

The Depository Trust Company

IMPORTANT

B#: 3213

DATE: March 28, 2002

TO: All participants

CATEGORY: Dividends

FROM: Lucy DiPaolo, Supervisor, Dividend Department

ATTENTION: Operations, Reorg, Dividend Managers, Partners & Cashiers

SUBJECT: TaxRelief - Country: Sweden
Swedish Match AB CUSIP:870309507
Record Date: 04/26/02 Payable Date: 05/13/02
EDS Cut-off: 04/29/02 - by 3:00 PM (EST)

*****WARNING TIME CRITICAL*****

DTC has been notified by The Bank of New York that qualified U.S. beneficial owners, as defined in the double taxation convention between the United States and Sweden, are entitled to a reduced tax treaty of 15% rather than the statutory withholding tax rate of 30% for this distribution. All non-U.S. citizens are subject to the unfavorable 30% rate.

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) to certify all or a portion of their position entitled to the favorable withholding tax rate.

NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS APRIL 29, 2002.

Please be aware that April 29, 2002 by 3:00 pm EST will be the only time period available to certify for tax elections via EDS.

By certifying for the applicable withholding rate, the participant is certifying that the criteria listed below have been met:

1. The participant has determined that the beneficial owner is a resident of the United States, (eligible for the 15% rate of withholding on dividend income) and does not carry on business in Sweden through a permanent establishment in respect of which the dividend paid is effectively connected.

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2. The participant shall provide ownership information within two weeks of a receipt of a request from the Swedish Director of Taxes; such as the beneficial owner's name, the entire address, the country of residence, (i.e.- the country where the beneficial owner is resident for tax purposes), date of birth, tax identification number (for an individual, social security number), as well as the number of shares for which the reduced rate of withholding tax was certified, the rate that was applied, and any other information that the tax authorities may reasonably request.
3. The participant will indemnify Swedish Match, as a Depositary (and its local custodian) for any liability The Bank of New York may incur as a result of reliance upon information provided by such participant in connection with the treaty rate information. The participant agrees to return any funds erroneously received (including any interest, penalties, and additions to tax thereon).
4. The participant will be liable for any foreign exchange fluctuations impacting the amount of refunds or claims with the Swedish tax authorities.

NOTE: IF PARTICIPANTS DO NOT CERTIFY THROUGH EDS FOR THE FAVORABLE RATE, THEY WILL RECEIVE THE DIVIDEND WITH 30% WITHHELD.

(Swedish residents may not benefit from the favorable rate program).

Participants who fail to meet the EDS deadline or have other beneficial holders that are not eligible for the EDS process for whom they wish to file a reclaim may use DTC's **TaxReclaimSM** form preparation service, available by using the Tax Reclaim System (TAXR) function over PTS. **TaxReclaimSM** is DTC's proprietary withholding tax form preparation service that calculates reclaim entitlements and prepares the standard tax reclamation form for filing with the foreign taxing authorities or other designated agent. To enroll in **TaxReclaimSM**, please contact your Relationship Manager.

Non-U.S. holders and U.S. holders who failed to elect over EDS should contact Rhonda Belgrave 646-885-3172 for more information.

Questions regarding this Important Notice may be directed to Mr. Frederick Ceraso or myself of DTC's Dividend Department at (212) 855-4784 or 4531 respectively.