

ANNUAL GENERAL MEETING OF SWEDISH MATCH AB (publ)

The shareholders of Swedish Match AB are hereby given notice of the Annual General Meeting to be held in Stockholm, Sweden, on Monday, April 26, 1999 at 4.30 p.m. in Hall K1 of the Stockholm International Trade Fairs facility in Älvsjö (“Stockholmsmässan”), entrance via the main entrance on Mässvägen 1.

AGENDA

1. Election of Chairman of the Meeting.
2. Election of one or two minutes checkers who, in addition to the Chairman, shall verify the minutes.
3. Preparation and approval of the list of shareholders entitled to vote at the Meeting.
4. Determination of whether the Meeting has been duly convened.
5. Approval of the Agenda.
6. The President's speech.
7. Presentation of the annual report and the auditors' report and the consolidated financial statements and the auditors' report on the consolidated financial statements for 1998.
8. Adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet.
9. Disposition to be made of the Company's profits as shown in the balance sheet adopted by the Meeting.
10. The discharge of the Board of Directors and of the President from liability for the fiscal year.
11. Determination of the number of Board members and deputy members to be elected by the Meeting.
12. Determination of the number of auditors and deputy auditors.
13. Determination of the fees to be paid to the Board of Directors and auditors.
14. Election of Board members and deputy members.
15. Election of the auditors and deputy auditors.
16. Proposed changes to the Instruction for Swedish Match AB's Nominating Committee.
17. Election of members of the Nominating Committee.
18. Proposed changes to § 7 of the Company's Articles of Association.
19. Proposed changes to § 9 of the Company's Articles of Association.
20. Proposed changes to § 10 of the Company's Articles of Association.
21. Proposed changes to § 11 of the Company's Articles of Association.

The Nominating Committee elected at the Annual General Meeting 1998 proposes the following with regard to items 11–16 on the Agenda:

Item 11: 7 ordinary members and no deputy members

Item 12: 2 auditors and 1 deputy auditor

Item 13: The fee to the Board members is proposed to be paid as follows for the period until the close of the next Annual General Meeting: As previously, the Chairman shall receive SEK 450,000 and the other Board members elected by the Annual General Meeting shall each receive SEK 175,000 with exception of the President who in the appropriate case does not receive any Board fee. It is proposed that fees payable to the auditors for the period until the close of the next Annual General Meeting shall, as previously, be paid according to separate invoicing.

Item 14: Reelection of Arne Bennborn, Jan Blomberg, Mats Jansson, Bernt Magnusson and Klaus Unger. New election of Lennart Sundén and Meg Tivéus.

Item 15: Reelection of Åke Danielsson and Göran Tidström, auditors, and of Claes Dahlén, deputy auditor.

Item 16: It is proposed, by reason of the changes to the provisions of the Swedish Companies Act concerning the period of time within which notice of an Annual General Meeting shall be given, that the period of time within which the Nominating Committee shall submit its proposals to the Company ahead of the Annual General Meeting be changed from no later than four weeks to no later than six weeks before the Meeting.

Item 9: The Board of Directors proposes that a dividend be paid to the shareholders in the amount of SEK 1.10 per share and that SEK 26,100,000 be allocated to the legal reserve, with the balance to be carried forward. April 29, 1999 is proposed as the record date for entitlement to receive the dividend. Payment of the dividend is expected to occur through Värdepapperscentralen VPC AB (Swedish Securities Register Centre) on May 6, 1999.

Item 18: It is proposed, by reason of the changes to the provisions of the Swedish Companies Act concerning auditors' mandate periods, that the Articles of Association be changed such that the mandate period complies with the new rules. It is further proposed that the Articles of Association exclude the possibility of appointing lay auditors to the Company. It is, therefore, proposed that § 7 of the Articles of Association read as follows:

“The Annual General Meeting shall elect no more than two authorised auditors plus not more than two deputies, or not more than two firms of auditors, for the period extending to the close of the Annual General Meeting held in the fourth financial year after the election of the auditors.”

Item 19: It is proposed, by reason of the changes to the provisions of the Swedish Companies Act concerning auditors' mandate periods that § 9 of the Articles of Association be changed such that its content complies with the new rules. It is, therefore, proposed that §9, points 7, 8 and 9, read as follows:

7. “Determination of the number of members and deputy members of the Board of Directors and, where relevant, of the number of auditors and deputy auditors.”

8. “Determination of the fees payable to the Board of Directors and, where relevant, of fees payable to the auditors.”

