



PRESS RELEASE

March 26, 1999

Swedish Match to introduce options program for senior executives

To further increase their commitment to and ownership in the Company, the Board of Directors of Swedish Match has decided to introduce an options program for senior executives whereby they will be entitled to an annual allotment of call options for Swedish Match shares. The program will initially be offered to about 40 executives in senior management positions. The allotment of call options will depend on the total return on the Swedish Match share, relative to a selection of international tobacco companies, and on the improvement in earnings per share, which means that the senior executives and the shareholders in the Company will share identical incentives.

The maximum cost of the program to Swedish Match is approximately 15 MSEK, excluding social security expenses. To be entitled to the maximum allotment, the total return on the Swedish Match share must exceed the total average return on selected international tobacco companies by 20 percentage points, at the same time as earnings per share increase by more than 20 percent, compared with the average earnings per Swedish Match share during the preceding three years.

The options allotted will carry the right to purchase existing shares in Swedish Match, which means that there will be no dilution effect for the Company's existing shareholders. The call options will be purchased on market terms from independent market players.

The program will be launched as of 1999, with the first possible allotment occurring one year later.

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. Swedish Match is one of the world's largest cigar manufacturers with a turnover in the cigar operations of 900 MSEK. Annual sales in 1998 amounted to approximately 8,200 MSEK. Swedish Match is listed on Stockholm Stock Exchange and on Nasdaq.

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