



## **PRESS RELEASE**

**Nasdaq: SWMAY OM Stockholm Exchange: SWMA**

*March 28th, 2001*

### **Annual General Meeting of Swedish Match AB (publ)**

The shareholders of Swedish Match AB are called to the Annual General Meeting on Tuesday, April 24, 2001, at 4:30 p.m. (CET) at the Stockholm International Trade Fairs' facility in Älvsjö ("Stockholmsmässan").

The Board of Directors proposes a dividend of SEK 1.35 per share. The Board also proposes that the current mandate to repurchase up to 10 percent of all shares in the company is prolonged. In addition the Board proposes a reduction in the Company's share capital by SEK 36,000,000 through withdrawal of 15,000,000 shares. The shares, which are proposed to be withdrawn, have been repurchased by the Company.

The Nominating Committee proposes the re-election of Bernt Magnusson (Chairman), Arne Bennborn, Jan Blomberg, Anders Lannebo, Lennart Sundén (President and CEO), Meg Tivéus and Klaus Unger as Board of Directors.

By the notice of the meeting it is also announced that proposition will be put forward to re-elect Bernt Magnusson and Björn Franzon and elect Anders Ek and Lars Otterbeck as members of the Nominating Committee.

The complete notice of the Annual General Meeting can be found on the corporate web site: [www.swedishmatch.com](http://www.swedishmatch.com), and is also enclosed.

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*Swedish Match is an international group with its head office in Stockholm. The company manufactures a broad range of products within the OTP (Other Tobacco Products) category, with smokeless tobacco as its core business along with cigars and pipe tobacco, as well as matches and lighters. The products are sold in approximately 140 countries. Sales for the year 2000 amounted to 11,533 MSEK. Swedish Match is listed on OM Stockholm Exchange (SWMA) and on NASDAQ (SWMAY).*

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# 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 Tuesday, April 24, 2001 at 4.30 p.m. (CET) in Hall K1 of the Stockholm International Trade Fairs' facility in Älvsjö ("Stockholmsmässan"), entry via the main entrance on Mässvägen 1.

## Agenda

1. Election of Chairman of the Meeting.
2. Preparation and approval of the list of shareholders entitled to vote at the Meeting.
3. Election of one or two minutes checkers who, in addition to the Chairman, shall verify the minutes.
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 as well as the consolidated financial statements and the auditors' report on the consolidated financial statements for 2000.
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 Board of Directors' proposal regarding its authorization to acquire shares in the Company.
11. The Board of Directors' proposal regarding (i) the issue by the Company of call options on repurchased shares in the Company, and (ii) the transfer by the Company of such shares in the Company in conjunction with a potential demand for redemption of call options.
12. The Board of Directors' proposal that the Company's share capital shall be reduced by way of recall of shares without repayment to the shareholders, together with the Board of Directors' proposal that the reduced amount shall be transferred to non-restricted shareholders' equity for allocation to a fund for use in accordance with a resolution passed by a General Meeting of the Company.
13. The discharge of the Board of Directors and of the President from liability for the fiscal year.
14. Determination of the number of Board members and deputy members to be elected by the Meeting.
15. Determination of the fees to be paid to the Board of Directors.
16. Election of Board members and deputy members.
17. Proposed changes to § 6 of the Company's Articles of Association.
18. Proposed changes to the Instruction for Swedish Match AB's Nominating Committee.
19. Election of members of the Nominating Committee.

20. Any other business.

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The Nominating Committee elected at the Annual General Meeting 2000 proposes the following:

**Item 14:** As previously, 7 ordinary members and no deputy members.

**Item 15:** The fees to the Board members are proposed to be paid as follows for the period until the close of the next Annual General Meeting: The Chairman shall receive SEK 550,000 and the other Board members elected by the Meeting shall each receive SEK 225,000, with the exception that no fees shall be paid to Board members who are employees of the Swedish Match Group.

**Item 16:** Re-election of Arne Bennborn, Jan Blomberg, Bernt Magnusson, Lennart Sundén, Meg Tivéus, Klaus Unger and Anders Lannebo.

**Item 18:** It is proposed that the Instruction for the Nominating Committee be changed so that (i) the Nominating Committee will consist of a minimum of 3 members and a maximum of 4 members, and (ii) the notice of the first meeting after each Annual General Meeting is given by the Chairman of the Board of Directors.

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**Item 1:** Ingemar Mundebo will be proposed to be elected Chairman of the Meeting.

