



This Offer is not being made, and this press release may not be distributed, neither directly nor indirectly, in or into, and no acceptance forms will be accepted if submitted by or on behalf of shareholders in, the United States of America, Australia, Hong Kong, Japan, Canada, New Zealand or South Africa, or any other country where the making of the Offer, distribution of this press release or acceptance of the Offer would be in violation of applicable laws or rules, or would require any additional offer document to be prepared or registration to be effected, or any other measures to be taken other than those required under Swedish law. Shareholders are referred to take part of the restrictions related to the Offer set out in the section "Important notice" at the end of this press release and in the offer document which will be published.

This is an English translation of the Swedish version of the press release. In case of any discrepancy between the Swedish and English versions, the Swedish version shall govern.

Press Release, 25 January 2017

Axfood to execute its offer to the shareholders of Matse Holding

On 15 December 2016 Axfood Aktiebolag (publ) ("**Axfood**") announced a cash offer to the shareholders of Matse Holding AB (publ) ("**Matse**") to acquire all of the shares in Matse ("**the Offer**"). The offer document pertaining to the Offer was made public on 20 December 2016.

- The Offer has been accepted to such extent that Axfood, after executing the Offer, together with shares that Axfood has acquired outside of the Offer, will hold approximately 98.9 per cent of the shares and votes in Matse.
- As all of the conditions for the execution of the Offer have been fulfilled, Axfood has declared the Offer unconditional and will execute the Offer.
- Reporting of payment to shareholders who have accepted the Offer up to and including the final day of the Acceptance Period is expected begin on 30 January 2017. The Acceptance Period expired on 23 January 2017 and will not be extended.

Acceptances under the Offer and Axfood's holding in Matse

Through 23 January 2017, 25,922,904 shares in Matse were relinquished through acceptances of the Offer, corresponding to approximately 79.6 per cent of the shares and votes in Matse.

In addition, outside of the Offer Axfood acquired 3,106,300 shares in Matse pursuant to a Share Transfer Agreement (at terms corresponding to the Offer), corresponding to approximately 9.5 per cent of the shares and votes in Matse.¹ Further, through 23 January 2017 Axfood acquired 3,179,010 shares in Matse on Nasdaq First North (at prices that do not exceed the price set forth in the Offer), corresponding to approximately 9.8 per cent of the shares and votes in Matse.

After execution of the Offer and through the above-described acquisitions outside of the Offer, Axfood will hold a combined total of 32,208,214 shares in Matse, corresponding to approximately 98.8 per cent of the shares and votes in Matse.

Further, Axfood has entered into agreements to acquire all 458,438 warrants 2016/2019 in Matse. The agreements are conditional upon Axfood declaring the Offer unconditional, and the acquisition of the warrants will now be executed.

Beyond what is indicated above, Axfood neither owns nor controls shares in Matse at the end of the Acceptance Period, nor does Axfood hold any other financial instruments in Matse that entail any financial exposure corresponding to a holding of shares in Matse.

¹ As previously communicated, shareholders with holdings of a combined total of 27,093,272 shares in Matse (corresponding to approximately 83.2 per cent of the total number of shares and votes) preliminarily committed themselves to accepting the Offer. Of these shares, Axfood thereafter acquired 3,106,300 shares outside of the Offer (corresponding to 9.5 per cent of the shares and votes in Matse).



In summary, Axfood thus controls – through acceptances under the Offer and through acquisitions or agreements to acquire shares outside of the Offer – a combined total of 32,208,214 shares and 458,438 warrants in Matse, corresponding to approximately 96.3 per cent of the total number of shares in Matse after full dilution.²

The Offer is declared unconditional and will be executed

Execution of the Offer is conditional upon, among other things, that the Offer is accepted to such extent that Axfood becomes the owner of shares representing more than 90 per cent of the total number of shares outstanding in Matse after dilution. The condition for a set level of acceptances has been fulfilled in accordance with what is stated above.

As previously communicated, the Swedish Competition Authority has decided to take no further action with respect to Axfood's planned acquisition of Matse. The condition for execution of the Offer that Axfood receives the necessary regulatory clearance has thus also been fulfilled.

