

MINUTES
kept at the Annual
General Meeting of Shareholders
of Swedish Match AB,
Swedish company reg. no.
556015-0756,
on 27th April 2005

§ 1

Ingemar Mundebo was elected as Chairman of the Meeting. It was duly noted that Bo Aulin was requested to keep the minutes at the Meeting.

§ 2

The list of shareholders present was approved as the list of those entitled to vote (Appendix 1).

§ 3

Joachim Spetz and Carl Rosén were appointed to check the minutes together with the Chairman.

§ 4

The Meeting was declared to have been duly convened.

§ 5

The Agenda (see Appendix 2) was approved.

§ 6

The President gave a speech in which he presented the Company's operations (Appendix 3). The Chairman of the Board reported on the work of the Board of Directors and the work and function of the Compensation Committee. The Chairman of the Audit Committee reported on the work and function of the Audit Committee and presented the consulting costs and other expenses paid to Swedish Match's auditors in 2004.

A presentation was then made of the Annual Report and the Audit Report, as well as the Consolidated Accounts and the Consolidated Audit Report for the period 1st January – 31st December 2004. In conjunction with the presentation of the Audit Report, Thomas Thiel, auditor, reported on the auditing work.

§ 7

A resolution was passed to adopt the income statement and balance sheet, along with the consolidated income statement and consolidated balance sheet, presented in the Annual Report (Appendix 4).

§ 8

A resolution was passed to the effect

that, pursuant to the Board of Directors' proposal, the funds at the disposal of the Annual General Meeting, i.e. SEK 2,379,454,090, should be appropriated as follows: a dividend of SEK 1.90 per share to be paid to all Swedish Match AB shareholders and the remaining profits to be carried forward to a new account;

that the dividend for the year should first be deducted from non-restricted reserves after the reduction in the share capital, and the rest from profits carried forward;

and that the record day for determining who is entitled to receive a dividend should be 2nd May 2005.

§ 9

The Chairman of the Board presented the Board of Directors' proposals for a stock option programme for 2005.

A resolution was passed to adopt the stock option programme proposed by the Board of Directors (Appendix 5).

§ 10

A resolution was passed to amend § 4 of the Company's Articles of Association so that it now requires the Company's share capital to be a minimum of SEK 300,000,000 and a maximum of SEK 1,200,000,000 (Appendix 6).

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

§ 11

Pursuant to the Board of Directors' proposal, a resolution was passed to authorise the Board of Directors to acquire a maximum of as many shares as may be acquired without the Company's holding at any time exceeding 10 per cent of all shares in the Company. These shares shall be acquired on the Stockholm Stock Exchange prior to the next Annual General Meeting at a price within the price interval registered at any given time (i.e. the interval between the highest bid price and the lowest offer price) with a view to enabling the Company to adjust its capital structure and to cover the allocation of options that forms part of the Company's rolling option programmes.

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

§ 12

Pursuant to the Board of Directors' proposal, a resolution was passed

to issue a maximum of 907,408 stock options with an estimated market value of SEK 9,800,006 in accordance with the Company's stock option programme for 2004;

and to deviate from the preferential rights of shareholders and transfer 907,408 shares in the Company at a selling price of SEK 99.75 per share in conjunction with demand for the redemption of the call options and to the extent of any such demand.

The number of shares and the redemption price may be recalculated, for example in the event of a split, bonus issue or new share issue, in accordance with the terms and conditions stipulated in "Terms and Conditions Applying to Stock Options 2005/2010", which were presented to the Annual General Meeting and appended to the agenda (Appendix 7).

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least nine-tenths of the votes cast and nine-tenths of the shares represented at the Meeting.

§ 13

Pursuant to the Board of Directors' proposal, a resolution was passed to the effect

that the Company's share capital, which comprises shares with a nominal value of SEK 2.40 each, shall be reduced by SEK 28,800,000 by way of a recall of 12,000,000 shares without repayment to the shareholders. These shares have been repurchased by the Company in accordance with its authorisation by the Company's Annual General Meeting;

and that the reduced amount shall be transferred to non-restricted shareholders' equity for allocation to a fund for use in repurchasing the Company's own shares.

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

§ 14

Pursuant to the Board of Directors' proposal, a resolution was passed to the effect

that the Company's share capital shall be reduced through a reduction in the nominal value of each share to SEK 1.20 without repayment to the shareholders, and that the reduced amount shall be transferred to non-restricted shareholders' equity for allocation to a fund for use in repurchasing the Company's own shares;

and that § 5 of the Company's Articles of Association shall be amended so that it now requires the nominal value of the share to be SEK 1.20 (Appendix 8).

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

§ 15

Pursuant to the Board of Directors' proposal, a resolution was passed to the effect

that the Company's statutory reserve shall be reduced by SEK 114,000,000 and that the reduced amount shall be transferred to non-restricted shareholders' equity for allocation to a fund for use in repurchasing the Company's own shares.

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

§ 16

A resolution was passed to discharge the Board of Directors and President responsible during the relevant period from liability for the period 1st January – 31st December 2004.

§ 17

A resolution was passed to the effect that the Board of Directors shall, for the period lasting until the end of the next Annual General Meeting, consist of eight ordinary Board members and no deputies.

§ 18

A resolution was passed to the effect

that, for the period lasting until the end of the next Annual General Meeting, a fee of SEK 750,000 shall be payable to the Chairman of the Board, and that a fee of SEK 300,000 shall be payable to each of the other ordinary Board members elected by the Annual General Meeting. Board members who are employed by the Swedish Match Group shall, however, receive no Directors' fees;

and that the Board of Directors shall be allocated SEK 400,000 as compensation for committee work, to be distributed within the Board in the manner decided by the Board of Directors.

§ 19

A resolution was passed to re-elect the following as ordinary Board members for the period lasting until the end of the next Annual General Meeting:

Jan Blomberg
Tuve Johannesson
Arne Jurbrant
Bernt Magnusson (Chairman)
Karsten Slotte and
Meg Tivéus

and to elect the following as new members of the Board:

Sven Hindrikes and
Kersti Strandqvist.

It was also duly noted that the employees' organisations had, in special elections, appointed Kenneth Ek (the Swedish Federation of Salaried Employees in Industry and Services, PTK), Eva Larsson (the Swedish Trade Union Confederation, LO) and

Joakim Lindström (the Swedish Trade Union Confederation, LO) as ordinary Board members, as well as Eeva Kazemi-Vala (the Swedish Federation of Salaried Employees in Industry and Services, PTK), Stig Karlsson (the Swedish Federation of Salaried Employees in Industry and Services, PTK) and Håkan Johansson (the Swedish Trade Union Confederation, LO) as deputy Board members.

§ 20

A resolution was passed to adopt the revised instruction to Swedish Match AB's Nomination Committee (Election Committee) in accordance with Appendix 9.

§ 21

A resolution was passed to re-elect Bernt Magnusson and Marianne Nilsson as ordinary members of the Election Committee and to elect Pernilla Klein and Joachim Spetz as new members for the period lasting until the end of the next Annual General Meeting. Carl Rosén was elected as deputy member.

§ 22

A resolution was passed to amend § 9 of the Company's Articles of Association in accordance with Appendix 10.

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

There was no other business.

Checked by:

Minute-keeper:

Ingemar Mundebo

Bo Aulin

Joachim Spetz

Carl Rosén