



PRESS RELEASE
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Swedish Match and Gum Tech form Joint Venture for Non-Tobacco Nicotine Products.

Swedish Match AB and Gum Tech International have reached an Agreement in Principle to form a joint venture to explore new business opportunities in the field of non-tobacco nicotine products. The joint venture will be organized as an independent company for the purpose of developing, manufacturing, marketing and distributing non-tobacco nicotine products.

Under the terms of the agreement, Swedish Match will own 51% and Gum Tech will own 49% of the venture. Gum Tech will contribute intellectual property and Swedish Match will contribute \$10 million in start-up capital.

Swedish Match, based in Stockholm, Sweden, develops, manufactures, markets and distributes, through its own subsidiaries worldwide, a broad range of tobacco products within the OTP (Other Tobacco Products) category, with smokeless tobacco as its core business along with cigars and pipe tobacco, as well as matches and lighters.

Gum Tech, based in Phoenix, Arizona, specializes in the development and manufacture of functional chewing gum products.

“So far we have operated in the tobacco sector with emphasis on smokeless tobacco. By this move we are looking into the possibilities of broadening the scope of our core business” says Lennart Sundén, President and CEO of Swedish Match. – “This joint venture provides a possibility to explore further business opportunities by providing alternative products for the smoker, who cannot or does not want to smoke”, comments Lennart Sundén.

“Swedish Match has impressive know-how and expertise in the field of marketing and distributing fast moving consumer products worldwide, especially to the tobacco consumer”, says Gary Kehoe, President of Gum Tech. – “We believe there needs to be more alternatives for consumers in the non-tobacco nicotine market. It is our goal to develop non-tobacco nicotine products that are viewed by independent, public health authorities, as well as the consuming public, as acceptable alternatives to smoking from a health perspective”, concludes Gary Kehoe.

The Joint Venture is subject to the execution of definitive agreements.

Swedish Match is an international group with its head office in Stockholm. The company produces an extensive range of OTP (Other Tobacco Products: smokeless tobacco, cigars and pipe tobacco), matches and lighters, which are sold in 140 countries. The company's sales for the 12-month period ended September 30, 1999 were approximately MSEK 9.000. The Swedish Match share is listed on the Stockholm Stock Exchange (SWMA) and NASDAQ (SWMAY).

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