

Press release

Nasdaq Stockholm: SWMA

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11 March, 2016

Swedish Match comments on the exercise in part of the overallotment option in connection with the IPO of STG

Scandinavia Tobacco Group (STG) has announced that part of the overallotment option in connection with the initial public offering (IPO) of STG has been exercised. After this exercise, Swedish Match will hold¹ 31.1 percent of STG.

The overallotment option granted in the IPO of STG has fallen due and STG has announced that part of the option has been exercised. The additional number of shares being sold in the IPO as a consequence of the exercise of part of the overallotment option are sold at the offer price of 100 DKK per share and shall be sold on equal basis by the selling shareholders. After settlement between the shareholders following this exercise, Swedish Match's shareholding in STG will be reduced by 130,094 shares and Swedish Match will hold 31.1 percent of STG (31,069,906 shares).

For more detailed information and a copy of STG's press release on this subject, please visit www.st-group.com.

¹ Through Swedish Match Cigars Holding AB.

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Stabilisation/FCA

The Joint Global Coordinators, the Joint Bookrunners and the Co-lead Manager and their affiliates are acting exclusively for Scandinavian Tobacco Group A/S and the selling shareholders and no one else in connection with the contemplated IPO. They will not regard any other person as their respective client in relation to the contemplated IPO and will not be responsible to anyone other than Scandinavian Tobacco Group A/S and the selling shareholders for providing the protections afforded to their respective clients, nor for providing advice in relation to the contemplated IPO, the contents of this communication or any transaction, arrangement or other matter referred to herein.

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Matters discussed in this communication may constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and anticipated or planned financial and operational performance and can be identified by words such as “targets,” “believes,” “expects,” “aims,” “intends,” “plans,” “seeks,” “will,” “may,” “might,” “anticipates,” “would,” “could,” “should,” “continues,” “estimate” or similar expressions. The forward-looking statements in this communication are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Scandinavian Tobacco Group A/S believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this communication by such forward-looking statements.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice.

Contacts:

Lars Dahlgren, President and Chief Executive Officer
Office +46 8 658 0441

Marlene Forsell, Senior Vice President and Chief Financial Officer
Office +46 8 658 0489

Emmett Harrison, Senior Vice President Investor Relations and Corporate Sustainability
Office +46 8 658 0173

The character of this information is such that it shall be disclosed by Swedish Match AB (publ) in accordance with the Swedish Securities Markets Act. The information was disclosed to the media on 11 March, 2016 at 8.45 a.m. (CET).

Swedish Match develops, manufactures, and sells quality products with market-leading brands in the product areas Snus and moist snuff, Other tobacco products (cigars and chewing tobacco), and Lights (matches, lighters, and complementary products). Production is located in six countries, with sales concentrated in Scandinavia and the US. The Group's global operations generated sales of 14,486 MSEK for the twelve month period ending 31 December 2015. The Swedish Match share is listed on Nasdaq Stockholm (SWMA).

Swedish Match's vision is a world without cigarettes. Some of its well-known brands include: *General, Longhorn, White Owl, Red Man, Fiat Lux, and Cricket.*

Swedish Match AB (publ), SE-118 85 Stockholm, Sweden
Visiting address: Sveavägen 44, 8th Floor. Telephone: +46 8 658 0200
Corporate Identity Number: 556015-0756
www.swedishmatch.com