



PRESS RELEASE

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Swedish Match enters into business in Australia

Swedish Match and the Alexander Group have signed a joint venture agreement for the marketing and distribution of tobacco products and lighters in Australia. With the agreement Swedish Match strengthens its position as one of the market leading companies within the product segments of cigars, pipe tobacco and lighters.

In accordance with the agreement a new company has been established, Swedish Match Australia Pty Limited, where tobacco and tobacco related products are included. Swedish Match is the majority owner in the newly formed company and has the rights to use a number of well-known brand names as well as the established company name The Alexander Group.

Through the agreement Swedish Match establishes its own business in Australia. The new company will take over an extensive national distribution network for the sales of tobacco and tobacco related products which also includes a dominating marketing position of premium cigars.

The Alexander Group is the leading sales- and distribution company of premium cigars in Australia. The company has about 40 employees and had sales in 1997 of approximately 12 MAUD. The company's operating income was 1.5 MAUD.

Swedish Match is a company specialised in Matches, Lighters and Tobacco products with a sales of approximately 7 500 MSEK. Swedish Match has about 6 500 employees at approximately 80 locations all around the world. Swedish Match is a listed company both at the Stockholm Stock Exchange and at the Nasdaq Stock Exchange, in New York.

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