approximately \$166,939, based on the Noon Buying Rate.

On at least one previous occasion involving a foreign private issuer, the Staff took a no-action position under Rule 13e-4 where an odd-lot threshold was greater than 100 shares. In the Staff's response to the no-action request of Hanson PLC ("Hanson") (avail. December 31, 1990) ("*Hanson 1990*"), the Staff stated that it would not recommend enforcement action under Rule 13e-4 if Hanson conducted a sale facility to purchase warrants for its shares from holders of 500 or fewer warrants (each of which was a warrant to purchase one Hanson share). In *Hanson 1990*, the reasons set forth for granting the exception from Rule 13e-4 included (i) the *de minimis* number of U.S. eligible participants in the sale facility, (ii) the lack of any U.S. trading market for the securities and (iii) the fact that holdings of 500 shares were then customarily treated as odd lots in the United Kingdom.

The Program is on all fours with *Hanson 1990*. Here, as in *Hanson 1990*, the number of U.S. eligible participants in the Program is *de minimis*. In addition, there is no U.S. trading market for the Shares. Finally, 200 shares are treated as a round lot of the Shares in Sweden.

We recognize that in two subsequent no-action letters, the Staff granted relief from Rule 13e-4 with respect to odd-lot programs that applied to shareholders outside the United States owning less than 1,000 shares, but to U.S. shareholders owning less than 100 shares. Hanson, No-Action Letter (avail. January 23, 1997) ("*Hanson January 1997*") and Hanson, No-Action Letter (avail. February 24, 1997) ("*Hanson February 1997*" and, together with *Hanson January 1997*, "*Hanson 1997*"). In other words, only the non-U.S. portion of the odd-lot program did not meet the requirements of Rule 13e-4(h)(5) in *Hanson 1997*. By contrast, the Program will apply a 200 Share limit to all holders of Shares, whether located in or outside the United States.

We do not believe, however, that *Hanson 1997* mandates Swedish Match to limit U.S. participants in the Program to less than 100 Shares in order to satisfy Rule 13e-4(h)(5). A crucial distinction between the Program and those at issue in *Hanson 1997* is that there is no trading market in the United States for the securities being sold pursuant to the Program. In *Hanson 1997*, by contrast, Hanson ADSs were listed on the New York Stock Exchange. Therefore, in our view *Hanson 1990*, rather than *Hanson 1997*, provides the relevant precedent for the Program.

Here, there is no trading market in the United States for the Shares and Swedish Match has no outstanding ADSs. Splitting the Program so that the threshold for non-U.S. shareholders would be 200, and that for U.S. shareholders would be 100, would disadvantage any U.S. shareholders holding between 100 and 199 Shares. Such a U.S. shareholder would be unable to dispose of any Shares in the Program. Because 200 Shares constitute a round lot on the Exchange, however, such shareholder would have no option when selling his or her Shares other than the Exchange's smaller and less liquid trading system for small orders. The shareholder would generally receive a lower price for her/his Shares. Furthermore, there would be additional brokerage commissions.

LATHAM & WATKINS LLP

We respectfully submit that the 13e-4 Amending Release should not be interpreted to deny to U.S. holders of Shares the pricing and liquidity benefits enjoyed by non-U.S. holders of Shares in this situation. Our reading of *Hanson 1997* does not indicate that it was intended to foreclose the possibility of exemptive relief in the case of odd-lot programs by foreign private issuers where the minimum threshold is set at a figure greater than 100, at least where that threshold is in accordance with local market practice and where there is no U.S. trading market for the securities in question.

B. Section 5 of the Securities Act

We are not aware of any situation in which the Staff has stated that a foreign private issuer could conduct an odd-lot program without registration under Section 5 of the Securities Act when a round lot was in excess of 100 shares. In *Hanson 1990*, Hanson relied on the safe harbor from the registration requirements of Section 5 of the Securities Act provided by Regulation S. In *Hanson 1997*, the Staff took a no-action position in respect of the odd-lot programs available to U.S. shareholders holding less than 100 shares. The Staff was not, however, requested in *Hanson 1997* to take a position under Section 5 of the Securities Act regarding the international programs available to shareholders outside of the United States holding fewer than 1,000 shares.

