

Press release

Nasdaq Stockholm: SWMA

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Swedish Match and Philip Morris International to dissolve smokeless joint venture

Swedish Match and Philip Morris International (PMI) have mutually agreed to dissolve their joint venture agreement relating to the sale of smokeless tobacco products outside Scandinavia and the US.

- **Swedish Match to continue to sell *General* snus in Canada, Russia and Malaysia**
- **Swedish Match sees good opportunities for its snus products internationally over the longer term**

The joint venture SMPM International (owned on a 50/50 basis by Swedish Match and PMI) was established in 2009 with an aim to commercialize snus outside Scandinavia and the US. Within the scope of the joint venture Swedish Match has developed and produced snus products which have then been sold through the PMI organization. Both companies have licensed trademarks to the joint venture. The joint venture most recently has been selling snus in Canada, Russia, Israel and Malaysia. Costs for joint venture activities have been shared 50/50.

There is a small but growing demand for snus in current joint venture markets. The development has, however, taken longer than the parties had initially anticipated. As a consequence the parties have mutually agreed to dissolve the joint venture.

Swedish Match and PMI will now focus on independent strategies for the commercialization of snus in the former joint venture territory. Trademark licenses will revert to the original owners, and separate transitional agreements have been signed whereby Swedish Match will supply snus products to PMI for certain markets and PMI will perform distribution services on behalf of Swedish Match in Canada and in Russia.

“We appreciate the hard work and efforts of all involved in the SMPM International joint venture. We have attained valuable insights, and are pleased to see that snus has been viewed by many outside of our core markets as a viable alternative. We look forward to continuing to build our knowledge and work toward further developing our snus business globally”, says Lars Dahlgren, President and CEO of Swedish Match.

Contacts:

Lars Dahlgren, President and Chief Executive Officer
Office +46 8 658 0441

Marlene Forsell, Senior Vice President and Chief Financial Officer
Office +46 8 658 0489

Emmett Harrison, Senior Vice President Investor Relations and Corporate Sustainability
Office +46 8 658 0173

Richard Flaherty, President US Division, US Investor Relations contact
Office +1 804 787 5130

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 16 July, 2015 at 1.00 p.m. (CET).

Swedish Match develops, manufactures, and sells quality products with market-leading brands in the product areas Snus and moist snuff, Other tobacco products (cigars and chewing tobacco), and Lights (matches, lighters, and complementary products). Production is located in six countries, with sales concentrated in Scandinavia and the US. The Group's global operations generated sales of 13,659 MSEK for the twelve month period ending 31 March 2015. The Swedish Match share is listed on Nasdaq Stockholm (SWMA).

Swedish Match's vision is a world without cigarettes. Some of its well-known brands include: *General, Longhorn, White Owl, Red Man, Fiat Lux, and Cricket.*

Swedish Match AB (publ), SE-118 85 Stockholm, Sweden
Visiting address: Sveavägen 44, 8th Floor. Telephone: +46 8 658 0200
Corporate Identity Number: 556015-0756
www.swedishmatch.com