9. “Election of members and deputy members of the Board of Directors and, where relevant, the election of auditors and deputy auditors.”

Item 20: It is proposed, by reason of the changes to the provisions of the Swedish Companies Act concerning the period of time within which notice of a General Meeting shall be given and the manner in which this shall be done, that §10 of the Articles of Association read as follows:

“Notice of the Annual General Meeting and notices of Extraordinary General Meetings where the question of changes to the Articles of Association are on the agenda shall be issued no earlier than six weeks and no later than four weeks before the Meeting. Notices of other Extraordinary General Meetings shall be issued no earlier than six weeks and no later than two weeks before the Meeting. Notice shall be given by means of advertisements in Post- och Inrikes Tidningar and in at least one daily newspaper with a nationwide circulation.”

Item 21: It is proposed, by reason of the changes to the provisions of the Swedish Companies Act concerning the date by which shareholders wishing to participate in the General Meeting shall have given notice of the same to the Company, together with the possibility to bring counsel to the General Meeting, that § 11 of the Articles of Association read as follows:

“To be entitled to participate in the business of a General Meeting, shareholders shall be entered as a shareholder on the transcript of the entire share register, as stipulated in Chapter 3, § 13, second paragraph of the Swedish Companies Act, that relates to the conditions prevailing ten days prior to the Meeting and shall also provide notification of their intention to attend the Meeting not later than 4 p.m. on the day stipulated in the notice convening the Meeting. The latter mentioned day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than five weekdays prior to the Meeting. Shareholders wishing to bring one or two counsels to the General Meeting shall notify the Company of their intent within the abovementioned period of time.”

Shareholders, representing app. 28 percent of the total number of votes of Swedish Match, have announced that they, at the Annual General Meeting, will support the above mentioned proposals of the Nominating Committee and the Board of Directors. With regard to items 1 and 17 on the agenda they will propose the following:

Item 1: Ingemar Mundebo.

Item 17: The following members of the Nominating Committee are proposed: reelection of Bernt Magnusson, Bo Eklöf and Björn Franzon.

RIGHT TO PARTICIPATE IN THE MEETING

Participation in Swedish Match's Annual General Meeting is limited to shareholders who are recorded in the register of shareholders maintained by Värdepapperscentralen VPC AB (Swedish Securities Register Centre) on April 16, 1999 and who advise Swedish Match no later than 4:00 p.m. (Swedish local time) on Thursday April 22, 1999 of their intention to participate.

NOTICE OF PARTICIPATION

Notice of participation may be given in writing to Swedish Match AB, Legal Affairs, SE-118 85 Stockholm, Sweden, by telephone +46-8-658 53 62, by telefax +48-8-658 63 64 or via internet: www.swedishmatch.se/stamman.

When giving notice of participation the shareholder should state name, address, telephone number and personal registration number (where applicable).

Shareholders who desire to participate in the Meeting, must submit notice prior to the expiration of the notice period, not later than Thursday April 22, 1999, 4:00 p.m. (Swedish local time). Receipt of notification will be confirmed by Swedish Match forwarding an attendance-card which is to be presented at the entrance to the Meeting.

SHARE REGISTRATION

Swedish Match's share register is maintained by Värdepapperscentralen VPC AB (Swedish Securities Register Centre). Only owner-registered shares are listed in the names of the shareholders in the share register. To be entitled to participate in the Annual General Meeting, owners of shares registered in the name of a trustee must have the shares registered in their own names. Shareholders who have trustee-registered shares should request the bank or the broker holding the shares to request owner-registration, so called voting-right registration, several banking days prior to April 16, 1999.

ADR HOLDERS

Registered holders of American Depositary Shares representing Swedish Match shares, will receive proxy materials from The Bank of New York, the depository, which will include instructions on the process for participating in the meeting in person or by proxy. If American Depositary Shares are registered in the holder's name directly, and are in the holder's possession, the holder should receive material by April 1, 1999. If such holder does not receive material by April 1, 1999 the holder should contact The Bank of New York, the depository, at telephone number 1-888-269 2377. If American Depositary Shares are held through a bank, broker, or custodian, the holder should contact their bank, broker or custodian directly.

The entrance to the premises of the Annual General Meeting will be opened at 3.00 p.m. (Swedish local time).

By order of the Board of Swedish Match AB
Bo Aulin, Secretary of the Board
Swedish Match AB (publ)
SE-118 85 Stockholm, Sweden

March 1999



SWEDISH MATCH