



NASDAQ OMX Stockholm: SWMA

PRESS RELEASE

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Swedish Match agrees to sell South African operations to Philip Morris International

Swedish Match AB [publ] announced today that it has reached an agreement to sell its South African operations, Swedish Match South Africa (Proprietary) Limited (“SMSA”) to Philip Morris International [NYSE/Euronext Paris: PMI] (“PMI”) for a purchase price amounting to 1.75 billion ZAR.

The transaction is subject to approval by the South African Competition Authority and is expected to be completed during the second half of 2009.

SMSA is the South African leader in OTP (other tobacco products), with a No. 1 position in the pipe tobacco category through the well-recognized Boxer and Best Blend brands; SMSA also has a No. 2 position in the nasal snuff category with its Taxi brand. In 2008 the pipe tobacco and nasal snuff businesses had total sales of 687 million ZAR.

“This agreement with Philip Morris International is in line with Swedish Match’s strategy to focus on smokefree tobacco, cigars and lights products. SMSA will continue to be a strong player in South Africa and we believe that PMI will benefit significantly from its deeply-entrenched and highly-recognized brands and its dedicated people” said Lars Dahlgren, President and CEO of Swedish Match AB.

SMSA will continue to distribute lighters, matches and cigars for Swedish Match.

Swedish Match produces and sells market-leading brands in smokefree tobacco products, cigars, pipe tobacco and lights products. The Company sells products across the globe, with production units in 11 countries. The Group’s global operations generated sales of 13,879 MSEK for the twelve month period ending March 31, 2009. The Swedish Match share is listed on the NASDAQ OMX Stockholm (SWMA).

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