

FINAL TERMS

19 February, 2007

SWEDISH MATCH AB (PUBL)

**Issue of SEK 500,000,000 4.600 per cent. Notes due 2012
under the €1,000,000,000
Global Medium Term Note Programme**

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be delivered as such for the purpose of the Conditions set forth in the Offering Circular dated 28 April 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. Copies of the Offering Circular may be obtained from the registered office of the Issuer and the specified office of the Paying Agent for the time being in London. In addition, copies of the Offering Circular will be available at the website of the Regulatory News Service operated by the London Stock Exchange.

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| 1. | Issuer: | Swedish Match AB (publ) |
| 2. | (i) Series Number: | 14 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Swedish Krona ("SEK") |
| 4. | Aggregate Nominal Amount: | |
| | – Tranche: | SEK 500,000,000 |
| | – Series: | SEK 500,000,000 |
| 5. | Issue Price of Tranche: | 99.869 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | SEK 1,000,000 |
| 7. | (i) Issue Date: | 21 February, 2007 |
| | (ii) Interest Commencement Date: | 21 February, 2007 |
| 8. | Maturity Date: | 21 February, 2012 |
| 9. | Interest Basis: | 4.600 per cent. Fixed Rate |

(further particulars specified below)

10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis or Redemption/ Payment Basis: Not Applicable
12. Put/Call Options: Investor Put
(further particulars specified in the Appendix)
13. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions Applicable
- (i) Rate(s) of Interest: 4.600 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 21 February in each year up to and including the Maturity Date
- (iii) Fixed Coupon Amount (s): SEK 46,000 per SEK 1,000,000 in nominal amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: 30/360
- (vi) Determination Date(s): 21 February in each year
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: None
15. Floating Rate Note Provisions Not Applicable
16. Zero Coupon Note Provision Not Applicable
17. Index Linked Interest Note Provisions Not Applicable
18. Dual Currency Interest Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

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| 19. | Issuer Call | Not Applicable |
| 20. | Investor Put: | Applicable – see Appendix hereto |
| 21. | Final Redemption Amount of each Note: | SEK 1,000,000 per Note of SEK 1,000,000 Specified Denomination |
| 22. | Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8(e)): | Condition 8(e) apply |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 23. | Form of Notes: | Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event. |
| 24. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Not Applicable |
| 25. | Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): | No. |
| 26. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 27. | Details relating to Instalment Notes: | Not Applicable |
| | Instalment Amount(s): | Not Applicable |
| | Instalment Date(s): | Not Applicable/give details |

28. Redenomination applicable: Redenomination Not Applicable
29. Other final terms: Not Applicable

DISTRIBUTION

30. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager (if any): Not Applicable
31. If non-syndicated, name of relevant Dealer: Skandinaviska Enskilda Banken AB (publ)
32. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
33. Additional selling restrictions: Not Applicable

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. Signed on behalf of the Issuer:

By:

Duly authorised

Magnus Heimborg
Swedish Match AB


Bertil Raihle

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: None
- (ii) Admission to trading: Not Applicable.
- (iii) Estimate of total expenses related to admission to trading: Not Applicable

2. RATINGS

Ratings: The Notes to be issued have been rated:

S & P: BBB+
Moody's: Baa1

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: As per "Use of Proceeds" in Offering Circular.

(ii) Estimated net proceeds: SEK 499,345,000

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: Not Applicable

6. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0288175762
- (ii) Common Code: 028817576
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable

- (iv) Delivery: Delivery against payment
- (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

APPENDIX

For the purposes of this issue the Conditions shall be deemed amended by the deletion of Condition 8(d) (Redemption at the option of the Noteholders (Investor Put)) and the substitution therefor of the following wording:

If at any time while any Note remains outstanding there occurs a Change of Control and, within the Change of Control Period, a Rating Downgrade occurs as a result of that Change of Control or as a result of a Potential Change of Control (a **Put Event**), the holder of each Note will have the option (the **Put Option**) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 8(b)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note on the Optional Redemption Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

A **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the board of directors or senior management of the Issuer) that any person (**Relevant Person**) or persons acting in concert or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquires, (A) more than 50 per cent. of the issued ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall not be deemed to have occurred if the shareholders of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control were, all of the shareholders of the Issuer.

Change of Control Period means:

- (a) the period commencing on the date of the first public announcement of the relevant Change of Control and ending on the date which is 180 days thereafter (inclusive) provided that:
 - (i) a Rating Downgrade occurs during that period; and
 - (ii) such Rating Downgrade results from a Change of Control; or
- (b) the period commencing 180 days prior to the date of the first public announcement of the relevant Change of Control and ending on the date of such announcement (inclusive) provided that:
 - (i) a Rating Downgrade occurs during that period; and
 - (ii) such Rating Downgrade results from a Potential Change of Control.

Investment Grade Rating means a rating of BBB- by S&P or Baa3 by Moody's or their equivalent for the time being, or better.

Potential Change of Control means any public announcement or statement by the Issuer or any actual or potential bidder relating to any potential Change of Control.

Rating Agency means each of Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**) and Moody's Investors Service Limited (**Moody's**) and

their successors or any other rating agency of equivalent international standing requested from time to time by the Issuer to assign a rating to the Notes.

A **Rating Downgrade** shall be deemed to have occurred as a result of a Change of Control or as a result of a Potential Change of Control if within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency is (x) withdrawn or (y) changed from an Investment Grade Rating to a non Investment Grade Rating (BB+ by S&P/Ba1 by Moody's, or their equivalent for the time being, or worse) or (z) (if the rating previously assigned to the Notes by any Rating Agency was below an Investment Grade Rating) lowered one full rating category (for example, from BB+ to BB by S&P or Ba1 to Ba2 by Moody's or such similar lower or equivalent rating), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall only be deemed to have occurred as a result of a particular Change of Control or Potential Change of Control, as the case may be, if in making the relevant change in rating referred to above, the relevant Rating Agency publicly announces or publicly confirms or confirms in writing to the Issuer that such change in rating resulted, in whole or in part, from the occurrence of the Change of Control or the Potential Change of Control, as the case may be.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 15 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 8(d).

To exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition 8(d) the holder of that Note must, if the Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver such Note, on any Payment Day (as defined in Condition 7) in the city of the specified office of the relevant Paying Agent falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Put Option Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 8(d). The Note should be delivered together with all Coupons appertaining thereto maturing after the date (the **Optional Redemption Date**) which is the seventh day after the last day of the Put Period, failing which an amount will be deducted from the payment to be made by the Issuer on redemption or, as the case may be, purchase of the Notes corresponding to the aggregate amount payable in respect of such missing Coupons.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 8(d) the holder of the Note must, within the Put Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

The Paying Agent to which such Note and Put Option Notice are delivered will issue to the holder concerned a non-transferable receipt (a **Put Option Receipt**) in respect of the Note so delivered or, in the case of a Global Note or Note in definitive form held through Euroclear or Clearstream, Luxembourg, notice so received. The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) the Notes in respect of which Put Option

Receipts have been issued on the Optional Redemption Date, unless previously redeemed and purchased. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Option Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and in every other case on or after the Optional Redemption Date, in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Paying Agent in accordance with the provisions of this Condition 8(d).