



OMX Nordic Exchange: SWMA

PRESS RELEASE

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Swedish Match acquires Cigars International Inc. in the U.S.

Swedish Match AB has agreed to acquire Cigars International, Inc., a privately held U.S. company that specializes in the direct marketing and sales of hand-made and machine-made premium cigars and related accessories. Cigars International employs approximately 100 people and had sales of approximately 400 MSEK for the twelve month period ending June 30, 2007.

Cigars International, headquartered in Bath, Pennsylvania, utilizes a coordinated multi-channel direct marketing strategy, which includes catalogs, e-mail programs, two retail outlets, fulfillment and wholesale distribution and an internet presence through its www.cigarsinternational.com, and www.cigarbid.com websites. The company features an attractive product mix including Macanudo, Romeo y Julieta, and Arturo Fuente, among many others, and complements them with a strong mix of proprietary branded cigars and cigars sold exclusively by Cigars International.

“We are very pleased about the growth opportunities that this transaction represents,” said Sven Hindrikes, President and CEO of Swedish Match AB. “The Cigars International business provide Swedish Match with a new marketing channel in the fast growing direct marketing segment. The immediate access to an extensive customer base allows Swedish Match to actively compete and gain a strong position in the U.S. direct marketing premium cigar segment and expand our portfolio of products in the global premium cigar market.”

In this transaction, Keith Meier, founder and CEO of Cigars International, and John De Marco, Vice President and Chief Operating Officer of Cigars International, will continue in their roles, and the company will be operated as a complementary business to Swedish Match AB’s existing U.S. operations, Swedish Match North America and General Cigar Holdings.

The transaction, which is subject to regulatory approval, is expected to close during the third quarter 2007. Terms of the proposed transaction have not been disclosed.

Swedish Match is a global Group of companies with a broad assortment of market-leading brands in smokeless tobacco products, cigars, pipe tobacco and lights products. The Group’s global operations generated sales of 12,470 MSEK for the twelve month period ending June 30, 2007. Swedish Match shares are listed on OMX Nordic Exchange in Stockholm (SWMA).

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