We respectfully submit that the lack of a U.S. trading market for the Shares, the insignificant number of Shares held by a small number of shareholders with U.S. addresses holding less than 200 Shares which in the aggregate represent less than \$200,000, the worldwide nature of the Program, and the fact that the Shares will be resold pursuant to the Program only on the open market through the Exchange constitute a sufficient predicate for a no-action position to be taken by the Staff with respect to conducting the Program without registration under Section 5 of the Securities Act.

Moreover, we believe the factors that the Staff has traditionally relied upon in taking a no-action position with respect to the applicability of Section 5 of the Securities Act to odd-lot programs, and the factors that the Staff has traditionally looked to in determining whether or not there has been an offering of a security by or on behalf of any issuer for purposes of the Securities Act<sup>9</sup> are satisfied. Specifically: (1) Swedish Match will have been subject to

---

<sup>9</sup> We refer to Release No. 33-4790 (July 13, 1965), which sets forth criteria for evaluating whether participation by an employer or its affiliates in an employee stock purchase plan would be considered sufficiently limited so as not to require registration under the Securities Act of securities sold under such a plan, and to Release No. 33-5515 (July 22, 1974), in which the Commission announced its interpretative position that an issuer may perform bookkeeping and similar administrative functions with respect to dividend reinvestment and similar plans without registering the securities offered and sold pursuant to such plans. As mentioned in Release No. 33-4790, where issuer participation is sufficiently limited, purchase plans pursuant to which securities are sold on the open market may "involve minimal differences from the manner in which securities are acquired in ordinary brokerage transactions." The policy adopted by the Staff in these Releases has subsequently been confirmed by the Staff in numerous no-action letters. See, e.g., U.S. West, Inc. (avail. June 29, 1984); Southwestern Bell Corporation (avail. November 12, 1984); American Transtech Inc., Bell Atlantic Corporation, NYNEX Corporation, Pacific Telesis Group, US WEST, Inc. (avail. September 22, 1985); Pacific Telesis Group; PacTel Corporation (avail. April 1, 1994); Shareholder Communications Corporation (avail. July 25, 1996); Cincinnati Bell Inc. (avail. November 25, 1996); Metropolitan Life Insurance Company (avail. November 23, 1999); Kinross Gold Corp. (avail. March 22, 2000); Phoenix Home Life Mutual Insurance Co. (avail. May 31, 2001); Principal Mutual Holding Company (avail. October 9, 2001); Amerus Group Co. (avail. October 18, 2001); Anthem Insurance Companies Inc. (avail.

LATHAM & WATKINS<sup>LLP</sup>

the periodic reporting requirements of Section 13(a) of the Exchange Act for a period of at least 90 days prior to commencement of the Program and satisfies the eligibility requirements for use of a Form F-3 registration statement; (2) the Shares are registered under Section 12 of the Exchange Act; (3) Shareholders who are eligible for the Program will not be guaranteed any minimum sales price; (4) no participating Shareholders will be paid any additional consideration for the elimination of their odd-lot position; (5) all sales will be effected on an agency basis by the independent broker administering the Program, on the open market; (6) the commission received by the independent broker will be no more than the usual and customary brokerage fees; (7) the independent broker will not engage in any "special selling efforts" as that phrase is used in the definition of "distribution" in Rule 100 of Regulation M under the Exchange Act; (8) the independent broker will conduct sales in a manner designed to avoid any undue impact on the market for the Shares; (9) neither Swedish Match nor any of its affiliates will enter into any arrangement with any broker with respect to potential purchases of Shares sold under the Program; (10) Swedish Match and the independent broker will not purchase or sell any Shares sold under the Program on behalf of their own accounts or on behalf of the accounts of affiliates; (11) the independent broker will effect transactions with respect to the Program only on the Exchange, and will not solicit either side of such transactions or conduct negotiations off the floor of the Exchange with respect to such transactions; and (12) Swedish Match and its affiliates will play an inactive role in the Program.<sup>10 11</sup>

