



PRESS RELEASE

Nasdaq: SWMAY OM Stockholm Exchange: SWMA

2000-05-08

Swedish Match to acquire Brasant Enterprises (PTY) Ltd.

- **Leading South African tobacco distributor for Tobacco Specialty, Convenience, and Hotel/Restaurant classes of trade**
- **Allows Swedish Match to cover both wholesale and retail segments for all its products**
- **Will facilitate the introduction and distribution of Swedish Match products, including snuff, in Southern Africa**

Swedish Match AB (OM/Stockholm Stock Exchange: SWMA, NASDAQ: SWMAY) announced today that they have signed definitive agreements for Swedish Match to acquire the business of Brasant Enterprises (PTY) Ltd. Brasant, formed in 1994 and based in Cape Town, South Africa, has a sales force of 28 people. The company also has offices in Johannesburg, Durban, and Windhoek, Namibia. Brasant had invoiced sales of close to 60 MSEK in 1999.

Brasant current distributes a number of Swedish Match and third party products, including cigars, pipe tobacco, matches, and lighters, and is the nation's leading tobacco distributor in Specialty Tobacco shops, convenience stores and Hotels/Restaurants.

Swedish Match will acquire the sales force and administration of Brasant, along with the business name, inventories and other assets/liabilities. The present company management will continue to be active in the company. Swedish Match will continue to sell and distribute other companies' tobacco and accessory products in addition to its own product portfolio.

Lennart Sundén, Swedish Match's President and CEO said, "In Brasant we will further strengthen our presence in the South African and neighboring Southern African markets. Last year we acquired the snuff and tobacco company, Leonard Dingler. With the acquisition of Brasant, we further focus our efforts in this growing market, and strengthen our distribution network. Brasant will also provide us with a solid platform to both expand our distribution of current products and to introduce new products in southern Africa."

This acquisition will be slightly earnings enhancing from the year 2000, and will be financed through existing liquid funds.

The transaction is subject to regulatory approvals, and other customary conditions.

FORWARD LOOKING STATEMENTS: Certain matters discussed within this press release may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Although management believes that its financial expectations are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. The following factors, among others, could cause the Company's financial performance to differ materially from that expressed in such statements: (1) changes in consumer preferences resulting in a decline in the demand for and consumption of tobacco, (2) political disturbances, (3) additional governmental regulation of tobacco or further tobacco litigation, and (4) enactment of new or significant increases in existing excise taxes.

Swedish Match is an international group with headquarters in Stockholm, Sweden. The company manufactures a broad range of tobacco products, matches and disposable lighters which are sold in approximately 140 countries. Sales for the twelve month period ending March 31, 2000 amounted to approximately 9,600 MSEK. Swedish Match is listed on Stockholm Stock Exchange and on NASDAQ.

For further information, please contact:

Lennart Sundén, President and Chief Executive Officer office +46 8 658 01 75

*Sven Hindrikes, Executive Vice President and
Chief Financial Officer office +46 8 658 02 82
mobile +46 70 567 41 76*

*Bo Aulin, Senior Vice President, Secretary
and General Counsel office +46 8 658 03 64
mobile +46 70 558 03 64*

*Emmett Harrison, Vice President, Investor Relations office +46 8 658 01 73
mobile +46 70 938 01 73*