



PRESS RELEASE

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Swedish Match and Cuba Tobacco reach cigar settlement

Swedish Match and Cuba Tobacco announced today that they have reached an international settlement regarding "Wilde Havana" cigars.

Today, Swedish Match AB, Cubatabaco (Empresa Cubana del Tabaco, La Habana, Cuba) and Habanos, S.A. (La Habana, Cuba) entered into a settlement agreement with regard to the Wilde Havana cigars.

Cubatabaco is the administrator of the Cuban Tobacco appellations of origin, among others Habana and Habanos and Habanos S.A. distributes the Havana cigars produced by Cuban factories.

Mainly through its subsidiaries, Swedish Match produces and distributes since the 1970's cigars under i.a. the name Wilde Havana, which are not made in Cuba with Cuban tobacco only.

Cubatabaco, Habanos, S.A. and some of their distributors have launched several proceedings in different European countries against subsidiaries of Swedish Match claiming that the use of a name including the term Havana, such as Wilde Havana, for cigars which are not made in Cuba with Cuban tobacco only constitutes an infringement of the appellation of origin Havana. This claim has been upheld by the Belgian courts.

Under the settlement agreement reached today, Swedish Match recognises that the prestigious appellation of origin "Havana" should be reserved for cigars that are manufactured in Cuba from Cuban tobacco only.

Swedish Match undertakes to cease world wide the selling of cigars under the "Wilde Havana" name as of 31 December 2002.

This settlement agreement thus puts an end to the dispute between Swedish Match, Cubatabaco, Habanos S.A. and their respective distributors in Europe that has lasted for more than a decade.

Strengthened by such an agreement, Cubatabaco and Habanos, S.A. will more than ever continue their fight against the few remaining infringers in order to make them stop using the appellation of origin Habana and derivatives for cigars which are not manufactured in Cuba with Cuban tobacco only.

Swedish Match is pleased to announce that, as of 1 January 2003, its cigars previously sold under the brand name "Wilde Havana" will be sold world wide under the brand name "Wilde Cigarros" already used in a number of countries.

Swedish Match is an international group with headquarters in Stockholm, Sweden. The company manufactures a broad range of tobacco products, matches and disposable lighters which are sold in approximately 140 countries. Sales for the twelve month period ending June 30, 2002 amounted to 13,921 MSEK. Swedish Match is listed on Stockholmsbörsen (SWMA) and on NASDAQ (SWMAY).

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