As discussed above, other than with respect to its participation in the preparation of the information materials related thereto, the engagement of the independent broker and the funding of the costs of the Program, Swedish Match will play a wholly inactive role in sales of Shares under the Program. While Swedish Match will pay administrative and out-of-pocket costs associated with implementing the Program, Swedish Match will not actively encourage participation in the Program. Moreover, Swedish Match will not have any control over the number or identities of shareholders who elect to sell, the timing, size or manner of sales under the Program, or the prices at which sales will be effected. Furthermore, the Program is not a capital raising transaction for Swedish Match

---

October 25, 2001); Nationwide Financial Services, Inc. and Provident Mutual Life Insurance Company (avail. August 9, 2002).

<sup>10</sup> We note that many odd-lot programs which have been the subject of past no-action letters also contained a "round-up" feature, which allowed each odd-lot shareholder to increase his or her shareholding to a round lot size, in addition to giving him or her the opportunity to sell his or her entire holding. The Program does not contain such a "round-up" feature, since that would potentially conflict with the purpose behind the Program, which is to reduce the total number of holders of Shares. Accordingly, while many of the no-action letters relating to odd-lot programs cite additional criteria as part of their analyses of such programs with respect to Section 5 of the Securities Act, we have omitted the criteria which deal solely with round-up features. Certain previous odd-lot programs which have received no-action relief from the Staff with respect to registration under Section 5 of the Securities Act, like the Program, did not contain a "round-up" feature. See, e.g., Bankers Trust Company (avail. November 8, 1988) and FPL Group, Inc. (avail. October 7, 1992).

<sup>11</sup> We are of the opinion that sales under the Program will not require registration under the Securities Act. Our opinion is not affected by the fact that the costs associated with the implementation of the Program will be paid by Swedish Match. The Staff has determined that it will not require that participating odd-lot holders bear all administrative costs and brokerage fees for odd-lot programs. See, e.g., Manufacturers Hanover Trust (avail. March 8, 1990); Equitable Companies Incorporated (avail. April 22, 1993); Pacific Telesis Group; PacTel Corporation (avail. April 1, 1994); Hanson PLC/ U.S. Industries, Inc. (avail. April 21, 1995); Hanson PLC/Millennium Chemicals Inc. (avail. August 15, 1996); Hanson PLC/ Imperial Tobacco Group PLC (avail. August 26, 1996); Hanson PLC/ The Energy Group PLC (avail. January 23, 1997).

LATHAM & WATKINS <sup>LLP</sup>

Accordingly, sales of Shares pursuant to the Program will constitute the same type of ordinary trading transactions that eligible shareholders could undertake of their own volition outside of the Program without registration, except that the Program is intended to facilitate such transactions and reduce transaction costs for the individual shareholders as described herein. Moreover, as the independent broker will not be offering or selling Shares "for an issuer" it should not be deemed an "underwriter" or "dealer" within the meaning of the Securities Act.

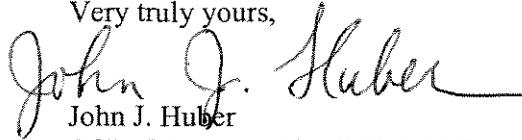
Based upon the foregoing, it is our opinion that the sale of Shares pursuant to the Program would not require registration under Section 5 of the Securities Act.

### III. CONCLUSION

For the reasons set forth above, we respectfully request that the Commission grant an exemption from Rule 13e-4 to Swedish Match, based on the exception provided by Rule 13e-4(h)(5), if Swedish Match proceeds with the Program and limits participation to shareholders who own less than 200 Shares, rather than 100 Shares, and further, that the Staff confirm that it will not recommend enforcement action to the Commission if sales of Shares pursuant to the Program are effected without registration under Section 5 of the Securities Act.

Please call the undersigned at (202) 637-2242 or Olof Clausson at (011) 44 20 7710-1056 to discuss this letter.

Very truly yours,

  
John J. Huber  
Of LATHAM & WATKINS LLP

cc: Paul Dudek, Esq.  
Chief, Office of International Corporate Finance