



## PRESS RELEASE

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January 10, 2001

### **Swedish Match To Expand Pipe Tobacco Presence and buys British American Tobacco's (BAT) South African Pipe Tobacco Business**

- The acquisition continues Company focus on growth in core areas of brown tobacco (cigars and pipe tobacco) and smokeless products.
- Transaction to be completed early February.
- The acquired business has annual sales of approximately 200 MSEK.

Swedish Match has agreed to purchase the pipe tobacco business offered for sale by BAT following a condition placed by the South African Competition Board after the merger of BAT and Rothmans South Africa in 1999. The purchase of this business by Swedish Match fits well within the Company's focus on growth of its brown tobacco and smokeless products businesses. The purchase will be earnings enhancing from the first year of acquisition.

Swedish Match was advised in the transaction by Credit Suisse First Boston.

*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. The following factors, among others, could cause the Company's financial performance to differ materially from that expressed in such statements: (1) changes in consumer preferences resulting in a decline in the demand for and consumption of tobacco, (2) political disturbances, (3) additional governmental regulation of tobacco or further tobacco litigation, and (4) enactment of new or significant increases in existing excise taxes.*

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*Swedish Match is an international group with headquarters in Stockholm, Sweden. The company manufactures a broad range of non-cigarette tobacco products, matches and disposable lighters which are sold in approximately 140 countries. Sales for the twelve month period ending September 30, 2000 amounted to approximately 10,900 MSEK, of which pipe tobacco accounted for 774 MSEK.*

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