

PRESSRELEASE

Stockholm, August 10, 1998

New President and CEO at Swedish Match

Earlier this year, Göran Lindén, the current President and CEO of Swedish Match, informed the Chairman of the Board that he wished to resign operational responsibility for the company prior to the 1999 Annual General Meeting.

In view of this request, the Board has today appointed Lennart Sundén to be President and CEO, effective November 1, 1998. Lennart Sundén, who is a Master of Engineering and of Business Administration, is 46 years old and currently employed by Electrolux, where he has worked for more than 20 years. Following some 10 years in which he held senior executive posts in the white goods sector, Mr Sundén has had global responsibility for the Electrolux Group's vacuum-cleaner product line for the past five years.

Göran Lindén will continue to be employed by Swedish Match until June 30, 1999, in order to assist in the introduction of the new President among other things. As specified in his contract of employment, he will not receive any employment benefits or other remuneration following termination of his employment. Since employment will cease prior to the normal age of retirement, which is 60 in Göran Lindéns case, his pension will be reduced from the age of 60 and 65, respectively, to take the limited period of pension qualification into account.

Göran Lindéns resignation as President and CEO does not affect his assignment as a member of the Board of Swedish Match AB.

- I wanted to retire from operative management responsibility in order to devote more time for Board Assignments, which I very much enjoy and which interests me a lot Göran Lindén says.
- This is also the right time to leave office, after a heavy workload in connection with the stock exchange listing and organizational changes among other things.

The Chairman of the Board, Bernt Magnusson says – Göran Lindén has done an exceptional job at Swedish Match, particularly in view of the heavy demands with reference to the stock exchange listing and the integration of the lights and tobacco operations. I am convinced that Göran has considered this decision very carefully, and I would like to thank him for his important contribution to the company over the years. I wish him every success in the future. Lennart Sundén is very well qualified for the post of President and CEO of Swedish Match. His long international experience and his considerable expertise in the consumer product area will be a great asset to the company.

Lennart Sundén will be receiving a fixed annual salary of 3 MSEK at 1999 rates of pay. In addition he may receive a bonus corresponding to not more than 35% of salary. He will also be eligible for the option program which was recently implemented. Termination of employment calls for six months' notice on Sundéns part and 12 months on the part of the company. If the company terminates employment, severance pay may be payable for a maximum of 24 months after termination of employment. Other remuneration received during this period is deducted from this amount, but this deduction may not be more than 50% of severance pay. Full pension is payable at a rate of 70% of pensionable salary from the age of 60 to 65, and 45% after the age of 65. Full pension is conditioned by employment until the age of 60 and a qualification period of at least 10 years. In other cases, the pension is reduced in relation to the qualifying period. In addition, Lennart Sundén is entitled to customary terms of employment in line with company policy.