All of the other conditions for execution of the Offer have also been fulfilled.

Axfood thus declares the Offer unconditional and that it will execute the Offer.

Acceptance Period and reporting of payment

The Acceptance Period expired on 23 January 2017 and will not be extended.

Reporting of payment to shareholders who have accepted the Offer up to and including the final day of the Acceptance Period is expected to begin on 30 January 2017.

Compulsory redemption and delisting

Axfood intends to initiate compulsory redemption proceedings in accordance with the Swedish Companies Act for the purpose of acquiring the remaining shares in Matse and to promote a delisting of Matse's shares from Nasdaq First North.

Axfood may acquire additional shares in Matse on the market.

Additional information

Additional information about the Offer is available on Axfood's website (www.axfood.se).

For press enquiries, please contact: Cecilia Ketels, Head of Investor Relations, +46 72 23 606 43.

Axfood provides the information in this press release in accordance with the Swedish Corporate Governance Board's Takeover Rules. The information was submitted for publication at 07.30 CET on 25 January 2017.

Axfood in brief

Axfood is active in the food retail trade. Axfood conducts food retail and wholesale business in Sweden. The Axfood Group includes the store chains Willys and Hemköp. Hemköp also includes proprietor-run stores, and Axfood Närlivs collaborates with Tempo, Handlar' n and Direkten. Axfood Närlivs also supplies convenience retailers. B2B sales are conducted through the Axfood Snabbgross chain. Dagab is responsible for the Group's assortment development, purchasing and logistics. In all, Axfood has 264 Group-owned stores and approximately 820 collaborating stores. In 2015 Axfood's total sales amounted to SEK 41,247 million, with an operating profit of SEK 1,760 million and an operating margin of 4.3 per cent, with 8,803 employees. During the interim period January to September 2016, Axfood had sales of SEK 32,239 million and an operating profit of SEK 1,501 million, corresponding to an operating margin of 4.7 per cent. Axfood is listed on Nasdaq Stockholm, and the principal owner is Axel Johnson Aktiebolag, with 50.1 per cent of the shares and votes. For further information, visit www.axfood.se.

² Matse has 32,583,333 shares outstanding, 458,438 warrants 2016/2019 and 864,800 warrants 2014/2017.



Important notice

The Offer is not being made to persons whose participation in the Offer would require any additional offer document to be prepared or registration to be effected, or any other measures to be taken other than those required under Swedish law. Shareholders not residing or incorporated in Sweden, wishing to accept the Offer, must evaluate applicable legislation.

*This press release and other documentation relating to the Offer will not be distributed and must not be sent by regular mail or be distributed in any other way or be sent in or into the United States of America, Australia, Hong Kong, Japan, Canada, New Zealand or South Africa or any other country where it would be required to take any additional measures or where it would be in violation of applicable laws in such country ("**Restricted Jurisdictions**"). Axfood will not authorise or approve any such distribution. If someone seeks to accept the Offer as a result of the direct or indirect breach of these restrictions, the accept may be disregarded.*

The Offer is not being made, neither directly nor indirectly, in any Restricted Jurisdiction by use of regular mail, any means of communication used in national and international commerce, or any other means of communication (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) in any Restricted Jurisdiction, and the Offer cannot be accepted in any such manner or by use of any such means of communication in or from any Restricted Jurisdiction. Neither this press release nor any documentation relating to the Offer will be, and must not be, sent or otherwise distributed in or into any Restricted Jurisdiction.

Information in this press release relating to future status or circumstances, including information regarding future performance, growth and other trend projections and consequences of the Offer, constitute forward-looking information. Such information may include the use of words such as "anticipates", "intends", "expects", "believes", or similar expressions. Forward-looking information involves risk and uncertainty as it relates to events and is dependent on circumstances that are to occur in the future. Future circumstances may materially differ from what has been expressed or implied in the forward-looking information due to many factors, many of which are outside the control of Axfood and Matse. Axfood has no obligation (and undertakes no such obligation) to update or revise any such forward-looking information due to changed expectations or changed events or circumstances, except for in accordance with applicable laws and regulations.