

FINAL TERMS

22 September 2016

SWEDISH MATCH AB (PUBL)

**Issue of €300,000,000 0.875 per cent. Notes due 2024
under the €1,500,000,000
Global Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 30 August 2016 and the supplement to it dated 9 September 2016 (the **Offering Circular**) which together constitute a base prospectus for the purposes of 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. The Offering Circular has been published on the website of the London Stock Exchange through a regulatory information service (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

- | | | |
|-----|--|---|
| 1. | Issuer: | Swedish Match AB (publ) |
| 2. | (i) Series Number: | 40 |
| | (ii) Tranche Number: | 1 |
| | (iii) Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 3. | Specified Currency or Currencies: | Euro (€) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Tranche: | €300,000,000 |
| | (ii) Series: | €300,000,000 |
| 5. | Issue Price of Tranche: | 99.341 per cent. of the Aggregate Nominal Amount |
| 6. | (i) Specified Denominations: | €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000 |
| | (ii) Calculation Amount: | €1,000 |
| 7. | (i) Issue Date: | 23 September 2016 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 23 September 2024 |
| 9. | Interest Basis: | 0.875 per cent. Fixed Rate
(see paragraph 14 below) |
| 10. | Redemption Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the |

		Maturity Date at 100 per cent. of their nominal amount
11.	Change of Interest Basis:	Not Applicable
12.	Put/Call Options:	Change of Control Put Issuer Call (see paragraphs 17 and 19 below)
13.	Date Board approval for issuance of Notes obtained:	5 September 2016

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	Applicable
	(i) Rate(s) of Interest:	0.875 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	23 September in each year, commencing on 23 September 2017, up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s):	€8.75 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Determination Date(s):	23 September in each year
15.	Floating Rate Note Provisions	Not Applicable
16.	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17.	Issuer Call	Applicable
	(i) Optional Redemption Date(s):	Any Business Day (as defined in Condition 5(b)) from and including 23 June 2024 to but excluding the Maturity Date
	(ii) Optional Redemption Amount	€1,000 per Calculation Amount
	(iii) If redeemable in part	Not Applicable
18.	Investor Put	Not Applicable
19.	Change of Control Put	Applicable
20.	Final Redemption Amount	€1,000 per Calculation Amount
21.	Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default:	€1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|--|---|
| 22. | Form of Notes | Bearer Notes |
| | | Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes only upon an Exchange Event. |
| | | Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005. |
| 23. | Additional Financial Centre(s) | Not Applicable |
| 24. | Talons for future Coupons to be attached to Definitive Bearer Notes: | No |

Signed on behalf of Swedish Match AB (publ):

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority with effect from 23 September 2016.
- (ii) Estimate of total expenses related to admission to trading: £3,650

2. RATINGS

- Ratings The Notes to be issued are expected to be rated:
- Moody's Investors Service Ltd: Baa2
- Standard & Poor's Credit Market Services Europe Limited: BBB
- Each of Moody's Investors Service Ltd and Standard & Poor's Credit Market Services Europe Limited is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

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

Save for any fees payable to Deutsche Bank AG, London Branch and Skandinaviska Enskilda Banken AB (publ) (the **Managers**), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. YIELD

- Indication of yield: 0.961 per cent. per annum
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- (i) ISIN: XS1493333717
- (ii) Common Code: 149333371
- (iii) Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable

(iv) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

(v) Registrar: Not Applicable

6. DISTRIBUTION

U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D