



PRESS RELEASE

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- * FTC does not approve Swedish Match's acquisition of National Tobacco's chewing tobacco brands**
- * The proposed transaction to be reviewed within the US federal court system.**

The Federal Trade Commission (FTC) has voted not to approve Swedish Match's proposed acquisition of National Tobacco's smokeless brands. The proposed transaction has been reviewed by FTC since the Asset Purchase Agreement, through which Swedish Match is to provide \$ 165 million for the purchase of National Tobacco's chewing tobacco brands and formulations along with the existing chewing tobacco inventory, was announced in February 2000.

- Swedish Match maintains its view that the acquisition will intensify competition within the already highly competitive U.S. smokeless tobacco market, said Lennart Sundén, President and CEO of Swedish Match in a comment.
- We have retained a team of highly experienced antitrust legal advisors and economics experts to pursue vigorously this matter and in light of our commitment to compete within the U.S. smokeless tobacco market and to complete this transaction, we will, together with National Tobacco, pursue a further review of this transaction in the U.S. federal court system, continued Lennart Sundén.
- We have great confidence that the acquisition should be approved as being pro-competitive under the U.S. antitrust laws, said Lennart Sundén.

The legal process is expected to take up to another 120 days. The transaction will not be completed and no compensation will be paid until such legal process has been finalized.

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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