



Nasdaq: SWMAY Stockholmsbörsen: SWMA

PRESS RELEASE

15 March, 2004

Settlement with UST

Swedish Match today announced an agreement regarding the resolution of the complaint in Swedish Match North America, Inc. v. U.S. Smokeless Tobacco Company, and its affiliates (UST).

In the settlement, UST has agreed to make a payment of US\$ 200 million to Swedish Match. Further, UST has agreed to cause the transfer of the assets of its cigar business to Swedish Match, including but not limited to brands, other intellectual property and inventory. Annual sales of the cigar business amount to an average of approximately US\$ 11 million.

“Swedish Match has substantial operations in the moist snuff market in the United States with its Timberwolf, Renegades, and now Longhorn brands, and has a strong presence in both the machine made and premium cigar markets. With this agreement, Swedish Match will strengthen its cigar presence in the premium cigar market, and we look forward to continued positive developments in our snuff operations,” said Lennart Sundén, CEO of Swedish Match.

“Furthermore, smokeless tobacco has been recognized to have substantial potential to reduce tobacco related harm and disease. Swedish Match and UST are the most important manufacturers of smokeless tobacco in the world. The resolution of this lawsuit removes a significant obstacle for the parties to jointly work to achieve important harm reduction objectives both in the US and elsewhere”, said Lennart Sundén.

There will be a telephone conference at 9.00 a.m. CET today where there will be an opportunity to ask questions. Participants will be Lennart Sundén, President and CEO, Sven Hindrikes, Executive Vice President and CFO, and Bo Aulin, Senior Vice President Corporate Affairs, Secretary and General Counsel. To participate in the telephone conference please call +46 8 737 89 81, access code 158876.

Swedish Match is a unique company with its range of market-leading brands in the product areas of snuff and chewing tobacco, cigars and pipe tobacco – tobacco’s niche products – as well as matches and lighters. The Group’s global operations generated sales of 13,036 MSEK in 140 countries for the twelve month period ending December 31, 2003. Swedish Match shares are listed on Stockholmsbörsen (SWMA) and Nasdaq (SWMAY).

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