



## **PRESS RELEASE**

**December 17, 1997**

### **Swedish Match enter into match business in India**

**Swedish Match has entered into an agreement for the acquisition - at a cost of approximately 7 MUSD - of a controlling interest in two Singaporean investment companies, owned by the Jatia Group, which will give Swedish Match joint management control over Wimco Limited. The two investment companies own, in aggregate, 38.6% of the paid up equity capital of Wimco, and are the largest shareholders in that company.**

According to Wimco's latest published annual accounts (for the year ended March 31, 1997), the company's turnover amounted to Rs 2.079 million (c. MSEK 450) and Profit after tax of Rs 93 million (c. MSEK 20). Swedish Match and the Jatia Group will make a joint public offer for up to 20% of the shares of Wimco to the public shareholders, in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Take-overs) Regulation, 1997.

The agreement and the public offer are based on a price of Rs 35 per share, corresponding to a total offer of slightly more than 5 MUSD. A formal public announcement to this effect has been made on December 17th, 1997.

The aim of the joint venture is the development, on the Indian market, of Swedish Match's product range, by bringing together Wimco's existing market presence, the local knowledge and experience of the Indian joint venture partners and the product know-how of Swedish Match.

This venture represents the latest step in Swedish Match's endeavours to establish itself on the World's largest fast-growing emerging markets.

The Wimco agreement has particular historic significance for Swedish Match, in that Wimco was originally founded by Swedish Match in 1923, and remained under its control until 1991, when its interest was divested to the present joint venture partner.

Wimco is a public company, listed on the Bombay Stock Exchange and other Indian stock exchanges. It is the leading manufacturer and distributor of matches in India and, with a production capacity of some 5 billion match boxes, is the largest single match manufacturing company in the world. It is the only fully merchandised match producer in India, and also has one of the most extensive distribution networks for consumer products in India.

Swedish Match is a company specialised in Matches, Lighters and Tobacco products with a turnover of approximately MSEK 7.500. Swedish Match is a listed company both at the Stockholm Stock Exchange and at the Nasdaq Stock Exchange, in New York.

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