



PRESS RELEASE

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RESTRUCTURING MOVES FOR MATCHES

A number of actions have been carried out within the Company's on-going restructuring activity, the cost of which was reserved in the 1999 annual accounts.

Negotiations have been finalized regarding the complete closure of the printing facility in Geraardsbergen (Belgium), involving the reduction of 39 employees. Printing operations will be concentrated in Vetlanda (Sweden), and the transfer will be effective by the end of this year. Some 12 new jobs are expected to be created in Vetlanda as a result of this move.

The Company has also reached agreement for reductions in its total Match Division workforce amounting to 135 people, located in Szeged (Hungary) – 74 people – Kostenetz (Bulgaria) – 50 people – and Valencia (Spain) – 11 people. These reductions come as a consequence of the cessation of certain production activities, including the closure of production lines and the withdrawal of unprofitable products from the market, in each respective factory.

At the match production facility in Tidaholm (Sweden) the company has announced the redundancy of 16 workers. Negotiation regarding this redundancy has commenced.

During the past twelve months, employee numbers in the match operations of Swedish Match have been reduced significantly. One of the Company's two match production factories in Brazil was closed in August, 1999 with the reduction of 82 employees, while in India, the average numbers of employees has been reduced by 776 in the period from June 1999 to date. Additionally the Match assembly in Belgium was finally terminated in February, 1999 with a workforce reduction of 115 people.

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.

Swedish Match is an international group with its head office in Stockholm. The company manufactures a broad range of 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. The products are sold in approximately 140 countries. Sales for the twelve months period ending March 31, 2000, amounted to approximately 9,600 SEK. Swedish Match is listed on OM Stockholm Stock Exchange (SWMA) and on NASDAQ (SWMAY).

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