**Item 9:** The Board of Directors proposes that SEK 25,000,000 be allocated to the statutory reserve, that a dividend be paid to the shareholders in the amount of SEK 1.35 per share and that the remaining profits be carried forward. April 27, 2001 is proposed as the record date for entitlement to receive a cash dividend. Payment of the dividend is expected to occur through VPC AB (Swedish Securities Register Center) on May 3, 2001.

**Item 10:** The Board of Directors proposes that it be authorized to decide, prior to the next Annual General Meeting, 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. The shares shall be acquired on the OM Stockholm Exchange 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. The purpose of the repurchase is primarily to enable the Company's capital structure to be adjusted and to cover the allocation of options as part of the Company's rolling options programme.

The options programme, which was launched in early 1999, comprises for 2000, 47 senior Company officials, and the allocation of options is linked to the total stock return by the Swedish Match share in comparison with the total stock return by a selection of other companies in the industry, and to Earnings Per Share.

The Board of Directors further proposes that it be authorized to use repurchased shares as financing in conjunction with future acquisitions.

The resolutions of the Meeting with regard to item 10 are contingent upon being supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

**Item 11:** The Board of Directors proposes that the Meeting resolve to allow the Company to issue up to 2,158,537 call options to a combined value of SEK 8,850,000, which corresponds to the value of options allocated in accordance with the Company's options programme for 2000. The options shall be allocated to certain senior Company officials, with a minimum of 15,732 options and a maximum of 146,341 options per person. The options can be used to buy shares during the period March 15, 2004 – March 15, 2006 at a redemption price of SEK 44.50. The options' terms and conditions were established on the basis of the average price of the Swedish Match share on the OM Stockholm Exchange during the period February 8, 2001 – February 21, 2001, which was SEK 37.05. The Board of Directors considers that the market value of the options, calculated in accordance with the conditions at the time when the options' terms and conditions were established, is SEK 4.10 per option, corresponding to a total value of up to SEK 8,850,000. The Board of Directors further proposes, with divergence from the shareholders' preferential right, that the Company be permitted to transfer a maximum of 2,158,537 shares in the Company at the sale price of SEK 44.50 per share in conjunction with demands for the redemption of the call options.

The number of shares and the sales price of the shares in the resolutions of transfer with regard to item 11, may be changed as a consequence of, inter alia, a bonus issue of shares, a combination or split of shares, new share issue, reduction of the share capital or any similar measure.

The resolutions of the Meeting with regard to item 11 are contingent upon being supported by shareholders representing at least nine-tenths of the votes cast and nine-tenths of the shares represented at the Meeting.

**Item 12:** The Board of Directors proposes a reduction in the Company's share capital by SEK 36,000,000 through withdrawal of 15,000,000 shares in the Company. The shares in the Company which are proposed to be withdrawn have been repurchased by the Company in accordance with the authorization by the Extraordinary General Meeting on October 27, 2000.

The resolutions of the Meeting with regard to item 12 are contingent upon being supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

**Item 17:** The Board of Directors proposes that § 6 of the Articles of Association reads as follows: "With the exception of Board members who may be elected in another way for statutory reasons, the Board of Directors shall consist of a minimum of 5 members and a maximum of 10 members, elected at the Annual General Meeting for the period through the closing of the next Annual General Meeting."

**Item 19:** The following members of the Nominating Committee will be proposed: Re-election of Bernt Magnusson and Björn Franzon and new election of Anders Ek and Lars Otterbeck.

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Full details of the Board of Directors' proposed resolutions under items 10, 11, 12 and 17 will be available at Swedish Match's Head Office (Legal Department) at Rosenlundsgatan 36 in Stockholm, Sweden, as of April 10, 2001.

### **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 VPC AB (Swedish Securities Register Center) on April 12, 2001 and who advise Swedish Match no later than 4:00 p.m. (CET) on Thursday, April 19, 2001 of their intention to participate. A shareholder who wants to be accompanied by one or two assistants shall advise Swedish Match within the appointed time.

### **Notice of participation**

Notice of participation may be given in writing to Swedish Match AB, Legal Department, SE-118 85 Stockholm, Sweden, by telephone +46-8-658 53 62, by telefax +46-8-720 76 56, or via the internet: [www.swedishmatch.com/stamman](http://www.swedishmatch.com/stamman).

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

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**

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 12, 2001.

The entrance to the premises of the Annual General Meeting will be opened at 3.00 p.m.

Light refreshments will be served.

Stockholm in March 2001  
By order of the Board of Swedish Match AB  
Bo Aulin, Secretary of the Board