



NASDAQ OMX Stockholm: SWMA

PRESS RELEASE

14 January, 2011

Swedish Match announces signed agreement between Scandinavian Tobacco Group and Reynolds American, Inc. for the acquisition of Lane Limited

Swedish Match announces that Scandinavian Tobacco Group A/S (STG) has signed an agreement with Reynolds American, Inc. for the acquisition of Lane Limited (Lane). STG is 49 percent owned by Swedish Match AB.

In its press release, released earlier today, STG stated that Lane is expected to annually contribute an EBITDA of 45 MUSD, and sales volumes of 525 tons of pipe tobacco, 980 tons of fine-cut tobacco, and 450 million little cigars. STG will pay 205 MUSD in cash for Lane.

STG also stated in its release that, "with the acquisition of Lane, STG reaches an estimated annual turnover of approximately 800 MEUR, and sales volumes of more than 2.5 billion cigars, 2,175 tons of pipe tobacco, 3,170 tons of fine-cut tobacco, and 450 million little cigars. The company will have approximately 10,000 employees globally".

On October 1, 2010, Swedish Match acquired 49 percent of STG, and contributed its US premium and European cigar businesses as well as its pipe tobacco businesses to the new entity.

The proposed transaction is subject to anti-trust review and approval by the US Federal Trade Commission (FTC). The deal is expected to close in the first half of 2011.

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The character of this information is such that it shall be disclosed by Swedish Match AB (publ) in accordance with the Swedish Securities Markets Act. The information was disclosed to the media on 14 January, 2011 at 14.30 p.m. (CET).

Swedish Match develops, manufactures and sells market-leading brands in product areas Snus and snuff, Other tobacco products (US mass market cigars and chewing tobacco) and Lights. The Group sells products across the globe, with production units in seven countries. The Group's global operations generated sales of 14,351 MSEK for the twelve month period ending September 30, 2010. The Swedish Match share is listed on the NASDAQ OMX Stockholm (SWMA).

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